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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
1987-88

(TWENTY SIXTH REPORT)

REPORT
ON THE

Report of the
Comptroller and Auditor General of India
for the year 1982-83
(Civil and Revenue Receipts)



HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH

1988

(Presented to the House on.....)

29 MAR 1989

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

1. Shri Hira Nand Arya

MEMBERS

2. Shri Bhagi Ram
3. Smt. Kamla Verma
4. Shri Lachhman Singh Kamboj
5. Shri O. P. Bhardwaj
6. Shri Ran Singh
7. Shri Shiv Parshad
8. Shri Tek Chand
9. Smt. Vidya Beniwal
10. Shri Vasudev Sharma
11. Shri Kishan Singh
12. Shri Buta Singh
13. Shri Des Raj
14. Shri Sardul Singh

SECRETARIAT

- | | |
|-------------------------|------------------|
| 1. Shri G. L. Batra | Secretary |
| 2. Shri Chander Parkash | Deputy Secretary |

*Resigned from the membership of the Committee w.e.f. 21st July, 1987 on his appointment as Chief Parliamentary Secretary and in the vacancy caused by the resignation of Shri Ran Singh, Shri Vasudev Sharma was nominated w.e.f. 28th July, 1987.

*Resigned from the membership of the committee w.e.f. 12th August, 1987 on his appointment as Cabinet Minister.

*Resigned from the membership of the Committee w.e.f. 2nd September, 1987 on her appointment as Cabinet Minister.

*Savshri Bhagi Ram and Lachhman Singh Kamboj, MLAs resigned from the membership of the Committee w.e.f. 14th September, 1987 on their appointment as Parliamentary Secretaries

Consequent upon the resignations of Shri O. P. Bhardwaj and Smt. Kamla Verma, MLAs on their appointment as Cabinet Ministers and Savshri Bhagi Ram and Lachhman Singh Kamboj, MLAs on their appointment as Parliamentary Secretaries, Savshri Kishan Singh, Buta Singh, Des Raj and Sardul Singh, MLAs were nominated to serve on the Committee for the remaining period of the year 1987-88.

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this twenty sixth Report on the Report of the Comptroller and Auditor General of India for the year 1982-83 (Civil and Revenue Receipts).

2. The Committee, during the period of their tenure, framed questionnaire on the following :

(i) Report of the Comptroller and Auditor General of India for the year 1983-84 (Civil), relating to the following departments:—

1. Co-operation
2. Medical and Health
3. Social Welfare
4. Agriculture/Development
5. Irrigation
6. Printing and Stationery
7. Welfare of Scheduled Castes and Backward Classes

(ii) Report of the Comptroller and Auditor General of India for the year 1984-85 (Revenue Receipts) relating to the following departments:—

1. Excise and Taxation
2. Industries
3. Co-operation
4. Irrigation
5. Transport
6. Revenue
7. P. W. D. (B & R)
8. P. W. D. (P. H.)

3. The previous Committee framed questionnaires partly on the Report of the Comptroller and Auditor General of India for the year 1983-84 (Civil and Revenue Receipts) examined the Report of the Comptroller and Auditor General of India for the year 1982-83 (Civil and Revenue Receipts) and also conducted the oral examination of the representatives of the various concerned departments but could not finalise its report on the basis of examination conducted by the Committee due to paucity of time.

4. A brief record of the proceedings of the meetings of the Committee has been kept in the Haryana Vidhan Sabha Secretariat.

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5. The Committee place on record their appreciation of the valuable assistance rendered to them by the Accountant General, Haryana and his staff and are thankful to the Secretary to the Government, Haryana, Finance Department and the representatives of various departments who appeared for oral evidence before them from time to time during the period of their tenure. The Committee are also thankful to the Secretary, Haryana Vidhan Sabha and his staff for the whole hearted cooperation and assistance given by them to the Committee.

Chandigarh

The 19th January, 1988

HIRA NAND ARYA

Chairman

PART I (CIVIL)

REPORT

GENERAL

(1) The present Public Accounts Committee was nominated by the Hon'ble Speaker vide Notification No. PAC-14/87/42, dated the 14th July, 1987.

(2) The Committee held 67 meetings in all at Chandigarh and other places upto 8-3-1988.

PRINTING AND STATIONERY DEPARTMENT

7.49 Loss due to fire

[3] For the prevention of fire (untoward incidents to the stocks of papers in Government Printing Presses/godowns, Controller, Printing and Stationery issued standing instructions (August 1981) that the electricity fittings be fully covered and the main switch be put out before daily closing of presses/godowns.

On 29th October, 1982 (around 7 p.m.) a fire was noticed in godown No. 2 of the Government Printing Press Madhuban wherein paper and other goods valuing Rs. 6.22 lakhs were stored. The fire was brought under control on the next day at about 7 a.m. with the help of three units of the fire brigade

The Department assessed that goods (valuing Rs. 0.52 lakh) were completely burnt and paper (valuing Rs. 4.75 lakhs) had been partly burnt as a result of fire. The balance paper (valuing Rs. 0.95 lakh) was found intact. As per report of the Fire Station Officer, Karnal (31st October 1983) the fire was caused due to "short circuit" which indicated that the instructions of the Controller, Printing and Stationery for putting out the main switch before the closing of the godown for the day were not followed.

The matter was reported to the Police on 31st October, 1982 and is under investigation (March 1983). Departmental action has not been initiated so far (March 1983).

The matter was reported to Government in May 1983; reply is awaited (November 1983).

The department in their written replies to the questionnaires of the Committee stated as under :—

"The standing instructions of the Controller, Printing and Stationery in his office order No. P&SH-81/4070-78/Admn. dated 21-8-81 regarding prevention of fire were mainly two —

- (a) That the main switch of the store must be put off when the electricity is not needed.
- (b) There must be proper arrangements for fire extinguishers in the stores

While analysing whether the standing instructions of Controller, Printing and Stationery were followed or not these two points are separately dealt with.

- (a) Regarding the instructions to put off the main switch when electricity is not needed

It is submitted that while the report of the fire Station Officer, Karnal states that the fire was caused due to short circuit, the

Enquiry report of the Vigilance department, states that the short circuit was not the reason for fire. Even if short circuit is regarded as the reason for fire the explanation of the Electrician, Shri Surinder Pal Sharma clearly brings out that the standing instruction of the Controller, Printing and Stationery were being followed and the main switch of the store was put on only when it was needed by the store keeper and it was invariably put off after office hours. The explanation of the Assistant Controller Govt. Press, Madhuban (Bal Bhawan) also supports his contention. There is, however, some evidence of the witness, which came up during Vigilance Enquiry who investigated the matter subsequently that the main switch of the store was in working order. There can, however be one reason for this contradicting statement. The main switch of the store is in the open. This building is shared by the "P & S Deptt. and the Ware Housing Corporation". The press closes down at 5 P.M.

(b) Regarding the instructions of the Controller Printing & Stationery to keep proper arrangement of fire extinguishers.

The Assistant Controller, Madhuban Press, has stated in his explanation dated 27-9-85 that there were 6 fire extinguishers of which 5 were installed in machine room. They were got filled by the Fire Brigade in February, 1979. Assistant Controller, has said in his explanation that :—

“ये यन्त्र फायर बरगेड द्वारा 2/79 को भरवाये गये थे । जैसा कि देखा गया है कि उन यन्त्रों पर तिथि आदि लिख दी जाती है ताकि वह साल बाद पुनः भरवाये जा सके, किन्तु इन पर तिथि आदि नहीं लिखी थी। दूसरा इस कार्यालय को इस का ज्ञान भी नहीं था कि उन्हें साल बाद पुनः भरवाया जाना होता है, क्योंकि फायर बरगेड द्वारा उन्हें भरने के समय कोई ऐसी जानकारी/हिदायत नहीं दी गई थी ।”

However renewed instructions have been issued in this respect recently which enjoin that :—

“प्रत्येक अधिकारी/सुपरवाइजर स्टोर-कीपर नजदीकी फायर आफिसर के कार्यालय में जाकर यह पता किया जाये कि उनके स्टोर में कितने अग्नि बुझाओं यन्त्र लगाये जाने बाँछित है, क्या उतनी सख्या मे उनके स्टोर/बाँच मे आग बुझाओं यन्त्र लगे हुए है । यदि नहीं तो तत्काल लगाये जाये । इन आग बुझाओं यन्त्रों को निर्धारित समय पर सम्बन्धित सस्था से खाली करवा कर पुनः भरवाया जाया करे” ।

It is worthwhile to mention here that as a followup of their findings the Vigilance Department, lodged an F.I.R. with Police Station Karnal, 37/52 Karnal, case No. 178/83 u/s 436 IPC which was, however, filled by the City Magistrate Karnal as would be evident from endst. No. 57/5/82 Vigilance dated 11-3-85 from the S. P. Vigilance Haryana Karnal addressed to the Commissioner & Secretary to Govt., Haryana Printing & Stationery Department, a copy of which reached this office on 1-10-85.

Keeping in view the facts that an F.I.R. was lodged in this case with the Police at Karnal it was decided by the Controller after taking legal advice from Assistant District Attorney that salvaged paper to the

tune of Rs. 4.85 lakh instead of Rs. 4.75 lakh should not be used till the case is decided by the Court. The information regarding filing of Court case has been sent to this office only on 1.10.85. Now a committee has been constituted to go ahead in the matter and submit the report expeditiously so that the salvaged paper may be put to use.

The preliminary enquiry conducted by the Vigilance Department was received vide Govt. memo No. 15/71/82-2 P&S dated 19.7.83 but the Vigilance department lodged an F.I.R. with the Police Station at Karnal which has been filed by the City Magistrate, Karnal.

In addition to the standing instructions issued vide order No. P&SH-81/4070-78/Admn. dated 21.8.1981 another standing instructions No P&SH-82/9629-53/Admn. dated 14.12.82 have been issued to all the stores and Godowns to disconnect the electricity connections from all the stores and godowns. And, accordingly all the electricity connections have been cut off from all the stores and godowns."

The Committee are not convinced either with the written reply or with the position explained to them during oral evidence. The Committee are surprised to observe that the reports/statements given by the Fire Station Officer, Karnal and the enquiry report of the Vigilance Department about the causes of fire in the store were at variance with each other. The Committee think that the statement made during oral evidence that the store caught fire because the main electric switch of the store was installed outside the building and that might have been switched on by some one because the way leading to the godown of the Press and Warehouse was common, is not free from doubt. The Committee are of the view that this statement is an after-thought and unfounded. The departmental representative, however, admitted during oral evidence that it was the responsibility of the Supervisor to check and get the fire extinguisher refilled when specific date to re-fill the extinguishers was invariably mentioned thereon. The Committee regretfully observe that in spite of clearcut caution neither the Press department nor the Fire authorities observed this requirement and as a result, the fire extinguishers remained unrefilled upto three years which explains away negligence of the department. The departmental representative however, assured the Committee during oral evidence that after investigating the matter the department would finalize the action against the officers/officials responsible for the lapse within six months.

The Committee are however constrained to observe that the department is handling the matter in a perfunctory manner and is not taking the matter seriously as even after the lapse of a number of years the matter is still hanging fire and no action has been taken so far against the officers or officials responsible for this lapse.

The Committee therefore, desire that disciplinary action against the defaulting officials be finalized expeditiously and compliance report furnished to the Committee within three months. In its subsequent reply in August 1986, the department informed the Committee that a departmental committee had been constituted to examine and review the utilisation of partly burnt paper.

The Committee desire that final outcome of the examination/review of the departmental committee be intimated to them.

LABOUR DEPARTMENT

3.9 Review on the working of Inspectorate of Factories and Steam Boilers and Control of Smoke Nuisances

1 *Introductory*

[4] With a view to looking after the safety, health, welfare of workers, to regulate payment of wages, payment of compensation for injury by accident to the workers and for investigation and settlement of industrial disputes arising in factories and certain classes of industrial establishments, Government of India has enacted the Factories Act, 1948, the Payment of Wages Act, 1936, the Workmen's Compensation Act, 1923 the Industrial Disputes Act, 1947, the Minimum Wages Act, 1948 and the Maternity Benefit Act, 1961. The State Government have framed rules under these Acts. The administration and enforcement of the Factories Act is the responsibility of the Chief Inspector of Factories, whereas the responsibility for the enforcement of other Acts is that of the Labour Commissioner.

Important points noticed in audit during test check (July-August 1983) of records in the offices of Labour-Commissioner-cum-Chief Inspector of Factories and its field offices located at Yamuna Nagar and Faridabad in the implementation of these Acts are mentioned below :—

2. Building Plans

Under the Factories Act, 1948, the plans of the buildings are required to be got approved by the Chief Inspector of Factories. There were 2,614 registered factories in the State in 1978 which increased to 4,146 by the end of 1982. A test check of 260 cases pertaining to Faridabad district revealed that the building plans had not been approved in the case of 42 operating factories for the last 1 to 11 years. Compliance of the provisions of the Act was not ensured by the department at the time of initial registration or at the time of regular inspection of the factories thus indicating a clear failure on the part of the department. The department had no record indicating the total number of units operating without approval of building plans.

3. Registration/Licence fee

As per Punjab Factory Rules, 1952, the occupier of every factory shall submit to the Chief Inspector an application in the prescribed form along with the prescribed fee depending upon the number of workers employed and horse power installed for registration and grant of licence. The licences are required to be renewed every calendar year. The licence fee accounts registers maintained by the Inspectorate were found incomplete since 1969. Information regarding the amount of fee outstanding and the number of

factories running without renewal of licence was, therefore, not ascertainable. A test check of 300 cases (Faridabad district) revealed that 43 factories were running for the last 1 to 12 years without either grant or renewal of licence. No action was taken in this regard at the Inspectorate or Directorate level.

4. Returns

As per Factory Rules, the Manager of every factory is required to furnish to the Chief Inspector on or before the 15th of January each year, annual returns in the prescribed forms indicating, *inter alia*, total number of persons employed, average number of persons employed daily, number of persons employed on dangerous operations, number of accidents occurred and welfare facilities like canteens, creches, rest rooms provided in the factories, etc. The number of factories from which the returns were due, vis-a-vis, received during the years 1978 to 1982 was as under:—

Year ending December	Number of registered factories from whom returns were			Percentage of factories not submitting returns
	Due	Received	Not received	
1978	2,614	1,286	1,328	51
1979	3,244	1,319	1,925	59
1980	3,562	1,257	2,305	65
1981	3,682	1,569	2,113	57
1982	4,146	1,151	2,995	72

Delays ranging from 1 to 4 months in submission of returns were found. The number of factories not submitting returns has been increasing year after year but no effective steps have been taken against defaulting factories except in cases where prosecution proceedings were initiated. The prosecution cases on this account even decreased from 605* in 1978 to 496* in 1982. The percentage of defaulters in submitting returns increased from 51 in 1978 to 72 in 1982 which indicates the ineffectiveness or inadequacy of the action taken in obtaining them. The department has not yet developed a system for exercising necessary checks over factories for ensuring envisaged facilities to the workers.

5. Inspection

The factories are required to be inspected by the Factory Inspectors for ensuring compliance of the provision of the Act/Rules by Factory owners. No periodicity for conducting inspection was prescribed till June 1983, when instructions were issued by the department to conduct inspection of all factories at least once in a year. The position of inspections

*The figures include prosecution on account of non-disply of notices and non-maintenance of register also.

conducted during 1978 to 1982 was as under :—

Year ending December	Total number of registered factories	Number of factories inspected			Total number of factories inspected	Number of factories not inspected	Percentage of factories not inspected
		Once	Twice	More than twice			
1978	2,614	1,842	439	68	2,349	265	10
1979	3,244	1,476	408	164	2,048	1,196	37
1980	3,562	1,934	480	39	2,453	1,109	31
1981	3,682	1,941	195	4	2,140	1,542	42
1982	4,146	1,847	234	216	2,297	1,849	45

The number of factories not inspected has been increasing year after year from 10 per cent in 1978 to 45 per cent in 1982. In a test check of records it was observed the 1,726 factories were not inspected for more than 3 years as per Register of Inspection of Factories, though the total number of factories not inspected as per annual returns was much less.

As per departmental instructions (April 1977), every factory Inspector was required to conduct general/regular inspection of 10 factories every month upto June 1981 and 15 factories from July 1981 on the basis of selection of factories made by the Chief Inspector. A test check of records of Factory Inspectors at Yamuna Nagar and Faridabad revealed that the prescribed number of regular and second inspections was not conducted by any Inspector during the period from 1978 to 1982. Against the requirement of 120 inspections (180 from July 1981 onwards) each, regular and second,

in a year, the number of actual inspections conducted per Inspector was as under —

Year ending December	Number of inspections conducted by the factory Inspectors							
	Yamuna Nagar		Ballabgarh Circle Faridabad		Faridabad Circle I		Faridabad Circle II	
	Regular	Second	Regular	Second	Regular	Second	Regular	Second
1978	78	48	117	64	100	120	Not in existence in this year	
1979	58	Nil	112	64	83	106	55	20
1980	85	44	92	56	103	88	44	52
1981	89	34	76	8	77	26	23	4
1982	96	26	75	Nil	124	1	57	3

Senior Inspector, Factories Faridabad (appointed in November 1980) conducted 9 and 34 regular inspections during 1981 and 1982 respectively against the requirement of 84 regular inspections every year. As a follow up action, only 12 second inspections were conducted in 1981 and no second inspection was conducted in 1982. Super checkings of 3 factories per month inspected by the Inspector was to be conducted by senior Factory Inspectors. During 1981 and 1982 only 3 and 18 such inspections were conducted against the requirement of 36 every year.

Factories violating the provisions of the Act and rules made there-under are warned and asked to rectify defects. Follow up action is required to be taken for ensuring compliance. During test check of Faridabad and Yamuna Nagar, it was seen that out of 160 cases where warnings were issued, follow up action was not taken in 33 cases for ensuring rectification of defects.

6. Health

(a) Medical Inspector

For watching compliance of the provisions relating to health, welfare and sanitary arrangements in factories, one Medical Inspector was sanctioned upto 1979-80. From 1980-81, another post was created. However during the years 1978-79 to 1982-83 only one post was filled between May 1980 and April 1981. Reasons for non-filling the posts were awaited (September 1983). The health aspect of the workers was thus not ensured although the extent of damage to their health cannot be measured.

(c) Medical check-up of workers

(i) For prevention of occupational diseases among workers employed on processes of dangerous operations in factories, the factory rules provide that the Certifying Surgeon shall visit the factories for medical examination of such workers, after an interval ranging from 14 days to 3 months depending upon the nature of dangerous process on which the workers are employed. Total number of factories involved in dangerous operations and number of person employed in these factories in processes of dangerous operations was not known to the department. According to records of the Certifying Surgeon, stationed at Faridabad, there were 200 such factories in the State, and the number of factories inspected by the Certifying Surgeon during 1978 to 1982 ranged from 102 to 141.

(ii) Even in factories inspected by the Certifying Surgeon 5 to 19 per cent of the workers employed on dangerous operations were not at all examined and out of those who were examined, only 41 to 48 per cent of the workers were examined twice. No worker was examined more than twice.

(iii) To facilitate medical examination of the workers at factory site the Certifying Surgeon was provided with a van duly fitted with X-Ray plant and equipped with laboratory equipments. Clinical tests of the workers were not conducted since April 1980 as the sanctioned posts of Laboratory Assistant remained vacant. The number of workers given chest X-Ray

decreased from 1,450 in 1978 to 120 in 1979 and 40 in 1980 (upto April 1980.) No worker was subjected to chest X-Ray from May 1980 to August 1983 as the van in which the plant was fitted, was not in working order between December 1980 and November 1982. X-Ray plant has been out of order since November 1982. Suitable action to get it repaired was not taken. During test check, it was also noticed that no factory outside Faridabad was inspected by the Certifying Surgeon from September 1981 to December 1982 on the grounds that van was under repair.

7. Safety

According to the departmental record, total number of accidents in factories submitting annual returns was 3,205 during 1978, 2,861 during 1979, 3,069 during 1980, 3,651 during 1981 and 6,085 during 1982. Out of these, fatal accidents were 29, 35, 24, 26, and 41 in the years 1978, 1979, 1980, 1981 and 1982 respectively. Only fatal and serious cases were analysed by the department. In no case, remedial measures to prevent recurrence was taken. Scrutiny of enquiry reports of 37 fatal accidents in factories at Yamuna Nagar revealed that in 10 cases, the accidents occurred due to non-compliance of safety provisions of the Act/Rules by factory owners such as providing adequate guards to machines, effective maintenance of machines and wearing of tight garments by the workers near moving machinery. These defects were not pointed out by the Factory Inspectors at the time of last inspection of the factories, where the accidents occurred.

The number of minor accidents as per reports received by Inspectorate for the years 1978, 1979, 1980, 1981 and 1982 was 2,996, 2,712, 2,751, 3,424 and 5,945 respectively. The causes of accidents in respect of these were not even investigated.

8. Welfare

(a) Welfare Centres

To provide training in sewing knitting, music etc., to female family members of the workers, seven welfare centres were functioning in the State since its formation (Number 1966). The duration of training course in sewing was one year and cloth was to be issued to the trainees by the department. No cloth was issued to the trainees during June 1981 to December 1982 and the trainees had to bring their own cloth. For bringing improvements in working of welfare centres, an Advisory Committee was constituted August 1978. The recommendations made by the Committee (Faridabad centre) in January-February 1982 for introducing course like soap making etc., to help the trainees to supplement their income and to conduct adult education classes were sent to Labour Commissioner's office. No action on the recommendations was taken by the department (July 1983).

(d) Welfare of lady workers

There were about 4,000 ladies working (1976) in the factories. To watch their welfare, on post of Lady Welfare Officer was sanctioned in 1976 but it has not been filled up so far (October 1983)

12. Compensation

Under the Workmen's Compensation Act, 1923, in the cases of accidents, compensation is payable to the workers drawing monthly wages upto Rs. 1,000. The Chief Inspector factories had no record to ensure that cases of accidents reported to him by factories had been initiated for payment of compensation under the Act. The number of cases received and disposed of on account of compensation claims during 1978 to 1981 by Labour Officers were as under :—

Year ended	Number of cases handled during the year	Number of cases disposed of during the year	Number of cases pending at the end of the year
1978	248	145	103
1979	274	153	121
1980	288	135	153
1981	324	164	160
1982	381	202	179

The number of outstanding cases increased from 41.5 per cent at the end of 1978 to 47 per cent at the end of 1982.

A sum of Rs. 9.93 lakhs was lying deposited by the end of the year 1982 with the various Labour Officers in the State on account of amount of compensation to be paid to the workers. Reasons for delay in payment were not on record.

* * * * *

The department in reply to the questionair of the Committee stated as under :—

2. Building Plans

The present districtwise position about the total number of factories operating without approval of factory building plans and the amount of outstanding licence fee upto 31-12-85 is as follows :—

Name of the distt.	No. of factories operating without approval of plans (Present position)	Total No. of factories operating without depositing licence fee upto 31-12-85	Total outstanding fee
1	2	3	4
Faridabad	89	27	Rs. 8,992.00
Gurgaon	59	14	Rs. 5,300.00

1	2	3	4
Mohindergarh	31	14	Rs. 4,000,00
Hissar	61	11	Rs. 4,663,00
Sirsa	39	4	Rs. 700,00
Bhiwani	25	9	Rs. 2,850,00
Rohtak	68	11	Rs. 2,400,00
Sonepat	53	1	Rs. 250,00
Karnal	97	36	Rs. 3,875,00
Jind	39	24	Rs. 5,300,00
Kurukshetra	87	30	Rs. 13,340,00
Ambala	73	35	Rs. 7,120,00
Total	721	216	Rs. 58,790,00

During the year 1982, more than 1300 factories were operating without approval of plans. From time to time repeated prosecutions have been launched in the Courts against the factories operating without approval of plans and legal action is still continuing. From 1982 to 1985 total number of 1967 prosecutions have been launched against the managements operating without approval of factory building plans. As a result of efforts made, now out of total no. of 5125 Factories in the State only 721 factories are operating without approval of factory building plans. Most of these managements had submitted the plans but were rejected due to various defects in the factory buildings, improper layout of machinery, non-provision of toilets and other facilities for the workers. Efforts are being made to get these defects rectified at the earliest. Plans are approved only when the defects are removed. All the defaulting managements have been prosecuted.

Similarly prosecutions are launched against the managements who do not deposit the licence fee. At present out of 5125 factories only 282 factories (5% of total factories) have not deposited the licence fee. Prosecutions have been launched against them. Most of these factories are seasonal factories and the outstanding fee will be recovered from them very shortly.

43 operating factories have been pointed out in the audit report. There is difference between factories operating and registered factories. No factory is registered without approval of plans. Some factories come into operation but their plans are not approved. Out of 43 factories pointed out in the audit reports, 14 factories have been closed. Building plans of 14 factories have been approved. The remaining 15 factories

submitted the plans, but were rejected due to various defects. Prosecutions have been launched against these 15 factories, Managements are being stressed upon to remove the defects at the earliest.

At the time of regular inspection if any factory is found running without approval of plans prosecutions are launched. In case of non-compliance repeated prosecutions are launched. The Factory Inspectorate has already been given instructions. As already pointed out from 1982 to 1985, 1967 prosecutions were launched against the managements for operating the factories without approval of plans. Appropriate action was taken and there was no negligence on the part of officers/officials."

3. Registration/Licence fee

"The details of registration and licence fee are maintained in separate files for each factory and these details are posted/incorporated in the accounts register also to have a check at a glance. At the time of audit the details available in the files were not posted in the account registers. These have now been posted and the registers are complete.

The information regarding amount of licence fee outstanding against factory and the number of factories running without receipt of licence fee is already given above in reply to para 2.

As already pointed out in para 2 out of these 43 factories 14 factories have been closed and 14 factories have obtained licences. Though remaining 15 factories have paid the licence fee but the licences were not issued as the plans of these factories had not been approved due to various defects. Prosecutions against these factories were also launched for non-approval of building plans."

4. Returns

"It is stated that such factories are generally in small scale sector and do not employ the persons well conversant with the filling up of various returns under various labour laws. This problem is experienced by all the States and it was discussed in the conference of Chief Inspectors of Factories as well as in the meetings with the Senior Officers of the Labour Bureau, Ministry of Labour. It is not considered desirable to prosecute the managements for this lapse but all persuasive methods are adopted to secure the returns. Moreover, due to shortage of staff and location of such factories/units at far flung areas, employees of such factories could not be properly guided/educated to fill these returns. Special training camps for this purpose are being organised. In addition, Factory Inspectors are being impressed upon to get these returns filled up from the managements at the time of their regular inspections of the factories. With this methodology it is hoped that arrears in this respect would be liquidated.

The department with the help of officers of Labour Bureau, Ministry of Labour has started imparting training to the employees of the industrial undertakings regarding filling up the returns and to persuade them for sending these returns by the prescribed dates. As already mentioned above, Factory Inspectors are being given this additional duty to get these returns filled up at the time of their inspection of the factories."

5 Inspections

“It is a fact that the number of factories not inspected increased from 1978 to 1982. The reasons for increase in the number of factories not inspected are as under :—

(i) *Inadequate inspectorate staff—*

In the year 1978 there were 7 factory inspectors in position. During the year 1978 to 1982 there was an increase of more than 1500 factories, but the strength of factory Inspectorate remained the same. National Commission on Labour and Govt. of India have fixed the norm of 150 factories per inspector, so that he can inspect 150 factories once in a year. From 1978 to 1980, the strength of Factory Inspectors was only 7 and from 1980 to 1982 the strength of Factory Inspectors was increased to 9, against the requirement of 25 factory inspectors. With the limited number of Factory Inspectors appointed the average number of inspections conducted per inspector as per date given in the audit report were 300 inspections in a year which is more than the norm fixed by the National Commission on Labour.

- (ii) The department has prescribed an exhaustive inspection performa, so that during the inspections all the provisions are looked into and the factories are thoroughly inspected. Therefore, the regular inspection work takes considerable time.
- (iii) Uptill now no transport facilities have been provided to the factory inspectorate. The factory inspectorate consists of engineers and doctors. Unlike other departments the facilities of transport has not been provided. In the absence of this facility lot of time is wasted in reaching the factories which are located at far of places
- (iv) In the State of Haryana due to power crisis many factories get closed at short notice or operate during night when power is available. This factor also caused less number of inspections.
- (v) The factory inspectors are to attend the Courts for conducting the prosecution complaints
- (vi) Factory Inspectors are also required to conduct accident enquires and inspect factories for realisation of licence fee and to attend complaints. But with the limited factory inspectorate staff and facilities, efforts have been made to inspect maximum number of factories in a year which is much more than the norm fixed by the National Commission on Labour.

The department has prescribed more number of factories to be inspected keeping in view that efforts should be made to inspect maximum number of factories. According to the policy of the department if any serious violation of the Factories Act is found during the course of inspection, no warnings are issued for the rectification of defects but straightaway prosecutions are launched against the managements. Only in case of minor violations warnings issued for the rectification of defects. It is also mentioned that more stress is laid to inspect more number of

factories, so that serious violations could be pointed out and rectified.

Out of 160 cases of inspections, only in 33 cases where warning were issued follow up action for the verification of the rectification of defects was not taken. It was due to the shortage of inspectors and other constraints explained above. After 1982 the incidence of inspections yearwise is given below :-

Year	Total No. of working factories	Total No. of inspections
1983	4552	2733
1984	4707	4344
1985	5125	2392

During the year 1983, 8 more inspectors were appointed on adhoc basis and accordingly the incidence of inspections were improved in the year 1984 as indicated above. But again the incidence of inspections decreased in the year 1985 due to :-

- (i) Termination of services of 8 inspectors appointed in 1983 on adhoc basis.
- (ii) After the Bhopal tragedy in the end of 1984, the Govt. of India stressed upon the State Govt, to conduct safety survey of all the Chemical and Hazardous factories and these factories should be repeatedly inspected on priority basis. Accordingly, inspectorate were directed to concentrate on the Chemical and Hazardous Factories. There is improvement in the no. of inspections. But due to shortage of staff and other constraints as explained above all the factories could not be inspected in a year."

6. Health

(a) Medical Inspector

"The post of Medical Inspector of Factories remained vacant and could not be filled up despite the efforts by the department as suitable qualified persons were not available. The post was advertised by the Haryana Public Service Commission also. The Government has sanctioned two posts of Medical Inspectors of Factories. One post has been filled up in the year 1984.

The Health provision of the Factories Act generally relate to provisions of toilet facilities, proper disposal of trade waste, ventilation and lightings in the workshop, cleanliness, medical aid etc. To check these provisions the Factory Inspectors have also been given training by DGFASLI at Bombay. Thus, the Inspectors of Factories are also in position to check these provisions. In the absence of Medical Inspectors of Factories the Factories Inspectors were performing the duties for the implementation of health provision. In the other States also there is a shortage of Medical

Inspectors of Factories and the implementation of the provisions are looked after by the Factory Inspectors."

(c) *Medical Check up of Workers*

"652 factories have been identified in which total no of 15000 workers are working on dangerous operations, which require medical examination by Certifying Surgeon. Efforts have been made to medically examine maximum number of workers employed on dangerous operations. Because there is only one Certifying Surgeon in the State, therefore, it was not possible to examine all the workers employed on dangerous operations at one time. It is also mentioned that Haryana is the only State in the country which has appointed a whole time Certifying Surgeon and provided with additional facilities of Mobile Van duly fitted with X-Ray equipments and Laboratory.

The mobile van went out of order and it required major repairs. Initially, efforts were made to get it repaired from the workshops run by the Transport, P W D and Health Departments but they showed their inability to undertake the repairs of the Van As such, the Haryana Agro Industries Corporation, Chandigarh were approached to undertake the work of major repairs. The Corporation entrusted this work to their workshop run at Nilokheri, which after inspection of van submitted rough estimates of Rs. 47,000/- for the complete fabrication of the body of the Van, Government after due consideration, accorded sanction to the incurring of expenditure and finally the van was handed over to the workshop at Nilokheri. Ultimately, the Van was got repaired. There was no delay and negligence in this case. However, in the absence of Van, the Certifying Surgeon did the job of examination of workers in Faridabad which has the maximum number of factories. During the period May, 1980 to August, 1983 the Certifying Surgeon did clinical tests regarding the fitness of workers. The work done by the Certifying Surgeon from the year 1978 to 1985 is given as under —

Year ending December	No. of factories inspected by the Certifying Surgeon	No. of persons employed on dangerous operations in factories ins- pected by the Certifying Surgeon	No. of workers examined
1978	115	6130	5439
1979	102	5471	4470
1980	103	6121	5801
1981	141	6140	5110
1982	112	5820	4741
1983	302	13327	5400
1984	104	4514	1900
1985	172	4969	2140

7. Safety

"From 1978 to 1982 the increase in the number of factories was more than 1500, except for the year 1982, the average rate of accidents per 1000 workers was on decrease.

The following table gives the number of industrial accidents and rate per 1000 workers in the State:—

Year	No. of accidents			Rate per 1000 workers
	Fatal	Non-Fatal	Total	
1978	29	3205	3234	19.00
1979	35	2861	2896	16.00
1980	25	3070	3095	17.00
1981	25	3617	3642	18.00
1982	41	6085	6126	27.00
1983	30	3863	3893	16.00
1984	34	3163	3197	12.60
1985	32	2029	2061	11.80

In the country the average rate of reportable accidents in the factories is between 65 and 70 per 1000 workers. Haryana compares favourably are being made to reduce the occurrence of accidents to the minimum. The department did investigate the causes. In the year 1982 the accident figure was more disturbing and special campaign was started to implement the safety provisions.

Special training programme for the motivation of workers and managements were conducted. Increase in the rate of accidents was averted and now it is steadily on the decline.

Due to the shortage of factory inspectorate, minor accident could not be investigated. During the course of inspections various defects are pointed out to the managements and managements are prosecuted for non-compliance.

Haryana is one of the State in the country where maximum number of prosecutions have been launched for strict compliance of the Factories Act.

The Factories Act is strictly enforced in the State. The number of prosecutions launched and convictions obtained alongwith fines imposed

for the violations of the provisions of the Factories Act are as follows :—

Year	Total No of prosecutions	Convictions obtained	Fine imposed
1978	2021	2008	Rs. 145635/-
1979	1601	1969	Rs. 128880/-
1980	1807	2791	Rs. 111075/-
1981	1859	2180	Rs. 316450/-
1982	2297	2105	Rs. 435315/-
1983	2299	2100	Rs. 401740/-
1984	3472	2014	Rs. 477110/-
1985	2538	2316	Rs. 504995/-

As per provisions of the Factory Act the maintenance of Safety Standards in the factories is the direct responsibility of the managements.

In day to day working in the factories many times, the safety guards are removed by the workers for the repair of machines and the same are not placed in position immediately after the repair. In many cases the workers also perform unsafe acts, which cause accidents.

It is normally experienced that accidents are not caused by one single factor or cause. It is the net result of combination of factors or causes. During the course of inspections, the defects are pointed out to the supervisors and managements. However, in some cases the Factory Inspectors did not make faithful reports about the safety measures and, hence, accidents. In such cases, disciplinary action has been taken against these Factory Inspectors."

8 Welfare

(a) Welfare Centres

It is not correct that no cloth was supplied to any of the seven Labour Welfare Centres located in various industrial towns in the State. In fact the details of cloth supplied to the centres during the period under report is appended below :—

Sr. No.	Centre	Cloth issued in meters	Value in Rs	
1	Ambala City	46	253-00	—
2.	Yamuna Nagar	183,40	1240-50	—
3	Sonepat	90	942-25	—
4.	Bhiwani	87	1122-00	—
5.	Hissar	163,40	2000-00	—
6	Faridabad	35	352-50	—
7.	Panipat	Nil	Nil	—

In this connection, it is significant to point out that the garments stitched by the trainees from the cloth of the centre is the property of the Govt., whereas the ownership of garments stitched out of the cloth brought by the trainees belongs to them. For this matter, by and large, the trainees prefer to bring own cloth so that the stitched garments could be taken home to be used by their family members. Obviously the requirement of cloth by the centre is neither so massive nor regular. In any case, whenever cloth is demanded by the Centre Incharge, the department makes arrangement for the same. In fact, the trainees in Panipat prefer to bring their own cloth so that the garments stitched become their property. That is why no cloth was issued to the trainees of Panipat Centre.

Relevant extract of the proceedings of the two meetings of the Advisory Committee for Faridabad Centre held on 27.1.82 and 26.2.82 may be seen at Annexure 'A' and 'B' respectively. From the perusal of the extract of proceeding of the meeting dated 27.1.1982, it would be revealed that the members recommended, inter alia.

1. To introduce adult education classes, and
2. To introduce vocational training, such as, soap making, uniform making etc.

As evident, the proposal to introduce adult education classes was not accepted by the Chairman because of the poor response.

Similarly the decision for conducting vocational courses like soap making etc. could not be implemented because Sh. Darshan Singh, Member of the Advisory Committee could not submit detailed scheme".

* * * * *

(d) Welfare of Lady workers

"The post of lady welfare officer was for the first time created in the department and as such, the qualification and experience of the post were to be laid down. This took time and thereafter the post was notified to the Directorate of Employment Exchange for recommending suitable candidates. The Directorate of Employment Exchange notified the post to all its exchanges in the State, but no candidate was available having the prescribed qualifications/experience. After due consideration, Government relaxed the qualifications/experience and got the post advertised through the Haryana Public Service Commission. Even then with the relaxed qualifications/experience no candidate could be made available by the commission. The commission has suggested to further relax the qualifications/experience and the same is under consideration of Govt. It is hoped that with the further relaxation the post will be filled up soon."

* * * * *

12. Compensation

"The Commissioners appointed under the Workmen's Compensation Act exercise quasi judicial powers meaning thereby that the parties concerned have to be given proper opportunity to put forth their claims. The Commissioners under this Act have to frame specific issues and pass

speaking orders on each specific issue. This is a time consuming process and hence more outstanding cases. In addition to this, more and more cases are being handled by Commissioners under this act in view of ever increasing number of factories/establishments. However special efforts are being made to dispose of the cases under this act.

Barring a small fraction of amount of Rs 40,400/-the entire amount of Rs. 9.93 lakhs lying deposited in the court of Commissioners was disbursed during the calendar year 1983. The amount of Rs 40,400/- relating to 2 cases of Panipat could not be disbursed because the aggrieved parties have filed appeals in the High Court of Punjab and Haryana against the orders of the Commissioners. These appeals are still pending in the High Court.

Most of the amount was disbursed in the first quarter of 1983 and as such, no delay is said to have occurred in disbursement of the amount."

(2) *Building Plans*

During the course of oral examination when asked to intimate the total number of units operating without approval of building plans of their factories, the departmental representatives informed the Committee that upto November, 1986, out of 721 registered factories, 546 factories were operating without approved building plans. He further informed that the prosecutions had been launched against these factories. The Committee was also informed that Government of India was considering to amend section 92 of the Factories Act, 1948. The Committee are constrained to observe that when the State Government had framed rules separately under the Factories Act, 1948 enacted by the Government of India, it is the sole responsibility of the State Government/Department to enforce the Factories Act, 1948

The Committee, therefore, desire that the circumstances under which a large number of factories were allowed to operate without approval of building plans should be investigated and appropriate action taken against the officers/officials responsible for not securing compliance of the Factories Act.

(3) *Registration/Licence Fee*

The Committee further note that the Licence Fee has yet to be recovered from 145 (Out of 5298) factories against whom prosecution proceedings had been launched in the court. The Committee desire that the cases of recovery of outstanding licence fee, from the defaulting factories should be pursued to their logical conclusion and progress made in this behalf intimated to the Committee.

The Committee also strongly recommend that action against the officers/officials who failed to recover the licence fee from these factories should be taken expeditiously and compliance report furnished to the Committee within three months.

(4) *Returns*

The Committee note that the number of factories not submitting returns had been increasing year after year and that there were delays in submission of such returns to the Chief Inspector,

The Committee, therefore, desire that factories from where annual returns are due should be exhorted to submit their returns on regular basis, so that the amount of arrears do not accumulate. For this purpose, strict instructions should be issued to all the defaulting factories to get the annual returns prepared from the management at the time of inspection of factories.

(5) *Inspection*

The Committee observe that there has been tremendous increase in the number of factories not inspected year after year, but no efforts were made by the department to carry out the inspections. The Committee also note that the prescribed number of regular and second inspection were not conducted by the Inspectors during the period from 1978 to 1982 in respect of factories at Yamuna Nagar and Faridabad. The Committee further note that in respect of these factories followup action was not taken in 33 cases, (out of 160 cases) for ensuring rectification of defects. The Committee are constrained to observe that the purpose of enforcement of the Factories Act is defeated if these inspections are not conducted after the prescribed intervals

The Committee, therefore, recommend that the department should create and stream-line their machinery, so that the prescribed norms of inspections could be adhered to and the cases of violation of the provision of the Factories Act brought to book promptly.

(6) *Health*

(a) The Committee note with concern that out of 3 posts of Medical Inspectors of Factories sanctioned by the Government only one post of Medical Inspector was filled up in the year 1984 and the remaining two posts were lying vacant. During the course of oral examination the departmental representative informed the Committee that qualified persons possessing M.B.B.S. Degree prescribed for the post of Factory Inspector were not interested to join the post of Medical Inspector as in this department they were cut from their professional expertise and they could not remain in touch with their own profession. He further added that apart from this, there was no scope for their further promotion and therefore, these were the main hindrances in the way of filling up of the posts

The Committee recommend that in order to attract qualified doctors for the post of Medical Inspector in the Labour Department, Government may consider the desirability of providing them with certain incentives and benefits in the form of equivalent grade, as is provided to the M.B.B.S. Doctors in Medical and Health Department or elsewhere, as well as promotion vistas and monetary gains to attract the talented hands.

(c) *Medical check-up of workers*

During the course of oral examination, the departmental representative informed the Committee that the M.B.B.S. Doctors were not at all interested to be appointed as certifying Surgeon because of absence

of avenue of promotion in the department. Besides this, the doctors were cut off from their main profession. It further informed that Haryana State was not the only State facing critical situation but this problem prevailed all over the country.

The Committee are not satisfied with the reply of the departmental representative. The Committee observe that the factory rules provide for prevention of occupational diseases but medical check up of workers had not been strictly followed even though medical examination to check up the workers of occupational diseases was in public interest and was very essential.

The Committee suggest that the qualifications prescribed for this post should be relaxed in order to attract the desirable personnel for the job.

The Committee further suggest that the doctors working in public sector can be imparted training to be appointed as certifying Surgeon in order to meet the shortage of doctors in the department.

(7) *Safety*

The Committee note with concern that the number of accidents in factories is on increase but no remedial measures to prevent recurrence of these accidents were taken by the department. The Committee observe that these accidents had occurred due to non compliance of safety provisions of the Act Rules by factory owner, such as providing adequate guards to machines, effective maintenance of machines and wearing of tight garments by the workers near moving machinery, but these defects were not pointed out by the factory inspectors at the time of last inspection of the factories where the accidents had occurred.

The Committee desire that the cases in regard to the imposition of fine on the factories for violation to the provisions of the factory Act and prosecution in the Court be pursued vigorously and the amount of fine be recovered at the earliest under intimation to the Committee.

The Committee also desire that the department should investigate the cases of accidents thoroughly in the factories and take suitable remedial measures of providing adequate safety to prevent recurrence of these accidents.

(8) *Welfare*

(a) The Committee regret to note that Advisory Committee for bringing improvement in working of Welfare Centres was constituted in August, 1978 but the Advisory Committee was unable to send a comprehensive and detailed scheme in this regard until 1982 when it suggested for introducing courses like soap making, uniform making etc.

The Committee is not all at satisfied with the working of the Advisory Committee as it took the matter in a lackadaisical manner and desire that the reasons due to which the Advisory Committee could not draw the detailed scheme be investigated and intimated to the Committee within three months.

* * * * *

(d) *Welfare of lady Workers*

The Committee note with dismay that the post of a Lady Welfare Officer was sanctioned in the year 1976 for the welfare of Lady workers but the department was unable to fill up the post. The Committee observe that had the qualifications/experience of the said post been relaxed as has been done now, the post could have been filled up long back. The Committee regret to observe that the department did not take the matter seriously

The Committee, therefore, desire that in future prompt action should be taken in such cases of public interest and also desire that action to fill up the post of Lady Welfare Officer be intimated to the Committee within three months.

(12) *Compensation*

The Committee note that the number of outstanding cases on account of compensation payable to the workers under the Workman's Compensation Act 1923 were on the increase and that there were delays in payment of compensation to the workers

The Committee therefore, desire that all pending cases of compensation payable to the workers be finalised expeditiously and a progress report to this effect be furnished to the Committee within three months.

HOME DEPARTMENT

Paragraph 3.12 Embezzlement

[5] Provident Fund Rules provide that a temporary advance may be granted to a subscriber equal to six month's pay or half the amount at the credit of the subscriber whichever is less when the sanctioning authority is satisfied about the peculiar circumstances warranting grant of advance. Further, Financial Rules require the Drawing and Disbursing Officer to ensure that all amounts drawn from the treasury are accounted for in the cash book and disbursed to the actual payee.

The Deputy Controller of Civil Defence, Hissar issued between August 1978 and January 1982, 46 sanctions in favour of 7 subscribers for the withdrawal of General Provident Fund Advances amounting to Rs 0.94 lakh.

It was noticed in audit (March 1982) that the amounts sanctioned in favour of six subscribers exceeded the balances at their credit by amounts ranging between Rs 0.02 lakh and Rs 0.19 lakh.

On this being pointed out in audit (March 1982), a departmental enquiry was ordered (March 1982) by Commandant General, Home Guards and Director, Civil Defence, Haryana which revealed (April 1982) that out of Rs. 0.94 lakh drawn from the treasury, Rs. 0.70 lakh had neither been entered in the cash book nor paid to the subscribers. The department intimated that Rs. 0.46 lakh had been recovered till June 1982 from the defaulting official (Store-Clerk handling cash). Report regarding recovery of balance amount was awaited (November 1983).

F.I.R. was reported (June 1982) to have been lodged with the Police in May 1982. The department stated (January 1984) that the case was still under investigation and the challan had not yet been filed in the Court.

The embezzlement was facilitated, *inter-alia*, because —

- (i) advances were sanctioned without verifying the balance at the credit of the subscribers;
- (ii) orders of competent authority for issue of 12 sanctions (Rs 0.27 lakh) for grant of advances to one subscriber were not obtained;
- (iii) checks to ensure that amounts drawn from the treasury were entered in the cash book and disbursed to the actual payee's were not exercised; and
- (iv) copies of sanctions required to be endorsed to the Accountant General's office, were not sent.

The matter was reported to the Government in May 1982 who intimated in April 1983 that action against the sanctioning authority was being initiated. Further developments are awaited (November 1983).

The department in reply to the questionnaire of the Committee stated as under —

“During the period (August, 1979 to January, 1982) of fraud committed by Sh. Gulal Gir, of the office of the civil defence Hissar, the following officers/Tehsildars were holding the charge of Deputy controller civil defence Hissar and exercising the power of Drawing & Disbursing Officer/Head of office :—

- 1 Sh. O.P. Indora, HCS
- 2 Sh. K.L. Maria, HCS
- 3 M.R. Anand, HCS
- 4 K.K. Sharma, Tehsildar
- 5 R.K. Mohan, HCS
- 6 N.K. Sharma, Tehsildar

The matter was referred to State Govt for taking suitable action against the above said officers. Statements of allegations/charges against these officers were sent to the Secretary, Home Department on 4th February, 1983 vide Commandant General letter No. 2287. The charge sheet have been served on these officers & further action is to be taken by the Govt.

A sum of Rs. 69800/- was embezzled by Shl. Gulal Gir. The whole amount has since been recovered from the official by 2/85. Further interest upto 2/85 amounting to Rs. 16912-00 on the said amount was calculated by the Accountant General, Haryana, out of which a sum of Rs. 600.00 upto 6/85 has been recovered.

The store clerk in the superior most clerical official sanctioned for the civil defence office. Hence he was entrusted the duty of handling Cash. Besides, technical personnel with the designation of Store Supdt. is available in the office of the civil defence for handling stores. Had the store clerk also been attached with the store supdt., the more important job of handling cash would have to be entrusted to a junior clerk which was more risky than allotting the duty of handling cash to the store clerk.

A letter regarding withdrawal of GPF advances and maintenance of Bill Token Register, GPF recovery Register and Cash book was circulated vide Commandant General letter No. 5985-6006 dated 30-3-82 to all the D.D.O's and no such embezzlement was reported from any other place.

The case was registered with the City Police Station Hissar vide F.I.R. No. 499 Dated 28-5-82. The Challan has been filed in the court on 22-2-85. The matter is in the court pending trial.

Gross negligence and lack of interest by the D.D.O. & contributed to these embezzlements, but the embezzlements do not prove system failure. Had the D.D.O.'s ensured that the bills passed through the Bill Token Register and the Cash book there could have been

no possibility of embezzlement. The Financial Rules require the monthly re-conciliation of all withdrawals from the Treasury with the Cash-book by the D.D.O. Had this been done in the case of these withdrawals in time, the embezzlements could have been detected within a month or so and further embezzlements could have been prevented."

During the course of oral examination, the departmental representative informed the Committee that one Shri Gulal Gir, Clerk, posted in the Civil Defence, Hissar, had made out seven fake applications in the name of other subscribers working in the office and got the sanction issued from the Deputy Controller of the Department for the withdrawal of the G.P.F. advances and embezzled the amount during the period from August, 1978 to January, 1982. In reply to a question as to what were the reasons that neither the official made entries in the cash book nor did enter the bills in the Bills register, the departmental representative informed that the Chief Secretary to Government Haryana and the Financial Commissioner, Revenue had constantly been reminded to take action against the Controlling Officer. The departmental representative assured the Committee that they would send the reply about the latest position in this regard after every two months.

The Committee, however, regret to observe that despite categorical assurance, no information regarding the follow-up action was received from the Government about the action taken against the six defaulting Controlling Officers. The Committee, desire that the promised information be supplied to it at the earliest and action taken against the officials responsible for not supplying the requisite information to the Committee.

In their additional reply the department stated as under —

- "The office of the Civil Defence Hissar is headed by Tehsildars/HCS Officers posted by the Chief Secretary to Haryana. Their postings are for short terms because these Tehsildars consider this posting as 'Khudda Line' or 'Begars' and do not take interest at all in the working or improvement of the Organisation of the Civil Defence.
- 2 Shri Gulal Gir Clerk in Civil Defence Hissar embezzled a sum of Rs. 69800/- from various GP Fund accounts of the officials of this department during the period from August 1978 to January 1982. It was ultimately detected by A.G. Haryana in the month of March, 1982. After conducting the departmental enquiry, a case was got registered in P S City Hissar vide F.I.R. No. 499 dated 29-5-82 against the accused. The matter was referred to the State Government Home Department also on 4-2-83 for taking necessary action on the part of six D.D.O's namely Shri O.P. Indora, HCS, (ii) Shri K.L. Maria, HCS, (iii) Shri M.R. Anand HCS, (iv) K.K. Sharma, Tehsildar, (v) Shri R.K. Mohan, HCS (vi) M.K. Sharma, Tehsildar. The Home Secretary was also reminded on various dates and recently on 5-11-85 and 9-12-85 who had further reminded the Chief Secretary latest on 31-12-85 for taking action against the defaulting Tehsildars and HCS Officers. Last reference was made to the Home Secretary on 24-6-86 but without any response
3. Simultaneously, efforts were made to recover the embezzled money from Shri Gulal Gir and it is heartening to note that the

whole amount of Rs. 69800/- has since been recovered and a further amount of Rs. 6725/- stands recovered out of the interest amount (Rs. 16912 till 3/85).

- 4 The challan of this case was put up in the court as intimated by S S.P. Hissar vide report dated 22-8-85.
5. The next date of hearing is 26th July, 1986 in the court of Sub-Judge, Hissar. Now according to the latest information the next date of hearing is fixed 5-8-87.
6. It has been learnt that the Chief Secretary had issued notices to the defaulting D D O's but what action has been taken upto date is not known to this department. The Home Secretary may please discuss the matter with the Chief Secretary for the expeditious action and finalisation of the matter in order to satisfy the PAC"

The Committee were surprised to note that Shri Guial Gir, Clerk, continued to embezzle the amount from 1978 to 1982 but the Controlling Officer failed to detect the embezzlement for about five years. The Committee observe that this explains away the gross negligence and lack of supervision on the part of the Controlling Officer due to which the embezzlement got remained undetected for such a long period.

The Committee recommend that a suitable disciplinary action may be taken against the defaulting Controlling Officer and the balance amount be recovered from him/them at the earliest. The Committee further desire that the case pending in the court of Sub Judge, Hissar should continue to be pursued to its logical conclusion and the Committee apprised of its outcome in due course.

Paragraph 3.13. Over payment

[6] In July 1979 Government sanctioned grant of one month's additional salary (cash compensation) in a year in lieu of loss of gazetted holidays to constables and head constables who completed one year service on 31st March of the preceding year. In August 1980 Government clarified that the salary would not include house rent, city compensatory and fixed travelling allowances.

In twelve police offices it was noticed in audit (February 1982 to March 1983) that —

- (i) payment of Rs. 2.32 lakhs relating to the period 1978-79 to 1981-82 was made during 1979-80 to 1982-83 to 1,110 officials who had not completed one year's service on 31st March of the preceding year; and
- (ii) In three offices, Rs. 0.84 lakh representing house rent, city compensatory and fixed travelling allowances were included in the amount of salary.

On being pointed out by Audit, the Director General of Police issued (September 1983) directions that over payments may be recovered. Further developments are awaited.

The matter was brought to the notice of Government between April 1982 and May 1983; reply was awaited (November 1983).

In their written reply the department stated as under :—

“Overpayments resulted for lack of clear cut instructions as to what or what not shall be included in one month's additional salary. It was only in August, 1980 when Govt. clarified that the additional salary would not include House Rent Allowance, City Compensatory Allowance, Fixed Travelling Allowance etc.

Out of the total overpaid amount of Rs. 3,16,722/- (i.e. 2,32,371/- payment made to officials who have not completed one year service Rs 84,351/- on account of inadmissible allowances) Rs. 2,26,997.95 p. have been recovered. The process of recovery is in progress and it is hoped that the remaining amount of Rs. 89,724 05 p shall be recovered at the earliest possible under intimation to audit.”

During the course of oral examination, the departmental representative admitted the lapse of making overpayments to the police personnel but assured the Committee that the balance amount of overpayment made would be recovered from the salaries of the concerned officials payable in the month of June and July 1986.

The Committee are surprised to observe that while it is understandable that overpayments upto the period August 1980 resulted for lack of clear cut instructions, as contended by the department in their written reply, but they fail to appreciate the reasons as to how overpayments had occurred during 1982-83 when clear cut instructions were available on hand with the department. The Committee would, therefore, desire that the circumstances leading to overpayments during 1982-83 should be investigated and responsibility fixed for the lapse.

The Committee further desire that the progress of recovery effected from the salaries of the concerned officials paid during June and July 1986 may also be intimated to Committee.

Paragraph 3 17 Outstanding inspection reports

[7] (a) Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the heads of offices and to the next higher departmental authorities through the inspection reports. The more important irregularities are reported to the heads of departments and Government. Government has prescribed that the first replies to inspection reports should be sent within six weeks.

At the end of September 1983, 391 inspection reports relating to Industries, Police and Fisheries departments, issued upto March 1983 still

contained unsettled paragraphs. year-wise break-up of the outstanding inspection reports is given below :—

Year	Number of inspection reports	Number of paragraphs
	Police	Police
1978-79 and earlier years	60	179
1979-80	22	124
1980-81	18	124
1981-82	23	240
1982-83	21	315
Total	144	982

These included 13 inspection reports for which even the first replies had not been received.

(b) The more important types of irregularities noticed during inspection and local audit of Police/Industries/Fisheries Departments are summarised below :—

Serial number	Nature of irregularity	Number of offices in which irregularities were noticed
		Police Department
(i)	Non-observance of rules relating to custody and handling of cash, posting and maintenance of cash books, reconciliation of departmental receipts and remittances with the treasury records, etc.	20
(ii)	Irregularities connected with purchase of stores	24
(iii)	Irregularities in the accountal of stores	20
(iv)	Irregular, excess and wasteful expenditure due to appointment of staff, etc.	22
(v)	Non-maintenance or improper maintenance of records	18
(vi)	Defective maintenance of log-books of vehicles	22
(vii)	Over payments	19
(viii)	Non-production of records	16

In their written reply the department submitted as under :—

“Out of 144 inspection reports containing 982 paragraphs issued upto March, 1983, 9 inspection reports containing 32 paragraphs relate to Vigilance and State Transport Departments. Hence, 135 inspection reports containing 950 paragraphs relate to Police Department. Out of 950 paragraphs, 367 paragraphs have been settled leaving behind 583 unsettled paragraphs, comprising of 105 inspection reports. Year-wise break-up duly reconciled with the audit is added at Annexure ‘A’ at page

Deep down dip into the position has further revealed that only 183 old paragraphs contained in 64 inspection reports issued upto the year 1979-80 are outstanding showing an average of 2.86 paragraphs per report. Specific instructions have been issued to the concerned field offices to settle or to meet the requirement of each paragraph within 2 months, so that no inspection report/paragraph prior to the year 1979-80 remains outstanding.

Observations of the audit have been noted for future. Field Offices shall be instructed invariably to send first replies to the reports within the stipulated period without any cause of complaint.

Strict instructions have been issued to the field offices to ensure that irregularities pointed out by the Audit in its previous inspection reports are not allowed to recur in future ”

ANNEXURE 'A'

'List of pending Inspection reports/paragraphs issued upto 31-3-83.'

Year	Number of Inspection Reports	Number of Paragraphs
1968-69	1	1
1970-71	1	1
1972-73	2	2
1973-74	4	4
1974-75	8	9
1975-76	5	21
1976-77	6	23
1977-78	10	20
1978-79	12	51
1979-80	15	51
1980-81	21	157
1981-82	18	212
1982-83	2	31
Total	105	583

The Committee are not satisfied with the pace of clearance of outstanding paras of inspection reports and desire that efforts be made to clear the remaining paras/reports as promised during oral evidence, as these have become more than ten year old.

The Committee further desire that definite procedure should also be evolved for speedy settlement of these inspection reports and the progress made in this regard be intimated to the Committee.

PUBLIC HEALTH DEPARTMENT

Paragraph 4.14. Abandonment of a percolation well

[8] A project (estimated cost Rs 6.50 lakhs) for "making water supply arrangement to a group of three villages—Goad, Balaha-Kalan and Balaha Khurd" was approved by Sanitary Board in June 1974. Water required for the scheme was to be taken partly from an existing Panchayat percolation well at village Goad and partly by constructing a new percolation well in the same village.

The work of construction of an open percolation well (estimated cost Rs. 1 lakh) was entrusted to a contractor in January 1978 by the Executive Engineer, Public Health Division, Rewari for completion within 9 months to be reckoned from 1st December 1978. The work was later on transferred to the Executive Engineer, Public Health Division, Narnaul. After partly executing the work to the extent of Rs 0.91 lakh, the contractor expressed (July 1979) his inability to execute the balance work due to steep rise in the price of bricks. Instead of enforcing completion of work as per agreement the Executive Engineer, Public Health Division, Narnaul persuaded (July 1979) the contractor to carry out the balance work with stone masonry for which a case for change in specification from brick masonry to stone masonry was recommended to the Superintending Engineer who accorded his sanction in July 1979 and the contractor commenced the re-main-ing work with stone masonry. The incomplete well, however, collapsed on the night of 8th October 1979, reportedly due to failure of stone masonry which could not take the load above it. By this time, 'on account' payments totalling Rs. 0.91 lakh had been made to the contractor. The work was lying abandoned since its collapse in October 1979 and material valuing Rs. 0.06 lakh was lying with the contractor. No independent departmental enquiry was conducted to determine the cause of collapse of the well.

The Executive Engineer recommended to the Superintending Engineer, Public Health Circle, Bhiwani abandonment of the well in August 1982, as the collapsed well could not be restored but no final decision has yet been taken.

The matter was referred to Government in July 1983; reply was awaited (November 1983).

In their written reply the department stated as under :—

Water supply scheme for Providing drinking water to 3 Nos. villages Goad, Balaha Kalan and Balaha Khurd was prepared under the name of Providing Water Supply to Goad group of 3 Nos. villages. An estimate mounting to Rs. 6.92 lacs was administratively approved vide Sanitary Board Resolution No. 9 dated 7-4-1974. Funds amounting to Rs. 5.73 lacs were received for execution of the said water supply scheme.

The scheme was based on one No. existing percolation well and one No. New Percolation well was to be constructed in villages Goad. Water Supply

was commissioned in all the three villages partially in the month of March 1977 based upon the existing percolation well. The yield was found to be 2,000 gallons of water per hour.

The tenders for the new percolation well were received on 10-7-77. Approval for allotment of the work was conveyed and the work was allotted to Shri Daya Ram Contractor with a time limit of 9 months from the date of commencement at the cost of Rs 1 00 lakh as per D.N.I.T. The date of commencement of the work was notified as 1-2-78.

The work of construction of Percolation well was proceeding smoothly. The contractor could not complete the work in time, i.e. upto 30-10-1978. Extension for the increase in time limit as applied for by the contractor from time to time was granted upto 30-9-1979 by one competent Authority.

As per D.N.I.T. total depth of the well below ground level was to be 38.00 metre, whereas actually the well was sunk upto 33.10 metres below ground level, where a huge quantity of sand inflow was met with. Thereafter the well could not be sunk further as it was decided that further sinking would not be possible. The discharge of the well at that time was found to be 5,000 gallons per hour of water, against the provision of 5,500 gallons of water per hour as taken in the estimate. It was observed that the sand in flow started on 4-4-1969 and continued upto 22-5-1979. The sand in flow continued for 19 days with break and no success was achieved in further sinking of the well. 47 cum of sand in flow had been recorded in the M.B. No. PH/DR/688/8563 from page 121 to page 128. Sinking of the well was stopped till further order. Running payments amounting to Rs. 77312.25 upto 6th running bill were paid to the contractor. After this stage the contractor submitted that he had completed the work upto the amount of the agreement by including the amount of sand in flow and payment of the items not paid so far. The Contractor further requested vide his letter dated 5-7-79 that if the remaining masonry has to be got done from him he could do so for providing stone masonry instead of brick masonry as the good quality of bricks were not available in sufficient quantity. The total Nos. of bricks to be used were 1.49 lakhs against which the contractor used only 27,115 Nos. bricks upto 4-7-79. No secured advance was ever paid to the contractor for bricks.

The Executive Engineer recommended to the Superintending Engineer the change of specification from brick masonry to stone masonry due to shortage of good quality of bricks. The Superintending Engineer, Bhiwani accorded sanction vide his letter No. 9-57/10457 dated 26-7-79 to use stone masonry instead of brick masonry subject to the following conditions :

(i) That the Executive Engineer should explore the possibility of availability of good quality bricks and in case the Executive Engineer is satisfied that good quality of bricks are not available then stone masonry may be used by the contractor.

(ii) Enhancement of the cost of the said agreement be submitted to his office immediately within a week with full justification. It was also made clear by the Superintending Engineer to the Executive Engineer that while submitting the enhancement case of the agreement, the Executive Engineer should personally satisfy himself about the recording of the in flow of sand.

As good quality of bricks were not available, the Executive Engineer recommended the balance work to be carried out in stone masonry in place of brick masonry in the interest of early completion of work. The recommendation of the Executive Engineer for change of specification from brick masonry to stone masonry was approved by the then Superintending Engineer who is fully competent to approve it.

The departmental enquiry to determine the causes of collapsing of the well has been conducted. In the enquiry report, the natural causes have been attributed to the collapse of the well. The enquiry officer has stated in his report that, "The well could not be sunk further below 33.10 meters B.G.L. due to constant inflow of sand for 19 days. 47 cum of sand has been taken out during this period. This must have resulted in forming of cavity around the sides of the well. At the time of mishap, the well curb was resting at 33.10 metres B.G.L. which was in fine sand formation. The vertical sides being loose, due to inflow of sand and the bottom curb resting on loose sand formation, the well might have tilted on one side resulting in an impact with the side of the well excavation sufficient enough to cause failure of the well steining and loosening of the block masonry below the level of rupture. *This seems to be a natural calamity beyond the control of anyone.* The steining of the well stands cracked and it is assumed that the well curb might have given way. The risk in dismantling the steining of the well and the curb is too much and not worth taking. In another report submitted by the then Superintending Engineer, Public Health Circle, Bhiwani (a different officer) the cause of collapse of the well has been stated to be due to natural calamity beyond the control of anybody.

In view of the above observations of Enquiry Officer and Superintending Engineer, Bhiwani (two different officer (as given in the foregoing para, the causes for collapse of the well was due to natural calamity, beyond the control of anyone. As such none of the officer/official can be held responsible for the collapse of the well.

It has been decided to abandon the well because of the following reasons :

- (i) There is risk involved to the human life in the operation salvage/ reclamation of the collapsed well
- (ii) The amount of any further expenditure spent/incurred in reclaiming/completing the well would be a wasteful expenditure on the well as the water table has already receded to a level lower than the depth upto which the well could be sunk, on the basis of conditions existing at site

The cost of material has been recovered from the contractor in 6/84 (from his security lying with the department)

The Committee are not at all satisfied either with the written reply or with the oral evidence of the departmental representatives. The Committee note that the statements given by the Executive Engineer, Public Health Division Rewari and Superintending Engineer, Public Health Circle, Bhiwani respectively run counter to each other. The cause of collapse of the percolation well due to which the department suffered a loss of 0.91 lakh was in

fact, mainly on account of failure of stone masonry which could not take the load above it. The Committee further note that the change in specification from brick masonry to stone masonry was intended to give unauthorised help to the Contractor because of increase in the price of quality bricks due to which reason the contractor expressed his inability to execute remaining work in July, 1979, July being the peak rainy season and during these months it was but natural that the soil/sand caught dampness and started flowing down continuously which resulted in cut and caused forming of cavity around the sides of the well and consequently the verticle sides got loose and the bottom curb resting on loose as and collapsed.

The Committee further observe that there was very nominal increase of Rs. 10/- per thousand in the rate of quality bricks and if these had been arranged by the Contractor with the hope that extra expenditure over and above the N.I.T. would be met by the department the collapsing of the well could have been averted. The Committee are, therefore, not inclined to subscribe to the report of the Superintending Engineer that the collapse of well was due to natural calamity beyond the control of anybody. The Committee are constrained to observe that non-availability of quality bricks was one of the pretexts of the Contractor whereas the actual reason was increase in the prices of the bricks which had forced the Contractor to get to specifications changed from brick to stone masonry.

The Committee, therefore, desire that the whole matter should be investigated in the light of foregoing observations and the responsibility fixed for the lapse.

In their additional reply the department stated the position as under:-

The matter has been investigated. There is no denying the fact that the Executive Engineer recommended change of specification of the masonry from brick to stone on the plea that prices of quality bricks have increased considerably, whereas the orders passed by the Superintending Engineer allowing change of specification from brick to stone are on the grounds of non-availability of quality bricks subject to the following condition.—

That the Executive Engineer should explore the possibility of availability of good quality bricks and in case the Executive Engineer is satisfied that good quality of bricks are not available then stone Masonary may be used, by the contractor

On investigation, it has been noticed that the increase in rate, of the quality bricks was only from Rs 125/- per thousand numbers to Rs. 135/- per thousand numbers. The increase was very nominal. Moreover after 12-9-1979, the work was again done in brick masonry. Only 60 43 cum of the masonry has been done in stone between the period from 7/79 to 9/79 and thereafter till the work was stopped due to the collapse of the well, the masonry has been done in bricks. This is the period of rainy season and during these months due to the closure of kilns, quality bricks are normally not available, easily Only 29 thousand bricks, would have been consumed in 60 43 cum of the masonry had it been done in brick instead, of stone masonry and additional financial involvement on the part of the contractor would be only Rs. 290/-

Further, the rate of stone masonry is Rs 50 80 and Rs 52.50 per cum as per Haryana Schedule of Rates but actually a provisional rate @ Rs 40/- per cum has been paid to the contractor. The corresponding rate of brick masonry is Rs 43 05 per cum, as per Haryana Schedule of Rates.

Given below is the actual payment to the contractor of the stone masonry done and also the payment which would have been made if the work was done in brick masonry. Stone Masonary 60 43 cum

	Rs.
@ Rs 40/- per cum	2417.20
Add tendered premium @ 240 % above	5801.40
Total	8218.60
(i) 60 43 brick masonry @ 43 05	2601.51
(ii) Extra for additional storey upto 13 ft. (4 Mtr.) above the top of structural roof of lower storey.	274.00
	2875.51
Add tendered premium @ 240 % above	6901.22
Total	9776.73
Difference 9776 73—8218 60	=1558 13
Say Rs 1558 00	

In view of the above it is requested that para in question may kindly be dropped.

After perusal of the above additional reply of the department, the Committee observe that nowhere any mention was made by the XEN, Narnaul about exploring the possibility of non-availability of good quality bricks. The additional reply, in the opinion of the Committee does not serve the purpose of the Committee. Had this fact been pointed out by the XEN to the S.E., Bhiwani, the consequences would have been altogether changed. The orders passed by the S.E. Bhiwani binding him to conditions "To explore the possibility of availability of good quality bricks and in the case the XEN is satisfied that good quality of bricks are not available than the stone masonry may be used by the Contractor" carry weight.

According to the Committee changing of specifications of the masonry from brick to stone by the XEN and secondly obliging the Contractor dishonestly for a very nominal increase in rates of bricks was the reason of collapse of the percolation well. Changing in specifications by the XEN on the plea that the prices of quality bricks had increased was just nominal.

and not justified as the increase in rates was just marginal i.e Rs. 10/- per thousand.

The Committee note that the loss of money and manpower was suffered firstly on changing of specifications and secondly on account of abandoning the same because of the risk involved to human life in the operation salvage/reclamation of the collapsed well and thirdly the amount of any further expenditure in reclaiming/completing the well could be wasteful as the water table is reported to have reduced to the level lower than the depth upto which the well could be Sunk.

The Committee observe that the department did not dig out the facts properly and thoroughly investigated the matter as contemplated by the Committee during oral evidence and neither the officer concerned responsible for this purpose was brought to book.

The Committee, therefore, strongly desire that the department should re-examine the matter to its logical conclusion in the light of the forgoing observations, and fix the responsibility for this lapse under intimation to the Committee at the earliest.

6.2. Utilisation certificates

[9] The financial rules of the Government require that certificates of proper utilisation of grants should be furnished to Audit by the departmental officers within 18 months from the date of payment of grants. Utilisation certificates had not been received (August 1983) for Rs. 58.37 crores (1,305 cases) out of Rs. 81.35 crores (1,633 cases) paid by the Government as grant during 1976-77 to 1981-82. Of these, certificates for Rs. 10.07 crores (664 cases) were due for over three years. The department-wise break up of pending utilisation certificates is given in Appendix VI.1. In the absence of these certificates, it is not possible to verify as to what extent the recipient bodies had spent the grants for the purpose (s) for which these were given

In their reply the department stated as under

Year-wise present position of outstanding Utilization Certificates is as under :—

Year	No of items for which utilization certificates are required	Amount in lakhs of Rs.
1969—70	1	0.50
1978—79	1	10.50
1979—80	8	225.48
Total	10	236.48

All the Utilization Certificates except the above 10 Nos. items were furnished to the Accountant General, Haryana and clearance chit obtained.

Utilization Certificates of these 10 Nos items amounting to Rs. 236.48 lakhs could not be supplied to the Accountant General, Haryana, as the details of these items have not been supplied by the Accountant General (A & E), Compilation I Branch despite of requests made by the Engineer-in-Chief vide following letters

D O No 122-AC-79/966-PH/AC/(1) dt. 27-5-1985

No. 122-AC-79/1402-PH/AC (1) dt. 2-7-1985.

No. 122-AC-79/1512 dt 15-7-1985

No 1553 dt. 26-7-1985

No. 122-AC-79/176-PH/AC(1) dt 25-1-86

No. 1070-PH/AC(1) dt 5-5-86/29-5-86 .

The department undertake to furnish the outstanding Utilization Certificates within three months from the date the facts and figures are supplied by the Accountant General, Haryana

Now the Utilization Certificates are being obtained from the Divisional Offices and submitted to the Accountant General (A & E), Hayana in one lot and necessary entries are recorded in the Register of the Accountant General (A & E), Haryana, by the office of the Engineer-in-Chief.

The Committee note that the outstanding utilisation certificates pertain to old period. The Committee, therefore, desire that department should make concerted efforts to get the necessary details in respect of these outstandings and furnish these certificates to the Accountant General (A & E).

REVENUE DEPARTMENT

3.11. *Gratuitous relief for crops/houses damaged*

[10] Government orders issued from time to time provided for grant of gratuitous relief on account of damage to crops and houses caused by hail storms, floods, etc.

(a) *Relief for Crops*

During 1979-80 to 1981-82, relief was to be given to the land owners/tenants after assessment through special *girdawaris* of the extent of damage caused by hail storms to standing crops in each field on the following scales:—

	Gratuitous relief for damaged acre for		
	Rabi 1979	Kharif 1980	Rabi 1981
	(In rupees)		
Where loss to standing crops—			
Exceeded 75 per cent	300	400	400
Exceeded 50 per cent but not 75 per cent	200	300	300
Exceeded 25 per cent but not 50 per cent	100	100	100

Assessment through special *girdawaris* and disbursement of relief was to be checked 100 per cent by the Circle Revenue Officers, 25 per cent by the Sub-Divisional Officer (Civil) and at random by the Deputy Commissioners. Test check in audit conducted between October 1981 and April 1983 of the records in seven districts (Ambala, Kurukshetra, Karnal, Jind, Sonapat, Gurgaon and Mohindergarh) revealed that the prescribed checks were not exercised and the following irregularities were noticed:—

(i) In six districts (excluding Ambala of the districts test checked) Rs. 15.48 lakhs were overpaid during Rabi 1979, Kharif 1980 and Rabi 1981 due to payments having been made on the basis of total cropped area instead of on the basis of damaged area in each field as required under Government orders. Relief amounting to Rs. 4.18 lakhs was paid in seven districts to 1,139 cultivators though no damage was done to their crops. In six districts (Excluding Ambala of districts test checked) Rs. 4.34 lakhs were paid in excess to 1,620 farmers due to erroneous classification of affected fields.

(ii) Relief amounting to Rs. 1.53 lakhs was wrongly paid in seven districts for vacant and *banjar* fields (Vacant-101 farmers: Rs. 1.36 lakhs, *Banjar*-22 farmers: Rs. 0.17 lakh).

(iii) In three districts (Karnal, Sonapat and Mohindergarh) Rs 0 69 lakh were paid to 366 farmers where relief was not permissible as damage to crops did not exceed 25 per cent.

(iv) In four districts (Karnal, Sonapat Gurgaon and Narnaul) relief of Rs 0.83 lakh was given to 237 farmers (area 237 acres) for crops damaged before hailstorm and Rs 0 39 lakh were paid in two districts (Karnal and Sonapat) to 188 farmers (area 145 acres) on accounts of damage on "thun land"

(v) Double payment in respect of the same damaged fields in seven districts amounted to Rs 0 60 lakh (297 farmers) and over payment due to wrong calculations was Rs 0 21 lakh

(vi) In two districts Rs 1 32 lakhs were paid over and above the assessed amount Payment of Rs 0 18 lakh was made to persons whose names did not exist in the *girdawaris*

(vii) In four districts (Kurukshetra, Gurgaon Jind and Narnaul) no special *girdawaris* were prepared in respect of 824 cases Based on original *girdawaris* Rs 1 83 lakhs were paid for 333 acres in excess of damaged area.

(viii) Doubtful/excess payment on account of change in damaged areas in *girdawaris* by cutting and overwriting amounted to Rs 1 54 lakhs

(b) *Relief for damaged houses*

(i) Rupees 100 were to be paid to each dweller whose hut was destroyed during 1978-79 floods, but payment at the rate of Rs. 200 to 300 was made for 278 huts resulting in an overpayment of Rs. 0.46 lakh in two districts (Karnal 5—Rs 0.01 lakh Ambala 273—Rs 0 45 lakh)

(ii) Grants at the rate of Rs. 300 per house were admissible to persons whose houses had been totally damaged and were not left with any habitable accommodation. In five districts (Ambala, Karnal, Sonapat, Gurgaon and Mohindergarh) Rs. 0.76 lakh were paid to 279 persons whose houses had either been partially damaged or who had another dwelling accommodation

(iii) Lists of eligible persons entitled to relief for repair of houses were to be drawn by the Tehsildars by associating *sarpanches/panches* and *lambardars* but in Gurgaon district Rs 20 03 lakhs were disbursed on the basis of reports of field staff/*patwaris*. In Jind district, Rs. 1.05 lakhs were disbursed to 343 persons on the basis of lists drawn by the Tehsildar's staff without associating the *sarpanches/panches* of the villages concerned.

(c) *Other points*

(i) In addition to Kamins and poor classes, relief at prescribed rates on account of loss by fire was permissible to deserving petty traders and farmers in both urban and rural areas who could not take insurance cover and whose annual income did not exceed Rs. 10,000 . However, in Sonapat district Rs. 0.14 lakh were paid between October 1981 and December 1982 to 12 persons whose annual income ranged between Rs. 0 15 lakh and Rs. 0 60 lakh.

(ii) Out of Rs. 36.50 lakhs placed at the disposal of Irrigation Department by the Deputy Commissioner, Kurukshetra and Jind during 1975-76 to 1978-79 for dewatering, detailed accounts for Rs. 12.82 lakhs and refund of Rs. 16.03 lakhs were awaited (June 1983) by the Deputy Commissioners from the Irrigation Department

(iii) Rupees 34.79 lakhs were drawn by Deputy Commissioners in four districts (Gurgaon, Jind, Kurukshetra and Mohindergarh) during 1978-79 to 1981-82 for disbursement. Of these Rs. 19.47 lakhs were refunded into the treasury between January 1979 and March 1982 with a delay ranging from one month to a year and Rs. 0.10 lakh drawn in March 1981 were lying undisbursed/refunded (April 1983).

(iv) In two districts (Kurukshetra and Mohindergarh), Rs. 11.38 lakhs (out of Rs. 80.38 lakhs drawn in 1980-81 and 1981-82) were kept under "Revenue Deposits" of which Rs. 0.26 lakh were lying undisbursed (June 1983).

(v) In Gurgaon district, Rs. 15.00 lakhs drawn in February 1981 by the Deputy Commissioner were deposited in a post office Savings Bank Account. The amount was disbursed during 1981-82. Out of the interest of Rs. 0.11 lakh earned upto July 1982, Rs. 0.01 lakh were spent on purchase of petrol and the balance was lying unutilized.

The matter was referred to Government in November 1982; reply was awaited (November 1983)

In reply to the questionnaires of the Committee, the department stated as under :—

(a) *Relief for crops*

1. "The prescribed checks viz., checking of Special Girdawari by Circle Revenue Officers were observed in the districts of Sonapat, Kurukshetra, Narnaul and Jind whereas in other districts namely, Karnal, Gurgaon, and Ambala, these could not be observed due to shortage of time. The field officers concerned have, however, been directed to comply with the Govt. instructions strictly, in future.
2. Reply to item (i) to (viii) is given ad-seriatim below. The concerned Deputy Commissioners have been directed to take action against the defaulting officers/officials
 - (i) The gratuitous relief for the loss to crops caused by hailstorms was paid according to the Government instructions. The problem however, arose in the procedure adopted by Patwari for making entries in the girdawari register and its interpretation by the Audit. As an illustration, if a field of 8 kanals was damaged and the extent of damage was 50%, the patwari converted 8 kanals to its 50% and entered 4 kanals as Pukhta and 4 kanals as damaged and entered the area of damage under the column meant for 50% loss. The audit took it that the damage of 50% was only in 4 kanals but the Patwaris had made entry of 4 kanals after conversion of 50% loss of 8 kanals. To remove this confusion/

misunderstanding, a clarification on these lines has already been issued by this Department vide Memo No 1166-ER-I-84/11109, dated the 23rd April, 1984 (Copy enclosed). Recoveries of the over payments made in cases where there was no damage or erroneous classification affected fields are also being effected. So far an amount of Rs. 33,375 00 has been recovered and para relating to Sonipat district for over-payment of Rs 21,000 has since been dropped by Audit.

- (ii) Recoveries are being made. Rs 21,841 00 have been recovered.
- (iii) Recoveries are being made Rs 9,500.00 have been recovered so far
- (iv) Recoveries are being made. An amount of 6,485 00 has been recovered so far.
- (v) Recoveries are being made About Rs 13,530 00 have been recovered.
- (vi) The Districts of Gurgaon and Narnaul are involved in this over-payment who are making recovery from the concerned farmers.
- (vii) Regular girdawari was in progress at the time of occurrence of hailstorms and thus loss to crops was assessed by the Revenue Officers on the basis of that girdawari. It was not considered necessary to conduct Special Girdawari for this purpose. The payments were made correctly
- (viii) Cutting in the register in Jind District was due to the fact that the figures were changed as a result of checking by the Senior Revenue Officers. However, in other districts namely, Gurgaon, Mahindergarh, Kurukshetra, Karnal and Sonipat cuttings made in the record were not verified by Revenue Officers. As such the payments made are being recovered from the concerned persons."

(b) Relief for damage houses

- (i) "During spot verification Katcha houses were inadvertently mentioned as chhapars (which were considered as huts by audit) in which poor people were residing. Those were otherwise Katcha houses and therefore the relief was granted to them in accordance with the prescribed scale.
- (ii) In the case of Ambala District an amount of Rs. 21,600/- was involved, which has since been regularised with the concurrence of Finance Department. On the similar circumstances explained by D.C. Gurgaon, the case has been taken up with F.D. to concur the regularisation of the expenditure of Rs. 21,060/-. Efforts are, however, being made to recover such amounts in the districts of Karnal, Sonipat and Mohindergarh.
- (iii) The payment made by the field staff was regular as it was made in the presence of Sarpanches /Lambardars, No complaint was

received from the affected persons in this regard. The revenue staff will, however, be directed to observe the instructions on the subject strictly, in future."

(c) *Other points*

- (i) "The payment of Rs 0.14 lakh stands regularised and para dropped.
- (ii) The Irrigation Department gets the accounts audited by A G Haryana direct. The accounts for audit of Rs. 2,93,516.00 relating to Remodelling Division Irrigation Jind have already been conducted. Accounts for an amount of Rs. 3.59 lakh relating to Kurukshetra district and maintained by Executive Engineer Drainage (Mechanical) Karnal are ready for audit. Information in respect of accounts for Rs. 6,29,056/- is awaited. Against Rs 16.03 lakhs, an amount of Rs 10.60 (and not Rs 10.53 lakh as pointed out by audit) pertains to Jind District. This matter has been taken up with F D for allowing this refund after adjusting the excess expenditure of other districts. As regards the refund of Rs 5.50 lakhs relating to Kurukshetra district, necessary action is being taken in this regard also.
- (iii) Regarding Mohindergarh district, in view of anticipated demand an amount of Rs. 11.28 lacs was drawn and an amount of Rs 10.74 lacs was actually disbursed leaving a small fraction of Rs. 0.54 lacs only. Rs. 10,000/- relating to this district has been deposited in the Treasury on 31-3-1982. In respect of other districts the whole amount has been refunded/utilized. As regards delay in refunding the amount D Cs have been asked to explain the reasons
- (iv) An amount of Rs. 10,000/- in Revenue Deposits of Mohindergarh districts has become more than three years old. So the matter has been taken up with the A.G. to allow its refund. However, D C has been directed to take action against officials at fault. The reply from D C Kurukshetra in this regard is awaited
- (v) D C. Guigaon has informed that this amount was withdrawn through contingent bill as the disbursement is made through S.D O.(Civil) and there was no L.O C number for him. So the money was deposited in the Post Office for further disbursement. D.C has been directed to deposit the balance amount of Rs. 10,000/- in the Government Treasury under proper receipt head and take action against the defaulting officials."

During the course of oral examination, the departmental representative informed the Committee that misclassification had occurred due to the fact that at the time of hail storms the Officer visited that affected areas for an on-the-spot verification and had assessed the loss to the crops according to his own survey, whereas a circle officer who visited the area after 15 days assessed the loss at different footings. He assured the Committee that the amounts for which the Accountant General had raised objection, efforts would be made to recover the same so that the matter was settled at the earliest.

The Committee are not at all satisfied either with the written reply furnished by the department or the position explained by the departmental representative during oral evidence. The Committee are constrained to observe that despite Government instructions no proper check was exercised by the department nor was the gratuitous relief for the loss to crops caused by hail storm properly assessed or distributed to the genuine persons in the six districts. The Committee observe that even in a number of cases over/double wrong payment were made without identifying the actual cultivators and also without verifying the records. The Committee also note that major irregularities viz. wrong entries, cuttings/entries of figures in the record/girdawari registers made by the persons entrusted with the work came to light only at the time of test audit. The Committee view this gross negligence of the department seriously as a result of which not only genuine and actual cultivators were deprived of the benefit under the scheme but the benefit was deliberately extended to the persons who were not entitled to receive it.

The Committee recommend that :—

- (i) the over payment wrong payment/double and doubtful payment, of gratuitous relief for the loss to crops caused by hail storms made to the cultivators as a result of wrong girdawari/gross negligence as pointed out in the Audit para be recovered at the earliest and the progress made in this behalf reported to the Committee.
- (ii) stern action be taken against the officials who had made excess/wrong/double payments to the farmers, despite clearcut orders/instruction of the Government.
- (iii) recoveries of over-payment in cases where there was no damage or erroneous classification was made be effected at the earliest.
- (iv) as promised during evidence, the matter in regard to the payments made to those farmers whose land was not covered under the special girdawari in the Gurgaon and Narnaul Districts should be investigated and a compliance report furnished to the committee within three months.

* * * * *

Out of Rs. 36.50 lakhs placed at the disposal of Irrigation Department by the D.Cs Kurukshetra and Jind during 1975-76 to 1978-79 for de-watering, detailed accounts for Rs. 12.82 lakhs and refund of Rs. 16.03 lakhs were awaited from the Irrigation Department. When called upon to state the latest position in that regard, the departmental representative informed the Committee that the department had taken up the matter with the Finance Department allowing this refund after adjusting the excess expenditure.

The Committee desire that the final outcome of the matter be intimated to it.

Paragraphs 5.1. Stamps

[11] Sufficient stock of judicial and non-judicial stamps is to be maintained at 'Local Depots/Branch Depots' as per rules. The district treasuries in the State constitute the local depots and the sub-treasuries branch depots.

The stock so maintained at the local depots should normally cover the probable consumption of four months. The supply of stamps to the branch depots is to be so regulated as not to exceed their two months' requirements.

In 14 treasuries of the State the position of stock of stamps held at the commencement of the year 1982-83, receipts, issues during the year and the closing balance on 31st March 1983 was as indicated below —

	Opening balance	Receipts	Issues	Closing balance
	(In lakhs of rupees)			
Revenue, Judicial and non-Judicial stamps	47,45.92	35,94.20	35,98.81	47,41.31

Although the stock held at the beginning of the year was sufficient to meet the requirements for that year, fresh procurement of stamps was made in the following category of stamps

(a) Court fee stamps

Treasury	Opening balance	Receipts	Issues	Balance
	(in lakhs of rupees)			
Hissar	92.22	7.82	19.00	81.04
Rohtak	83.58	4.42	21.02	66.98
Narnaul	2,01.00	37.93	15.74	2,23.19
Faridabad	76.00	1,00.92	33.36	1,43.56
Sonepat	1,00.66	4.02	13.70	90.98
Bhiwani	1,39.10	4.43	21.20	1,22.33
Jind	23.90	6.34	8.34	21.90

(b) Transport tax stamps

Treasury	Opening balance	Receipts	Issues	Balance
	(in lakhs of rupees)			
Hissar	1,41.51	20.00	47.26	1,14.25
Sonepat	5.66	3.64	2.74	6.56
Jind	1.65	—	—	1.65

(c) Hundi Stamps

Faridabad	13.85	0.34	8.64	5.55
Bhiwani	1.12	0.11	0.01	1.22

Under the rules, the Commissioner/Collector is required to inspect each treasury at least once in a year and District Treasury Officer to pay surprise visit to each sub-treasury in his jurisdiction once a year to check, among others, single lock balance of stamps and physical verification of two items for each category of stamps in double lock. The prescribed checks were not carried out in any of the 14 treasuries and in 30 out of 57 sub-treasuries during 1982-83.

In their written reply to the questionnaire of the Committee the department stated as under :—

“The treasuries have to keep stock of stamps according to rule 5 of the Punjab Stamp Rules, 1934 keeping in view the demand of public. In the year 1982-83 indents were sent to the Controller of Stamps, Nasik Road once in a year for stamps of high value i.e. Rs. 25/- and above and four monthly for stamps of low value.

2. The indents are prepared according to rules keeping in view the likely demand/requirement of public and also enough reserve is required to be maintained to ensure the adequate supply of stamps of all the denominations even to meet any increased demand. Generally in such cases, the stamps of high value remain much in stock and those of low value are in great demand. Therefore, in spite of the fact that though stamps in stock of high value were of considerable value yet because of shortage of stamps of low value more demand of low value stamps & less demand of high value stamps continued to be placed with the Nasik Road. Normally, flow of stamps by the Central Stamps Depot, Nasik Road is not regular according to the scheduled timing. It is, therefore, always considered safe to keep sufficient stock even more than those specified in rules keeping in view the general shortage of stamps throughout the country in order to avoid hardship to the public in the event of late/short supply of stamps from Nasik

Reports received from the various Deputy Commissioners have revealed that many a time Nasik Road has sent stocks even much in excess of the indent placed.

The detailed position treasury wise is given below :—

(a) Court Fee Stamps

Hissar

Only those categories of stamps which were inadequate in the stock were indented, e.g. stamp of denomination Rs. 0.50, 0.75, 1/-, 2/-, 3/-, 10/-, 25/-, 100/-, 250/-, 350/- for Rs. 8.63 lacs. However D.C. Hissar has informed that Central Stamp Depot. supplied some stamps other than stamps which were indented for.

Rohtak

Against consumption of stamps worth Rs. 21.02 lakhs during the year 1982-83 stamps of low value denominations of Rs. 0.50, 0.75,

1/-, 2/- and Rs. 3/- of worth Rs. 4,18,000 only as per requirement were indented. Stamps worth Rs. 23,900 were supplied in excess by the Nasik Road.

Narnaul

In respect of the Narnaul treasury stamps worth Rs. 50,000/- only were indented but a supply of stamps of Rs. 37.93 lacs was received from the controller of stamps.

Faridabad

Faridabad is a fast developing town. Keeping in view heavy sale worth Rs. 68,69,400 during the previous one year more sale was expected during the year. Thus indent was placed for stamps worth Rs 104 lacs according to the prescribed formula in rules.

Sonepat

Indents during 1982-83 for stamps worth Rs. 8.52 lacs were sent for only those stamps which were short in stock. The stamps indented were of denomination of Rs. 0.50, 0.75, 1/-, 2/-, 3/-, 25/- and Rs. 125/-. The position of the treasury is that stamps worth Rs. 5,63,500.00 had to be obtained from other treasuries to meet the demand of public.

Bhiwani

Indents for only such stamps of small denominations e.g. Rs. 0.50, 0.75, 1/- 2/-, and Rs 10/- were sent to security Press which were inadequate in stock,

Jind

During the year indents for Rs. 1,84,000/- only for the stamps of denominations of Rs. 0.50, 0.75, 1/-, 2/-, 3/-, 25/-, 300/- and Rs. 3000/- which were inadequate in stock were sent but stamps worth Rs 5,92,000/- of different denominations were received in excess

(b) Transport Tax Stamps

Hissar

Against the consumption of stamps worth Rs. 47.26 lacs, stamps worth only Rs. 20 lacs of required denomination of Rs. 0.50, 2/- and Rs 3/- were received during the year 1982-83.

Sonepat

When the indent for the fresh stock amounting to Rs. 3.64 lacs was made a private transport company (it had transport Co. V Group used to obtain passenger tax stamps from Sonepat treasury. During this course, the company failed and this resulted the low sale. Thus balance increased.

Jind

No fresh stock of stamps was received during the year. There is no consumption of these stamps at this Treasury and ETC Haryana has been approached to remove these stamps from this treasury.

Hundi Stamps**Faridabad**

Against the consumption of Hundi stamps worth Rs 8.64 lacs during the year, the Hundi stamps worth only Rs 0.34 lacs of only those denominations, stock of which was inadequate, was received.

Bhiwani

As per report of Treasury officer/D.C. Bhiwani the figures of opening balance of Hundi stamps worth Rs 1.12 lacs is not correct. In Bhiwani there were no Hundi stamps balance of Rs. 1.12 lacs shown was issued to other treasuries. The stamps worth Rs. 0.11 lacs were received during the year as per anticipated requirement.

Treasuries/sub-Treasuries could not be checked strictly according to the norms during the year 1982-83 as the officers remained busy with other important duties. Although inspections fell short of the norms but they were carried out by one or the other officers in order to ensure proper functioning of the treasuries.

Similar is the position with regard to the year 1983-84 and 1984-85. No irregularity was noticed during these inspections.

Instructions have however, been issued to the concerned officers to strictly adhere to the norms of inspections prescribed in the rules."

During the course of oral evidence, the departmental representative admitted that there was an acute shortage of stamps in the past, but it will be removed very shortly, as the department was going to finalize rules in that regard on the basis of the Act passed by the Assembly.

The Committee, therefore, desire that the various steps taken by the department in order to meet out the shortage of the stamps together with results of such efforts be intimated to the Committee at the earliest.

EDUCATION DEPARTMENT

Paragraph 3.16. Outstanding audit observations

[12] Audit observations on financial transactions are reported to the departmental authorities concerned, so that appropriate action may be taken to rectify the defects and omissions. Half-yearly reports of such observations outstanding for more than six months are also forwarded to the Government to have their settlement expedited

The audit observations in the Education and Industries departments involving an amount of Rs. 4 88 crores issued upto March 1983 were outstanding at the end of September 1983. Some of the outstandings are as old as 1961-62.

Year	Number of observations		Amount	
	Education		Education	(in crores of rupees)
1978-79 and earlier years	1,049		0.94	
1979-80	587		0.16	
1980-81	336		0.64	
1981-82	269		1.14	
1982-83	268		1.85	
Total	2,509		4.73	

The following are some of the major reasons for which audit observations have remained outstanding :—

Nature of observations	Number		Amount	
	Education		Education	(in crores of rupees)
1. Payees' receipts not received	1,791		3.15	
2. Sanctions wanting	291		0.47	
3. Advances on tour	31		0.02	
4. Other reasons	396		1.09	
Total	2,509		4.73	

It will be seen that a sizeable portion of outstandings is due to non-submission of payees' receipts and vouchers. In the absence of these receipts and vouchers, it cannot be vouchsafed that all payments have indeed been made or made for due consideration and in accordance with rules and regulations.

* * * *

In their written reply the department stated as under :—

“Statement showing position on 30th November 1983 is depicted as per enclosed statement. The latest information is being compiled by the Accountant General, Haryana as personally ascertained from that office, and the same will be communicated shortly.

The last meeting for this purpose was held at Hissar in January 1984. Thereafter, we had been pressing the A.G. office for holding such meetings. But they were not in a position to arrange in view of the separation of the Audit and Account Wing and this process lasted upto the October/November 1985. Now the matter is under correspondence with the Accountant General Haryana and meeting is likely to be arranged shortly.

Incidentally the post of the Chief Account Officer also remained vacant for over a year. However, in order to ensure settlement of the objections without any further undue delay, the heads of the institutions have been instructed to take more interest in the settlement of the objections and to acquaint their successors with the latest position regarding outstanding objections or their transfer. However, it is gratifying to point out that the efforts of the Department for settlement of the objections have been praised by the Accountant General, Haryana in the past and the same tempo will be maintained in future also.

Most of the objections referred to in the questionnaire pertaining to the non-production of payee's receipt and sanctions of expenditure. It will be observed that payments are usually made by crossed Bank Drafts and as such, obtaining of stamped payee's receipt is not very relevant. The Audit should accept the fact of Crossed Bank Draft as Sufficient proof of payment. However, to satisfy audit, the heads of the institutions have now been instructed to secure stamped payee's receipt and their failure to secure the same will render themselves liable for Departmental action.

Efforts are also being made now to supply the copies of sanctions to all concerned heads of institutions. If for any reason, copies of such sanctions does not reach a particular head of the institution, it will be his responsibility to obtain the copy of the same and produce the same before the audit party. The heads of the institutions have also been instructed to consult Chief Accounts Officer or any concerned officer at HQ and sectional Officers at the District level for the settlement of any outstanding audit objections.

(Rs. in Crores)

Amount

2509

4.73

Number not known. Information regarding
nature of audit observations (Year wise) is
being compiled by A G. Haryana.

3 71

1 02"

During oral evidence it was stated by the departmental representatives that out of 2509 audit objections involving Rs. 4.73 crores pending as on 30-9-1983, 1427 objections of the value of Rs. 3.72 crores had since been cleared and now a balance of 1082 objections of the value of Rs. 1.01 crore was left

The Committee note that a large portion of these objections (836) relate to the period upto 1979-80. The Committee, therefore, emphasis the need for the settlement of these old objections as expeditiously as possible in order to ensure that the expenditure has been regularly incurred and that there had been no case of wasteful expenditure and misappropriation. The Committee be informed of the progress made in this behalf.

DEVELOPMENT DEPARTMENT

Paragraph 6.8. Excess payment of subsidy

[13] (i) Government of India had defined (March 1978) farmers having land holding of irrigated land 1.5 hectares or un-irrigated land 7.00 hectares as small farmers and those having irrigated land 0.75 hectare or un-irrigated land 3.50 hectares as marginal farmers for the grant of subsidy under the Desert Development Programme. Drought Prone Area Programme (DPAP) Agency Rohtak which was also implementing the Desert Development Programme, however, adopted (January 1979) a revised definition by enhancing the land holding limits. The enhanced limits were not approved (February 1979) by the State Government but DPAP Rohtak continued making payments of subsidy on the basis of the enhanced limits till 10th August 1979 resulting in excess payment of subsidy of Rs. 0.86 lakh to 1,405 ineligible farmers holding lands in excess of the limit prescribed by the Government of India. On being pointed out by Audit, the Agency expressed (March 1983) difficulty in making recovery from farmers at this stage

In their written reply the department stated as under —

“The DPAP Agency, Rohtak sent a modified proposal for revision of the definition of small and marginal farmers on the basis of Haryana Ceiling on Land Holding on 9-1-1979 and started disbursing subsidy in anticipation as sufficient number of small and marginal farmers were not covered under the definition laid down by Government of India. The State Government later rejected the revised definition finally in 8/79. No subsidy was disbursed thereafter

The excess subsidy to the tune of Rs. 0.44 lakh was given to 572 farmers and not Rs. 0.86 lakh to 1405 farmers as mentioned in the questionnaire. As the subsidy was disbursed keeping in view the proposed definition of land holding under Haryana Ceiling on Land Holdings, no individual is responsible. At present, there is hardly any possibility of the recovery as it was given in 1978-79 and the amount per beneficiary varied from Rs. 20/- to Rs. 100/-

During the course of oral evidence, the departmental representative admitted that the excess subsidy amounting to Rs. 0.44 lakh was given to 572 farmers, under the revised definition of small and marginal farmers, which was finally rejected by the State Government. He further added that it was not possible to effect recovery at that belated stage as the amounts were

given in 1978-79 and the amount of subsidy per beneficiary varied from Rs. 22/- to Rs. 100/- . The amount paid in excess will have to be written off the Government account.

The Committee observe that it was highly improper on the part of the DP AP Agency, Rohtak to have started disbursing subsidy under the revised definition of small and marginal farmers on the basis of Haryana ceiling on Land Holdings.

The Committee, therefore, desire that in future the State Government may ensure that the various agencies entrusted with the execution of development schemes incur expenditure within the parameters laid down by the State Government. The Committee further desire that necessary action to write off the excess amount paid to the farmers should be taken under intimation to them.

FOOD AND SUPPLIES DEPARTMENT

Paragraph 7.42 State Reserve Food Scheme

7.42.1 Introductory

[14] The Provincial Reserve Food Scheme (renamed as "State Reserve Food Scheme" from May 1971) was introduced in 1942 with a view to create a reserve of foodgrains in the State as an instrument to stabilize prices of foodgrains, maintaining an un-interrupted supply to consumers at reasonable prices on "no profit no loss" basis and exporting surplus stocks, if any, to other States. After trifurcation of the erstwhile Punjab State, Government of Haryana has been running the scheme on the same lines with effect from 1st November 1966. Under the new policy of wholesale procurement of foodgrains, introduced from Rabi 1973, the Government has been purchasing wheat and rice at support prices for Central pool. The main activities under the scheme are :—

- (i) Procurement of wheat on behalf of Food Corporation of India (FCI)/Government of India for Central pool
- (ii) Distribution of wheat and rice for local consumption in the State.

In addition, the Food and Supplies Department also undertakes procurement of rice for Central pool on behalf of FCI under Haryana Rice Procurement (Levy) Order, 1979.

Paragraph 7.42.3. Procurement of Wheat

(b) Down-grading of wheat

The procurement policy of Government of India for the year 1979-80 provided that wheat would be purchased in two grades, viz, grade-I and grade-II (conforming to specifications laid down) at the rates of Rs. 115 and Rs. 113 per quintal respectively. The State Government stated (May 1979) that Haryana wheat was almost wholly of fair average quality—grade-I, and directed the Circle officers that it should be ensured that wheat was properly cleaned to bring it to specifications laid down for grade-I and purchased at Rs. 115 per quintal. The Department purchased wheat (3.92 lakh quintals approximately) as grade-I at the rate of Rs. 115 per quintal without cleaning and bringing to the prescribed specifications. The FCI to whom these were supplied, however, deducted an amount of Rs. 7.85 lakhs (at the rate of Rs. 2 per quintal) on account of down-gradation of wheat as grade-II.

In January 1981, the Department issued instructions to circle officers that each case of down-gradation should be examined on merits for fixing responsibility for purchase of inferior wheat and where there was no lapse on the part of any individual, the shortfall would be absorbed by the Department.

No investigation had so far been conducted (November 1983) regarding purchase of inferior quality of wheat mentioned above. The Department recovered Rs. 0.24 lakh from *Pucca Artia* Association in case of four Circle offices on this account. The Department stated (September 1981) that wheat was purchased at uniform rate of Rs. 115 per quintal as per decision of the Government, but no orders were produced in support thereof.

The purchases of inferior quality wheat resulted in a loss of Rs. 7.61 lakhs.

(d) *Reimbursement of incidental charges and cost of bags.*

Procurement of wheat is made by the Department for Central pool at the rates fixed by Government of India for each procurement season. The stocks are despatched to outside States/delivered to FCI. Payments towards price of wheat, at procurement rate and incidental expenses, and cost of gunny bags are made by FCI at provisional rates fixed by the Government of India for each procurement season. Details of incidental charges incurred and cost of gunny bags are furnished every year by the Department to Government of India along with the supporting data and acceptance of the same is communicated to the State Government. Supplementary bills for the difference, if any, are prepared and sent to FCI for payment. Government of India finalised the rates of incidental charges /cost of bags (for the years 1977-78 and 1978-79) in October 1980/September 1982 respectively and for 1979-80 in March 1982/January 1983 respectively. The rates for 1980-81 and onwards had not yet been finalised (31st August 1983). The table below indicates the particulars of rates claimed by the Department, vis-a-vis, rates approved by the Government of India for the three years ending 1979-80 :—

	1977-78		1978-79		1979-80	
	Rate claimed by the Department	Rate allowed by Government of India	Rate claimed by the Department	Rate allowed by Government of India	Rate claimed by the Department	Rate allowed by Government of India
(Rupees per quintal)						
1. Total incidental charges up to rail head	13 72	12.52	14.81	13 16	16.81	14.41
2. Carry-over charges per month after 31st July	1.59	1.59	1.65	1.55	1.68	1.54
3. Carry-over charges for the month of despatch	0 79	0 80	0.83	0.78	0.84	0.77
4. Cost of bags	4.95	4.87	5.65	5 54	6.92	6.52

From the above, it would be seen that Government of India had not accepted rates claimed by the Department, even though, as per the Department, these were based on actual expenditure incurred by the Department on various items. The Department did not pursue the case further involving a claim of Rs. 153.06 lakhs approximately (incidental charges - Rs. 1,43.71 lakhs; cost of gunny bags - Rs. 9.35 lakhs) for the years 1977-78 and 1978-79.

No time schedule for presentation of claims for incidental charges has been prescribed. It was, however, noticed that detailed proposals for finalisation of the incidental rates for the years 1977-78 and 1978-79 were submitted to Government of India as late as November 1979 and April 1980 respectively which were finally settled by the latter in October 1980, resulting in delay in the realisation of differential amount of incidental charges of Rs. 2.51 lakhs for the said years by about 18 months to 30 months and consequent loss of interest of Rs. 58.73 lakhs (approximately). Out of this an amount of Rs. 38.02 lakhs was attributable to delay caused by the Department of about 12 months to 19 months in the submission of the proposals to the Government of India. The Government stated (November 1983) that matter had been taken up with Government of India for allowing interest for the time lag in sanctioning of incidentals from the year 1977-78 onwards.

(e) Non-reimbursement of commission

Under the wheat procurement scheme, the entire wheat is purchased for Central pool at the procurement price fixed by the Central Government (including incidental charges) payable by the Government of India, to the State Government. Till 1979-80, wheat was being purchased in Haryana State through commission agents appointed at each *mandi* on payment of 50 paise per one hundred rupees as commission. Government of India asked (28th November 1979) the State Government to abolish the system of commission agents, because, with the take over of the wholesale procurement by the public agencies in the State, these functions should be performed by them. Government of India further clarified (February 1980) that payment of commission would not be made from 1980-81 onwards. The State Government, however, abolished the system of commission agents only from 1982-83 and appointed in its place billing-cum-payment agents, without obtaining clearance from Government of India, on payment of reduced commission of 25 paise per one hundred rupees. Government of India, however, declined (June 1982) to bear any liability on account of commission to billing-cum-payment agents. It was noticed in audit that Department had paid commission of Rs. 73.80 lakhs.

In view of the refusal by Government of India (on whose behalf the wheat was purchased) to bear the charges on commission, the expenditure of Rs. 73.80 lakhs towards commission had to be borne by the State Government.

The Department stated (November 1983) that appointment of billing-cum-payment agent was considered economical and inevitable to facilitate prompt regular payments to farmers. The reply is not tenable, as, according to Government of India, these functions could be discharged by the procuring agencies themselves.

(f) *Delay in submission of bills*

Government of India had provisionally allowed (May 1977 and December 1979) the rates of gunny bags at Rs. 430 and Rs. 500 per 100 bags for the procurement season of 1977-78 and 1978-79 respectively pending settlement of final rates. The State Government demanded (August 1978) rates of Rs 491 per 100 bags (revised to Rs. 495 in April 1980) for the year 1977-78 and Rs 565 per 100 bags (November 1978) for the year 1978-79 against which Government of India sanctioned (March 1981) Rs. 471.36 and Rs. 543.32 per 100 bags for these years. No bills were drawn on the basis of the revised rates approved by the Government of India till March 1982 when supplementary bills amounting to Rs. 41.18 lakhs were submitted to the FCI and were realised immediately thereafter. On the basis of details supplied by the State Government in May 1981 and on further representation, the Government of India (September 1982) enhanced rates to Rs. 487 and Rs. 554 per 100 bags for these years, in respect of which supplementary amount of Rs. 13.15 lakhs was realised from FCI.

Owing to delay of one year in submission of the bills on the basis of the rates approved by the Government of India in March 1981, the Department suffered a loss of interest amounting to Rs 4.94 lakhs on cash credit availed of to that extent which could have been avoided.

The Department, in April 1983, while admitting the delay in issuing instructions for submission of supplementary bills as per sanction of March 1981, stated that periodical submission of bills and follow-up action for their realisation involved a lot of additional labour and time.

7.42.6 *Storage Capacity*

During April 1979 to June 1979, the Department procured 1.44 lakh quintals of wheat at Narnaul at rates ranging between Rs. 113 to Rs. 115 per quintal without ensuring arrangement for storage. Out of this, 1.01 lakh quintals were stored in the open compound and the balance 0.43 lakh quintals in covered accommodation, viz., schools, colleges, Government godowns, etc., as the Department's own storage capacity was only for 0.14 lakh quintals. The Department did not even store the bags on wooden crates and the entire stock (1.01 lakh quintals) remained in the open exposed to rain and sun. As fumigation was not done, the entire stock became infested and weevilled.

Wheat weighting 56,582 quintals was transferred (by sale) during October 1979 to December 1979 to FCI which imposed a deduction of Rs. 5.23 lakhs as per details given below —

	(Rupees in lakhs)
1. Weevilling cut	4.33
2. Down gradation	0.83
3. Infestation cut	0.07
Total	<u>5.23</u>

On test check of the analysis reports, it was noticed by the FCI that the weevilling was up to 15 *per cent* as against the maximum of 3 *per cent* permitted under the specifications laid down by Government of India. However, according to paragraph 18 06 of Prevention of Food Adulteration Rules, 1955 stocks containing weevilling beyond 10 *per cent* were to be considered unfit for human consumption. It was also observed that in addition to cut of Rs 5 23 lakhs imposed by FCI, the Department suffered a loss of Rs 0 53 lakh on account of shortages and replacement of damaged gunny bags. The Department stated (July 1982) that against the limited storage capacity, the procurement was unexpectedly heavy and stocks were stored in open yards without crates, and as expiry dates of the medicines available had elapsed, the fumigation operations could also not be carried out effectively due to shortage of polythene/gas proof covers which damaged the stocks.

The Department also stated (May 1983) that matter was being investigated and an enquiry officer had been appointed to complete the job within a period of 3-4 months. Further report is awaited (November 1983).

7 42 10. Other topics of interest

(i) *Payment of interest*

Central Sales Tax (CST) on inter-State sales was increased from 3 *per cent* to 4 *per cent* with effect from 1st July 1975. The Department, however, charged and deposited sales tax on the basis of tax realised from FCI at 3 *per cent* in respect of wheat during the period from 1st July 1975 to 31st March 1976. In July/September 1976, the Department further realised an amount of Rs 1.69 lakhs from FCI being the differential amount of tax at 1 *per cent* and the same was deposited in the account of the Department with the treasury instead of to the account of the Sales Tax Department. The Department was assessed to tax for this period in June 1981 and the remaining amount of tax of Rs 1.69 lakhs was deposited at the time of assessment. The Assessing Authority, Kurukshetra levied (June-July 1981) interest amounting to Rs. 1 62 lakhs due to belated payment of tax which was deposited by the Department in October 1981. The Department filed an appeal (November 1981) with the Appellate Authority but the same was rejected (December 1981) on the ground that non-payment of tax in accordance with the provisions of the Sales Tax Act was not circumstantial but was either wilful or administrative default. The department filed an appeal (June 1983) with Sales Tax Tribunal against the orders of Appellate Authority; its outcome is awaited (September 1983). The Director, Food and Supplies had asked (June 1982) DFSC to fix responsibility for the lapse. No responsibility had been fixed so far (November 1983).

(4) *Recovery of rent*

The Director, Food and Supplies intimated (4th November 1978) the DFSCs in the State to make available the surplus wooden crates

to FCI on rent. The rent was fixed (December 1978) at Re. 1 per crate per month. Test check of the accounts revealed that rent amounting to Rs. 1.30 lakhs in four circle offices (Karnal, Faridabad, Rohtak and Gurgaon) pertaining to the period May 1976 to March 1982 had not been realised from the FCI. The District Manager, FCI, Rohtak stated (August 1980) that as per instructions from the Regional Office, Chandigarh (December 1979) rent would be paid on the crates taken on or after 4th November 1978. As per information available, the rent period from 4th November 1978 to March 1982 worked out to Rs. 1.11 lakhs, which had not been realised from the FCI so far (May 1983)

The department in their written reply to the questionnaires of the Committee stated as under —

7 42 3 (b) Down grading of wheat

The wheat purchased in Haryana is considered to be of fair average quality i.e. Grade-I quality. Keeping this in view the State Government in 1979-80 took a conscious policy decision to purchase the entire quantity of wheat in grade-I at the uniform rate for 11/- per Qutls. w.e.f. 9-5-80. This was also meant to safeguard the interest of the farmers and to provide them incentive for increased production. The Government also decided to bear any loss arising out of down gradation of wheat from Grade-I and Grade-II by FCI at the time of delivery to FCI. However every care was taken to see that the wheat which was purchased was of the highest quality. Any heap which was found to be below specifications was got cleaned and upgraded by mixing with better quality wheat before acceptance. It may, however, be mentioned that during the peak procurement season it may not at times be possible to analyse and take samples from each and every heap. Often only usual inspection is done. Therefore, it would not be correct that the down gradation by FCI is on a/c of inferior purchase in the first instance. Due to shortage of scientific covered storage accommodation in the State a large Qty. of wheat procured is stored on open [kuchha] plinths before delivery is given to FCI. Due to various constructions FCI could often not take delivery immediately after the purchase and the wheat had to be stored in the open for considerably long periods running from 3 to 6 months. Although every care is taken to see that the stocks are properly mentioned, the quality thus deteriorates with the passes of time. Thus most of the down gradation is on account of deterioration in the quality of wheat due to prolonged storage under non-scientific conditions it is therefore cleared that (there was no lapse on the part of any departmental official for the down gradation of wheat by FCI it may be mentioned that in the year 1979-80 upto 9-5-80 wheat was purchased) in two grades. A part of the wheat purchased as grade II was subsequently accepted by FCI in Grade-I and hence there was a gain of Rs. 3,55,658.46 on a/c of upgradation. Thus the net reductions on account of down gradation by FCI is Rs. 424549.88 which in times of qty. means down gradation of about 2000 tonnes only.

(d) Reimbursement of incidental charges and cost of begs

The proposals for the procurement incidentals and prices of gunnies are submitted to Government of India in the proforma approved by them. These are finalised by the Government of India after

discussions with the State Government which prolonged for years together. From the very inception the Government of India has been allowing less rates than those arrived at in these proformas but this does not mean that there has been loss to this deptt. as the annual summarised accounts of the deptt. does not depict any loss rather they depict gains from the scheme in these years.

Where the Government of India applied exorbitant cuts in certain items of expenditure, the State Government made representation to the Government against the arbitrary applied by them. As a result of which in the cases of 1977-78 and 1978-79, Government of India increased the rates of carrying charges and the rates of stocks drawn for public distribution system vide their letter dated 27-4-81.

There is no time scheduled for presentation of claims however the final proposals are submitted to Government of India after the close of marketing season or after ascertaining that the proposals for the previous years had been recommending for sanction by Government of India. The final proposal for 1977-78 and 1978-79 were however submitted after it was ascertained from G.O.I. that those submitted earlier for the year 1975-76 and 1976-77 had been recommended for sanction. The Government of India follows no time schedule for sanction of final proposals, as for the year 1971-72 to 1974-75, the sanctioned were issued by Government of India in 7/75 and for 1975-76 and 1976-77 in 3/80.

As explained above in para 3 there is no time schedule for sanctioning the final rates. The claims were presented as per above procedure and after receipt of sanctions, the bill were submitted by the DFSCs for realisation of differential amounts. However, we have already requested the Government of India to allowed interest on the difference between provisional incidentals and final incidentals at the rate of interest prevailing in the respective years from 1977-78 onward.

Due to late sanction of incidental Government of India was requested vide this office letter No 2(5)-83-Comp-I/23720, dated 6-9-82 to issue instructions to FCI to pay to this deptt. interest on the difference between provisional and final incidentals from the years 1977-78 onward at the rate of interest prevailing in the respective year (similar claim for interests on claim for interest on gunny price was also made to Government of India vide letter No. 2(4)-79 Comp-I /1082, dated 16-9-83. The Government of India vide their letter 192(4)-78-FC A/c, dated 5/7-12-83 called for additional information in respect of these claims which was sent to them vide this office letter No 2(5)-83-Comp-I /8169, dated 23-3-84 and letter No. 2(5)-83 Comp-I/20874, dated 7-8-84. The sanction is still awaited. The matter is being pursued vigorously with Government of India however, in another case recently Govt. of India requested you fix the meeting to decide the pending cases lying with Government of India.

(e) Non-reimbursement of Commission

After the advice of the Government of India was received regarding abolition of the system of Commission Agents (PAA) in the procurement of wheat the matter was repeatedly taken up with them vide letter No. 2-8-79-Comp-I/30183, dated 10-7-80 (copy enclosed) and D O. letter

No. 2(8)-79-Comp-I/34772, dated 9-11-82 (copy enclosed) and was also discussed in a meeting on 3-3-82. It was pointed out that the State Government ideologically had no objection to the abolition of PAAS but there were several practical difficulties in the direct purchase of wheat. The PAA was responsible for the quantity and quality of the wheat which was purchased they were also supposed to make advance payment to the growers and then obtain re-imbursement from the Government by submitting. The consolidated bill. With their abolition the State Government would have had to open many more pay points in the *mandis* for making direct payments to each grower. The field staff for testing and inspection would also have had to be strengthened considerably. It was estimated that the cost of additional staff would have been more than twice the amount of commission which was paid to the PAAs for procurement of wheat as would be evident from the table given below :—

<i>Year</i>	<i>Minimum presumptive expenditure on addl. staff</i>	<i>Total Commission paid to the PAA/ Billing-cum-payment agents @ 50 paise per 100 rupees</i>
1977-78	Rs 78.03 lacs	Rs. 26,23,500
1978-79	Rs. 78.03 lacs	Rs. 28,46,250
1979-80	Rs. 78.03 lacs	Rs 36,68,500
1980-81	Rs. 78.03 lacs	Rs. 25,03,800
1981-82	Rs 78.03 lacs	Rs. 33,99,500
	Rs. 390.15 lacs	Rs. 1,50,41,550

Approximate saving/gain

1977-78	Rs. 51,79,500
1978-79	Rs. 49,56,750
1979-80	Rs. 41,34,500
1980-81	Rs 52,99,200
1981-82	Rs 44,03,500
	Rs 2,39,73,450

It may also be mentioned that the claims on account of difference in the quality and qty. would have also increased tremendously if direct purchase was done by our field staff.

After repeated requests of the State Government for continuation of the PAAs were turned down by the GOI, this agency was abolished and billing cum-payment agents were introduced in February 1982. They now perform the following duties in the procurement of wheat :—

- (a) They consolidate the bills submitted by Kacha arhties and submit a single bill to the department for getting payment of wheat purchased. They maintain a/c of each kacha Arhties and give advance payments as far as possible.
- (b) They make payment of the market fee and *mandi* charges on behalf of the Deptt. and obtain reimbursement afterwards
- (c) They are responsible for weight and quality of wheat till it is delivered from *mandi* to the FCI/Deptt.'s godown.
- (d) They incur expenditure on establishment for preparing consolidated bills and supervising the purchases and deliveries etc
- (e) They are also responsible for quality and shortages in weight, if any, at the time of receipt of the stocks.

They were paid service charges at the rate of 39 paise per hundred rupees, (cost of wheat). This arrangement has also not been approved by GOI. However, the State Government feels that the expenditure which will be incurred on addl. staff would be more than twice the amount of commission which is being paid to the billing-cum-payment agents and would not serve any useful purpose either. The commission has been further reduced to 25 paise per Rs. 100 with effect from Rabi, 1986. It would therefore, be wrong to say that the any additional liability had been incurred by the State Government on account of the payment of PAA or Billing-cum-payment agents for the purchase of wheat. On the other hand where has been a very large saving in establishment costs which would have been incurred if direct purchase of wheat had been undertaken.

(f) *Delay in submission of bills*

In March, 1981 the Government of India fixed final prices of gunny bags as Rs 471/- per hundred bags for 1977-78 and Rs. 543/- per hundred bags for 1978-79 taking an arbitrary lower average basic cost than was due on the basis of debits of DGS & D. Consequently the Government of India was informed that the prices allowed by them are not acceptable and they were requested to revise the rates on the basis of procedure adopted in previous years or to fix a date for a meeting for settlement of the issue. But Government of India required the details of debits twice which were supplied to them. During the meeting on 3-9-82, the officers of Government of India conceded that the matter would be reviewed by them and on this assurance the existing sanction, of final prices of gunnies previously allowed by Government of India was conveyed to DFSCs for realisation of the difference due. However, the Government of India revised the sanction in 9/82 conveying the final increase rates of Rs. 487/- P.H.B. for 1977-78 and Rs. 554/-

P.H.B. for 1978-79 by increasing Rs 16/- per hundred bag and Rs. 11/- per hundred bag respectively. It would thus be seen that release of sanction in question was withheld to press the Government of India to restore the un-reasonable cuts, which were ultimately agreed to by them. With regard to loss of interest there is no loss as per summarised Accounts. However due to increase in the rate of gunnies, the Department was benefitted to the extent of Rs. 13.0 lacs. The department has also lodged claim for interests with the Government of India which is under their consideration

From the above it is evident that Government of India after representing the case to them had increased the rates and in case the sanction was released by accepting the same then there would have been no force in resentment to be shownly State Government for the unreasonable cuts applied by them. However, every efforts are being made to persue the Government of India sanction the reasonable rates by discussions and sending the details before the settlement of the final rates. There is no delay in submission of bills When the rates are finally accepted by the Government.

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7.42 6. Storage Capacity

At the time of inception of the Haryana State in 1966, it was heavily deficit in the production of Foodgrains. The introduction of better seeds and farming techniques, have brought about the green revolution, in other factor in increasing the production is that the price support has been extended to the farmers so that they are assured of the remunerative prices for the foodgrains. The procurement prices of fixed by the Government of India and it is for State Government to ensure, that the prices are not allowed to fall below the support prices. The procurement scheme under which the wheat was procured was in fact now turned into a price support scheme, it would, therefore be appreciated, that the State Government is not making large scale procurement of its own volition but in keeping with the national policy and as a measure of price support for safeguarding the interests of the farmers. When massive procurement operations are made, it is not possible to have ideal storage accommodation for all the stocks, but to resort to improvised storage, including open storage and provide as much protection, as possible. This is a system adopted all over the country, and is again being done under certain compulsions.

2. In this case a preliminary enquiry was conducted by an Officer and on the basis of the enquiry report, charge sheet has been issued to three officials (1) A F.S.O. and two inspectors) under rule 7 of the Punjab Civil Services (Punishment and Appeal) Rules 1952 for entire loss of Rs. 5,75,773 20. The enquiry proceedings are under-way.

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7.42.10. Other points of interest

(i) Payment of interest

The Central Sales Tax of Rs. 1.69 lacs related to the despatches of wheat to FCI under C.S.T. Act from 1-7-75 to 31-3-76. Originally

the Deptt. (DFSC Kurukshetra) realised the Central Sales Tax from FCI and paid the same @ 3% instead of enhanced rate i.e. 4% from 1-7-75 to 31-3-76. In May 1976 when it came to the notice of Distt. Food and Supplies Controller Kurukshetra that the C.S.T. @ 1% was realised less from FCI from 1-7-75 the claim was lodged on 31-5-76 with the FCI. The FCI paid difference of Central Sales Tax i.e. 1.69 lacs in the months of July and September 1976 and it was deposited in the account of the department as per rules. In the mean time the staff who prepared and submitted the S.T. Returns and handled the realization of additional amount of Central Sales Tax, was transferred in October 1976 without payment of C.S.T. to the Sales Tax Department. Thus the new incumbants had no knowledge about realisation of C.S.T. of Rs 1.69 lacs and its non-payment to Sales tax Department. At the time of assessment when this omission came to the notice that the realized tax of Rs. 1.69 lakhs was not paid the S.T. Deptt. the same was deposited in their account. The case for fixing responsibility of defaulting officials is in process. It is also mentioned here that the assessment case of 1975-76 is under review with the sales tax Tribunal on the application filed by this Department

7.42.10 (4) Recovery of Rent

(i) and (ii) : The matter regarding recovery of rent of wooden crates have been taken up regularly by the DFSC's and also the Hqrs ever since the crates were given on loss to FCI.

However, till date no payment has been received from F.C.I and all efforts are being made to effect this recovery

7 42 3. Procurement of wheat

During the course of oral evidence, the departmental representative stated that the Wheat purchased in Haryana is considered to be of fair average quality i.e. grade I quality and it was in keeping with this in view that the Government decided to purchase the entire stock in Grade I at the uniform rate. He further stated that it was not due to the purchase of inferior quality Wheat that resulted in a loss but it was due to shortage of covered storage accommodation in the State that a large quantity of wheat purchased had to be stored on open Kuccha plinths for considerable long period as the delivery of the stock is often not taken immediately by the FCI.

The Committee observe that the State Government should have; normally, followed the procurement policy of Government of India for the purchase of wheat in two grades. It would have certainly obviated the chances of down-grading of wheat by the FCI. Another aspect which led to sustain loss in down-gradation is shortage of storage accommodation and the time lag between the storage of the stock and the time of taking delivery by the FCI.

The Committee, therefore, strongly recommend that the State Government should invariably adhere to the procurement policy of Government of India and purchase wheat in two grades. The Committee further desire

that Government should consider the desirability of constructing or arranging sufficient scientifically covered storage accommodation to avoid storage of the stock in open for considerably long periods running from three to six months.

The Committee also recommend that till sufficient storage accommodation becomes available the State Government should sort out with the FCI to take delivery of the stock as far as possible, immediately after the purchases so that the minimum stock of wheat purchased may have to be stored in open.

(d) Reimbursement of incidental charges and cost of bags

The Committee are not satisfied either with the written reply or the oral evidence placed before it by the department. The fact remains that the case for approval of final amounts of incidental charges for 1977-78 and 1978-79 to be claimed from FCI was submitted to Government of India by the department late by 18 to 30 months and this resulted into corresponding delay in the realisation from FCI, of differential amount of Rs. 251 lakhs between the provisional and final rates resulting into loss of interest of Rs. 38.02 lakhs. The Committee feel that this has happened due to non lodging of the claim by the department promptly and due also to non-prescription of any time schedule for presentation of claims for incidental charges

The Committee, therefore, strongly recommend that the matter should be sorted out with the Government of India for the settlement/reimbursement of incidental charges, for evolving a proper time schedule and procedure for presentation of claims for such charges, so that no delay occurs in their realisation from the FCI and that the rates claimed by the department on the basis of actual expenditure are also entertained by the F.C.I.

(e) Non-reimbursement of Commission.

During the course of oral evidence, the departmental representative informed the Committee that there was no difference between the commission agents and billing-cum-payment agents and the department would be incurring less expenditure as compared to the amount which may be payable if these functions are discharged departmentally. The Committee are surprised over the decision of the State Government in abolishing the system of commission agents and appointing in its place billing-cum-payment agents when virtually there is no difference between the two functionaries. The Committee feel that the intention of the Government of India in entrusting these functions to the procuring agencies themselves is to eliminate the stage of middle-man and to ensure that unnecessary expenditure by way of charges on commission is avoided. The Committee, therefore, thinks that the functions of billing -cum-payment agents can be discharged by the existing staff and there is no need to recruit additional staff for the purpose.

The Committee, therefore, suggest that the department should consider the desirability of abolishing even the system of billing-cum-payment agent and discharging his functions by themselves within the existing available staff.

(f) Delay in submission of bills

The Committee observe that owing to delay of one year in submission of bills on the basis of the rates approved by the Government of India in March 1981, the department suffered a loss of interest amounting to Rs 4 94 lakhs on cash credit availed of to that extent which could have been avoided. During oral evidence the departmental representative stated inter alia that the department had lodged a claim for interest with the Government of India which was under their consideration.

The Committee desire that the final outcome the claim lodged with Government of India for interest be intimated to them. The Committee also suggest that the procedure for submission of bills should be streamlined so as to ensure that no delay occurs in submission of bills.

7 42 6. (iii) Storage Capacity

The Committee note that out of 1 01 quintals of wheat kept stored in open yards at Narnaul in 1979-80, 0 57 lakh quintals got damaged due to its exposures to rains, resulting a loss of Rs. 5.76 lakhs owing to quality cuts by FCI, shortage and replacement of damaged gunny bags. The departmental representative informed the Committee during the course of oral evidence that for this loss the department had charge-sheeted the A.F.S.O. under Rule 7 and the case was pending in the court of law. He further stated that the entire record connected with this case was impounded by the Court and necessary action to finalise the matter would be taken when entire record was received back from the court.

The Committee desire that the final outcome of the case be intimated to it as soon as the matter is finalised.

7 42.10. (i) Payment of interest

The Committee note that due to belated payment of sales tax realised from FCI the department had to pay interest amounting to Rs. 1 62 lakhs. During the course of oral evidence the departmental representative informed the Committee that the department had adopted two-pronged action. One that the matter had been taken up with the sales tax department and the second that action was being taken against the members of staff responsible for the lapse. He also assured the Committee that the department's appeal in the matter pending with the sales tax Tribunal would be decided in favour of the department as the lapse did not contain malafide.

The Committee desire that the final outcome in the matter be intimated in due course.

4. Recovery of rent

The Committee was informed during oral evidence by the departmental representative that the matter of recovery of rent for surplus

wooden crates was being pursued with the F.C.I. and was expected to be finalised within two months when report would be submitted to the Committee.

In their additional reply as promised during oral evidence forwarded vide Memo. No. 22/16/86-2E (ii)/26455, dated 1-10-86, in reply to a question of the Committee as to what is the final outcome of the recovery of rent, the department state as under :—

“It was decided in the meeting held on 19-6-86 that the F.C.I. would give its consent out of two options whether it would pay the cost of these crates (as paid by the Deptt.) as they would pay the rent as decided by the Finance Deptt. The F.C.I. was asked to give its consent within a month. Final decision is still awaited from F.C.I. They are again requested to send consent as decided in the meeting.”

The Committee is not at all satisfied with the additional reply furnished by the Deptt., because the position in regard to the recovery of rent stands states *quc* i.e. as depicted in their earlier written reply.

The Committee, therefore, desire that the matter may be settled at the earliest with the F.C.I. and the final decision arrived at in the matter may be intimated to it at the earliest.

MEDICAL AND HEALTH DEPARTMENT

3.1. Rural Health Programme

[15] 1. *Introduction*

1.1 The Rural Health Services were developed on the basis of the direction and guidance provided by the Health Survey and Development Committee (Bhose Committee) in 1946. The Community Development Programme was launched on 2nd October 1952 as the first integrated rural development programme for all round development of rural areas. Primary Health Centres (PHCs) to be established in each community development block were the focal points to provide primary health care services to the people. By the end of Fifth five Year Plan, PHCs had been established in 82 community development blocks out of 87 blocks in the State with 1,040 sub-centres. The Rural Health Programme comprises of minimum needs programme, community health workers/volunteers scheme/health guides scheme, multipurpose workers scheme, training of public health and para-medical workers scheme and re-orientation of medical education.

The implementation of the schemes is under the overall control of Health Department. The Director, Health Services (DHS) is implementing the schemes except 'Re-orientation of Medical Education' which is implemented by Director/Principal, Medical College, Rohtak.

1.2. As against an aggregate outlay of Rs. 10,16.66 lakhs, the expenditure incurred upto March 1983 was Rs. 8,28.37 lakhs
Programme-wise outlay and expenditure are given below :—

Name of scheme	Upto		1978-79		1979-80		1980-81		1981-82-		1982-83	
	Outlay	Expenditure	Outlay	Expenditure	Outlay	Expenditure	Outlay	Expenditure	Outlay	Expenditure	Outlay	Expenditure
	(in lakhs of rupees)											
1	2	3	4	5	6	7	8	9	10	11		
1. Minimum Needs Programme	83.92	1,21.89	53.80	18.71	1,28.15	51.61	1,34.54	1,18.89	1,94.40	91.81		
2. Community Workes/Health Guide Scheme	43 23	23.28	60.90	61.28	80.00	75.41	92.54	70.10	—	1,02.58		
3. Multipurpose Workers Scheme	42 17	21.85	17.98	14.30	26.38	22.88	24.52	16.35	24.00	8.68		
4. Training to Public Health and Para-medical staff	—	—	—	—	—	—	—	—	—	—		
5 Re-orientation of Medical Education in Haryana	—	—	—	—	6.33	5.53	1.90	1 28	1 90	1.94		
Total	1,69 32	1,67.02	1,32.68	94.29	2,40.86	1,55.43	2,53.50	2,06.62	2,20.30	2,05.01		

A review of the schemes implemented during 1975-76 to 1982-83, was conducted by audit during February 1983 to July 1983 at the Secretariat, Directorates and the implementing units in six districts (Karnal, Jind, Rohtak, Hissar, Bhiwani and Ambala). Important points noticed are given in the succeeding paragraphs

2.2. Physical targets and achievements

Against a target of 6 PHCs, 560 sub-centres (200 under family welfare programme), 2 thirty bedded hospitals and 37 rural dispensaries (to be converted into subsidiary health centres), as envisaged in Sixth Five Year Plan, 1 PHC and 34 sub-centres, could only be established by the end of March 1983 as detailed below —

(i) No new PHC was established during 1979-80 to 1981-82. One PHC (Nagal Saroi—District Mohindergarh) was established during 1982-83 against a target of six (Sixth Plan). Staff for new PHC was yet to be sanctioned (June 1983). It was seen in audit that non-establishment of PHCs during 1979-80 to 1981-82 was due to delay in construction/ completion of buildings.

Each PHC was to serve the needs of rural population of 80,000 to 1,00,000. In the State, one PHC, however covers on an average population of 1,11,000 (1981 census). While one of the main objectives in the Fifth Five Year Plan was to have one PHC for each community block, 11 blocks out of 94 were without PHC, while 7 blocks had 2 PHCs each (March 1983) resulting in imbalance in providing medical care. In the case of 7 blocks, the department stated that the sites had been decided (1980) by Government while in the case of 3 blocks, the matter was under correspondence (July 1983) between the DHS and Chief Medical Officers/Deputy Commissioners/State Government.

(ii) Against 560 sub-centres to be established during the Sixth Plan, only 34 sub-centres were established (March 1983). Each sub-centre covers on an average, a population of 9,400 against the requirement of 5,000.

(iii) Upto end of Fifth Plan, out of 89 PHCs there was only one 30 bedded hospital at Nilokheri. Specialists in various disciplines, viz., surgery anaesthesia, medicines, obstetrics and gynaecology had not been provided in this hospital (June 1983) thus depriving the people of benefit of these specialised services. Dental unit purchased (October 1980) at a cost of Rs. 0.10 lakh was out of order since August 1982. No 30 bedded rural hospital had been established so far (March 1983) against a target of 2 envisaged in the Sixth Plan.

(iv) The working group on Health Services (Planning Commission) had advised that the rural dispensaries in the State should be converted into subsidiary health centres for rendering preventive and promotive services. One subsidiary health centre was to cover a rural population of approximately 25,000. No rural dispensary was converted into subsidiary health centre upto 1979-80 or during Sixth Plan (upto March 1983) although the Sixth Plan envisaged a target of 37. Reasons for shortfall in achievement were awaited (November 1983).

2.3. Construction of buildings

(i) The targets fixed for construction of PHCs, sub-centres 30 bedded rural hospitals and achievements there against during Sixth Five Year Plan

(1980-85) for the State as a whole, were as under :—

Serial number	Details of the activity	Position upto 1979-80		Targets as per Sixth Five Year Plan (1980-85)	Achievements at the end of (1982-83)
		Total number	Located in Government buildings		
1	2	3	4	5	6
(i)	Construction of PHCs	89	72	6	2
(ii)	Construction of PHCs (Backlog)	—	—	16	7
(iii)	Construction of sub-centres	1,040	175	400	161
(iv)	Construction of rural referral hospital	—	—	2	2
(v)	Conversion of rural dispensaries into SHC buildings	—	—	37	—

* *

(ii) *Construction of Primary Health Centres*

Government of India laid down norms of Rs. 4.00 lakhs for construction of PHC building and staff quarters. State Government accorded administrative approval in August 1980 for 2 PHC buildings at a cost of Rs. 28.92 lakhs (Nagal Saroi : Rs. 11.68 lakhs and Khark Ram Ji : Rs. 17.24 lakhs) which was far in excess of the norms fixed by the Planning Commission. No reasons for the deviation from norms were available. PHC building Nagal Saroi (Mohindergarh), was completed at a cost of Rs. 14.40 lakhs (March 1983) without revising the estimates. Though the building for PHC Khark Ram Ji was awaiting completion (July 1983), yet equipments valuing Rs. 0.23 lakh were purchased in March 1983 and kept in the central stock of the hospital without having been used

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(iii) *Construction of Primary Health Centres (backlog)*

In the Sixth Plan (1980-85), construction of new buildings for 7 PHCs and completion of buildings for 9 PHCs at a cost of Rs. 26.00 lakhs was proposed. Government accorded administrative approval for construction of new buildings for two PHCs (Radaur—March 1981 and Hassanpur—August 1980) and an additional building for one PHCs (Bhattu Kalan—October 1980) at a cost of Rs. 38.07 lakhs (Radaur : Rs. 17.29 lakhs, Hassanpur : Rs. 16.96 lakhs in October 1982 and Bhattu Kalan : Rs. 3.82 lakhs) which exceeded the total provision made in the Sixth Plan. Construction work was still in progress. In the case of backlog of the Fifth Plan (9 PHCs) construction work of only 2 PHCs (Ahar and Bhuna) could be completed and work of PHCs Ghasera and Pehowa was still not completed.

(iv) *Construction of Sub-Centres*

Out of 1,040 sub-centres established upto the end of the Fifth Plan,

175 had their own buildings. A target of construction of 400 sub-centres was fixed during Sixth Plan. Against the norms of Rs. 0.40 lakh for construction of a sub-centre, State Government accorded administrative approval for construction of buildings for 230 sub-centres at a cost of Rs. 2,37.90 lakhs (200 sub-centres at Rs 1.08 lakhs each and 30 sub-centres at Rs. 0.73 lakh each).

Out of 230 sub-centres, buildings for 113 sub-centres were stated to have been completed, 48 were in progress (March 1983) and land for the remaining 69 sub-centres which was to be provided by the village *Panchayats* free of cost, was yet to be arranged (November 1983).

In Ambala, Karnal, Rohtak and Jind districts it was noticed that buildings in respect of 11 out of 36 sub-centres (Ambala : 12, Karnal : 13, Jind : 10, Rohtak : 1) which were stated to have been completed (1982-83), were yet to be handed over by the Public Works Department (June 1983). Information in respect of 25 cases was awaited (June 1983).

2.5. Improvement of X-Ray/laboratory facilities

Against the target of providing X-Ray/Laboratory facilities in 32 PHCs during 1978-83, coverage was only in, PHC (X-Ray) and 4 (laboratory facilities) (March 1983). In the districts covered (Ambala, Rohtak, Jind and Karnal) X-Ray facilities were provided in 6 out of 34 PHCs. There was no X-ray facility in any of the 8 PHCs (Rohtak). X-Ray plants provided in 2 PHCs in Ambala were out of order from March 1979 to July 1980 and December 1981 to date (June 1983). In one PHC (District Karnal), X-Ray plant (value : 0.69 lakh) was installed in October 1981 but the requisite accessories such as dark room, screen cassetts, tank, etc., were not provided (June 1983). Laboratory facilities existed only in 4 PHCs (Jind : 2; Karnal : 2) out of 34. The shortfall in the achievement of targets was reported by the department (August 1983) to be due to shortage of funds.

2.6. Shortage of medicines

The programme envisaged supply of drugs valuing Rs. 0.12 lakh per annum per PHC and Rs. 0.02 lakh per annum per sub-centre. The basis of assessment of the requirement of medicines for the PHCs/Sub-centres was not available in the Directorate or in the offices of the Chief Medical Officers of the four districts (Ambala, Karnal, Jind and Rohtak). The requirement of funds based on the number of PHCs and sub-centres in existence, vis-a-vis, amount spent for medicine by the department during 1979-80 to 1982-83 was as under :—

Year	Number of		Funds required as per norms	Expenditure (in lakhs of rupees)
	PHCs	Sub-centres		
1979-80	89	1,040	31.48	28.51
1980-81	89	1,040	31.48	29.12
1981-82	89	1,040	31.48	29.12
1982-83	90	1,074	32.28	31.12

In Ambala, Karnal and Jind districts (upto October 1982), no separate record of the value of medicines purchased and supplied to PHCs was kept. All the medicines purchased against the budget allocation of PHCs were recorded in the central stock of the hospitals and issued to PHCs on *ad-hoc* basis instead of being based on the number of indoor/outdoor patients during the last 2 years. In the absence of a proper account of the quantity/value of the medicines supplied to a PHC, the adequacy of medicines supplied was not susceptible to verification. In the case of Jind, where separate record of medicines supplied to PHCs was kept (after October 1980) it was noticed that medicines worth Rs. 1.18 lakhs (Rs. 0.30 lakh : 1980-81 and Rs. 0.88 lakh : 1982-83) were diverted to the district hospital. It was seen in audit that certain medicines like actidil, folic acid, intestopan, cebexin, chlorophenical syrup, otrivin nasal drops, descos cough syrup, calpol syrup, injection macalvit, etc., were not supplied to PHCs/Sub-centres for periods varying from 1 to 48 months during 1979-80 to 1982-83. The inadequacy of medicines had an adverse impact upon the medical services to the ruralites.

In the case of Karnal and Jind, it was also noticed that 50 to 80 per cent of the purchase of drugs, chemicals, surgical equipments, etc., during 1979-80 to 1981-82, was made in the month of March, with a view to avoiding lapse of budget grant

There was no regular system of taking samples of medicines supplied to PHCs in order to ensure that sub-standard drugs were not issued to patients. During 1979-80 to 1982-83 in the four districts covered, 27 samples (Rohtak : 5 ; Ambala : 3 ; Jind : 19 ; Karnal : Nil) out of 390 items of medicines supplied were taken by the Drugs Inspector for analysis. Results of seven samples were awaited (June 1983). Out of balance 20 samples, 7 samples (35 per cent) were sub-standard. Sub-standard medicines valuing Rs. 0.17 lakh were consumed at PHCs. Action taken against defaulting firms was not known (June 1983).

2.7. School health programme

The medical officer of each centre was to visit each school in his jurisdiction at least once in a year for medical check up, immunisation, health education, etc. The percentage of the schools visited ranged between 14 and 27 (State as a whole) and in the four districts covered, it varied from 7 to 38 per cent during 1979-80 to 1981-82. Law coverage was stated by the medical officers-in-charge of the programme to be due to the non-availability of vehicles, para medical staff, etc.

* * * * *

4.4 Orientation training

(a) The scheme envisaged orientation of the district level Medical Officers and key trainers of the State Health and Family Training Centre, at Central Training Institute, Delhi.

In four districts covered, no district level medical officers and key trainers was deputed for such training (May/June 1983).

(b) Under the scheme, training of Medical Officers, Block Extension Educators, and other supervisory staff was to be arranged at the State

Family Welfare Training Centre, Rohtak The intake capacity of the training centre for each batch had not been specified. It was stated by the Principal that targets for training were fixed according to the verbal instructions of DHS. The targets and achievements for the training during 1974-75 to 1982-83 were as follows:—

Serial number	Category of the post	Targets	Achievements
1.	District Extension Media Officer	7	7
2.	Medical Officer (PHC)	709	469
3.	Block Extension Educators	232	97
4.	Health Assistant (Male)	1,057	480
5.	Health Assistant (Female)	—	150
6.	District Supervisors	88	50
Total		2,093	1,253

The shortfall in achievement was due to deputing lesser staff by the Chief Medical Officers, which resulted in under-utilisation of the training centre.

(c) Government of India instructed (February 1982) that the training centre should be utilised for at least 250 working days in a year. The actual utilisation of the training centre during 1975-76 to 1982-83 ranged between 138 days and 244 days (except in 1976-77 when the utilisation was 263 days).

(d) With a view to strengthening the State Health and Family Welfare Training Centre, Government of India sanctioned (1977) the creation of one post each of Senior Training Officer (Sanitation), Senior Medical officer, Senior Training Officer (Nursing) Laboratory Technician and Laboratory Attendant for each centre (in Haryana, there was only one centre at Rohtak).

These posts were not sanctioned by the State Government upto 1982-83, thus affecting the functioning of the training centre.

4.5 Incomplete Training

(a) Health supervisors (male and female) were to be imparted training of 2 weeks at the training centre and 6—8 weeks at the PHCs. Multipurpose Workers (male and female) were to be trained for 6-8 weeks at the PHCs.

In the case of supervisors pertaining to Rohtak district while theoretical training ranging from 4 to 15 days was imparted in State Health and Family Welfare Training Centre, no training at PHC level was arranged. The Principal of the training centre stated (April 1983) that the responsibility of the centre was to provide only theoretical training and practical

training at PHC level was to be arranged by the respective Chief Medical Officers. It was seen that no practical training of 8 weeks (male) and 6 weeks (female) was arranged in PHCs in Rohtak district, thus rendering the training to the Health Supervisors incomplete.

(b) In Jind (8 cases involving stipend of Rs. 0.02 lakh) the training to supervisors/workers ranged from 10 to 34 days against the stipulated training of 6—8 weeks. In Ambala (115 cases) the duration of training was 40 to 43 days against stipulated period of 8 weeks (male—stipend : Rs. 0.32 lakh).

In written reply the department stated as under :—

1.2 The reasons for saving under various schemes concerning Minimum Needs Programme and M.P.W. Scheme and C.H.V. scheme of the Health Department are as follows :—

Physical Targets and achievements

Against a target of 6 PHCs for the 6th Five Year Plan, 4 PHCs namely Nagal Sarohi, Dharana, Ladwa, (Hissar) and Kharak Ramji were established. Against a target of establishment of 37 SHCs by conversion of RDs, 25 RDs were converted into SHCs. Besides 30 SHCs were established at new places thus 55 SHCs were established against a target of 37 SHCs making a total of 70 SHCs (15 SHCs were established in 5th Five Year Plan). There was a target of establishment of 2 CHCs (30 bedded hospitals) against which construction of buildings of CHCs at Bawal and Assandh was administratively approved. These institutions could be established only after completion of their buildings which could not be completed by the PWD authorities because paucity of funds. As soon as the Buildings will be completed by the PWD, these institutions would be set up. However during the year 1985-86 and 1986-87 (upto 10.8.86) 12 CHs (Cumulative) have been established. As regards sub-centres 1040 SCs were functioning by the end of 5th Plan. A target of establishment of 560 SCs was fixed for the 6th Plan against which 551 Sub-centres were established. Thus making a total of 1591 SCs at the end of the 6th Plan. At present 1892 Sub-centres are functioning in the State.

As per National Health policy now a PHCs is to be established for a rural population of 30,000 instead of a PHC for a block.

(iii) Construction of Primary Health Centre (Backlog)

The process of acquiring of land, getting suitable lands from panchayat, getting it transferred to Health Department through Director, Panchayat is quite lengthy & cumbersome & time consuming. Moreover the P.W.D. Department has laid its own norms & specifications and various formalities to be completed, reg. constructions of buildings. In view of this the construction work of the buildings in question could not be undertaken/completed by the State P.W.D.

Now out of 8 full and 9 partial buildings of Primary Health Centre, for full and 5 partial building have been completed. Out of the remaining 4 full buildings, construction of Primary Health Centre, Farukh Nagar, Aurangabad & Lath has been administratively approved. Reg. remaining 5 buildings (1 full & 4 partial) Panchayats have been asked to donate suitable lands at Badli, Rajound, Nagina, Daghana and Khanda Kheri.

(iv) Construction of Sub-Centres

(a&b) At the end of the 5th Five year plan, 175 sub-centres had their own buildings. During the 6th plan 354 buildings of sub-centres had been completed. 18 buildings have been completed during 1985-86 & upto date. Thus making a total of 547 Sub-Centres having their Government Buildings. The buildings of S.Cs. which were under construction in 1982-83 & 1983-84 in the District of Ambala, Karnal, Rohtak & Jind have been completed and taken over.

Improvement of X-Ray and Lab-facilities

According to the revised pattern adopted by the Government of India only Lab. facilities are to be provided in PHCs and X-Ray facilities to be given in CHCs (30 bedded Referral Hospitals). During the 5th and 6th Five Year Plan also there was no definite norm for providing X-Ray and Laboratories facilities in the PHCs but these were being provided in some PHCs which had to cater to a large population depending upon the availability of funds in a phased manner. Upto the 6th plan 25 PHCs had X-Ray facilities and 28 PHCs had laboratory facilities.

During the 7th plan (1985-86) (1986-87 upto date) 61 PHCs (RDs and SHCs upgraded to SHCs and new PHCs) have been provided Laboratory facilities. The case for 95 PHCs to be provided Laboratory facilities (new HCs/RDs/SHCs are to be upgraded into PHCs) is under consideration of Government. Now all the PHCs will be provided Laboratory facilities in a phased manner depending upon the availability of fund, and technical staff. Facilities for blood for M.P. exist at each PHCs. The names of two PHCs of Ambala District are not mentioned. However, in order to provide modern facilities to the rural population, X-Ray plants were installed at PHC Sadhaura and Raipur Rani of Ambala District.

The X-Ray plant of PHC, Sadhaura remained in working condition and it had never gone out of order during the period as pointed out by the Audit party of the Accountant-General, Haryana. However, the X-Ray plant installed in PHC, Raipur Rani had gone out of order during the period 3/79 to 7/80 and again from 12/81 to 6/84. As soon as the plant went out of order in 3/79, the original manufacturer of the X-Ray plant were informed to depute their Engineer by the Medical Officer I/c PHC. Raipur Rani vide his letter No. 1148-T, dated 16.4.79. The Engineer of the Firm visited Raipur Rani and the Firm submitted the estimates on 19.6.79. The estimates were approved and necessary sanction was accorded and thereafter the repair was carried out by the Firm in the last week of July, 1980. This very X-Ray plant again went out of order in 12/81 due to defects in various part of the X-Ray plant. The firm concerned was approached to remove the defects. The Engineer of the Firm visited the PHC, Raipur Rani in 3/82 for inspection and suggested in May, 1982, that the repair and replacement of the parts can only be done at the factory premises of the Firm at New Delhi. As such the X-Ray plant had to be sent to Delhi and handed over to the Firm on 20.7.82. The plant was put into working order on 28.6.83 by the Firm in PHC Raipur Rani and since then this plant is in working order.

The SDO PWD., B&R was requested by the BMO., PHC Ahar (Karnal) for the preparation of Dark Room but the PWD authorities did

not complete the Dark Room as per instructions of the B.M.O., PHC., Ahar in 10/83.

Necessary steps were taken by the Chief Medical Officer, Karnal to purchase screen, casset tank etc. by inviting quotations from the local market but these items were not available in the market at that time. When these items could not be procured from the local market, intensifying screen, casset etc. were got transferred from the General Hospital, Karnal to PHC., Ahar during 10/83 and 11/83. Thereafter this machine had been in use and is in perfect working condition.

Shortage of Medicines

- (i) A sum of Rs. 15,230 and Rs. 2,000 are provided annually for each PHC and Sub-Centre respectively for the purchase of medicines as per Government of India Guidelines and the same is supplied to PHCs/Sub-Centres on the basis of the number of outdoor patients attending a particular PHC/Sub-Centre and the number of indoor patients.
- (ii) There is practical difficulty in maintaining separate accounts of the value of medicines purchased/ supplied to PHCs/Sub-Centres as there is no separate pharmacist sanctioned who can act a store keeper in the office of the C.M.O. The work is being carried out by internal arrangement. In addition to the medicines purchased for PHCs/Sub-Centres, the district Store-keeper is the distt./Tehsil headquarter hospitals/Rural Dispensaries/Civil Dispensaries/CHCs etc. medicines purchased for flood relief, School Health Programme etc. and as such he is already over-burdened with the work. However, a specific entries in respect of the items of medicines supplied to PHCs/Sub-Centres are made in the Stock Register from where full account of medicines issued to the respective PHCs/Sub-Centres can be verified. A proposal has, however, been sent to Government for the creation of the post of a Pharmacist for the office of the C.M.O.
- (iii) The medicines were/are purchased on the basis of the budget and supplied to the PHCs/Sub-Centres against the demand subject to the availability.
- (iv) The medicines are selected for purchase by a committee keeping in view the availability of funds and requirement. However, the said specific medicines like actidil, solic acid etc. were/are issued to the PHCs/SCs. When a particular medicine was not available in the district store, a substitute thereof if available were issued.
- (v) Purchases can only be made subject to the availability of funds/ release of funds. The department is well aware of the situation and would very much avoid it as far as possible.

The revised grants were/are approved by the Government in January or February every year. As soon as the grants were/are placed at the disposal of the C.M.Os., the purchase

orders were/are placed by them after observing all the formalities required under the Rules. The firm took/take three four weeks time to supply the medicines as per terms and condition of the rate contract and as such even if the supply orders are issued in February the same are executed by the firms in March.

- (vi) It is a fact that there was no regular system of taking samples of medicines supplied to PHCs. The practice is to take samples out of the medicines suspected to be sub-standard. After test if a particular medicines or medicines was/were found to be sub-standard, the firm was/were asked to replace the sub-standard medicines. This has now been streamlined by issuing necessary instructions to all the C.M.Os'.
- (vii) Necessary instructions have been issued to all the Chief Medical Officers that it should be ensure that every month two samples are taken from the Government Hospitals/Centres/dispensaries so as to ensure that the medicines being supplied to Government hospitals are not of sub-standard quality.
- (viii) In order to ensure the regular flow of medicines to the medical institutions, the medicines of which samples are taken, are supplied to the PHCs so that medicines may be available with medical institutions. This used to be done because it takes two to three months to get the lab. report in respect of during the period 1979-80 to 1982-83, the number of the samples taken from hospitals/PHC of Ambala, Karnal, Jind and Rohtak district and found sub-standard are given below :—

Name of Distt.	No. of Samples taken	No. of samples found substandard
Karnal	20	2
Jind	11	5
Ambala	3	—
Rohtak	5	—

The budget for the purchase of medicines for PHCs/Sub-Centres is too short to meet the actual requirement. As such, it is not feasible to hold the medicines in stock for 2-3months, a time generally taken by the Drugs Laboratory for testing of samples. The firms were asked to replace the sub-standard stock further legal action under the Drugs Act is taken.

School Health Programme

The reason for low coverage of immunisation are mentioned in para 2.9 in case of school immunisation only D.T. and Typhoid vaccines were relevant. The performance in D.T. was quite satisfactory, being

2.11 lac against the target of 2.4 lac during 1980-81. 1.57 lac against the target of 2.5 lac during 1982-83. In case of typhoid, vaccine however, the relatively greater risk of side reaction like fever etc. were the major factor for low coverage. The reason for low coverage of school health programme during the year 1979-80 to 81-82 was due to non-availability of separate vehicle for the Distt. School Medical Officer even the State programme officer does not have separate vehicle under this programme. The vehicle available at the PHC is mainly used by the medical officers for looking after the various National priority programmes like Family Welfare Maternity & Child Welfare * programme and other related health activities included in the twenty point programme. Another constraint in the use of the vehicle for this programme i.e. is non availability of separate POL budget. It may be mentioned here that this programme cannot be linked with the Family Welfare Programme because the target population of both the programmes is totally different.

Immunisation Programme

It is in correct to suggest that immunisation achievements during the period from 70-80 to 82-83, defeated the purpose of preventing infectious diseases amongst children and women.

The number of children and mothers: provided coverage with various vaccines during this period, certainly were prevented from contracting various infectious diseases.

It may be mentioned here that the low achievement of targets in case of DPT and Polio, during the period under question, was largely due to the short supply of these vaccines during this period, since 3 doses of each vaccine are required per beneficiary. In the case under review, during 1980-81, only 4.99 lac doses of per vaccine was supplied against a target of 3.5 lac beneficiaries for which the actual requirement was 10.5 lac doses (discounting the allowed wastage factor of 10 %.) Similarly supply position prevailed in the year 1981-82 and 1982-83. In case of Polio vaccine, 1.5 lac doses were required for providing coverage to 50,000 beneficiaries during 1980-81 but only 1.06 lac doses were supplied, which was fully consumed. Keeping the supply factor in view, the achievement of Polio vaccine was satisfactory during the year 1981-82 and 1982-83 also. In case of D.T. Vaccine, the achievements were satisfactory in all the three years. The performance in T. mothers, however, was not up to the mark. This was mainly due to hesitancy, attributed to old beliefs on the part of pregnant women, not to accept any kind of injections during pregnancy. Infact injection is considered a stigma during this period. However, with concerted Health Education efforts the performance has considerably improved over the years

In case of Typhoid vaccine, the performance was low on account of the non-acceptance of this vaccine by masses, due to fear of reactions like fever although with passage of time and proper Health Education, this factor is decreasing as a constraint.

Orientation Training

(1) The district level Medical Officers and key trainers could not be deputed for the trg. commencing from 2-2-81 to 9-3-81 at CHEB New Delhi,

because the late receipt of sanction from the State Government. The subsequent course commencing from 3-3-1982, was cancelled by Govt. of India. The State Govt. did not accord sanction for the course proposed to be started from 19-4-82 to 31-4-82.

The three district level officers were deputed for the training at CHER from 1-10-82 to 30-11-82.

(2) The under utilisation of State Health and Family Welfare Training Centre was on account of lesser deputation of staff due to exigencies of various priority based National Health Programme like Family Welfare, Insecticidal spray for Malaria Control Special Health Camps and calamities like floods etc. There are only about 240 working days in a year and as such it was not feasible to utilise the centre for 250 working days.

A proposal was sent to the State Government for the creation of three Additional posts of Medical Lecturer, Senior Training Officer (Nursing) and Senior Training Officer (Sanitation) in the State Health and Family Welfare Training Centre, Rohtak vide this office letter No. 7/26-1MP-W78/608 dated 27-7-78. The matter remained in correspondence between the Directorate and the State Government. However, these posts were sanctioned by the State Government vide their letter No. 6/25/6-HBIII-82, dated 21/22-7-82.

Incomplete Training

1. The practical training of 8 weeks (male) and 6 weeks (female) to the supervisors in Primary Health Centres of Rohtak district could not be arranged at the time of implementation of the schemes due to oversight. When this shortcoming came to light, the supervisors 8 weeks (male) and 6 weeks (female) were imparted training from 3-3-81 to 11-5-81. Thus the practical training had been completed.

2. In Ambala, the training was given for 8 weeks duration which is inclusive of non-working days. If non-working days are excluded, the duration comes to 40-43 days. Hence, the training has been given according to the norms. The training in Jind district which was short of stipulated period of 6-8 weeks is being regularised.

Rural Health Programme

During the course of oral examination the departmental representative informed the Committee that the main reason for saving of Rs. 188.29 lakhs was that the procedure of getting the land transferred in the name of the Health Department from the respective Gram Panchayat under the Punjab Village Common Land (Regulation) Rules 1964 as well as completing other formalities was lengthy and cumbersome and that it took three to four years to start the construction work of the building. Another aspect which was reported to the Committee was that the contractors were not interested to come forward to offer their tender for rural areas because of in-convenience of carrying the material to the site of construction as well as the problem of stay. It was further brought to the notice of the Committee that the process to invite tender took considerable time which

resulted in delay in construction; sometimes the Contractor left the job before the completion of the work. It was also stated that the Planning Commission had fixed the target on a higher side but did not allocate the funds to that extent, as a result of which there was shortfall in achieving the targets.

The Committee do not feel satisfied with the explanation given by the Departmental representative. The Committee observe that taking three to four years in the construction of primary Health Centre was quite unfair and main obstacle in achieving the targets. The Committee observe that the department could cut short the procedural delay in the first instance when it came to their notice that the possession of land, preparation of site plan/drawing/rough cost estimate and getting the construction work from the PWD B & R department was a lengthy process and took three to four years. The department should have thought over it seriously and adopted such measures as would have enabled them to complete the entire work in a short span of time.

Physical Targets and Achievement

The Committee observe that the rural health programme was intended to achieve integrated rural development of rural areas. The Committee, however, do not feel satisfied with the overall performance of the department in the implementation of various schemes under the programme. The programme envisaged setting up of one PHC for each Community/Block during six five year plan. The Committee, however, note that no PHC was established from 1979-80 to 1981-82; only one PHC was established during 1982-83 and that too without sanctioned staff. The Committee further observe that even some blocks were without PHC and neither any 30 bedded hospital was set up nor any rural dispensary was converted into subsidiary health centre. Even the coverage under immunisation and school health programme was low.

The Committee, therefore, strongly recommend that the Government should endeavour to ensure that such developmental programmes as involve huge financial outlays should not be implemented in a mechanical way rather such programmes should be implemented in the spirit in which these are launched so that the intended benefit percolates to the people for whom it is meant.

Construction of Primary Health Centre (Backlog)

The Committee desire that efforts reportedly made by the department to obtain the land from the Gram Panchayat for the construction of new primary health centre at Rajaund, Nagina, Dochana, Khanda Kheri and Badli be intimated to it. The Committee further desire that Government should consider some alternative ways and means to secure the land for the purpose in case the Panchayats decline to give the land for the construction of Primary Health Centres.

Construction of Sub Centre

The Committee had desired to know the latest position about the construction of remaining 28 sub centres as informed during oral evidence. It had also desired that all-out efforts be made to complete the construction work of primary health centres/sub centres subsidiary health centres/referral hospitals/

staff quarters, whether at initial or advanced stage of construction at the earliest and the progress thereof be reported to the Committee in the quarterly progress reports. The Committee are, however, constrained to observe that the department failed to furnish the desired information till the drafting of this report. The Committee desire that the progress regarding the construction of 28 centres be furnished to it within six months.

Improvement X-ray/Laboratory facilities

The Committee desire that the steps taken to provide laboratory facilities to 95 Primary Health Centres reported to be under consideration of the Government be intimated to it at the earliest. The Committee further recommend that maximum facilities be provided to the Public Health Centres/Community Health Centres according to the norm prescribed for the purpose so that the sub centres could cater to the need of a large number of population. It also desired that steps to up-grade health centres/rural dispensaries or sub health centres into primary health centres be communicated to it.

Shortage of Medicines

The Committee reiterate their earlier recommendations contained in para 24 of their 22nd Report regarding taking of samples of sub-standard drugs and desire that the said recommendations be implemented both in letter and spirit. The Committee further desire that the procedure for taking samples at district level and supplying medicines after obtaining the results of test be streamlined so that sub-standard drugs are not marketed and sold.

The Committee further desire that separate accounts/registers of the value of the medicines be maintained in the office of CMO in order to check the quantity and value of the medicines in order to ensure the adequacy of medicines supplied/purchased.

School Health Programme

The Committee do not feel satisfied either with the written reply or the oral evidence tendered before it. The department admitted that the reason for low coverage under immunisation and school health programme during the year 1979-80 to 1981-82 was due to —

- (i) Non-availability of separate vehicle,
- (ii) Short supply of DPT vaccine by the Government of India.

The Committee observe that the reasons put before it were not convincing. It thinks that medical check and immunisation under school health programme could be covered with vehicle available with the Medical Officer/State Programme Officer because he was required to visit each school in his jurisdiction at least once in a year. The Committee observe that the demand of a separate vehicle was not a problem but the real problem was that the officers entrusted with the job did not care to perform their duties faithfully. The Committee further note that the Department had not taken up the matter with the Central Government for the additional supply of DPT vaccine which was required by them when the

initial supply was found short. The Committee, therefore, desire that in future such an important programme of school health be implemented both in letter and spirit, so that children are saved from serious diseases.

Orientation training

The Committee note with dismay that the matter in regard to the creation of three additional posts of Medical Lecturer, senior Training Officer (Nursing) and senior Training Officer (Sanitation) in the State Health and Family Welfare Training Centre Rohtak remained under correspondence for about 4 years with the Government. The Committee feel dissatisfied with the sluggish working of the Government and observe that Government had wasted a lot of time in the correspondence instead of increasing any efficiency in the work by deploying adequate staff. The result was that there was shortfall in achievement which resulted in under-utilisation of the training centre.

The Committee, therefore, desire that Government should ensure that adequate staff is properly sanctioned and deployed so that the purpose of training is not defeated.

Incomplete training

The Committee are unhappy to note that the practical training to the supervisors in Public Health Centres Rohtak was not imparted by the department due to oversight of instructions. This explain away sheer negligence and carelessness of the officers/officials concerned who did not impart the training despite having received specific instructions in this regard.

The Committee strongly recommend that the matter be investigated thoroughly and appropriate disciplinary action taken against the person(s) responsible for the lapse.

3.2. Extra Payment

[16] According to the clarification issued (September 1979) by the Haryana State Electricity Board (HSEB), bulk supply tariff for electricity consumption would apply, *inter alia*, to hospitals and dispensaries owned or run by Government. It was, however, noticed in test audit during January 1983 and June 1983 that in respect of six Government hospitals, the consumption was billed under commercial supply tariff instead of bulk supply tariff which was lower. Thus, against the electricity charges of Rs. 5.30 lakhs for the period October 1979 to May 1983 due from the hospitals, the Board claimed Rs. 9.40 lakhs on the basis of bulk supply tariff. The payment was made by the department without verification of the applicability of tariff resulting in extra payment of Rs. 4.10 lakhs.

The matter was referred to Government/department in June 1983; their reply was awaited (November 1983).

In their written reply, the department stated as under :—

The HSEB authorities had issued directions to their subordinate offices to charge reduced tariff on the 'Bulk Supply' of electricity made

to the medical institutions. It was the duty of the District Authorities of H S E B to charge the Tariff accordingly and bring these instructions.

The HSEB Authorities never informed the Health Department about the reduced Tariff on the 'Bulk Supply' of electricity to the medical institutions. However, the HSEB had issued instructions in this regard to their field offices in 1979. The facts came to the notice of Health Directorate only when an audit para was made out in this respect. Thereafter the matter was taken up with the HSEB authorities and they supplied a copy of their Memo No Ch. 61/TR-90/Shahbad, dated 17-9-1979 (Which they had issued to their field offices). On perusal of this memo it came to the notice that HSEB authorities had directed their own field offices to charge reduced Tariff on the supply of electricity from the medical institutions. In spite of these instructions the reduced Tariff was not charged from the medical institutions by the field staff of HSEB. Now the instructions issued by the HSEB, to its offices, have been brought to the notice of all the Chief Medical Officers in the State. The Health Department has not asked for refund but the extra payment of electricity bills made by Health Department is being adjusted in future bills. The HSEB (H. Q) has also been requested to direct their field offices in this direction.

During the course of oral examination, the Committee had desired the department to supply information with respect to the extra payment made by the institutions to the H S.E.B to date and the amounts adjusted so far there against. Although the departmental representative had assured the Committee that the requisite information would be supplied as soon as it was collected yet the same was not furnished to the Committee till the drafting of the report. The Committee view this apathy on the part of the department seriously and desire that the requisite information be supplied within two months together with reasons for not supplying it to the Committee earlier.

The Committee further desire that in future electricity charges bills received by the department should be thoroughly checked before making payments, so that such a situation does not recur.

5.4 Idle/under-utilised machinery and equipment

[17]. The following items of machinery and equipment had been lying idle/under-utilised in various offices/Hospitals in the State due to reasons indicated against each :—

Serial number	Name of office/hospital	Particulars of machinery/equipment	Cost (in lakhs of rupees)	Since when idle	Remarks
(1)	*	"	"	"	"
(2)	"	"	"	"	"
(3)	"	"	"	"	"
(4)	"	"	"	"	"
(5)	General Hospital, Safidon (Jind)	Dental Unit	0.08	March 1979	Installed in January 1973 but has remained idle since March 1979 due to technical defects and essential repairs.

(6)	General Hospital, Bhiwani	Dental Unit	0.10	December 1980	Installed in December 1980 but could not be put to use as the supplier did not repair the defective unit, and replace the foot control inspite of reminders.
(7)	General Hospital Toshiam (Bhiwani)	Dental Unit	0.13	May 1977	Non-availability of Dental Surgeon.
(8)	General Hospital Bhawani Khara (Bhiwani)	Dental Unit	0.10	July 1979	Non-availability of Dental Surgeon.
(9)	General Hospital, Gurgaon	Dental Unit	0.10	September 1980	Installed in October 1980; defects were noticed during demonstration. Parts taken away for repairs by the supplier in October 1982. Repairs yet to be done (June 1983).
(10)	General Hospital, Gurgaon	Glucose Plant	0.26	January 1980	Purchased in March 1969 but put into operation in 1974 on completion of building. It has been lying idle since January 1980, when the technician was transferred. The Director Health Services instructed the Hospital (January 1982) that under a Court Judgement production may be stopped.
(11)	Government Analyst, Haryana, Chandigarh	D C. Recording Polarograph	0.17	March 1980	Installed in March 1980 worked 3/4 days and went out of order Not repaired/replaced.

In their written reply the department stated as under :—

The Assistant Dental Surgeon who was working at Safidon then did not inform the CMO, Jind about the technical defects in time. Necessary disciplinary action is being taken against him for the carelessness/negligence. The Dental Unit in question was not repaired in 10/84 and is in working order/operational.

When the firm failed to repair the defective unit and to replace the foot control inspite of repeated requests, the matter was brought to the notice of the DSD, Haryana. The case is pending with the DSD Haryana since 1982 for final decision, who is being reminded regularly. The firm has also closed its business.

The departmental representative stated that the dental unit at General Hospital Safidon (Jind) was repaired in 1984. On a question by the committee as to what action had been taken against the officers at fault for not getting the unit repaired for such a long time, the departmental representative replied that the dental surgeon concerned mostly remained absent from office and they had charge-sheeted him under Section 7. When called upon to intimate the latest position of the disciplinary action against

the dental surgeon, the Committee was informed that the officer had since left the service. The Committee are constrained to observe that the department made a misleading statement before it by concealing the fact of quitting of service by the surgeon. The Committee highly feel dissatisfied with the explanation given by the department during oral evidence. The Committee feel that the department did not take prompt action against the surgeon during his service period and rather allowed the matter to linger on

The Committee, therefore, desire that the circumstances under which the surgeon left the service when disciplinary proceedings against him were in progress should be thoroughly investigated and results of investigations together with action against the officers/officials who had allowed the surgeon to leave the service while the enquiry was incomplete, be intimated to the Committee within three months.

ENVIRONMENT DEPARTMENT

3.9.16. Implementation of the Water (Prevention and Control of Pollution) Act, 1974.

[18] To prevent and control pollution of water, the Government of India enacted. The Water (Prevention and Control of Pollution) Act, 1974. For implementation of the provisions of the Act, a State Board for Prevention and Control of Pollution was constituted in Haryana in September 1974. The Board comprises of one Chairman, and such other members as nominated by the State Government from officials (not exceeding 5), local authorities (not exceeding 5), non-official representing agriculture, fisheries industries, trade, etc. (not exceeding 3), Government companies or corporations (2) and one member secretary. The functions of the Board include identification of sources of water pollution, organisation of training and education programmes and planning a comprehensive programme for the prevention, control or abatement of pollution of streams and wells in the State and to ensure their execution. The Haryana (Prevention and Control of Water Pollution) Rules, 1978 were formulated, under the Act.

Government provides grants-in-aid to the Board to enable it to perform its functions. Grants-in-aid amounting to Rs. 70.76 lakhs were given during 1974-75 to 1982-83, out of which unspent amount of Rs. 4.92 lakhs relating to the years 1974-75 to 1976-77 was deposited into treasuries during May 1979.

In a test check of sanctions to the payment of grants-in-aid to the Board, it was noticed that specific purpose or purposes, for which the grants-in-aid was being sanctioned were not being recorded in the sanctions. Further, no mechanism had been evolved by the Government to watch if the objects for which Board was constituted, were being fulfilled or not. Utilisation certificates in respect of grants-in-aid amounting to Rs. 50.25 lakhs released during 1980-81 to 1982-83 were awaited from the Board (November 1983).

Test check (July-August 1983) of the records pertaining to, Karnal, Sonapat, Hissar and Faridabad districts maintained in the Board's office at Chandigarh revealed the following points —

(a) Identification of sources of water pollution.

At the end of 1982, there were 4,146 registered industrial units in Haryana. The Board had not carried out any survey to identify factories causing water pollution. However, notices for non-compliance of the provisions of the Act were issued to 2,275 industrial units and 67 local bodies upto 1982-83 without ascertaining whether or not the units were the sources of pollution.

(b) Grant of consent

Under the provisions of the Act, consent of the Board is essential for discharge of sewage or trade effluent into a stream, well or sewer or on land subject to the condition that the parameters of the discharged effluent

are within the permissible limits and on payment of consent/licence fee depending on the investment of the factory.

During 1976-77 to July 1983, 1,137 industries and 21 local bodies applied for consent, out of which the Board after survey gave consent to 482 industries and 6 local bodies only. Consent to 35 industries was refused by the Board due to non-compliance of certain provisions of the Act. Prosecutions against 97 units (including 26 cases where consent was refused) for violation of provisions of the Act, i.e., discharge of effluent without obtaining consent, were launched during 1980-81 to 1982-83, outcomes of which were awaited (September 1983). In the remaining 564 cases, i.e., about 50 per cent of the applications received, neither necessary action for consent nor prosecution for violation was initiated (July 1983).

According to the Board (October 1983) in all, 24 treatment plants were installed by the industries since formation of the Board. In reply to an audit query about results of tests conducted of the treated water from the plants, the Board stated (October 1983) that monitoring of effluent samples after installation of treatment plants was not done due to paucity of resources.

As a result of a test check, it was noticed that in respect of two polluting industries, consent was given in 1978-79 subject to installation of treatment plants within nine months. These plants have not yet been installed (October 1983) and no prosecution has been launched against them. The Board stated (October 1983) that the matter regarding installation of treatment plants remained under correspondence and final action would be taken in due course.

According to the provisions of the Act, the Board is required to maintain a register containing particulars of persons to whom the consent is given and the conditions imposed thereunder. No such register was maintained and consequently renewal and compliance of the conditions of consent was not being watched.

(c) Realisation of fee

The consent fee and annual licence fee from the factories depends on the investment made therein. In case of local bodies only annual licence fee is charged on the basis of classification of each local body. During test check, it was noticed that consent/renewal of licence was allowed by the Board to the industries upto March 1983 without verifying the investment. The industries were asked to deposit the prescribed consent/licence fees on the basis of their investment. The Board noticed (April 1983) that consent/annual licence fee of Rs. 0.76 lakh was short deposited by six units (in Faridabad) during 1976-77 to 1982-83. Total amount of consent fee/licence fee short realised could not be worked out due to non-submission of details of investments by the remaining factories. No effective steps have yet been taken to ascertain investment of each factory (October 1983).

In districts test checked, it was noticed that in 30 cases consent was given by the Board during 1978-79 to 1980-81 without realising the consent fee/licence fee. In another 12 cases, the consent was given on incomplete

application forms without obtaining preliminary information and realising the fee amounting to Rs. 0.95 lakh on the basis of minimum slab of rates prescribed for giving consent/licence fee. No consolidated record/register was maintained by the Board to watch the recoveries. According to the Board (August 1983) recoveries were being watched from individual files. However, neither the amount due from these factories was worked out by the Board nor was any recovery effected (upto August 1983).

(d) Survey of streams and wells

The act provides for planning of a comprehensive programme by the Board for the prevention, control or abatement of pollution of streams and wells in the State and to secure execution thereof. Under this programme, no targets were fixed. No criteria for samples testing of water from any particular areas was laid down. Total number of samples taken/analysed was only 4 during 1977-78, 6 during 1978-79, 2 during 1979-80, 18 during 1980-81, 20 during 1981-82 and 49 during 1982-83. Of the samples taken, only two samples were taken during 1978-79 and equal number during 1982-83 from the Western Jammuna Canal which is the life-line of the State. Water of Western Jamuna Canal near Yamuna Nagar was found polluted (March 1983) and unfit for human as well as animal consumption due to mixing of untreated trade effluents in it. According to the Board (September 1983), comprehensive programme, for control or abatement of water pollution was not planned due to its limited financial/manpower resources, whereas Rs. 15.25 lakhs were surrendered in March 1983.

(e) Air pollution

For prevention, control and abatement of air pollution, the Government of India enacted the Air (Prevention and Control of Pollution) Act, 1981. The Act had not been implemented (August 1983) as the rules framed by the Board (February 1983) under the Act were awaiting Government's approval (August 1983).

The matter was referred to the Government in September 1983 ; reply was awaited (November 1983).

In their written reply the department stated as under :—

The State Government provides grant-in-aid to the Board to enable it to perform its function under the Water (Prevention & Control of Pollution) Act 1974. Although, no specific purpose was mentioned in the sanctions, the grant was intended for the purpose for which the Board was primarily constituted. The grant-in-aid was accordingly utilized to prevent and control water pollution in Haryana

Proper utilization of the grant is watched from the utilization Certificates submitted by the Board. The expenditure of the Board is also subjected to check by the Chartered Accountants appointed by Govt. on the recommendations of CAG.

The Board has identified the following main sources of water pollution in the Haryana State.

(i) Industries.

- (ii) Minicipal Committees
- (iii) Industrial Estates
- (iv) HUDA
- (v) Housing Board colonies.

The Board was set up in 1974 with a skeleton staff & experienced staff could not become available from the Public Health Department from where the Board used to take Officers/officials on deputation. An embargo had been imposed on direct recruitment and as such the staff could not be recruited. Due to non availability of staff the survey work could not be carried out in detail and only skeleton survey was done.

Notices were issued to 2275 units and 67 local bodies on the basis of the list of industries received from the field officers which was sent by them after consulting their counter parts in industries and labour departments and skeleton survey conducted by the available field staff. According to the Water Act, 1974 under section 25/26 every industry/local body is liable to seek consent from this Board, with the result upto July 1983, 1137 Industries and 21 Municipal Committees applied for consent/renewal of consent out of which consent/renewal of consent had been granted to 482 industries and 6 Municipal Committees.

Other Industries/Municipal Committees were not granted consent/renewal of consent as they failed to comply with the observations/incompleteness pointed out to them.

However, the issuing of the notices to the Industries & Municipal Committees has been instrumental in creating awareness about the functions of the Board and responsibility of the industries/Local Bodies as they were not previously aware of the Water Pollution Control Act which was a new one at that time.

Out of the registered industrial units in Haryana State the Board has identified 909 water polluting industries which includes all large & medium scale industries and small scale polluting industries in the 1st phase. Out of the 909 water polluting industries only 799 industries had applied for consent by March 1986, and their position is as under :—

- (i) Consent was given to 521 Industries.
- (ii) Consent was refused to 8 industries as they failed to comply with the provisions of the Act and also failed to complete their applications forms within stipulated period.
- (iii) The remaining 181 cases which are under correspondence with the respective industries for collecting complete facts of the case or for deposit of fee. Now these cases are being expedited by organizing camps at different industrial centres. These cases age-wise are varying from 3 months to 6 months.

143 units violated the provisions of the Water Act and prosecution cases were launched against them in different Courts. By end of March

1986 only 89 cases are going on in different Courts, the remaining cases have been decided and most of them have controlled the pollution by installing treatment plant or by taking other preventive measures.

110 units have not applied for consent out of which 48 units are lying closed.

Under Section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 every industry has to seek consent from the Board for discharge of their effluent. As the Act is being implemented through the Board vigilance about the violation of the provisions of the Act, is exercised through the Board.

The record of the grant of consent is being maintained. The conditions of grant of consent/renewal of consent are recorded. The same are being monitored regularly. Consent are renewal every year after the field verification report is received from field officers about this compliance of the conditions of the consent.

Realisation of fee-Regarding 0.76 lacs short deposited by the 6 units of Faridabad during 1976-77 to 1982-83, it is intimated that a sum of Rs. 1.44 lac has been realised from the 5 units on account of consent fee/annual licence fee and thus these five units have deposited full fee upto 1984-85. So far as sixth unit i.e. M/s Prestolite of India Limited. Faridabad is concerned the same already stand closed as per field report. Out of the remaining 42 industries, 20 industries have deposited full consent/licence fee 3 Industries are not required to deposit fee as their investment cost is less than one lac and 2 industries deposited part fee. 8 industries already stand closed and the remaining 9 industries have not deposited the fee. Efforts are being made to realise the balance amount.

The investment cost of 18 industries out of 42 industries have not so far been ascertained as these industries have failed to submit the proof of investment cost despite efforts made by the Board. However the investment cost of remaining 24 industries have been ascertained and they have deposited full consent fee/licence fee except one.

As the Board came into existence in 1974 with skeleton staff and with this staff it was not possible to get all the formalities completed and hence in order to bring awareness in the industries, the consent was granted to 30 industries without realising consent fee/annual licence fee and in 12 cases without getting the form completed as a special case.

The total amount due towards industries on account of consent fee/annual licence fee cannot be ascertained as some industries had failed to submit the proof of investment of their industry. The consent/licence fee chargeable can only be worked out if the investment cost is known to the Board. However, upto 31-3-86 the Board has realised Rs. 84750/- from some of the industries.

This was a new subject and no literature was available on this topic. So studies relevant to our state were carried out to finalise the criteria for taking of samples and their testing.

Comprehensive programme could not be planned due to non-availability of experienced staff and detail position has been given in Para '4'.

Due to limited manpower and lack of trained staff, no comprehensive programme of control or abatement of pollution of streams and wells could be planned in the State till 1983-84, but from June, 1984 onwards a comprehensive programme for monitoring various rivers, canals and other water bodies has been planned in collaboration with Central Board for Prevention & Control of Water Pollution New Delhi. Under MINARS (Monitoring of Indian National Aquatic Resources) Project 10 monitoring stations have been fixed for various rivers, canals of the State. Out of 10 monitoring points, 7 points have been fixed on Western Yamuna Canal. Regular monitoring is being done from all these points and samples are collected quarterly from each of these monitoring stations. Analysis data for MINARS samples are being sent to Central Pollution Control Board regularly. Under the Programme 36 samples were collected during the year 1984-85 and the same number in 1985-86.

In addition to MINARS Project, the Board is also monitoring water quality of other major water bodies, such as Gurgaon Canal, Interstate Monitoring Points and other water bodies etc. Now a comprehensive Programme has been planned and targets have also been fixed. As per the comprehensive programme now planned, samples from all the monitoring stations shall be collected quarterly. In all, there are about 45 monitoring stations. So total number of samples collected in a year shall be 180.

In addition to this, monitoring samples at some places are collected at random keeping in view the importance.

Air Pollution (c)

Yes. Rules have been approved by the Government on 15.12.1983.

The State Government has notified the rules under the Air (Prevention & Control of Pollution) Act, 1981 on 15-12-1983 and whole of the Haryana State has been declared as Air Pollution Control Area vide notification dated 25-4-85. After declaration of the Control area, the Board has granted conditional consent to 53 industries for air pollution during the year 1985-86.

During the course of oral evidence, the Committee was informed that for the purpose of implementation of the Provisions of the water (Prevention and Control of Pollution) Act, 1974, a State Board for prevention and control of pollution was constituted by the Govt. in the month of September, 1974, but it actually started functioning in the year 1981-82 and the accounts of the Board were only then audited. To a specific question of the Committee whether the Govt. was satisfied about the treatment plants commissioned by various Industrial Units/Factories in the State, the departmental representative admitted that the installation of treatment plants for prevention and control of pollution of air and water in the State were not set upto the extent required under the provisions of the Act. However, the work of the department was progressing in that direction from the last one and a half year. In reply to another question of the Committee as to what steps were taken by the department in that

respect, the departmental representative informed that in order to solve the problem of pollution of water in respect of medium and small industrial units in the Industrial towns, a meeting was held with the representatives of the Industrialists Association, Faridabad, Small Scale Industrialist Association and Haryana Chamber of Commerce wherein they were informed that this problem could be solved if these medium and small units setup their own common/combined treatment plant for discharge of their effluent and necessary help to set up the combined treatment plant could be made available to them by the Govt./Board granting subsidies from 25 to 50% for the purpose. He further informed the Committee that the Board had stipulated a condition on the H.S.I.D.C and HUDA that at the time of demarcation of new Industrial Units if provision to set up treatment plants was not made by them in the site plan, the Board would not allow to establish the new Industry in that industrial town. It could only be started on obtaining 'No Objection' certificate from the Board which was issued subject to the provision of treatment plant made in their site plan. When asked by the Committee whether any Municipal Committee had commissioned its treatment plant, the departmental representative informed that the department had persuaded the various Municipal Committees and got made provision in the plan budget of the Board in order to help them if they intended to construct their own treatment plants but the local Govt. had refused to pay the amount and desired that the same be constructed by the Board/Department for the use of the municipal committees. The departmental representative had stated that they could provide all possible help/information viz : subsidies, funds, technical knowhow, preparation of drawing/plan etc. to them but expressed helplessness to set up treatment plant for them. When asked by the Committee to intimate the staff strength of the board, the departmental representative stated that out of 200 sanctioned posts, 150 had been filled up and the remaining 50 were lying vacant. In reply to another question of the Committee that out of 909 identified large and medium scale registered water Polluting Industries, how many had set up their work pollution plants, the representative answered that so far 50 treatment plants of the large and medium/small units were got installed by them. He further informed that the progress of installation of the plants by the industries was quite good. Out of 909 units identified in its Ist phase 799 units had applied for consent, 521 had been covered by them during 1986 and the remaining units would be covered by the end of next year. The defaulting units which had violated the provisions of the act would however, be suitably punished as the department could not take action earlier. When questioned by the Committee about the prevention of air pollution the representative stated that necessary arrangements were being made by them in this direction.

In reply to another question of the Committee that as to how many industries had commissioned their treatment plants and what action had been taken by board/deptt. against those who had not set up their plants at Yamunanagar, the departmental representative informed that at present only 16 industries had been identified. Out of them 8 had been covered and four industrial units had also been prosecuted. He further assured that the department/board had achieved 80% target in this direction and almost all the factories had agreed to the purpose and assured that such like treatment plants will be got commissioned within ten months. During the visit of Modi distilleries at Yamunanagar on the 12th August, 1986 the representative of the firm had pointed out that they were facing great difficulties to set up the water treatment plant and for this purpose a

team of the experts was deputed to see such like plants in south and on a experimental basis a plant was set up but no technology/system was completely successful in India. He further informed that a team of experts was being deputed to see the water treatment plant commissioned by the distillery in Andhra Pradesh. After going through/visiting the said plant they would shortly commission the plant in their factory.

During the course of oral evidence on 1-7-1986, the departmental representative was examined at length by the Committee. The Committee did not at all satisfied with the written reply as well as verbal position deposed before it during evidence about the performance/functioning of the Board. The Committee are extremely unhappy and pained to note that the Board was set up in the year 1974 but it actually started functioning after 1981-82 hereinafter it remained in doldrum. It observed that the Board had wasted about four years in making recruitments of the staff and did not do any developmental works but utilised the funds/grants allotted by the Govt. only for payment of salaries to the staff, rather than spending it on the development works or for the purpose for which it was sanctioned. The Committee observe that the work of the Board has been very slow and the Board appeared to be reluctant to work to the required satisfaction although huge amounts in the shape of grant were placed at its disposal.

The Committee further observe that it was the responsibility of the officials/officers of the Board to persuade the representatives of various industries/firms to set up their treatment plants in the industrial estates/units nor did the Board carry out any survey to identify factories causing water pollution. The Committee note that even notices for non-compliance of the provision of Act were issued to industrial units without ascertaining whether or not they were the sources of pollution. The Committee are constrained to observe that the Board did not take effective measures to prevent and control pollution of water or to implement the provision of the Act.

The Committee, therefore, desire that the entire matter and circumstances under which the provision of the water (prevention and control of pollution) Act, 1974 could not be carried out faithfully by the Board, should be thoroughly investigated and responsibility fixed for non-compliance. A compliance report furnished to the Committee within three months.

The Committee further desire that the Board should chalk out a detailed programme in consultation with the Forest Department to undertake of afforestation/plantation in the desert/vacant land in and around the units so that the affluent/waste water could be utilised there and the plantation could help purify the environment.

The Committee further desire that the cases pending in the Court should be pursued vigorously to their logical conclusion and the industrial units especially small ones be provided with all kinds of help to commission the combined/separate treatment plants to check the air and water pollution.

The Committee also desire that necessary steps to implement the Air (Prevention and control of Pollution) Act, 1981 be taken and the rules framed by the Board under this Act should be expeditiously finalised for prevention, control and abatement of air pollution.

IRRIGATION DEPARTMENTS

4.1. Minor Irrigation Development Programme

4.1.1 Introductory

[19] Creation of increased irrigation potential through major, medium and minor schemes is key to agricultural production. Minor irrigation being less expensive with quick yielding results and benefiting mostly small and marginal farmers have added advantages over major and medium schemes. The criterion for classifying irrigation works under minor irrigation has undergone a change from time to time. With effect from 1978-79, all irrigation works having a culturable command area upto 2,000 hectares are classified as minor irrigation works. Minor irrigation potential is created by exploitation of ground water and utilization of surface water. Irrigation potential is created through construction of tanks, dug wells, tube-wells including deep tube-wells, lift irrigation, opening of feeder channels, etc. Successive Five Year Plans and various centrally sponsored schemes including special programmes apart from comprehensive schemes undertaken with World Bank assistance aimed at increasing minor irrigation potential

4.1.2. Overall progress

The following table indicates the progress of Minor Irrigation scheme in the State till 31st March 1980.

	<i>Physical Achievement</i>	<i>Outlay</i>
	<i>(in crores of rupees)</i>	
Surface water Irrigation department (in lakhs hectares)	0.05	7.61
Lining of water courses executed by Haryana Minor Irrigation (Tubewells) Corporation Limited (MITC) (in lakh metres)	61.31	32.04
Ground water : Agriculture Department (in lakh hectares)	11.68	8.94

The number of works undertaken, completed, ayacut created, remaining incomplete at the beginning of the 6th Plan is given below —

	<i>Taken up</i>	<i>Completed</i>	<i>Incomplete</i>	<i>Ayacut created</i>
	<i>(in number)</i>			<i>(in lakhs of hectares)</i>
Irrigation Department	185	119	66	0.03
MITC	1651	1545	106	Nil
Agriculture Department (units)	305524	305524	Nil	11.68

The details of incomplete works as on 31st March 1980 are given in Appendix IV.I. The Sixth Plan envisaged additional creation of potential and utilisation of 1.69 lakh hectares under Minor Irrigation Scheme. The progress during the first three years was as follows :

	<i>Physical Achievements</i>		<i>Outlay</i>	
	<i>Target</i> (in hectares)	<i>Actual</i>	<i>Target</i> (in crores of rupees)	<i>Actual</i>
Surface water				
Irrigation Department				
1980-81	2000	1433	1.00	1.23
1981-82	2000	1443	1.00	1.06
1982-83	3000	1255	1.25	1.16
MITC				
	(in lakhs of metre)			
1980-81	30.49	17.70	9.99*	11.79
1981-82	24.39	19.86	17.70*	13.73
1982-83	24.39	9.84	9.89*	9.63
Ground water :				
Agriculture Department				
1980-81			1.04	0.91
1981-82			1.74	1.60
1982-83			2.49	2.45

As on 31st March 1983, the total area benefited under Minor Irrigation works was 12.88 lakh hectares constituting 35.16 per cent of net cultivated area (1982-83)

4.1.4. Irrigation Department

(1) (a) For the purpose of proper and effective implementation/control of any programme, a specific project/scheme, containing the aims, salient features, scope and areas of the implementation is required to be prepared. No such specific project estimate/scheme covering minor irrigation programme for the State was formulated by the Irrigation Department. The following schemes were executed under the programme.

- (i) Minor Lift Irrigation schemes, Lining of channels, Construction/extension of channels and Sprinkler Irrigation
- (ii) Investigation and Development of Ground Water Resources.
- (iii) Construction and Deepening of bunds and tanks.

*As separate outlay for lining of water courses were not given in the 6th Plan, figures of annual budget have been adopted

(b) *Physical targets and achievements*

The Targets for creation of irrigation potential by surface irrigation fixed by the department, the achievements claimed there against and the actual achievements were as under —

Year	Envisaged		Achievement claimed by the department		Actual achievements as per field data	
	<i>During the year</i>	<i>Cumulative</i>	<i>During the year</i>	<i>Cumulative</i>	<i>During the year</i>	<i>Cumulative</i>
<i>(in hectares)</i>						
Upto 1979-80	—	28,000	—	28,000	—	5,026
1980-81	2,000	30,000	2,000	30,000	1,433	6,459
1981-82	2,000	32,000	2,000	32,000	1,443	7,902
1982-83	3,000	35,000	3,000	35,000	1,255	9,157

Scheme-wise physical targets were neither included in the State Plans nor were these available with the department. Even the quarterly progress reports submitted by the department to the State/Central Governments did not indicate scheme-wise targets/achievements.

The basis for fixation of targets and basic data in support of achievements claimed there against were not available with the department. At the instance of Audit, the Engineer-in-chief, Irrigation Department, initiated (September 1983) action for collection of details from field offices. The same were awaited (November 1983).

It was observed in audit that shortfall was due to non-creation of any additional irrigation potential under the schemes for investigation and development of ground water resources and construction/deepening of tanks and bunds.

(2) *Lift Irrigation*

Lift Irrigation schemes are taken up to provide irrigation to areas where irrigation by gravity flow channel is not possible. Against Plan outlay of Rs. 22.07 lakhs, an expenditure of Rs. 20.31 lakhs was shown to have been incurred from 1966 to 1974. The culturable command area covered/additional irrigation potential created by such schemes was not shown separately in the quarterly progress reports submitted by the department to the State/Central Governments. The data supplied by the field offices, however, revealed that no irrigation potential was created to the end of 1979-80.

During Sixth Five Year Plan, three Lift irrigation schemes have

been taken up in the State, details for which are given below :—

Serial number	Division	Scheme	Estimated cost (in lakhs of rupees)	Culturable command area (Acres)	Month in which work commenced	Month of completion	Targeted date of completion	Expenditure upto March 1983 (in lakhs of rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Kaithal Division, I.B., Kaithal	Silpani Kalan Lift Irrigation minor	18 27	7,478	January 1982	In progress	Not specified	0.52
2	SYL Division II, Ambala	Khokhra Lift Irrigation Scheme	4 75	172	November 1981	December 1982	Do	2.27
3	Do	Nawan Nagar Lift Irrigation Scheme	5 42	275	June 1982	In progress	Do	1.86

Although no target date for completion of these schemes was specified, the expenditure incurred upto March 1983 in respect of scheme at serial number 1 and 3 was indicative of extremely slow progress of these works. Further, Silpani Kalan Lift Irrigation Scheme was not covered under classification of a Minor Irrigation Project; its Culturable Command Area (CCA) being more than 2,000 hectares.

Accordingly to the envisaged intensity of 150 per cent, the Khokhra Lift Irrigation Scheme, completed on 1st December 1982 was expected to irrigate 155 acres of land during *Rabi* 1982-83 while the actual irrigation achieved was 90 acres. The shortfall was due to commissioning of scheme in December 1982 when almost half the sowing season was over.

(3) Lining and extension of channels

(i) Lining of channels is aimed at saving of water lost by seepage and extension of irrigation to new area with water saved, eliminating water logging in areas adjacent to canals and reduction in the rate of rise in water table, particularly in areas underlain by Saline ground water. Expenditure of Rs. 1,10.31 lakhs was incurred from 1977-78 to 1979-80 and Rs. 55.95 lakhs were spent during 1980-81 to 1982-83 in 13 divisions. The position of schemes taken up and completed upto the end of 1979-80

and during the years 1980-81 to 1982-83 was as under :—

<i>Taken up during 1977-78 to 1979-80)</i>	<i>Com- pleted upto March 1980</i>	<i>Spill over</i>	<i>Taken up during 6th plan period</i>	<i>Total inclu- ding spill over schemes</i>	<i>Completed upto the end of March 1983</i>		<i>Balance (in prog- ress)</i>
					<i>From spill over</i>	<i>Others</i>	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
62	37	25	14	39	16	11	12

In 5 divisions, where expenditure of Rs. 1,04.48 lakhs was incurred up to 1982-83, Rs. 30.38 lakhs related to lining of 7 channels the culturable command area of each of which exceeded 2,000 hectares and hence these did not qualify as Minor Irrigation Schemes.

(ii) In order to increase the intensity of irrigation in the existing culturable command area (improvement in the utilisation of irrigation potential created) minor/sub-minors were constructed/extended. Twenty-six schemes were taken up during the years 1977-78 to 1979-80 and 49 during the Sixth Five Year Plan and expenditure amounting to Rs. 64.40 lakhs and Rs. 82.24 lakhs was incurred respectively. Position of schemes taken up and completed was as under :—

<i>Scheme</i>	<i>Taken up during 1977- 78 to 1979- 80</i>	<i>Com- pleted upto 1979- 80</i>	<i>Spill over from Fifth Year Plan</i>	<i>Taken up in 1980- 81 to 1982- 83</i>	<i>Total</i>	<i>Completed during 1980-81 to 1982-83</i>		<i>Balance in progress</i>	
						<i>Out of spill over</i>	<i>Others</i>	<i>Out of spill over</i>	<i>Others</i>

(In numbers)

Construction of new minor/sub- minors	15	6	9	25	34	5	10	4	15
Extension of minors, etc	11	8	3	24	27	3	13	Nil	11
Total	26	14	12	49	61	8	23	4	26

Test check of records was conducted in Kaithal Division, Kaithal where outlets tail (both left and right) at RD 60,000 of 'Shergarh Minor' were serving a Culturable Command Area of 1,058 acres before its extension upto RD 66,160. Extension of tail was done during June 1980 to March 1982 at a cost of Rs. 0.94 lakh. Four outlets were provided on the extended tail and the intensity of irrigation was expected to increase from 45 per cent to 62 per cent,

A comparison in audit of irrigation data of the minor revealed (March 1983) that actual intensity of irrigation in area served by pre-extended tail outlets was 40 per cent (against 45 per cent) but after extension it decreased to 22 per cent against expected intensity of 62 per cent.

The Executive Engineer, Kaithal Division, Kaithal stated (March 1983) that less irrigation was due to the fact that water courses had not been fully excavated in the new '*chaks*' under the Northern India Canal and Drainage Act, 1973. The Divisional Canal Officer, was, to prepare a scheme for construction of water courses in the command area at the cost of land owners. No action in this regard has been taken so far.

4.15. Lining of water-courses

(1) The Northern India Canal and Drainage Act, 1873 require cultivators to bear the cost of construction and maintenance of field water-courses to carry canal water to the open fields from outlets provided in the irrigation channels. The Act, *inter alia*, further, provides that the Divisional Canal Officer may on his own motion or on the application of shareholder of water in a block prepare a draft scheme for construction and lining of water-courses for proper maintenance and distribution of supply of water from a water-course

There were heavy seepage losses in unlined sections of water-courses, particularly in sandy area like Hissar, Rohtak, Sirsa and Bhiwani districts where seepage losses of water through *Kachha* water-courses were to the extent of 20 to 30 cusecs per million square feet of wetted area. Government authorised (June 1973) MITC, to take up the lining work of water courses in the said areas to conserve water by reducing seepage losses to the minimum and to optimise the use of water by scientific management

(3) Revision of estimates

For lining of water-courses, project estimates for Rs. 66,61.85 lakhs were sanctioned during 1976-77 to 1979-80 and for Rs. 3,91.14 lakhs during 1980-81.

As the schemes could not be completed within the prescribed period, the project estimates originally approved for Rs. 70,52.99 lakhs during 1976-77 to 1980-81 were revised by MITC to Rs. 1,16,60.30 lakhs during 1977-78 to 1982-83 resulting in increase in cost to the extent of Rs 46,07.31 lakhs.

The increase was attributed by MITC to enhancement in unit cost per running foot of lining of water-courses from time to time due to increase in wages of labour and cost of construction material.

(4) Targets and achievements

MITC lined 3,54.54 lakh feet of water-courses upto 31 March 1983 against the target of 6,45.27 lakh feet to be completed by that date. A

mention of the lining work done by the MITC upto March 1977 was made in the Report of the Comptroller and Auditor General of India for the year 1976-77. The progress of lining work during 1977-78 to 1982-83 was as under —

<i>Year</i>	<i>Target</i>	<i>Achievements</i>	<i>Percentage of shortfall</i>
	<i>(in lakhs of feet)</i>		
Upto			
1976-77	95 80	90.07	6
1977-78	66 81	17.59	74
1978-79	102.50	26.57	74
1979-80	120.16	66 85	44
1980-81	100 00	56.05	44
1981-82	80.00	65.14	20
1982-83	80.00	32.27	60
Total	645.27	354 54	—

The slow progress was attributed by the MITC to paucity of funds in 1977-78 and 1982-83 and shortage of cement though the fund provided during 1982-83 were not fully utilised by MITC.

(5) Shortfall in irrigation

Test check of the records of five schemes revealed that there was shortfall (ranging from 32 per cent to 81 per cent) in the achievement of additional area irrigated as a result of lining of water-courses as compared to the targets envisaged in the estimates. In the case of 104 water-courses, the average irrigation rather decreased to the extent of 11 per cent after lining. The reasons for shortfall were stated to be under investigation of MITC (October 1983)

Scheme-wise details of targets envisaged in the estimates and that

actually achieved after lining of water-courses as under :—

Average Irrigation

Serial number	Name of Scheme	Number of water courses completed upto March 1980	Before Lining of water courses	After lining of water courses	Increase in area (area in acres)	Target of increase per water-courses	Additional area envisaged to be irrigated	Shortfall	Percentage of shortfall
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Lining of 891 water courses in Rohtak Division of WJC Scheme	262	1,08,385	1,17,713	9,528	80	20,960	11,432	55
2.	400 water courses in HR Division of WJC system Rohtak	13	2,914	3,222	308	127	1,651	1,343	81
3.	480 water courses in Delhi Division of WJC (upto September, 1981) system	84	23,733	26,913	3,180	127	10,668	7,488	70
4.	681 water courses in Hussar WJC System	78	19,939	24,200	4,261	127	9,906	5,645	57
5.	877 water courses in Fatehabad Division	458	1,21,000	1,60,380	39,360	127	58,166	18,806	32

Note (1) The average irrigation has been based on irrigation figures for six crops before lining and four to six crops after lining.

Note (2) The average irrigation after completion of lining of 82 water courses falling under schemes at serial numbers 1 and 22 water courses under scheme at serial number 3 was 11 per cent less than the average irrigation before lining.

Note (3) In schemes at serial No. 1 and 3 the shortfall in the irrigation includes the decrease in average irrigation of 11 per cent in respect of 104 water-courses.

4 1.6. Agriculture Department

Implementation of the programme in the Agriculture Department was test checked in audit (March-May 1983) from the records in Directorate Office and field offices of the department at Gurgaon, Hissar and Rohtak districts; the points noticed are mentioned in the succeeding paragraphs

(2) Creation of Irrigation potential

The Ground Water potential in the State was assessed on the basis of available factor recharge and draft data. The total recharge in the State at the end of 5th Five Year Plan was 8,87,246 hectares area metre (HAM). Against this availability, the total effective draft at the end of this plan was 6,63,892 HAM, leaving a balance of 2,23,354 HAM for further development. The number of minor irrigation units as on 1st April 1979 were 18,069 dugwells and 2,58,689 pump sets/shallow tubewells. Based on the sample survey, the area irrigated was shown as 11.49 lakh hectares. For development of further potential the number of shallow tubewells/pump sets (including conversion of existing dugwells into tubewells) got installed by the farmers either from their own resources or by taking loan from financial institutions and the cumulative claimed irrigated area during 1979-80 to 1982-83 was as under —

Item	Annual Plan	6th Five Year Plan			
	1979-80	1980-81	1981-82	1982-83	
Conversion of dugwells into wells (in numbers)	3,729	5,449	352	Awaited	
Shallow Tubewells/Pump sets (in numbers)	46,835	26,503	11,440	Do	
	(3,05,524)	(3,32,027)	(3,43,467)		
Area Irrigated (in thousand hectares)	1,168	1,227.5	1,266.5	1270	

The departments stated (October 1983) that records relating to the area irrigated was maintained by the revenues authorities and information was collected from them as and when required. However, in Revenue Department no separate booking in respect of minor irrigation unit (Agriculture Department) is maintained.

Note —Figures within brackets denote cumulative achievements.

(ii) Electric connections for the pumps/tubewells installed in the State are provided by the Haryana State Electricity Board (HSEB). At the end of 5th Five Year Plan 25,531 applications for giving electric connections to shallow tubewells/pump sets were pending with the HSEB. The targets fixed by the HSEB for energisation of tubewells, vis-a-vis, achievements during the years 1979-80 to 1982-83 were as under :—

<i>Year</i>	<i>Targets</i>	<i>Achievements</i>
	<i>(In number)</i>	
1979-80	18,000	22,709
1980-81	20,000	22,504
1981-82	20,000	10,927
1982-83	20,000	15,804

Non-achievements of targets during 1981-82 and 1982-83 were attributed (March 1983/May 1983) by the Board to diversion of material and funds for electrification of Harijan *Bastis* (1981-82) and non-availability of material and paucity of funds (1982-83).

(iii) According to the HSEB record, the number of pending applications at the end of 1982-83 increased to 36,247. The number of cases where electric connections were not provided even after receipt of test reports were as under :—

<i>Period of pending test reports</i>	<i>At the end of</i>	
	<i>1981-82</i>	<i>1982-83</i>
	<i>(In number)</i>	
Upto 3 months	3,430	3,471
3 months to 6 months	2,676	2,091
6 months to 1 year	4,887	2,424
1 year to 2 years	3,605	3,522
2 years and more	113	1,286
Total :	14,711	12,794

Thus, due to non-providing of electric connections, substantial irrigation potential though created, could not be fully utilised. The Chief Engineer (operation) HSEB intimated (May 1983) that instructions had been issued to field officers to release maximum number of tubewell connections to clear the backlog. Further developments are awaited (September 1983).

* * * * *

In its written reply the department stated as under :—

“The Project Estimates were formulated by the Department under the following Heads against which Plan allocation of Rs. 800.00 lacs was approved by the Government of India for the 6th Five Year Plan period. (1980-85).

- (i) Investigation and Development of Ground Water Resources.
- (ii) Construction and Deepening of Banks and Bunds.
- (iii) Lift Irrigation, Schemes Other Minor Irrigation Works/ Schemes and other expenses.

The target of creation of Irrigation potential of 35000 Hectare from surface irrigation upto 1982-83 was fully achieved as per information monitored through the Progress Reports submitted by the Department to State Government from time to time. This is amply proved from the steady rise in the irrigation figures of the Department which rose from 16.88 lacs Hectares in 1979-80 to 18.88 lacs Hectares in 1982-83, on account of additional irrigation potential created by the execution of Major/Medium as well as from Minor Irrigation Schemes

The basis of actual achievement of 9157 Hectares (as per field data) is not available with the Department.

3. A target of 15000 Hectares of creation of Irrigation potential from Minor Irrigation Schemes was approved by the Planning Commission during the 6th Plan period. This was subsequently fixed as 11000 Hect. This target was fully achieved as is clear from the rise in Irrigation figures of 16.88 lacs Hect. in 79-80 to 19.26 lacs Hect. by the end of 6th Plan.

Lift Irrigation

The irrigation potential in 1979-80 could not be created because all the schemes were not started and commissioned by the end of the year 1979-80.

The specific reasons for slow progress is mainly attributed to shortage of funds in case of Silpani Kalan Lift Irrigation Scheme.

However the present status of both the schemes mentioned at S.No. 1 & 3 are given as under :—

Silpani Kalan Lift Irrigation Scheme

90% Earthwork has already been completed.

Civil works of the Pump Houses are practically completed.

Pumps have been supplied by HSMITC and erection is in progress.

Two Nos. bridges out of 4 Nos have since been completed.

This Scheme is, however, expected to be complete by the end of 3/87 and commissioned in Kharif 1987.

The Nawan Nagar Lift Irrigation Scheme was started in 1/83 and was commissioned in 12/83. As such progress of the Scheme cannot be taken as slow. This Scheme had also started giving benefits in 12/83.

As per prescribed intensity of the Channel i.e. 45% as provided in the sanctioned project estimate. Only 2650 acres or 1073 hectares CCA will be benefited. The scheme is now being charged to Major/Medium Irrigation Scheme.

There was no delay in commissioning of Khokhra Lift Irrigation Scheme. Only a year was taken for completion of the Scheme. The scheme was commissioned in 12/82 and in the same year 90 acres irrigation was achieved against 155 acres anticipated in the Project. Achievement of 90 acres irrigation in the middle of Rabi 1982-83 cannot be considered as shortfall.

However the total irrigation achieved both for Rabi & Kharif in the year 1983-84 is 140.5 acres, year 1984-85 is 154 acres and year 1985-86 is 141 acres. All this is despite, ownership dispute in 18 acres of land, which is hampering the further development of irrigation

* * * * *

Area from Dhamtan distributory was transferred to the scheme extension of Shergarh Minor. The area so transferred had 2.40 Cs. %O acres water allowance and 62% approved intensity of irrigation but water allowance on Shergarh Minor is 1.95 Cs. %O acres with intensity of 45%. Irrigation achieved was 41% upto the year 1985-86 against the intensity of irrigation on Shergarh minor, i.e. 45%. Irrigators of the area who are interested in Canal Irrigation have constructed their water courses with their mutual understanding. Other shareholders are having less interest in canal irrigation due to installation of their private tube-wells and do not construct/maintain water courses. This is the reason for not achieving the projected intensity of 45%.

Scheme for alignment of water course in the chak of outlet RD 62420-L Shergarh minor has been approved by the Divisional Canal Officer, Kaithal Division, I.B. Kaithal. It is, however added that intensity of irrigation in case of Shergarh minor is 45% and actual irrigation achieved is 41% which is satisfactory. This is likely to improve further after lining of the water courses.

Out of the 5 Sprinkler sets purchased upto 1979-80, 3 have since been installed. The remaining two could not be installed due to opposition from same cultivators. They were not prepared to loose their turn of water for the Area fixed. These are being shifted to other places in Bhiwani District out of 7 sets purchased during 1980-81 to 1982-83, four have since been installed and started functioning. The remained 3 sets have not yet been installed by the firm.

The reasons for shortfall in Irrigation are as under :—

- (i) The Zamindars generally avoid utilisation of Sprinkler sets during Kharif and depends upon Rainfall. In fact they want to save abiana which is double than the normal rates.
- (ii) Erractic power supply.
- (iii) The Zamindars holders of 2 to 5 acres are least interested to receive the sprinkler sets because it involves lot of labour in arranging distribution system.
- (iv) The Soil strate in the Area requires frequent watering at short interval for the proper maturity of crop which directly effects the irrigation figures.

No doubt the diesel engines were provided as an alternative source of energy but these also could not improve irrigation potential in view of above facts.

The Sprinkler set could not be run continuously for 16 hours in a day due to power cut and other break-down. More over one Chowkidar has also been provided with the Sperator for his help. Thus two persons were considered sufficient for running of the Sprinkler sets efficiently.

The Zamindars were allowed shifting of pipe line in their field on the similar line of maintaining the water courses by themselves. The pipes are of aluminium and very light in weight. This is not at all responsible for under utilisation of the sprinkler sets.

1. The explonatory cell was started in Delhi in the year 1968. This cell was transferred to HSMITC in 1970 when HSMITC came into existence. Subsequently this cell was developed into a full fledged Directorate in the year 1972. The main duties assigned to the Ground Water Directorate was to explore the availability of sweet water and to delineate the sweet belt in the State on a Micro level. Alongwith this monitoring of Ground Water level in the entire State by making observations in open wells was also assigned to the Ground Water Directorate. The Irrigation department was required to make payment to the HSMITC to cover the full expenditure of Ground Water Directorate for these assigned duties.

The Irrigation Department had been getting details of the actual work done and expenditure incurred on various projects. The exploration has been booked under the following Sub-heads :—

- (i) Monitoring of Ground Water condition
- (ii) Publication of the Report.
- (iii) Running of Laboratory
- (iv) Installation of exploratory Tubewells.
- (v) Mathematical Model studies
- (vi) Establishment charges of Ground Water Directorate

MITC has published a report on the Ground Water exploration in Haryana indicating the upto date work done by MITC which is very useful in assessing the ground water potential in Haryana and its proper use in the State for Irrigation and other development purposes. The sweet water belt as explored during investigation is useful for water supply purposes also. Besides for lining of Channels, the rise in water table is also being lifted now. Moreover, HSMITC is a Haryana Govt. undertaking and is working independently with its own set up under Managing Director, HSMITC. They are responsible for the progress of the Cell and proper utilisation of funds.

However the Irrigation Department is making payment to HSMITC after examining the estimates of work done by HSMITC.

The Ground Water Directorate has drilled to date 252 exploratory bores in the State against the number of about 150 done by Central Ground Water Board. With the help of these 400 exploratory bores, the entire State has sufficiently been explored and useful areas delineated for fresh ground water exploration specially in the Faridabad, Mohindergarh, Bhiwani and Hissar districts. The exploration work done in the State of Haryana is an exemplary job and in fact is a model to the other States of the Country.

The expenditure of construction of ring bund have been wrongly included in the figures of 64.52 lacs. The actual expenditure is Rs. 18.53 lacs upto 1979-80 & Rs. 21.85 lacs during 1980-81 to 1982-83 which is much less than 64.52 lacs as intimated by audit.

The expenditure on strengthening on the bunds and construction of outlets have not directly contributed to the increase in irrigation potentials, but it has contributed in making the best use of the existing potentials already created by these

bunds. By strengthening bunds, storage has increased more than as contemplated in the design and this has resulted into better sanitation of the soil in the basin and better surcharging of sweetening water in the wells situated in the vicinity of bunds. The construction of more outlets has also facilitated in emptying the basin for timely and fully Rabi sowing which also proved in better irrigation. The water released from outlets in the month of October also helped in Rabi sowing in the area outside the basin of the bunds as farmers have been able to utilise the water for Rabi sowing. The storage of water in basin of the bunds indirectly benefited in many respects such as :

- (i) anti-erosion measure
- (ii) anti flood measures
- (iii) charging of the underground sweet water.
- (iv) the basin inside and outside irrigation.

The necessity of construction of additional outlet at RD 4950 of Bhandwari bund No. I in drainage divn. Gurgaon was felt due to inadequacy of existing outlet to discharge the total run off in the whole catchment of the bund and for safety of the bund. There were 2 independent depression in the basin of the bund which were not inter-connected because of high intervening ridge and as such it was necessary to provide a new additional outlet at RD 4950 of the bund. The existing outlet at RD 2200 of the bund was found inadequate to deplete the total basin of the bund which resulted in delay of Rabi sowing was possible. The crest level of the outlet at RD 2200 of the bund (RD 823 34) was correctly designed and constructed to empty the basin of that pocket, as such the construction of this outlet was also necessary

For want of Divisionwise details, the correct position cannot be verified by the Department"

Minor Irrigation Development Programme

After going through replies of the department and proceeding of the oral evidence, the Committee feel that the objective of Minor Irrigation Development Programme were not achieved to the desired level. The Committee note that against the target of 35,000 hectares of Irrigation potential to be created the actual potential was 9,157 hectares. Again an expenditure of Rs 83.80 lakhs was incurred on construction of ring bunds, outlets etc, which did not create any irrigation potential. The Committee further note that there was delay in completion of water courses and the lining of water courses was not done upto the mark and substantial irrigation potential created could not be utilised due to delay in giving electric connections to the farmers and thus the broad purpose of the programme was not fully achieved.

The Committee, therefore, strongly recommend that while launching such programmes government should be circumspective in formulating such programmes and foreseeing the bottlenecks and problems at the time of evolving schemes through which benefit is intended to be achieved. Launching of any programme without farsightedness lands the state exchequer in fiscal difficulties apart from denying the benefit of such programme to the people for whom it was intended.

Paragraph 4.2. Injudicious purchase of G.I pipes

[20] Financial rules, *inter alia*, provide that purchases must be made in the most economical manner in accordance with the definite requirements of the public service

Against an indent (17th March 1982) for 2,000 metres G.I. pipes, 125 mm dia placed by the Executive Engineer, Drainage Division, Sirsa, the Superintending Engineer, Hisar Drainage Circle, Hisar placed an order (18th March 1982) on a Delhi firm for supply of 5,000 metres of G.I. pipes 100 mm medium class to the Drainage Division, Sirsa at DGS & D rates. The Executive Engineer suggested cancellation of his indent on 22nd March 1982 but the Superintending Engineer amended (April 1982) the supply order and split it into two - one for 3,750 metres and the second for 1,250 meters G.I. pipes 125 mm dia. Against the amended supply, order, the firm supplied 4,982 meters of G.I. pipes (July 1982) valuing Rs 7 05 lakhs

Audit scrutiny (January 1983) of all the sanctioned estimates in the Division disclosed that the material was not required for use on any work under the Division and the entire quantity was lying in stock. The Executive Engineer informed the Superintending Engineer that pipes were not required (December 1982) in the Division and requested for their transfer from the Division. The pipes were, however, not transferred (September 1983)

Injudicious purchase resulted in blocking up of Government funds to the tune of Rs. 7 05 lakhs

The matter was referred to Government in June 1983, reply was awaited (November 1983).

In its written reply, the department stated as under .—

- Sh. S.P. Gulati, Xen. Sirsa Drg. Divn. Sirsa placed a requirement of 2000 metres G.I. Pipes to the S.E. Drainage Circle Sirsa in 3/82. The then S.E. Sh H.C. Kaushik had placed supply order for 3750 mtrs G.I. pipes of size 125 mm dia on 1-4-82. Later on he enhanced the quantity by 1250 mtrs. Thus he placed order of purchase for 5000 mtrs. G.I. Pipes without prior approval of the competent authority. Sh H.C. Kaushik S.E. ignored the departmental procedure/instructions and mis-used his financial powers.
- Sh. H.C. Kaushik S.E. has since been compulsorily retired from Govt. service. Sh. S.P. Gulati Xen. has been charge-sheeted under the Rules for this and other lapses.

The material has been declared surplus. The list of surplus material has been circulated amongst all the Superintending Engineers of Irrigation, Public Health and B&R Departments of Haryana State. As & when requirement for this material is received, the same will be transferred.

The above reply justifies the position of the Department.

During the course of oral evidence, the departmental representative admitted that order for supply of G.I. Pipes was placed without assessing any requirement for use on any work and that the entire material was laying in stock since January 1983. He further informed that the Superintending Engineer concerned responsible for this injudicious purchase of G.I. Pipes had been charge-sheeted.

The Committee observe that although the departmental rules require that purchase must be made in the most economical manner in accordance with the definite requirement of the public service, yet the departmental officer in this case had restored to purchase of the material which was not at all required for use on any work under the division and the entire quantity was laying in stock resulting on blocking up of government funds to the tune of Rs. 7.05 lakhs.

The Committee desire that the final outcome of the chargesheet served on the defaulting Executive Engineer be intimated to the Committee within six months.

The Committee further desire that strict discipline should be enforced amongst the P.W. departmental officers to ensure that purchases are made in the most economical manner in accordance with the definite requirements of the public service so that the purchase do not result in blocking up of government funds.

Paragraph 4 4 Defective Execution of earthwork

[21] In Canal Lining Division No. 12, Kurukshetra, earth work for remodelling of Sirsa distributary (RD—0—42) was executed during December 1979 to June 1980. When the channel was run in September—October 1980 for watering *Kharif* crops in 1980, it was noticed by the canal authorities that there was depleted flow in its tail reaches, due to defective earthwork. In order to feed the tail reaches of the distributary and its off-take Sandhola minor 28,800 feet, it was decided (September 1980) to lift water from Saraswati distributary at RD 10200 through diesel pumps for which there was no project provision in the sanctioned estimates. The expenditure incurred on running and maintenance of pumps during 1980, however, could not be ascertained as it was charged to a different work of 'making water supply arrangements for lining of channels'.

In 1981 also an expenditure of Rs 1.51 lakhs was incurred on running and maintenance of these diesel pumps against unsanctioned estimate for augmenting supplies in tail Sirsa distributary and Sandhola minor for *Kharif* crops. The estimate submitted by the Executive Engineer in July 1982 is yet to be sanctioned (August 1983).

The Executive Engineer in the report on the estimate for augmenting supply observed (January 1982) that earthwork was started in a haphazard and un-methodical manner ignoring all technical norms according to, which remodelling of channel should have been taken from control point towards downstream so that streamlined flow could have been ensured. But the manner in which this work had started resulted in huge filling in the bed in reach RD 10—25 and in heading up of full supply level in reach RD 10—25 which led to water shortage in tail reaches. The required checks were not exercised by the concerned officers over initial cross sections/execution of work.

Lining of Sarsa distributary in reach RD 10—25 was carried out during December 1981 to March 1982. The Executive Engineer informed (March 1983) that no additional expenditure was incurred on setting right the loose filling in bed which was automatically compacted with the flowing of water.

Owing to defects in execution of earth work, the department had to incur an extra expenditure of Rs. 1.51 lakhs for augmenting the supplies in tail of Sarsa distributary and Sandhola minor during 1981.

The Engineer-in-Chief intimated (September 1983) that aspect of faulty execution of earth work was under examination for fixation of responsibility. Further report is awaited (November 1983).

The matter was referred to Government in July 1983; reply was awaited (November 1983).

In its written reply, the department stated as under —

Sarsa Distributary and its off-take Sandhola Minor covers paddy areas. During rainy season demand of Irrigators for supply of water increases. A good number of additional rice shoots are granted and irrigation supply at tails of such channels tends to be short. Due to keen demand, feeding of Sarsa Distributary and its off-take Sandhola Minor by pumping was accorded by competent authority in public interest. However for faulty execution of earthwork, S/Shri R. S. Bassi, Xen and P. C. Gupta, SDO have been found responsible.

Sh. R.S. Bassi, Xen and Sh. P.C. Gupta, SDO have been charge-sheeted by the Govt.

The concerned Xen, Sh. R.S. Bassi and P. C. Gupta, SDO have been found responsible for not exercising proper check over initial cross section/execution of work.

During oral evidence the departmental representative admitted that owing to defects in execution of earthwork, the department had to incur an extra expenditure of Rs. 1.51 lakhs for augmenting the supplies in tail of Sarsa distributary and Sandhola minor during 1981 and assured the Committee that adequate disciplinary action would be taken against the two officers, S/Shri R. S. Bassi, Executive Engineer and P. C. Gupta, S.D.O. who had been held responsible for the defective execution of earthwork.

The Committee regret to observe that the matter dates back to 1980 and no positive action has been taken against the defaulting officers so far. The Committee are constrained to deprecate the sense of apathy on the part of the department in not initiating action against the concerned officers for faulty execution of work. The Committee also believe that the department perhaps delays such matters deliberately with the result that with the passage of time the officers/officials against whom disciplinary action is pending retire or quit service, when no departmental action is possible against them.

The Committee desire that action against the defaulting officers be finalised within six months and final outcome intimated to the Committee.

4.5. *Faulty measurements of work resulting in overpayments*

[22] Departmental rules and orders enjoin that engineers taking the measurements of work should record the quantities accurately and the Sub-Divisional Officer/Divisional Officer should satisfy himself by test checks prescribed about the correctness of measurements before making payments. The following instances of inflated measurements and consequential overpayments were noticed —

<i>Name of division and works</i>	<i>Work order Number and date</i>	<i>Nature of irregularity</i>	<i>Amount of overpayment (in lakhs of rupees)</i>
<i>Drap - 17.7.18</i>			
Sutlej Yamuna Link Division No. V, Ambala (defunct) merged with Division No. VI, Kurukshetra			
Earth-work excavation KM 32.600 to 32 800 of SYL Canal	1 dated 8th November 1977	Excess measurements and rate	0 33
Earth-work excavation KM 32.800 to 33.00 of SYL Canal	5 dated 7th October 1977	Excess measurements and rate	0.38

Contractor 'A' was entrusted (November 1977) with the execution of work in KM 32.600 to 32.800. On account payments totalling Rs. 0.59 lakh were made to him during December 1977 to April 1978. The contractor stopped the work after receiving payment of the 8th running bill in April 1978 which was made without check measurements by the Sub-Divisional Officer. On a complaint by the Sub-Divisional Officer in June 1978 that there was excess measurements, the Executive Engineer deputed two Sub-Divisional Officers to check the measurements. Accordingly, cross-sections of the pits were taken afresh in December 1978 which revealed that the actual quantity of earth work executed upto April 1978 was 2,91,849 cft as against 5,35,212 cft paid upto the 8th running bill. Further, earned rate for partly executed work payable

to the contractor worked out to Rs. 87.72 per thousand cft as against Rs. 110 per thousand cft paid in the 8th running bill. Thus, excess measurement and excess rate resulted in overpayment of Rs. 0.33 lakh to the contractor. A sum of Rs. 0.03 lakh by way of security deposit was available with the division for adjustment.

2. Contractor 'B', entrusted (October 1977) with the execution of earthwork in KM 32.800 to 33.00 KM of SYL Canal, abandoned the work in April 1978 after obtaining payment of the 8th running bill. On account payments' totalling Rs. 0.65 lakh (October 1977 to April 1978) for 5,89,912 cft earthwork were made to the contractor. Two Sub-Divisional Officers deputed (July 1978) by the Executive Engineer to record actual measurements reported (December 1978) that earthwork executed by the contractor was only 3,06,273 cft. Further, earned rate payable to the contractor worked out to Rs. 88.98 per thousand cft as against Rs. 110 per thousand cft paid in the 8th running bill. Thus, excess measurements and excess rate resulted in overpayment of Rs. 0.38 lakh. A sum of Rs. 0.04 lakh by way of security deposit was available with the division for adjustment.

The Executive Engineer intimated (September 1983) that efforts were being made to recover the excess payment from the contracting agencies besides initiating disciplinary proceedings against the officers concerned.

The matter was referred to Government in July 1983; reply was awaited (November 1983)

In its written reply the department stated as under —

The Departmental/Vigilance enquiry was got conducted in this case to find out the responsibility of officers/officials for excess measurement of earth work. Disciplinary proceedings have been started against the following officers/officials in this case —

- 1 Sh. V.N. Grover Xen
2. Sh. Ajay Shankar SDO
- 3 Sh. N. K. Jain SDO
4. Sh. Rajinder Kumar Malik J.E.
5. Sh. Randhir Singh J E

In reach RD 32.800 to 33.000 in SYL Canal the Arbitrator has announced the award of Rs. 37,638 in favour of the department. This award covers the total loss involved in this reach. An application for making the award rule of the Court has been filed in the Court of the Senior Sub Judge Ambala. The amount will be recovered when award is made Rule of the Court.

In reach RD 32,600 to 32,800 the award of the Arbitrator is awaited.

During the course of oral evidence the departmental representative admitted that lapse of faulty measurements of work resulting in over-payments and informed the Committee that one case (Rs. 0.33 lakh) had been referred to the arbitrator and the other (Rs. 0.38 lakh) had been received back which had been referred to the Government for making it a rule of the court. He further informed the Committee that action against officers/officials responsible for the lapses was under process.

The Committee painfully observe that the matter has become very old and the department has not been able to finalise action against the officers/officials responsible for faulty measurements of work resulting and overpayments of Rs. 0.71 lakh.

The Committee, therefore, desire that both the cases should be processed expeditiously and final outcome intimated to the Committee within six months.

4.8. Breach in the Sunder Sub-Branch

[23] A breach occurred on 6th November 1981 at RD 174873 on the right bank of the Sunder Sub-Branch of Western Jamuna Canal system. A sum of Rs. 0.77 lakh was spent on closing the breach and further strengthening of banks, repairing damaged lining and on reconstruction of outlet.

A joint inspection of the breach site conducted (December 1981) by Superintending Engineer, Hissar Bhakra Canal Circle, Hissar and Superintending Engineer, Western Jamuna Canal, West Circle, Rohtak concluded that there was a mistake in regulation at Head of Sunder Sub-Branch due to which some excess supply was passed into Sunder Sub-Branch and that the outlet pipe on the main channel was not fixed properly which resulted in the mishap.

The Engineer-in-Chief intimated (August 1983) that action against officers/officials responsible for the lapses had been initiated. Further developments are awaited (November 1983).

The matter was referred to Government in July 1983; reply was awaited (November 1984).

In its written reply, the department stated as under :—

On the basis of the Enquiry Report conducted by the two Superintending Engineers in the breach case of Sunder Sub-Branch at RD 174873/R, the concerned Signaller/Gauge Reader have been censured by the Competent Authority for mistake in regulation at head of Sunder Sub-Branch.

S/Sh. Ranbir Singh SDO and Surat Singh J.E. have been found responsible for overflowing of Hodi as well as improper fixation of the newly fixed outlets. They are being served with show cause notice under the rules.

The following existing codal instructions are quite sufficient for the safety of the channels to avoid breach :—

- (a) In case of heavy excess in supplies received in the main channel, it is passed proportionately in the off taking channel and reduction is sought from the head of the main branch.
- (b) The top of the tanks of pipes cum-APM outlets which are constructed outside the channel are kept to the top of the lining to keep proper margin in the free board in the Tank
- (c) In case of channels where new outlet is fixed, the puddling process and watching is adopted as per standing instructions

But S/Shri Ranbir Singh SDO and Surat Singh JE failed to follow the codal instructions for which they are being dealt under the Rules

During the course of oral examination the departmental representative admitted that the breach had occurred due to negligence of certain officers/officials and that action against them was being taken

The Committee observe that although the department intimated in August 1983 that action against officers/officials responsible for the lapses had been intimated, no action so far has been taken and that the matter has been pending since then. The departmental representative had assured the Committee during oral evidence that the matter would be finalised by 31st March, 1987. The Committee regret to observe that nothing had been done in this regard till the drafting of this report

The Committee, therefore, desire that action against the officers/officials responsible for the lapses should be finalised expeditiously under intimation to Committee within three months

4 10 Extra expenditure on electric charges

[24] Haryana State Electricity Board levies two per cent surcharge on electric charges if payment of electricity bills is not made on the due date specified in the bill. On scrutiny of paid vouchers for electricity charges, it was noticed in audit (June 1982 and February 1983) that in two divisions of Irrigation department, payment of electric bills were not made on the due dates (no reasons were recorded) with the result that an extra expenditure of Rs 1 26 lakhs was incurred as detailed below :—

<i>Name of Division</i>	<i>Month of payment</i>	<i>Extra expenditure (in lakhs of rupees)</i>
Feeder Mechanical Division, Bhiwani	February 1982	0.50
Jui Mechanical Division, Bhiwani	March 1982	0.19
	June 1982	0.15
	July 1982	0.15
	September 1982	0.18
	January 1983	0.09
		<hr/> 1.26 <hr/>

Besides, in Jui Mechanical Division, Bhiwani, there was a liability of Rs. 14.04 lakhs as reported by the Executive Engineer, due to surcharge in respect of 48 electric bills received in the division but not paid by the due date till January 1983. The Executive Engineer stated (July 1983) that the case to waive off the surcharge of Rs. 14.04 lakhs was under consideration at higher level.

The matter was referred to Government in July 1983; reply was awaited (November 1983).

In its written reply the department stated as under .—

The payment of Electricity bills could not be made to HSEB by the due dates as there was acute shortage of funds in the Department. The LOC was hardly sufficient for making payment of salaries. Under the unavoidable circumstances, the payment of electricity bills was stopped.

In 3/83, the position of funds eased and the payments of old pending bills was made after deduction the surcharge levied by the HSEB in the Electric bills. These bills are being paid regularly now.

The surcharge of Rs. 14.04 lacs has not been paid nor it has been waived off yet. However, earnest efforts have been made at the level of the Government with the HSEB authorities for waiving off surcharges. The matter is under active consideration of the HSEB authorities. As already explained, in para 1 *supra*, the LOC was not available for making such payments.

The Committee note that in two Divisions of Irrigation Department, payment of electric bills were not made on due dates, as a result of which the department had to incur an extra expenditure of Rs. 1.26 lakhs. Similarly, there is a liability of Rs. 14.04 lakhs in Jui Mechanical Division, Bhiwani due to surcharge in respect of 48 electric bills received in that division but not paid by the due date. The departmental representative stated that the bills could not be paid due to non-availability of funds. He further informed the Committee that for the liability of Rs. 14.04 lakhs, the matter regarding waiving of the amount was under consideration with the H.S.E.B. and favourable decisions was expected to be arrived at soon.

The Committee do not feel convinced with the reply of the department and observe that the electric charges being payments of inevitable nature. The liability should have been discharged on a priority basis. Similarly, the liability of Rs. 14.04 lakhs in connection with the Jui Mechanical Division, Bhiwani had arisen because of non-payment of bills. The Committee think that the right course for the divisions should have been to have made the payment of electricity bills on the due dates specified in the bills and avoided extra expenditure by way of two per cent surcharge.

The Committee suggest that electric charges should be paid away treating them as inevitable payments of the department and on no

account such liability be allowed to stand for want of funds as their postponement puts an additional financial burden on the state exchequer.

The Committee further desire that the final outcome of the matter regarding waiving of liability of Rs 14 04 lakhs by the H S E B be intimated to the Committee

5.2 General

[25] The stores are purchased by the PW departmental officers for specific works and general stores upto the limit of reserve stock specifically sanctioned for each division. Numerical as well as value of account of receipts, issues and balances is maintained by the divisional officers.

During test check of accounts of various divisions, the following points were noticed :—

(i) Rules require that the value of stores held in stock by a division should not exceed the reserve limit prescribed for that purpose. It was noticed that the limits for the year 1982-83 had not been prescribed for 96 divisions out of 123 divisions holding stock.

In the absence of the same, it cannot be ascertained as to whether the value of stock articles held in a division were within the genuine requirements of the division or not. Further, in the following four divisions, the value of stock at the end of 1982-83 exceeded the prescribed limits

Serial number	Name of division	Sanctioned reserve stock	Stock held	Excess
(in lakhs of rupees)				
(1)	Sirsa Division, Sirsa	2.50	2.79	0.29
(2)	Drainage Division, Kaithal	5 60	8 12	2 52
(3)	Rohtak Western Jamuna Canal, Rohtak	3 00	5.89	2 89
(4)	Sewani Canal Division, Hissar	10 00	14.90	4.90
Total				10.60

(ii) There were *minus* balances amounting to Rs. 1,92.51 lakhs under stock in 27 divisions at the end of March 1983.

The *minus* balances were mainly due to non-accountal of the value of stock materials received from the Director General of Supplies and Disposals, other divisions, etc., and profit on stock due to issue rates being higher than the procurement rates. Delays in the adjustment of

transactions and non-clearance of *minus* balances are indicative of inaccuracies in accounts which call for proper action for their clearance and rectification.

5.2 2. *Surplus material*

Rules lay down that balance of stores should not be held in excess of any prescribed limit and stores remaining in stock for more than a year should be considered surplus unless there are sufficient reasons to treat it otherwise. In 14 divisions, material valuing Rs. 1,29.08 lakhs pertaining to the period 1977-78 to 1981-82 was lying surplus/unused (July 1984). No action had been taken by the respective divisions to dispose of the surplus material (November 1984)

5.2.3. The codal provisions lay down that material from stock to a work should be issued according to the bonafide requirement of the works and the material should not be booked to a work only to avoid lapse of budget allotment. A test check of accounts records of 2 divisions revealed that material valuing Rs. 21.16 lakhs was booked to various works in March 1982 and written back to stock in the next financial year (April 1982 to July 1982) apparently to avoid lapse of budget grant

In its written reply, the department stated as under —

The 'Reserve Limit' of stock in respect of 96 divisions could not be prescribed on account of late receipts of applications from the field offices. Out of 96 divisions the Reserve limit of stock in respect of 32 divisions have since been fixed. As regards the remaining divisions, strenuous efforts are being made.

Earnest efforts are afoot to regularise the excess over Reserve Limit of Stock from the competent authority.

Out of the *minus* balances of 192.51 lacs, 104.86 lacs have since been cleared and rectified. For the remaining *minus* balances, the concerned Superintending Engineers have been directed to expedite clearance.

Strict instructions to the field officers have been issued to avoid lingering on *minus* balances and should be cleared immediately.

Most of the Surplus/unused material have been put to use/disposed off and for the balance unserviceable material, earnest efforts are afoot to dispose off the same. In Mech. Divisions the spare parts are to be kept in stock for use to upkeep the machinery in running conditions within the Reserve Stock Limit fixed for the division. The surplus material has considerably been reduced.

The material was booked to the works as per their requirements. Subsequently, keeping in view the urgency/priority on emergent works, the same material was issued to those

works by accounting for in the books. Hence, transferring of stores issued to a particular work to another emergent work is a regular feature as per practice prevailing in the fields. These transactions were in public interest and not on account of lapse of budgetary provisions.

General-Stores and stocks

The Committee observe that the stores are purchased by the P.W.D. Departmental officers for specific work or for general purposes upto the limit of reserve stock specifically sanctioned for each division. The stores so received are accounted for in books. The Committee, however, note that in most of the cases the stores held in stock either exceeded the reserve limit prescribed for that purpose or such reserve limits had not at all been prescribed in certain divisions. The Committee further observe that there were also huge minus balances under stock in many divisions which was due mainly to non-accountal of the value of stock materials received in those divisions. The Committee share the view that delays in the adjustment of transactions and non-clearance of minus balance are indicative of inaccuracies in accounts which call for proper action for their clearance and rectifications.

The Committee, therefore, desire that the stores should invariably be purchased by the P.W. departmental officers upto the limit of reserve stock specifically sanctioned for each division and such limits be prescribed where these have not already been laid.

The Committee further desire that the department should streamline the accounting drills in such a way that the value of stock materials received from DGS&D, other divisions etc. are promptly accounted for and on no account should delays occur in the adjustment of transactions.

Surplus material

During the course of oral evidence, the departmental representative informed the Committee that balance material valuing Rs. 34.48 lakhs pertaining to the period 1977-78 to 1981-82 was still laying surplus/unused. When called upon to specify as to material of what value had been used and of what value disposed of, the departmental representative informed the Committee that this information would be made available later on. The Committee, however, regret to observe that the wanting information had not been furnished till the drafting of this report

The Committee, therefore, desire that the requisite details should be furnished immediately and the latest position about the surplus/unused material be intimated to the Committee.

5.3. Pilferage of bricks and tiles

[26] During the change of incumbancy (October 1982) of a Junior Engineer, of Canal Lining Division No 6, Hissar, shortage of 2,96,640 first class tiles, 32,940 rejected tiles, 1,87,763 *pacca* bricks and 7,537 rejected bricks valuing Rs. 1.13 lakhs was noticed. The shortage was reported to have been caused due to pilferage in connivance with a kiln contractor.

The Division lodged a report with the Police in October, 1982. A departmental enquiry was also entrusted to the Executive Engineer, Canal Lining Division No. 6, Hissar in February 1983 which was in progress.

Results of Police investigations and departmental enquiry were awaited (November 1983).

In its written reply, the department stated as under :—

The Police investigations had reported this case as untraceable.

Firstly, Sh. S.S. Jindal Xen. Canal Lining Division No. 6 was appointed as an enquiry officer but he could not complete his enquiry before his transfer. Again, Sh. B.R. Chopra S.E. Canal Lining Circle No. 5 was appointed as an Enquiry Officer by the Chief Engineer, who completed his enquiry in 12/84 and on the basis of which the delinquent officers/officials, who were considered responsible for the lapses on their parts, were to be chargesheeted. In the meantime the Vigilance Cell Haryana (Irrigation) interrogated this case at his own level and on the basis of their findings the following officers/officials have been chargesheeted by the competent authority :—

1. Sh. B.K. Jain S.D.O.
2. Sh. R.K. Goyal S.D.O.
3. Sh. Mohan Singh S.D.O.
4. Sh K.C. Bajaj S.D.O.
5. Sh. Baljit Singh J.E.
6. Sh. K.K. Vermeni J.E.

The shortage of bricks and tiles could not come to the notice of the Department prior to the charge of incumbancy of the J.E. (in October 1982). Only on the handing/taking over the charge on 11/10/82, the successor J.E. had intimated the shortages.

The concerned SDO who failed to detect the shortage during his incumbancy has also been chargesheeted.

During oral evidence, the departmental representative informed the Committee that in this case on the basis of findings of the Vigilance Cell of the Irrigation Department, Haryana, 4 SDOs and 2 JEs had been placed under suspension and one SDO, who failed to detect the shortages during his incumbancy had also been chargesheeted. The departmental representative could not, however, give any convincing reason for the delay in initiating action against the defaulting officials/officers excepting that the case was pending with the Vigilance Cell.

The Committee observe that pilferage/shortages of material in the P.W. divisions is a common feature and such shortages are usually discovered during the change of incumbancy and are facilitated due to lack of supervision and control by the higher authorities as well as non-conduct of proper physical verification.

The Committee, therefore, strongly recommend that department should ensure that on the change of incumbancy proper charge is made over periodical physical verification invariably conducted at prescribed regular intervals.

CIVIL AVIATION DEPARTMENT

3 6. Making people of Haryana air-minded

[27] 1. *Introductory*

1 1. The erstwhile Government of Punjab took up in 1962, a scheme "Making people of Punjab air-minded". At the time of formation of Haryana in November 1966, there was one 'Kachha' airstrip at Hissar where a flying club was functioning. The scheme renamed (during 1969-70) as "Making people of Haryana air-minded" and being implemented by Civil Aviation Department envisaged construction of new aerodromes, setting up of aviation clubs for providing training to young boys and girls in gliding and flying so as to enable them to take aviation as career, and setting up of a Central Workshop

1 2 *Financial outlay*

Against an outlay of Rs. 2,88 70 lakhs, an expenditure of Rs. 2,98.93 lakhs was incurred by the department during 1976-77 to 1982-83 as under —

<i>Serial number</i>	<i>Nature of activity</i>	<i>Outlay (in lakhs of rupees)</i>	<i>expenditure (in lakhs of rupees)</i>	<i>Percentage of expenditure to total expenditure</i>
1	Administration and Supervision	33 62	35.84*	12
2	Construction of aerodromes and buildings, etc	1,08.60	1,05.16	35
3	Grants-in-aid to Aviation clubs	48.12	48.12**	16
4.	Scholarship and stipends to trainees	0.97	0.97	Nominal
5.	Machinery and equipment	38.91	50.35	17
6.	Maintenance of VIP aircraft	58.48	58.49	20
Total		2,88.70	2,98.93	

*includes Rs. 2 67 lakhs on running and maintenance of workshop of Pinjore.

**includes Rs. 1.40 lakhs for purchase of VHR sets and Rs. 0.44 lakh for subsidy to Vayudut.

It will be seen from the above that only 16 per cent of the expenditure was incurred on grants-in-aid to Aviation Clubs required to provide training in gliding and flying. Incentive in the form of stipends/scholarships to trainees was negligible.

1.3. Mention was made of the working of the scheme upto 1973-74 in paragraph 3.7 of the Audit Report for the year 1973-74. The implementation of the scheme during 1976-77 to 1982-83 was further test checked from the records of the Advisor, Civil Aviation, the Aviation Clubs at Karnal and Pinjore and Executive Engineer (B&R) Construction Division, Chandigarh. The points noticed are mentioned in succeeding paragraphs.

2 Construction of aerodromes

On formation of Haryana (1st November 1966) there was only one 'Kachha' aerodrome at Hissar. Thereafter another aerodrome at Karnal (cost Rs. 56.19 lakhs) was commissioned in March 1967. Subsequently four more aerodromes at Jind (cost : Rs 1.54 lakhs), Bhiwani (cost : Rs. 51.48 lakhs), Narnaul (cost : Rs 11.63 lakhs), and Pinjore (Kalka) (cost : Rs 73.81 lakhs) were constructed during 1971-72 to 1981-82.

2.1 Jind aerodrome

A 'Kachha' airstrip at Jind was constructed (through PWD) during April-May 1972 at a cost of Rs 1.54 lakhs by levelling and dressing of earth for which land measuring 39.22 acres was provided by the Forest Department free of cost. The aerodrome has, however, not been put to use. No reasons for not using it were on record. The Public Works Department incurred further expenditure of Rs 0.26 lakh on maintenance of the airstrip upto December 1975 when Government decided not to maintain the airstrip. Non-maintenance of the airstrip resulted in jungle growth on it and the barbed wire originally provided around the airstrip at a cost of Rs. 0.56 lakh was stolen during 1976-77 and 1977-78. The entire expenditure of Rs. 1.54 lakhs on construction of airstrip and Rs. 0.26 lakh on maintenance thus proved infructuous. The land remained unutilised all these years.

3.2 Training

The scheme provided for awarding of scholarship at the following rates to eligible students of Haryana domicile enrolled for learning flying and doing course for taking examination to obtain private or commercial pilot licence —

Period	Boys	Girls	
	Scheduled Caste	Others	
	Rupees per hour of flying		
1st March 1973 to 9th October 1979	34	10	44
10th October 1979 to 31st July 1982	44	10	54
1st August 1982 to date (October 1983)	75	10	85

Those who did not complete the training without satisfactory reasons were liable to refund the whole or a part of scholarship and cost of training

* * * *

A sum of Rs. 1 38 lakhs (excluding interest) was outstanding (September 1983) against loans advanced to 48 students during 1966-67 to 1973-74. In 22 cases (amount Rs. 0 74 lakh) not a single instalment of loan was recovered. No action was taken by the department to recover the amount from the grantee or his surety after December 1978. The department stated (January 1983) that whereabouts of most of the trainees were not known

4 *Aircrafts*

4.1. Out of 10 aircrafts, three had crashed in December 1976, December 1977 and November 1981. It was seen that the aircrafts available with the clubs were not utilised fully and 2 to 6 remained grounded during this period mainly for want of repairs.

An aircraft is expected to give not less than 500 or above flying hours a year. As against this, it was seen that only 1 to 3 aircrafts gave the required performance during 1976-77 to 1982-83. Reasons for under utilisation of aircrafts were not furnished by the department (September 1983).

* * * *

5. *Providing re-fuelling facilities at aerodromes*

The work of installation of petrol pumps for providing re-fuelling facilities at Karnal, Hissar and Pinjore aerodromes was got done by the department through Indian Oil Corporation Limited at a cost of Rs. 0.70 lakh during September 1975 to June 1976. Material for construction and erection of storage tanks valuing Rs. 0.11 lakh was supplied by the department. The petrol pumps were not put to use upto August 1979 when it was noticed that epicoat painting initially done inside the storage tanks at a cost of Rs. 0.26 lakh had peeled off making them unfit for storage of aviation fuel without re-epicoating. The design of installation of storage tanks was also found defective (Rs 0 10 lakh was incurred on their installation). The petrol pumps installed at a cost of Rs. 0.81 lakh had not been utilised (September 1983). The department stated (October 1983) that the Indian Oil Corporation had been approached to rectify the defects. Further developments are awaited (November 1983)

6 *Workshop*

(i) The scheme envisaged setting up a Central Workshop to overhaul different types of light aero engines and making arrangements for doing certificates of airworthiness of light aircrafts. The workshop was to function on commercial basis. The workshop building at Pinjore was completed in October 1973 at a cost of Rs. 3.62 lakhs but due to non-availability of major components and qualified engineers, the workshop could not be commissioned except undertaking some works with skelton staff

According to the department, an expenditure of Rs. 3.71 lakhs was incurred on employment of skeleton staff and contingencies of the workshop during 1974-75 to 1982-83 against value of work done for Rs. 1.13 lakhs resulting in a working loss of Rs. 2.58 lakhs excluding depreciation on tools and plants, buildings, etc

(ii) A heavy duty lathe purchased by the department at a cost of Rs. 0.31 lakh during March 1973 was not put to use. Non-use of the lathe was attributed to non-commissioning of the workshop

(iii) Major portion of the workshop building constructed by the department was being utilised by the Haryana Agro Industries Corporation (A Haryana Government Commercial undertaking) but rental charges were not being recovered by the department reportedly due to non-finalisation of rent arrangement

(iv) Works-costing Rs. 0.35 lakh and Rs. 0.26 lakh were undertaken in workshop on behalf of Aviation clubs and Haryana Agro-Industries Corporation respectively during 1974-75 to 1982-83 but value of work done alongwith the cost of spare parts issued from the Central Store (of department) for these works was not recorded. Information regarding value of spare parts issued for these works was awaited (September 1983).

(v) The department was not maintaining any workshop account.

* * * * *

In their written reply, the department stated as under —

2.1. Jind Aerodrome

The airstrip at Jind was developed from the forest land in May, 1972. A sum of Rs. 1,54,000 was spent through the PWD B&R Haryana for levelling, dressing and fencing all the sides of the kucha Airstrip. The soil of land being sandy it could not be brought into much use and thereafter a decision was taken to provide an all weather Pucca Runway at Jind and accordingly Administrative Approval was issued for the said work for an amount of Rs. 21.53 lacs during the year 1984-85. The work of constructing the Pucca Runway the level of the PWD B&R as deforestation was required to be done first. The deforestation is to be done after the Government of India have given their approval in the matter with whom matter stands taken up and approval is awaited. An amount of Rs. 21.53 lacs placed at the disposal of the PWD thus has been diverted for completion of other civil works on the aerodromes in execution by the PWD B&R agency. However, the use of the Jind airstrip may be reviewed after the Government of India's approval of deforestation is available and also the advancing aviation requirements permit such an airstrip.

The land pertaining to the airstrip at Jind has not yet been transferred to the Civil Aviation Deptt., and continues to be with the forest Deptt. After the construction of the airstrip in May, 1972 its maintenance and care was entrusted to the PWD B&R, Haryana and thereafter to the Forest Department, as PWD B&R expressed inability to do the same. The Forest Deptt., also expressed its inability to maintain the airstrip and suggested that a Whole time Chowkidar-cum-Sweeper be posted at the airstrip to provide watch and ward to the fence. This proposition could not materialise as neither land was transferred to the Civil Aviation Department nor it was possible for us to post a Chowkidar as no post was sanctioned for the purpose. It is added that the proposal submitted to the Government, for creating 5 posts of Chowkidar-cum-Mali-cum-Sweeper for the five aerodromes at Hissar, Karnal, Narnaul, Bhiwani and Jind was rejected by the Government. The barbed wire at Jind has not yet been replaced as no useful purpose seems to be served unless deforestation is done after the approval of the Government of India is received and Pucca runway provided.

The matter relating to the theft of the barbed wire was to be investigated by the Agency of the PWD B&R, Haryana who is yet to hand over the possession of the Aerodrome and therefore, no investigation was made by this department. The responsibility for the theft of the barbed wire was also to be fixed by the PWD B&R. No replacement of the barbed wire has been made so far.

3.2. Training

1. The number of students dropped out in each club is partially due to their being medically boarded out. Secondly some of the students could not pull on with the flying training which needs quite a good amount of devotion and concentration. The cause may also be attributed to the non-availability of sufficient number of trainer aircraft. The training is imparted with Pushpak Trainer Aircraft which are over 20 years old and no replacement is available as their production has been stopped by Hindustan Aeronautics Limited, Bangalore since the past 18 years

Even some of the maintenance parts are not made available by H.A.L. Bangalore, although order was placed for the same with 100% advance payment over 3 to 4 years ago. The accidents in training are common and our fleet of Pushpak has depleted by and by due to air crash, from 16 about a decade ago to the present 8 aircraft with all the Three Aviation clubs at Hissar, Karnal and Pinjore. The decision of the Central Government to replace the Pushpak Trainer Aircraft with advanced trainer Aircraft namely Cessna-152 has been taken about a year back.

Three Aircraft have been allotted 2 for Karnal and 1 for Hissar on lease basis by the Aero Club of India.

It is expected that these aircraft would be made available in the next 3 months time.

2. The reasons mentioned above led to the drop out of a number of pilot trainees.

3. There is no policy for the recovery of amount from such students who leave the Institutions in between the training. Even the Director General of Civil Aviation Government of India, New Delhi who subsidises the training of the trainees by giving subvention money to the flying Clubs at the rate of Rs. 240/- per flying hour has not made any such provision. Hence the question of making of any recovery from trainees who leave in-between the training does not arise.

4. The department made all out efforts to recover the balance amount of loan from the pilot trainees. The repeated references made to loanees did not evoke any useful response. Most of the students who took loans have either gone abroad and their whereabouts are not known and some of them have not been able to get employment in aviation. One of the terms governing the grant of loan is that recovery is to be effected only after the loanees have completed training for commercial pilot Licence and have also been employed. In view of these circumstances it has not been possible to make recovery of loans from them. It is, however, added that concerned Deputy Commissioners have been given direction to initiate action against the defaulting officials and to effect recovery from them.

5. As stated above the recovery of loan could only be effected if the students have secured employment. As most of the students could not get suitable employment in aviation and have dropped out launching of proceedings for effecting recovery from the surety would not be justified.

4. *Aircraft*

1. The Flying Clubs in the State are equipped by Pushpak trainer Aircraft. The production of the said type of aircraft stands abandoned by H.A.L. Bangalore about 18 years back. Moreover, the spare parts required to maintain fleet of Pushpak with the flying clubs are made available by the H.A.L. Bangalore after 2-3 years of firm orders with 100% advance placed with them. The unserviceability of the aircraft is attributable to the non-availability of the requisite spares in time leading to their under utilisation. Further the requisite number of pilot trainees were not available with the flying clubs which also led to the under utilisation of the aircraft. The number of students decreased due to their being medically boarded out and also that most of them were not in a position to afford the expenses for flying which is a costly career.

One aircraft registration No. VT-DYC related to Hissar Aviation Club. It was a Pushpak aircraft. It crashed on 26-11-1981. An inquiry was held by the DGCA about the cause of the crash and the crash of the aircraft was attributed to low flying by the Pilot trainees. The Insurance claim in respect of this aircraft as informed by the Hissar Aviation Club, is in the process of finalisation.

The other two aircraft which crashed related to Karnal Aviation Club. Both the aircraft were Pushpak aircraft. Out of these two aircraft one aircraft Registration No. VT-DQU crashed on 15-12-1977. The aircraft belonged to the D.G.C.A., Govt. of India and had been loaned by them to the Karnal Aviation Club for training purposes. The aircraft met with the accident in the vicinity of Karnal Airfield. An inquiry was held by the DGCA and the crash was attributed to "Stall-Off-turn by the pilot-in-command". The second aircraft Registration No. VT-DYD belonged to the State Govt. and had been allotted to the Karnal Aviation Club. It crashed on 30-12-1976. An enquiry was held by the DGCA and the crash was attributed to low flying. It was also an unauthorised flying. No insurance claim is tenable in this case. However, the aircraft has since been rebuilt and is now flying with the Pinjore Aviation Club.

2. Out of a total 8 Pushpak held in the flying clubs, 5 are engaged in operations and 3 are under periodical inspection/overhaul. The aircraft are utilised to the optimum

The position of the serviceability of the aircraft remains the same as requisite spares are not timely available to repair them. Moreover, the aircraft are 20 years' old and, therefore, serviceability cannot be increased in future. The deptt. has been earning to provide replacement to the Pushpak Trainer with the permission of the Govt. of India. Only last year a decision was finally taken to import advance trainer namely Cessna-152 through the Aero Club of India which body is there to look after the interests of the flying clubs in the country.

3. Cessna—152 have been allotted 2 to the Karnal Aviation Club and one to the Hissar Aviation Club on the basis of their performance by the Aero Club of India on lease held basis. The aircraft would be available with the flying clubs shortly.

Aerial Spray training could not be provided as specific spray kit required to be installed for the purpose could not be installed on it as advised by the manufacturer due to the low power of this aircraft. However, six senior pilots were provided conversion on this aircraft including a lady pilot. The aircraft was proposed to be utilised for 500 hours of flying in a year but due to the noncoming forward of the desired number of persons the utilisation remained low.

To date expenses till April, 1985 incurred is Rs. 1,42,889.16 ps. This includes the usual maintenance, Insurance of the aircraft and also Annual C of A (Certificate of Air worthiness) which is a must whether aircraft flies or not. From April, 1985 onwards this aircraft has been transferred to the Pinjore Aviation Club and its maintenance etc., is provided by the Club.

5. Providing refuelling facilities at aerodromes

The refuelling stations of 15 K.L. capacity were provided at Hissar, Karnal and Pinjore to meet the refuelling requirements of the Aerial spray operations which were entrusted to the Civil Aviation Department and also to meet growing requirements of the flying clubs at these aerodromes. The scheme of aerial spraying after having rendered service to the farmers is now in the

state of closing down as only one agricultural aircraft out of 5 procured in May, 1975 is now left which too has completed its life and is grounded for the last two years. The requirement of aviation fuel of the flying clubs is comparatively low due to less aircraft, and, therefore, 15 KL. capacity refuelling tanks are not considered useful and economical. Therefore, the rectification of the defects in the storage tanks and also re-epi-coating necessary before use is considered uneconomical and hence their use has been stopped.

None of the three refuelling pumps at Hissar, Karnal and Pinjore are being used for the flying clubs keeping in view their fuel requirements and heavy cost involved in the reconditioning of these pumps.

Workshop

1. The workshop is meant to provide overhauling facilities to the aircraft and engines. The workshop could not be commissioned fully all these years as the qualified and experienced Chief Engineer has not become available till date and without whom the workshop cannot be put into commission. Vide publicity given in the press during the year 1982 for filling up the post of Chief Engineer evoked some response. One candidate (Sh. A.S. Verma) was selected and he was even given the initial start of Rs. 2,000/- in the scale of Rs. 1700-2150/- as basic pay but he did not join. The filling up the post is again under consideration of Government. However, the Electronics wing of the C of A. Overhauling workshop is functioning satisfactorily. The workshop for doing overhauling of the aircraft, engines etc., can be commissioned only after a qualified and experienced Chief Engineer is positioned and also major components are made available. The components responsible for commissioning the workshop are not available in the country. Some of the components required are items of import.

2. A scheme was sanctioned to provide overhauling to the Pushpak Aircraft and their engines. The Pushpak Aircraft have become very old in the country and its production stands stopped for nearly over 18 years. These are being replaced by Cessna-152 which is an imported aircraft. Therefore, the commissioning of the workshop for doing overhauling of aircraft like Cessna-152 will have to be reviewed. The purpose is not totally defeated but on account of the circumstantial change due to the stoppage of the production of pushpak aircraft and also due to the non-availability of qualified and experienced Chief Engineer all over the country the commissioning process could not be taken in hand on full fledged basis although its electronics wing is satisfactorily working.

3. The scheme of aerial spraying with Basant Agricultural Aircraft was started in May, 1975 with the technical control of the Civil Aviation Department. The financial aspect was entrusted to the Haryana Agro Industries Corporation. The Pinjore Aviation Club started functioning in August, 1979 after the gliding wing was shifted from Hissar. Since the technical control had been entrusted to the Civil Aviation Department, the main base of the Haryana Agro Aviation was located at the Pinjore Civil Aerodrome to muster proper control from Chandigarh Head Office. Since the Haryana Agro Aviation is a Wing under the Haryana Government and Pinjore Civil Aerodrome is the property of the Haryana Government no rent for the use of

the building from Haryana Agro Aviation was charged, on the analogy that the flying clubs which are autonomous bodies under the Societies Registration Act, 1860 are also not charged anything for the buildings, aircraft and material etc.

4. Only service was rendered in the matter of repair and C of A to the aircraft of the Agro Aviation and those belonging to the Hissar and Karnal Aviation Clubs. The spares and material etc., were supplied by the respective units. The charges mentioned relate to service provided by the skelton staff under the C of A workshop

5. Facilities were used for the flying clubs and own units of the department for which no services charges were realised. However, for the work done of the outside agencies workshop, charges were realised and deposited into Govt. Treasury. Since the work of the outside agency was undertaken only on two occasions and the charges were deposited into the treasury maintaining the separate account was not considered needs any. However, this aspect will be fully kept in view by the department when workshop is commissioned on full-fledged basis after the qualified Chief Engineer and major components become available.

Construction of Aerodrome at Jind

During the course of oral evidence, the departmental representative stated that a 'Kachha' airstrip at Jind was constructed through P.W.D. in 1972, at a cost of Rs. 1.54 lakhs by levelling and dressing of earth for which land measuring 40 acres had been provided by the Forest Department free of cost. Subsequently when the scheme for construction of the airstrips was formulated, Forest department objected to the construction of the aerodrome on the plea that it was a forest reserved area and such area could not be acquired for any purpose without approval of the Govt. of India. The departmental representative further informed the Committee that the land was not acquired formally on the basis of any written documents but was taken over on verbal understanding. He further informed that Rs. 0.26 lakh had also been spent on the maintenance of the airstrips till December, 1975 when Government decided not to maintain the airstrip. He also stated that at present the Site was not put to any use as its non-maintenance had resulted again in jungle growth on it. He admitted that the entire expenditure of Rs. 1.54 lakhs on construction of airstrips and Rs. 0.26 lakh on maintenance had proved infructuous. To a question of the Committee whether there was any possibility of constructing the aerodrome in the near future, the department representative stated that it was possible only if the permission of Government of India was received and the land made available to the Civil Aviation Department by the Forest Department.

The Committee painfully observe that this is a case of utter failure of the Civil Aviation Department right from the stage of formulating the scheme for construction of aerodrome to the stage when the matter was objected to by the Forest Department. The Committee feel that the right course on the part of the Civil Aviation Department should have been to acquire the land in accordance with the laid procedure and not on verbal understanding, as had been done in this case. The Committee regretfully observe that the site remained unutilised for all these 15 years and the entire expenditure of Rs. 1.80 lakhs has gone waste.

The Committee are also amazed over the working of the Forest Department as to why it had agreed to make available the land to the Civil Aviation Department, in the first instance, without verifying the fact that the reserved forest areas could not be used without prior permission of the Government of India.

The Committee, therefore, desire that the entire matter should be thoroughly re-investigated in consultation with the Forest Department and the circumstances under which permission of the Government of India was not obtained at the time when the land was made available in the first instance be investigated and appropriate disciplinary action taken against the officers/officials responsible for the lapse, that resulted in infructuous expenditure of Rs. 1.80 lakhs under intimation to the Committee.

Training

A sum of Rs. 1 38 lakhs was outstanding against loans advanced to 48 students during 1966-67 to 1973-74. The departmental representative stated that it would not be possible to effect recoveries in these cases as most of the students who took loans had either gone abroad or either whereabouts were not known and, therefore, the entire amount had become irrecoverable and had to be treated as bad debt.

The Committee observe that the non-recovery of the outstanding loans clearly indicates that no efforts had been made to effect the recoveries. The department allowed the instalments to fall into arrears and with the passage of time the amount became irrecoverable. The Committee consider it a gross lapse on the part of the department and, therefore, desire that efforts should be made to recover the amount or alternatively action initiated against the defaulting officials for effecting recovery from them.

Aircrafts

During oral evidence when asked whether the department had received the insurance claim in respect of the three aircrafts which had crashed during 1976 to 1981, the department representatives informed the Committee that the case for the claim was still going on in the court.

The Committee desire that the matter may be pursued to its logical conclusion and final outcome intimated to the committee.

Providing Refuelling facilities at Aerodrome

For providing re-fuelling facilities at aerodromes petrol pumps were installed and storage tanks were also constructed and erected at a cost of Rs. 10.00 lakhs. These storage tanks are now not being put to use. The departmental representative stated during oral evidence that earlier these tanks had been installed keeping in view the requirement of aviation fuel and now such fuel would not be needed, hence no utility of these tanks. When asked whether any responsibility had been fixed for this wasteful expenditure the department representative stated that they would consider taking action against the defaulting officers/officials.

The Committee consider the entire expenditure on the construction of storage tanks wasteful, as earlier they could not be put to use because the epicoate

painting initially done inside these tanks had peeled off making them unfit for storage of aviation fuel. When this defect was rectified by the Indian Oil Corporation, these still could not put to use, because the department no longer needs storing the fuel. It is, indeed, a funny situation which shows that the department goes in for spending money for things without assessing their utility.

The Committee, therefore, desire that responsibility may be fixed in the matter and compliance report sent to Committee within three months.

Workshop

The Committee note with dismay that the workshop building was completed in October, 1973 but due to non availability of major components and qualified engineer the workshop could not be commissioned, although Rs. 3.62 lakhs had been spent on it. The departmental representative attributed the non-commissioning of the workshop to non-availability of qualified engineer due to meagre pay scales offered for the post. He assured the Committee that they would approach the Finance Department for upgrading the pay scales of the engineer so that qualified engineer readily agreed to join it.

The Committee desire that the matter may be expeditiously sorted out with the Finance Department and an engineer recruited without delay so that the workshop gets going.

3 8. *Irregular payment of customs duty*

[28] Government of India notification of September 1976 exempted aircrafts imported into India by a State Government from payment of customs duty. It was, however, noticed in audit (June-July 1982) that the department paid Rs. 1.58 lakhs as customs duty to a Bombay firm in December 1976 on the basis of their *pro form.* bill for Rs 17.96 lakhs for importing the aircraft for the State. The aircraft was received in December 1976. The refund for the customs duty paid has not been obtained so far (September 1984).

The matter was referred to Government in June 1983 reply was awaited (November 1983)

In their written reply the department stated as under —

The Government of India's notification of 17th September, 1976 exempting the State Govt, from the payment of custom duty for the imported aircraft was not in the notice of the department and the Government. The money was drawn with the approval of the Government and the Finance Department and this payment was made to the Custom Authorities at Bombay who also did not point out about notification/exemption in quistion.

Necessary steps are afort regarding the refund of this amount and the matter regarding fixing the responsibility in this behalf, is under active consideration of Govt.

The refund is yet to be obtained. A firm at Bombay has offered us to get the refund on payment of 5% of the refunded amount as their service charges. They have been asked to go ahead in the matter. The Chairman, Central Excise & Customs, New Delhi has been requested to intervene in the matter and issue instructions to the Bombay Customs for the refund of the amount to us on priority basis as advised by the firm. The firm has to take up follow up action.

During the course of oral evidence the departmental representative admitted the lapse of irregular payment of customs duty on aircrafts imported into India by the Haryana Government and assured the Committee that the defaulting officer responsible for this lapse would be proceeded against and the matter finalised expeditiously. For the refund of the customs duty, the departmental representative informed the Committee that they had a offer from the company which had imported the aircraft that it would get the matter settled if the department paid them 5% charges.

The Committee desire that the final outcome of the action taken against the defaulting officers may be intimated to the Committee within six months.

The Committee are however, not inclined to agree to the suggestion of 5% commission payable to the company for securing refund of the customs duty. The money was laying with the Government of India, and, therefore, for obtaining the refund of the customs duty from the Bombay based firm, the Committee suggests that, instead, the matter be pursued vigorously with the Government of India and final outcome reported to the Committee within six months.

SOCIAL WELFARE DEPARTMENT

3.5. *Integrated child development services*

[29]. *I. Introductory*

Integrated Child Development Services (ICDS) Programme undertaken in July 1975 envisaged improvement of the nutritional and health status of children in the age group of 0—6 years and nursing and expectant mothers from low income families and enhancement of the capability of the mother to look after the needs of the child through proper nutrition and health education. The scheme was implemented in 17 (15 rural and 2 urban) projects out of 18 projects upto March 1983. The total population covered by the scheme in these projects (1,086 villages and 70 wards/colonies) was 20.53 lakhs of which 2.94 lakhs (14 per cent) were Scheduled Castes. The Central sector projects (14) are fully financed by the Government of India except expenditure on account of supplementary nutrition which is borne by the State Government while 3 projects are entirely in the State sector. UNICEF provided equipment and vehicles.

Shortfall in expenditure was attributed by the department mainly to late setting up of ICDS projects. Inadequate utilisation of funds by the State Government adversely affected the extension of the package of services envisaged in the scheme.

1.3. The programme was implemented by the Social Welfare Department with the help of the Health Department in respect of rural projects and the urban slums. The Child Development Project Officer (CDPO) was directly in charge of the programme at project level. Immunisation, health check up and referral services were delivered through the net work of health services at the Primary Health Centres.

1.4. Important points noticed in audit during test check (March 1983 and April 1983) of records of five out of 17 projects and Directorate of Social Welfare are given in succeeding paragraphs.

1.5. *Programme Planning*

Priority was to be given to factors like backwardness of areas, drought prone areas, areas predominantly inhabited by Scheduled Castes and nutritionally deficient areas, areas poor in development of social services and slums in urban projects. These were, however, not kept in view while selecting and recommending project areas (blocks) to Government of India for introduction of ICDS scheme.

The scheme aimed at the coverage of the population of one lakh spread over 100 *Anganwadis*, but in 3 projects (Raipur Rani, Madhosinghana and Ganaur), 114 out of 327 villages, were not covered. In Rewari (Urban Project), out of 28 *Mohallas* covered under the scheme, only 7 were slum *Mohallas* (25 per cent).

In 37 *Anganwadi* centres of Raipur Rani project and in 7 *Anganwadi* centres of Rewari project, the number of beneficiaries varied between 1-50 during 1978-79 to 1982-83, against expected coverage of 96 beneficiaries.

Safe drinking water facilities which were to be taken into account, while selecting the projects for installation of ICDS Projects, were not available in 601 villages (55 per cent) out of 1,086 villages covered under this programme.

3.2. *Nutritious food*

The following were the nutritional standard for a beneficiary per day :—

- (a) Children 0—1 year . 200 calories and 8—10 grams of good quality protein
- (b) Children 1—6 years . 300 calories *plus* 12 grams of good quality protein
- (c) Expectant and nursing mothers . 500 calories *plus* 20 grams of good quality protein.

In September 1975, Government of India desired the formulation and development of locally acceptable receipts giving about 250/300 calories *plus* 10—15 grams of protein per 100 grams of receipts for 25 paise.

It was, however, noticed that in all the five projects, the locally available food, viz. *Khichri*, sprouted *moong*, Roasted Gram, *Moongphali Kee patti*, *Mithi Kheel*, *Moth*, *Dalia* paste, sweet rice etc. were adopted by the CDPO without consulting Block Development Officer and Block Medical Officer. No periodical analysis of the recipes served was done to ensure that they served the nutritional standards.

Though the orders for supplying double diet to pregnant and nursing mothers were issued in February 1982 in Kathura, *buns* costing 50 paise (i.e., double diet) was fed to pregnant and nursing women during 12th June 1978 to 18th February 1982 by CDPO, Kathura, resulting in extra expenditure of Rs. 0.37 lakh. In Rewari and Raipur Rani projects, double diet had not been supplied till March 1983.

3.3. *Supply of therapeutic food*

Children especially those below 3 years of age who as a result of health check-up are found suffering from third and fourth degree of malnutrition were to be given supplementary nutrition (therapeutic food) based on their physical needs. Therapeutic food was to be treated as an emergency medicine for such children. Its regular supply to children for at least 6—8 weeks, was essential for good results to restore them to normal health.

Out of 11,259 children identified as malnourished, only 9,806 were provided with nutritious food during 1977-78 to 1982-83 (January 1983) in 17 projects.

In case of Kathura and Raipur Rani projects there had been intermittent supply of therapeutic food during 1975-76 to 1982-83. In case of other three projects (Madhosinghana, Rewari and Ganaur projects), there had been no supply of therapeutic food and double diet was supplied as its substitute. Non-supply of Balamul (therapeutic food) was stated by the department (November 1981) to be due to non-receipt of raw material from M/s Kara District Co-operative Milk Products Union Limited, Anand (Gujrat). The children were not hospitalised to recoup normal health.

4. *Health Services*

Health was a major component in Integrated Child Development Services Scheme. As against the cent per cent immunisation of children against all diseases as envisaged in the scheme, 6 to 17 per cent of the children below six years of age were taken up for immunisation in five projects test checked. Since the stipulated three doses of DPT, DT and TT vaccines were not administered to the same set of children and only one or two doses were given, the immunisation by administering 24,659, 26,998 and 17,183 doses of DPT, DT and TT vaccines could not have been effective. The department attributed this to non-supply of vaccines in time and shifting of beneficiaries from one project to another.

4.4. *Pre-natal and post-natal care*

A minimum of four medical examinations of the mother during pregnancy were provided in the scheme. It was, however, noticed that coverage in Kathura, Madhosinghana, Raipur Rani, Rewari and Ganaur projects ranged from 25 per cent to 61 per cent of targeted medical examination in a pregnancy during 1976-77 to 1982-83.

* * * * *

8. *Functional literacy for adult women (FLAW)*

8.1. The scheme was implemented as a part of ICDS with the *Anganwadi* as the basic unit. It aimed at endowing adult women in the age group of 15-45 years with necessary knowledge and skills to perform the functions of house-wife such as child care, nutrition, health and hygiene, home-management, etc. An expenditure of Rs. 48.18 lakhs was incurred against allotment of Rs. 59.82 lakhs on the scheme during 1975-76 to 1982-83.

Out of 17 ICDS projects, no women could complete the course in 15 projects. Out of 76,720 women enrolled, 54,319 women (71 per cent) attended classes and 1,587 (2.92 per cent) women (in two projects—Kathura and Raipur Rani) could complete the course during 1975-76 to 1982-83. Attendance amongst the enrolled women was on an average 74 per cent in five projects subjected to test check. Shortfall was attributed by the department to domestic activities, social custom, harvesting, rainy season, poverty, etc. No certificate was issued to successful students. It was noticed that even in the projects where the FLAW programme was implemented, the dossier of each adult woman in the class was not maintained.

* * *

In their written reply, the department stated as under :—

Programme Planning

Due priority was given to the blocks which were backward inhabited by Scheduled Castes, economically weaker section of Society. The State Government supplied back-ground data of such blocks to the GOI for setting up of ICDS projects. Prior setting up ICDS Projects, background data indicating the population belonging to SC/BC and economically weaker section of the society are called for from the CDPOs of the blocks and this information is submitted to GOI. The decision for setting up of ICDS projects in certain blocks is taken by the GOI as this is centrally sponsored scheme.

2. According to GOI norms, an Anganwadi Centre is normally to be set up in the village having population of 1,000, but since these 114 villages had population less than 1,000 these could not be covered. However, a case for covering the remaining villages as per Government of India's Instructions are under process. Following additional Anganwadis will be set up on receipt of F.D. Sanction and with GOI's approval.

Sr. No.	Name of Block	No. of Anganwadis
1.	Chiri	11
2.	Jatusana	21
3.	Chhachhrauli	40
4.	Panipat	8
5.	Dighal	41
6.	Jhajjar	18
7.	Loharu	3
8.	Kanina	31
9.	Ferozepur Zhirka	13
10.	Hathin	35
11.	Barwala	09
12.	Rohtak	49
Total		279

Under the scheme, the slum areas are to be covered. Hence some mohallas identified as such were covered. As regards the variation in number of beneficiaries, it is submitted that in the nature of things the success of schemes depends upon awareness of the people, the co-operation of the community and the motivation provided by the project staff. The scheme aims at covering small children and mothers. In spite of best efforts, it was not possible to ensure 100% coverage. However, it is steadily increasing. It may however, be pointed out that the norms is 84 and not 86 per thousand population.

At the time of setting up ICDS projects, areas predominantly populated by SC/BC and weaker section of society were given preference and the aspect of availability of drinking water comes next. As a result of constant efforts made in the year, most of the villages of ICDS projects have been provided with safe drinking water. PWD (PH) is requested to provide for safe drinking water on priority basis. But this Department has its limitations.

Nutritious Food

CDPOs themselves are nutritious experts and are competent enough to decide protein and calories requirement of the beneficiaries under ICDS. However, time to time BMOs are being consulted about digestibility of the nutrient being given to beneficiaries.

According to the provisions of the Scheme, the pregnant and nursing mothers were required to be provided food of approximately double nutritious value as compared to children and this could only be possible by providing double diet to them. Hence the double diet given to the pregnant and nursing mothers was according to the provision of the scheme. The instructions referred to were only reiterated. In fact, the CDPOs were authorised to give approximately double diets as per provision of the scheme.

CDPO, Raipur Ran has intimated that she started double nutrition to the mothers in the month of June/July 1983. As regards, Rewari, it has been learnt that there was non compliance of the instructions because the project was started just then. Perhaps the CDPO was not aware of the instructions.

Supply of therapeutic food

Some of the severely malnourished children did not come to take therapeutic food at the Anganwadi inspite of frequent visits and motivation by the Anganwadi workers, ANMs and Supervisors. Their parents being illiterate did not send

them fearing their children might be taking harmful, food given by the Anganwari workers. They are persuaded and educated about the nutritive value of food time and again & have shown encouraging results

The main reason for intermittent supply of therapeutic food is that the supply point is located at a far off place i.e. Anand in Gujrat and its officer is subject to availability of raw material which is to be made available by the GOI at subsidised rates. This firm has to supply the therapeutic food through out the country. Keeping in view, this non availability of the therapeutic food in the projects, the GOI have advise vide their letter No. 11-32/80-CD dated 31-3-82 that such malnourished children could be covered with the double normal diet within the sanctioned scale. As regards the tax, the food was purchased at rates including sales tax as approved by the GOI

Technically, it is wrong to say that two doses of DPT or Polio Vaccination given to the child are not effective. Even a single dose has beneficial effect although the ideal would be if a child receives all the three doses of immunisation, secondly the immunisation schedule also varies from country to country. The schedule followed in India is as under —

Beneficiaries	Age	Vaccine	No. of Doses
Infants	3—9 months	D.P.T	3
		Polio	3
		BCG	1
	9—12 months	Measles	1
	18—24 months	D.P.T	1(Booster)
		Polio	1(Booster)
Children	5—6 years	D.T.	1(Booster)
		Typhoid	2
	10 years	T.T.	1(Booster)
		Typhoid	1(Booster)
	16 years	T.T.	1(Booster)
		Typhoid	1(Booster)
Pregnant Women	16—36 years	T.T.	1(Booster)

* * * * *

Pre-natal and Postnatal care

Ante natal examination includes position of foetus clinical examination, Urine examination, Hemoglobin examinations. As it is not possible to carry out all the examinations at patient place, they are asked to come to clinic, but only

a few ladies actually come up for examination. The cursory examination made by the ANM during their visits can not be said to be Ante-natal and post-natal examination.

Functional Literacy for adult women (FLAW)

Serious efforts are made for getting the course completed under the functional literacy Adult women programme in 15 projects. The shortfall if any was due to the domestic problems social poverty customs, harvesting, rainy season and etc. The women who actually completed the course, the certificate could not be issued to them by the CDPOs as they faced problems, like printing of certificates at block level. However, the Government has transferred this scheme to Education Department

After going through both written reply and oral evidence placed before the Committee by the departmental representative, the Committee observe that Integrated Child Development Services, (ICDS) programme was intended to bring about improvement of the nutritional and health status of children and nursing and expectant mothers from low income families and enhancement of the capability of the mother to look after the need of the child through proper nutrition and health education. The Committee, however, note that the programme was not implemented in the spirit it should have been implemented. In selecting the areas under the programme, priority was not given to factors like backwardness of areas, areas pre-dominantly inhabited by Scheduled Castes and nutritionally deficient. In certain projects, nutritional food was provided even to ineligible children and feeding was not upto the mark. In certain projects, therapeutic food for malnourished children was not supplied to all and in certain cases there was intermittent supply. The Committee also note that against the cent per cent immunisation of children against all diseases, only 6 per cent to 17 percent of the children below six years of age were taken up for immunisation. The Committee also observe that out of 17 projects, no women completed the course under functional literacy for Adult Women Programme in 15 projects, and only 1587 women out of 54,319 could complete the course. The Committee further note that there was no departmental evaluation of the programme since 1975.

The Committee, therefore, strongly recommend that while launching such socio-economic welfare programmes the State Government should be circumspective in all aspects to ensure that the money spent do not go waste and help achieving the intended objectives of the programmes so that the desired benefit percolate to the people for whom such programmes are intended.

The Committee further desire that the further steps taken in improving health check-up and pre-natal and post-natal care of expectant mothers, as was assured to the Committee during oral evidence, be intimated to them within three months,

BUILDINGS AND ROADS DEPARTMENT

4 11. *Additional liability due to delay in acceptance of a tender*

[30] According to departmental instructions, tenders are to be processed at all levels with promptitude. In response to tenders, for constructing the 'New building of Mahila Ashram at Karnal' (estimated cost : Rs. 17.40 lakhs) invited by the Executive Engineer, Provincial Division No. 1, Karnal, eight tenders were received and opened on 20th February 1981. The tenders were valid upto 90 days from the date of opening. The tender of contractor 'A' (Rs. 14.59 lakhs) which was the lowest, contained a stipulation that in case of steel works, if 'the steel was supplied by the department at Rs. 4,000 per tonne, he would charge 89 per cent above Haryana Schedule of Rates (HSR), and in case, the steel was to be supplied by the contractor, he would charge 129 per cent above HSR'. Negotiations were conducted from 23rd February 1981 to 20th April 1981 with the contractor by the Executive Engineer under instructions from the Superintending Engineer wherein the contractor withdrew the second condition. The department agreed to supply steel at the rate of Rs 4,000 per tonne at site of work and the contractor was to be paid 89 per cent above the schedule rate for steel work.

The tender was recommended (April 1981) to the Engineer-in-Chief for acceptance alongwith the above negotiated condition, but the Engineer-in-Chief did not agree and laid down (May 1981) the condition that ribbed/for steel would be arranged by the contractor himself and would be paid 129 per cent above schedule rate of steel work, as this was economical by Rs 20,458. However, condition regarding supply of steel by the contractor had already been withdrawn by him during negotiations with the Executive Engineer. The allotment letter to the contractor was issued on 18th May 1981 with the above condition, but the contractor refused to start the work alleging that it was a counter offer just a day before the expiry of the validity period and requested for the refund of his earnest money. The Executive Engineer, however, resubmitted (6th June 1981), the tender case to the Engineer-in-Chief for reconsideration without getting the validity period extended from the contractor and this time the condition of the contractor regarding supply of steel by the department at site of work at Rs. 4,000 per tonne was accepted by the Engineer-in-Chief. Accordingly, a modified offer was issued to the contractor on 11th July 1981. The contractor, however, refused to start the work on the ground that the allotment letter based on his tender/negotiated terms was not issued within the validity period of his tender.

The Engineer-in-Chief while approving the tender rates, however, observed (25th June 1981) that the tender case had been abnormally delayed in the divisional/circle office.

Tenders, were therefore, again invited in September 1981 and the work was allotted to a contractor 'B' at higher rates by Rs 1.17 lakhs as compared to earlier tender and based on the quantities of various items contained in the sanctioned estimates. The work is in progress (August 1983). Non-acceptance of tender within the validity period thus, resulted in avoidable expenditure of Rs. 1.17 lakhs

The matter was referred to Government in July 1983; reply was awaited (November 1983).

In its written reply to the questionnaire of the Committee, the department stated as under —

There has been in fact no delay on the part of Divisional office/circle office as is evident from the chronological order of correspondence attached as Annexure 'X'. The tenders were called on 20-2-81 and were recommended by the Superintending Engineer to E.I.C. on 24-4-81. The observations of head office was prompted causally keeping in view the time taken for submission of recommendations as mentioned above but on preliminary enquiry and a close study of the movement of the case, it was revealed that both the Divisional office as well as circle office acted with due promptitude within their limitations of official procedure. In fact, the delay is attributed to late submission of the reply by the contractor who replied to Divisional office letter dated 6-3-81 only on 3-4-81 i.e. after a lapse of about one month in view of the factual position brought out above, no action is called for against any officer/officials as it is not possible to pin point the delay and fix responsibility against any officer/official in particular in this case

Yes, the work has been completed on 6-4-85 with a total cost of Rs. 23.02 lakhs. It was due to increased scope of work for which sanction of the competent authority to enhance the amount of the original agreement has already been obtained and estimate revised accordingly.

Divisional officers are now making personnel efforts to ensure that tender cases are given special attention at all levels.

In order to avoid wastage of time in negotiation and finalisation of tenders within the validity period, a clause in the NIT is invariably given that the conditional tenders are liable to be rejected. Therefore, the department is strictly following the laid down norms and procedure for inviting and finalising the tenders.

During the course of oral examination, the departmental representative tried to explain to the Committee that there was no delay in processing tenders. The Committee do not, however, feel convinced with their plea specially when the Engineer-in-Chief while approving the tender rates had observed that the tender case had been abnormally delayed in the Divisional/Circle Office. The Committee also observe that

the delay in acceptance of tenders is a common feature in the P.W.D as a result of which the department has to bear additional liability in one form or the other

The Committee, therefore, strongly recommend that the whole procedure of inviting tenders for work vis-a-vis their processing/acceptance within reasonable time should be thoroughly stream-lined, so that such a situation does not recur.

4.12. *Extra liability due to faulty allotment letter*

[31] Tenders for the work 'Constructing Judicial Court Building at Jhajjar' were invited by the Executive Engineer, Provincial Division, Jhajjar on 8th April 1981 and opened on 29th April 1981. Only one tender was received and one of the conditions in tender was that cement will be supplied by the department at the rate of 32 per bag. The tendered rates were considered reasonable and acceptance letter was issued by the Executive Engineer to the contractor on 25th June 1981 in which rate of recovery of cement was mentioned by the Executive Engineer 'Rs. 32 per bag plus 3 per cent storage charges from Jhajjar store'. The contractor represented (July 1981) against the recovery of 3 per cent storage charges as the same was not as per his tender conditions. Instead of issuing a modified allotment letter, the Executive Engineer took action (September 1981) under clause 2 of the agreement (although no agreement was executed) and levied penalty of Rs. 12,225 being 10 per cent compensation on the agreement amount. The contractor sought hearing from the Superintending Engineer who decided (November 1981) that the acceptance letter issued by the Executive Engineer being not according to the tender of the contractor, there was no valid agreement between the Executive Engineer and the contractor. He further stated that since the contractor had refused to accept the counter-offer and execute the work, his earnest money had to be refunded.

Tenders were re-invited on 2nd June 1982 and the work was allotted (July 1982) at higher rates to another contractor involving additional financial liability amounting to Rs. 0.33 lakh. The work is in progress. Thus issue of a faulty allotment letter by the Executive Engineer resulted in an additional liability of Rs. 0.33 lakh

The matter was referred to Government in June 1983, reply was awaited (November 1983).

In their written reply the department stated as under .—

While issuing the allotment letter the then Executive Engineer Shri S.L. Gupta did not take into account the condition of the contractor regarding issue of cement at the rate of Rs. 32 per bag only. Since the contractor had not mentioned anything regarding the recovery of storage charges, the Executive Engineer appeared to have stipulated in the acceptance letter issued to the contractor, the condition of issue of cement @ Rs. 32 per bag plus 3% storage charges as provided under rule 7.43(b) of DFR. The point, as to

whether the storage charges were to be recovered or not remained a subject of clarification and correspondence between the Divisional office and the circle office. On thorough scrutiny and going into the depth of this case, it has been noticed that the contractor was not serious to take up the work in hand

He wanted to wriggle out himself from the Execution of contract agreement on one pretext or the other. It is not out of place to mention here that the work in question was enhanced subsequently to the extent of Rs. 3.30 lacs. Supposing the agreement was valid even then the contractor could not have been forced to execute the enhanced work after revision of the estimate at the rates quoted by him in the tender of 4/81. Certainly enhanced work had to be got executed at the prevailing rates during 6/82 i.e. 152% above HSR and it would have cost the department Rs. 3,44,500 against the cost of Rs. 3,30,989 thus causing excess presumption figure of cost to the extent of Rs. 13,136 only to the department instead of 0.33 lacs as observed by Audit. This variation is within the permissible limit under the rules

However, explanation of the XEN, Shri S.L. Gupta, has been called in this case and the departmental action is under process. The amount of Rs. 13,136 has been placed under Miscellaneous Advance against the officer."

During oral examination, the departmental representative explained to the Committee that the Executive Engineer did not explain correct position to Audit. He further stated that the penalty imposed by the Executive Engineer on the contractor was expunged by the Superintending Engineer.

The Committee do not feel convinced with the evidence placed before it and observe that the allotment letter of the work in question was decidedly faulty and that the acceptance of the offer of the contractor by the Executive Engineer was not a valid agreement as has been observed by the Superintending Engineer. This fact is further corroborated by the fact that in their written reply the department stated that explanation of the Executive Engineer had been called in the case and pending departmental action the amount of Rs. 13,136 had been placed under Miscellaneous Advance against the Officer. The departmental representative sought to withdraw this part of the reply pleading that the Executive Engineer was not at fault. The Committee are surprised as to how the department is taking shifting stand now this case and do not feel convinced with their deposition during oral evidence.

The Committee, therefore, desire that the entire matter may be re-investigated to find out whether or not the extra liability of Rs. 0.33 lakh had resulted due to faulty allotment letter and the acceptance letter issued by the Executive Engineer was according to the tender of the contractor.

4.16. Outstanding inspection reports

[32] (a) Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the heads of offices and to next higher departmental authorities through inspection reports. More important irregularities are reported to heads of departments and Government. Government has prescribed that first replies to inspection reports should be sent within six weeks.

At the end of August 1983, 452 reports relating to Buildings and Roads Department issued upto March 1983 still contained unsettled paragraphs. Year-wise break-up of outstanding inspection reports is given below :—

Year	Number of inspection reports	Number of paragraphs
1978-79 and earlier years	273	876
1979-80	45	218
1980-81	41	253
1981-82	49	351
1982-83	44	527
Total	452	2,225

These included 13 inspection reports for which even the first replies had not been received.

(b) Some important types of irregularities noticed during inspection and local audit of Buildings and Roads Department are summarised below :—

Sr. No.	Nature of irregularity	Number of cases	Amount involved (in lakhs of rupees)
1	2	3	4
(i)	Expenditure without approved/sanctioned estimates on purchases/works	161	6,53.18
(ii)	Amounts recoverable from contractors/firms/officials	135	1,56.40
(iii)	Wasteful and infructuous expenditure due to defective plans, designs, abandonment of works, changes in alignment, etc.	98	1,51.24

1	2	3	4
(iv)	Expenditure on deposit works without or in excess of deposits	22	1,05.85
(v)	Excess/surplus/unserviceable material	20	57.49
(vi)	Non-accountal of material	77	55.42
(vii)	Compensation for delays not levied or short levy of compensation	38	33.79
(viii)	Unauthorised financial aid to contractors	25	17.97
(ix)	Non-reimbursement of freight charges	14	17.73
(x)	Non-closing of manufacturing accounts due to non-adjustment of out-turns	10	14.63
(xi)	Extra expenditure on account of change of specification and due to non-observance of rules/due to rejection of lowest tender, etc	19	10.63

In their written reply, the department stated as under .—

“Latest position of outstanding inspection reports upto the year 1982-83 is given below —

Year	No. of I/R	No. of paragraphs
1978-79 & earlier Years	210	590
1979-80	40	122
1980-81	33	117
1981-82	40	138
1982-83	44	221
Total	367	1188

Out of 452 reports containing total number of 2225 paras, 1037 paras have been finally settled leaving a balance of 367 outstanding inspection reports containing 1188 paras only. For the early settlement of remaining audit paras special campaign has been launched in the department S.Es/XENs have been asked to prepare the suitable replies of all the audit paras and intimate to Head Office for

arranging the special meetings with the audit office for spot verification of record/settlement of maximum number of paras. Such a meeting in respect of paras pertaining to Mech. Circle has been conducted on 15-5-86 wherein about more than 75% paras were got settled. Similar meeting in respect of other circles are also being arranged

The inspection reports contain paragraphs of intricate nature and their disposal requires extensive scrutiny of old records and a good deal of correspondence. However, non settlement of some of the old paras is attributed to the following reasons —

- (i) In some cases relating to shortages etc, although the recovery orders against the defaulters have been issued, yet the full recovery will take its due time
- (ii) certain cases of losses/shortages etc are pending for want of final decision of the competent authority in respect of recovery orders/write of losses to stock etc.
- (iii) In certain cases old records etc are not readily forthcoming.

Strict instructions have been issued to the field officers to pay top priority attention to the disposal of outstanding paras of Inspection Reports”

The Committee observe that the pace of clearance of outstanding reports is slow in view of heavy number of outstanding inspection reports. The Committee further observe that the inspection reports contain paragraphs which date back to 1978-79 and earlier years as also cases of losses, shortage etc.

The Committee, therefore, emphasise the need for liquidating the old inspection reports with the utmost speed and for taking adequate steps to arrest their accumulation in future.

TRANSPORT DEPARTMENT

HARYANA ROADWAYS

Paragraph : 7.43. Fabrication, of bus bodies

[33] 7.43 1. On trifurcation of the composite Punjab State in November 1966, Haryana Roadways was not allotted any fabrication workshop and the entire body building work was being got done through private agencies till November 1978 when a Central body building workshop was established at Gurgaon with a capacity to build 360 bus bodies in a year (30 bus bodies per month). The workshop was to provide facilities for fabrication of bus bodies on the new chassis and renovation of bus bodies of old vehicles. Up to December 1982, the workshop was entrusted with the work of fabrication of composite district type (52-54 seater) and city type (34-37 seater) bus bodies of specific design, and the work of fabrication of all metal, semi de luxe and de luxe bus bodies was being entrusted to private bus body builders.

The work of allotment of chassis to private bus body builders for carrying on fabrication work as well as to workshop of the Roadways is controlled by the State Transport Controller. The year-wise particulars of allotment of chassis to private agencies, *vis-a-vis*, own workshop (of Roadways) from 1979-80 to 1982-83 are given below :—

Year	Chassis allotted under work order issued to		Percentage of allotment of work to total work	
	Private body builders	Own* workshop	Private body builders	Own workshop
1979-80	186	160	54	46
1980-81	300	146	67	33
1981-82	219	147	60	40
1982-83	100	221**	31	69

It would be seen from above that in spite of available spare capacity in their own workshop, the chassis allotted under work orders issued to private body builders had always been more, except during

*Excluding work order for renovation of old buses

**Includes 66 chassis issued at the fag end of the year during March 1983.

the year 1982-83, even though complete infrastructure and technical know-how to manufacture 360 bus bodies, as planned, were available in the workshop.

It may be mentioned that the workshop was also entrusted (December 1982) with the fabrication of one semi de luxe bus body on trial basis. The chassis (value . Rs. 1 74 lakhs) was received in February 1983 but the work on it could not be taken up so far (November 1983) for want of design from the State Transport Controller.

7.43.2. *Fabrication performance*

(a) It was planned that the workshop should fabricate 30 bus bodies in a month (including renovation of old bus bodies on single shift-basis). The table below indicates the year-wise particulars of fabrication of bus bodies by the workshop during the years 1979-80 to 1982-83 —

Year	Capacity	New bodies built	Bodies renovated	Total	Percentage of utilisation (in numbers)
1979-80	360	149	36	185	51.4
1980-81	360	157	55	212	58.9
1981-82	360	139	30	169	46.9
1982-83	360	155	29	184	51.1

Reasons for shortfall with reference to the planned capacity were not investigated although the workshop, at times, had been working in more than one shift. The General Manager of the workshop attributed (December 1982) the shortfall to difficulties in the procurement of material under the then system of procurement. The State Transport Controller thereupon authorised (December 1982) the General Manager to place orders for the purchase of raw materials on Government departments, autonomous bodies and approved sources, etc. The effect of the change in the procurement system is yet to be assessed (July 1983).

(b) The table below indicates that the cost of fabrication of bus bodies in their own workshop during the years 1979-80 to 1982-83 was

economical as compared to the fabrication charges paid to private body builders.

Year	Fabrication charges per bus-body built			
	Central workshop		Private body builders	
	Tata	Leyland	Tata	Leyland
1979-80	0.34	0.36	0.42	0.44
1980-81	0.40	0.43	0.53	0.56
1981-82	0.46	0.48	0.54	0.56
1982-83	0.49	0.50	0.54	0.56

Due to not utilising the planned capacity of the workshop (360 bus bodies a year), the Department had incurred an extra expenditure of Rs. 54.02 lakhs on 614 bus bodies got built during the years 1979-80 to 1982-83 from private body builders

7.43.3 Irregular allotment of bus bodies

(i) In November 1978, open tenders for fabrication of bus bodies on 400 chassis were invited through advertisement in news papers against which 20 firms quoted their rates. The lowest negotiated rates of a firm of Jalandhar having a capacity to fabricate 35 composite and 25 all metal buses per month for Haryana Roadways alone were as follows

	Rate per bus (Rupees)
Composite type bus (54 seater)	40,000
All metal bus (52 seater)	42,000
All metal bus (54 seater)	47,000

The firm had been executing the Department's works since long and a cheque of Rs. 1.11 lakhs was also handed over by it to the Department on 9th January 1979 against the outstanding penalty claims of the Department. The Standing Purchase Committee, on 20th January 1979, decided to place order on the firm after the cheque deposited by it was encashed. The cheque was deposited with the bankers on 9th January 1979 and the account was credited on 23rd January 1979.

It was observed in Audit that in contravention of the decision of the Standing Purchase Committee, the State Transport Controller, on 22nd January 1979, without ascertaining the fact about encashment of the cheque and without assigning any reason, placed fabrication orders for 57 metal type and 35 composite type bus bodies on 15 firms at higher rates. Fabrication work was completed by all the firms on all these buses excepting on 10 composite type buses (later diverted to the Jalandhar firm) at an extra cost of Rs. 2.03 lakhs.

(ii) In March 1980, sealed tenders were invited for fabrication of two air-conditioned coaches through advertisement in newspapers (subsequently increased to 4 coaches in July 1980) against which seven tenders were received in June 1980. Negotiations were held with the tenderers in July 1980 and three firms of Faridabad, Delhi and Jalandhar (which were the first, second and third lowest tenderers) were asked to produce air-conditioned coaches fabricated by them for inspection. Out of these, only one firm of Delhi which was the second lowest tenderer (Rs 1.45 lakhs per bus) offered the fabricated body for inspection. The workmanship of this firm was not considered up to the standard. The State Transport Contoller, without making any further effort to inspect the bodies fabricated by the other firms of Faridabad and Jalandhar, placed order for fabrication of 4 air-conditioned coaches on a firm of Bombay (fourth lowest) on 14th July 1980, at Rs. 1.90 lakhs per bus *plus* sales tax (4 *per cent*) (value Rs 7 90 lakhs) and these were delivered between January 1981 to June 1981. Acceptance of the higher offer resulted in an extra expenditure of Rs 2.20 lakhs with reference to the rates of lowest firm of Faridabad *viz*, Rs 1 42 lakhs (inclusive of Sales Tax) per bus.

Further, the coaches were got fabricated to a changed design and specification for which the firm claimed Rs 1 33 lakhs against which a sum of Rs. 1.06 lakhs was paid in full and final settlement of the claim in June 1981.

(iii) The agreement with the Bombay firm (August 1980), *inter alia*, provided that

- (a) penalty at Rs 200 per day per vehicle would be payable if the vehicles were not delivered within 12-13 weeks from the date of handing over of the chassis; and
- (b) liquidated damages of Rs 600 per day per vehicle would be payable for the period the vehicle remained off the road on account of any defect in workmanship noticed within a period of 180 days after the completion of fabrication work.

The table below indicates the delay in completion of the fabricated bus bodies :

Serial number	Vehicle number	Date of delivery of chassis	Due date of delivery of fabricated bus	Date of delivery	Extent of delay
1.	HRY 1691	23rd - August 1980	1st December 1980	4th January 1981	34th day
2.	3891	Do	Do	26th March 1981	115 days
3.	3491	Do	Do	14th April 1981	134 days
4.	1091	Do	Do	10th June 1981	191 days

In terms of the above provisions of the agreement the firm became liable to pay penalty of Rs. 94,800 for the delay in completion of the work. Apart from it, the General Manager, Chandigarh informed the State Transport Controller (June 1981) that the air-conditioned plants of all the four coaches had not been functioning properly as the bus bodies were not properly insulated. It was observed that one of the four coaches remained off the road for 55 days between 5th May 1981 to 30th June 1981 on account of defect in the workmanship. The liquidated damages leviable worked out to Rs. 0.33 lakh. No action had yet (July 1984) been taken to recover Rs. 1.28 lakhs from the firm against which the State Transport Controller had only a security of Rs. 0.25 lakh and balance payment of Rs. 0.30 lakh.

7.43.4. *Non recovery of penalty*

(i) The State Transport Controller, Haryana entered (February 1978) into rate contract agreement (1st January 1978 to 30th November 1978) with three firms for fabrication of new bus bodies. Work order was placed and chassis were delivered in March-April 1978 for fabrication of bus bodies thereon within 30 days of delivery of the chassis, and a rate contract was entered into with the firms on 21st February 1978 subject to the following :

- (a) contractor to deposit 2 per cent of the value of the allotment letter in the Post Office Savings Bank;
- (b) levy of liquidated damages at the rate of Rs. 100 per day per vehicle for failing to complete the work in time; and
- (c) release of 95 per cent payment on acceptance of vehicle without prejudice to the right to recover the liquidated damages in cash or from balance payment.

Security deposit of 2 per cent was not obtained from these firms as stipulated in the contract. None of these firms could fabricate the chassis in stipulated time. Penalty amounting to Rs. 3.47 lakhs for delay in fabrication of bus bodies and poor workmanship was imposed (July 1979) on all the three firms and decision was conveyed to the depots in February 1980 and June 1980 for recovery out of their dues. Out of the above amount, Rs. 2.05 lakhs were adjusted against the balance 5 per cent payment due to the firms. Further, Rs. 0.61 lakh were adjusted against the balance 5 per cent payment and security deposits of two firms from their next year rate contract (1st January 1979 to 31st December 1979). Balance amount of Rs. 0.81 lakh had not been recovered so far (July 1983) from three firms. One of the three firms against whom an amount of Rs. 0.51 lakh was outstanding had gone into liquidation (March 1981).

The General Manager of Ambala depot intimated (February 1981) that recovery could not be affected out of 95 per cent payments made to the firms when delivery of the buses was taken as the actual delay and amount recoverable was not finalised by the State Transport Controller. The State Transport Controller asked (February 1981) the General Managers concerned to take legal action against the defaulting firms. Further developments were awaited (September 1983).

(ii) Six chassis were allotted (July 1980) to a Jaipur firm (which was on rate contract) by the State Transport Controller for fabrication of bodies

for super deluxe coaches at a cost of Rs. 1.10 lakhs each. The chassis were handed over to the firm on 12th August 1980 for fabrication in accordance with modified design. As per delivery scheduled, 5 coaches were to be supplied by 11th October 1980 and the remaining one coach by 11th December 1980, failing which penalty at Rs. 100 per vehicle per day was recoverable. One bus, duly fabricated, was handed over on 29th October 1980 and the remaining four buses were delivered on various dates in November 1980. Thus, there was a total delay of 159 days in the delivery of the fabricated coaches for which penalty amounting to Rs. 15,900 was leviable. In December 1980, the firm requested for extension of delivery period upto 2nd December 1980 on the plea of non-availability of ABS plastic sheets and changes made in the design by the State Transport Controller. The request of the firm was turned down (June 1982) by the then State Transport Controller on the ground that the change from ABS plastic sheets to sunmica was agreed only to accommodate the firm and all changes were communicated to the firm on 8th August 1980, *i.e.*, before the delivery of chassis. It was further ordered (June 1982) that maximum penalty for the delay as per terms and conditions of the agreement be imposed and recovery be made from the balance 5 per cent payment of Rs. 34,320. The new State Transport Controller, however, released (September 1982) the 5 per cent payment to the firm without recovering Rs. 15,900 towards delay penalty on the ground of change in design and good job done by the firm. The reasons given by the new State Transport Controller were not acceptable as the change in design was effected before delivering the chassis to the firm and the workmanship was recorded as defective by the Additional State Transport Controller who in his note of May 1982 had observed that the roofs of the coaches were badly leaking due to poor workmanship.

* * * * *

In its written reply the departmental stated as under :—

The departmental body building workshop for the fabrication of bus bodies was set up on trial basis for the first time on 30-11-78. Since this workshop was set-up for the first time and there were many problems such as arranging the machinery, the stores, manpower, power supply etc. This workshop could build bus bodies according to the facilities available from time to time. The number of the bus bodies fabricated in the departmental workshop during 1979-80 to 1982-83 is as under :—

11/78 to 3/79	43
4/79 to 3/80	185
4/80 to 3/81	212
4/81 to 3/82	169
4/82 to 3/83	186

Keeping in view the chassis available at a time, there was no other alternative left with the department except to get the buses fabricated from the private body builders as there was space problem in Central Body Building Workshop. Had the department not diverted chassis to the private body builders,

the condition of the chassis must have been deteriorated and the department had to suffer a heavy loss by retaining the chassis in the departmental body building workshop. It is incorrect that the fabricating capacity of this workshop in the beginning was 30 bus bodies per month. The fact is that fabricating capacity of this workshop was 25 bus bodies per month, keeping in view the facilities available in the central Body Building Workshop.

7 43(1)

Department tried its best to get the maximum number of bus bodies built from this workshop. When it was found that this workshop was not in a position to fabricate bus bodies and there was no other alternative left with the department except to get the bus bodies fabricated from the private body builders.

During Asiad Games held in 1982, Maharashtra Government had demonstrated a Semi-deluxe bus in their Stall. This bus was liked by Transport Minister. It was considered desirable to get a bus body built on this pattern from Central Body Building Workshop and to watch its performance. Accordingly, one chassis was placed at the disposal of Central Body Building Workshop for fabrication semideluxe bus body. The department requested Maharashtra State Road Transport Corporation to make drawings and specification of this type of bus available to this Undertaking. Despite repeated reminders, Maharashtra State Road Transport Corporation had not supplied drawings/specifications for this bus, as such the idea of getting semi-deluxe bus on Maharashtra pattern had to be deferred. A district type bus body was built on this chassis lateron.

The department body building workshop for the fabrication (including renovation of old buses) for Haryana Roadways was set up for the first time at Gurgaon on 30-11-78. Since the workshop was set up for the first time, as such, the department faced the following problems :

- (i) Accommodation
- (ii) Machineries
- (iii) Technical knowledge
- (iv) Stores
- (v) Power supply

Despite these problems, the Deptt. tried its best to get maximum bodies built from this workshop as could be got built. Keeping in view the available facilities. The Department fixed the fabrication capacity of the workshop as 25 bus bodies per month in December, 1983.

There had been certainly improvement with the change in the procurement of raw material as evident from the following chart showing the bus bodies built in Central Body Building Workshop during 1982-83 to 1984-85 :

1982-83	186
1983-84	262
1984-85	364

Fabrication performance

As already intimated in para No. 1 above, the fabrication capacity of the Central Body Building Workshop was fixed for first time in December, 1983 as 25 bus bodies per month. Prior to this, the department had tried its best to get maximum number of bus bodies built that could be possible within the facilities at that time from Central Body Building Workshop. When it was found that Central Body Building Workshop was not in a position to fabricate bus bodies on all the available chassis keeping in view the facilities available in this workshop, the department had to get the remaining bus bodies from the private bus body builders to avoid any loss in keeping the chassis in workshop unnecessary. The department had not incurred any loss by getting the bus bodies built from private body builders. Had the department allowed the chassis to remain in workshop for fabrication for months together, the loss would have been more.

On the basis of decision taken in the Standing Purchase Committee meeting held on 20-1-79 at 5.00 p.m., 57 chassis were allotted to firm other than New Model Industries, Jalandhar. M/S New Model Industries Jalandhar had though deposited the cheque of Rs. 1.11 lakh with Department on 9-1-79 against the outstanding penalty claimed by the department. From the perusal of audit paras, it becomes clear that the cheque had not been cashed till 20-1-79. Action of Store Purchase Committee and this department in ignoring them is justified. Audit paras itself reveals that the cheque was credited on 23-1-79. Since the cheque was not encashed till 20-1-79, there was no question of considering the firm for allotment of chassis. Had the chassis been allotted to the firm in anticipation of the encashment of cheque, it would have been giving business to firm who had already defaulted and this would not have been in the interest of the State.

As explained above, the action taken by Store Purchase Committee and Deptt. for not allowing chassis to the firm is justified. Though sum of Rs. 2.03 lakhs were spent extra, but the action taken was in the interest of State.

Irregular allotment of bus bodies

(ii) In March, 1980, department invited sealed tenders for fabrication of

four air-conditioned coaches so as to reach by 15-4-1980. The following firms quoted their rates as under :—

(i) Delhi Auto Faridabad	1.37 lakhs
(ii) Ram Body Builders,	1.39 lakhs
(iii) New Model, Jalandhar	1.79 lakhs
(iv) Jai Coach, Bombay	190850/-
(v) Harish Inds. Meerut	194800/-
(vi) Sanghi Engg., Jaipur	2.00 lakhs
(vii) Chhota Nagpur Body Builder, Ranchi	206111/-
(viii) Hyderabad Alliance Metal, Hyderabad	280000/-

Vide telegram dated 2-7-80, firm (Faridabad, Delhi & Jalandhar) were asked to produce Air conditioned Coaches at Haryana Bhavan on 8-7-80 by the then State Transport Controller, only M/S Ram Body Builders Delhi produced bus for inspection which was not considered upto the standard while two firms namely M/S New Model & Delhi Auto. did not produce bus bodies for inspection. In the light of above four chassis were allotted to Jai Coach Body Builders being firm of repute in building Air conditioned Coaches. Due opportunity had been given to the firms whose rates were lower, thus the action of this department in allotting four buses to Jai Coach is in order.

(iii) from the reply of para-I above the action of the department in allotting 4 chassis to Jai Coach Body Builder after ignoring the firm at Sr. No. 1, 2 and 5 is justified as M/s Jai Coach, Bombay was a firm of repute.

At higher level and in joint meeting with Managing Director—Tourism Corporation held on 5-8-80. It was decided that arrangement could be made in Air Conditioned Coaches which were already under fabrication with regard to operation tourist transport services as under :—

Air Conditioned Buses

- (i) Flush toilets
- (ii) Refrigeration unit/ice box keeping cold drinks as well ice cream etc
- (iii) Seats of the same design as that of an Air bus

It was keeping in view that the design of A/C buses under fabrication with the Jaipur Coach were modified and each cost of Rs. 1.06 lakhs extra payment was made. Thus this change in design justified with a view to meet the requirement—proposed by the Haryana Tourism Corporation

General Manager Haryana—Roadways Chandigarh is pursuing the case with the firm for recovery of amount.

The security of Rs. 20,000/- is still lying with the department.

In the year 1977-78, as per terms of agreements, firms were required to deposit security at the rate of 2% the value of order. The chassis were allotted in 4 different lots. The firms were requested to deposit the security against each allotment as large number of bus bodies were to be got fabricated. With a view to ensure timely fabrication of bus bodies, chassis were delivered to the firms simultaneously. Though the office perceived with the fabricators, but M/S Haryana Coach Body Builders/Royal Body Builders and Belco Engineering failed to deposit the security.

In the year 1983, one bus body each from M/S Haryana Coach Body Builders, Belco Engineering Ltd. were got fabricated. As per the terms of tenders, firms had deposited Rs. 5000/- each as a earnest money and Rs. 25000/- each as security against allotment of one chassis each. With a view to ensure recovery of the amount due from the firms, this office has withheld the release of earnest money of Rs. 25000/- and balance amount of 5%. As regards third firm M/S Royal Body Builders, General Managers have been advised to take legal action against the firm to recover the amount.

As per terms of agreement 5% payment was to be made to the firms after the completion of six months and after assessing the recoveries to be made on account of poor workmanship. Since the information was to be collected from various depots of Haryana Roadways, it took time in consolidating the same and intimating to the depots. However, action to recover the amount from M/S Belco Engineering Co. and Haryana Coach Body Builders has been initiated by this office by withholding their subsequent balance payment.

Non recovery of penalty

* : *

- (ii) JSTC (Tech.) in his note dated 16-8-82 gave detailed reasons for delay caused in fabrication. He attributed the delay caused in fabrication due to change in design. Shri Mangat Ram, Body Building Supervisor who was posted at Jaipur to look after stage to stage fabrication of these bus bodies also confirmed that the delay caused in fabrication was due to change in design and not due to fault of fabricator. Therefore, new S.T.C. who had earlier worked in the year 1980 and was fully conversant with the facts, ordered the release of balance payment. As regards rectification of defects in these bus bodies is concerned, the General Manager, Haryana Roadways Faridabad reported that the defects of leakage of roofs due to rain had been rectified in all the coaches by providing water proof rubber matting and there was no complaint in this regard.

No norm of 9 personnel for fabrication of bus bodies (1:1:1) was fixed nor this was suggested to Finance Department for fixation. However, the ratio could not be maintained due to non-availability of skilled staff in the market. With a view to cope with the body building requirement, more un-skilled staff had to be employed on daily wages. Thus, the ratio of un-skilled staff increased. Thus due to shortage of skilled/semi-skilled staff, lesser number of bus bodies were fabricated.

2. Non availability of skilled and semi-skilled personnel and power cut had been a great problem in respect of fabrication. The Department could not take steps to sack out the staff-keeping in view the load of buses to be fabricated because of the reasons that the staff already available was arranged with great difficulty and department had to bear their expenditure.

The standard design for District type and city type buses to be fabricated on Leyland and Tata Chasis are available and norms are being worked out, However the variation in the expenditure in the material used on each bus can be assigned to the following reasons —

- (a) Though the design of the bus bodies to be fabricated in Central Body Building Workshop and been standardized and specific material prescribed, but at times due to non-availability of one material or the other, some alternative material is to be used so that out put of bus bodies fabrication is not allowed to fall i.e. the department has specified use of aluminium sheets for outer-panelling and at times when aluminium sheets are not available galvanized iron sheets are used and the same are painted. It is only under such circumstances that there has been variations in the case of one body or another, but overall average of cost per body is calculated over a period of a month wherein 20-30 bus bodies are fabricated and thus average cost remains the same.

Fabrication of Bus bodies/Fabrication performance

During the course of oral examination, the departmental representative stated that there were three factors contributory to fabrication of bus bodies namely supply of chassis by the manufacturers, technical, non-technical aspects and the supply of material. He further stated that sometimes due to erratic supply from the manufacturer or late fabrication of bus bodies, the chassis had to be allotted to private bus body builders. The Committee do not, however, feel convinced with the reply of the department and observe that the capacity of their own workshop was not utilised by the department although complete infrastructure and technical know-how to manufacture bus bodies were available in the departmental workshop. The Committee, therefore, do not appreciate the allotment of chassis to private body builders. Similarly, the Committee also do not appreciate the delay in supplying design for fabrication of one semi-deluxe bodies entrusted on trial basis to the workshop, specially when semi-deluxe bus could not be fabricated due to non receipt of design from the Maharashtra State.

The Committee, therefore, desire that reasons for shortfall with reference to the planned capacity of the workshop should be thoroughly investigated and difficulties in the procurement of material streamlined.

The Committee further desire that economic of the cost of fabrication of bus bodies in their own workshop vis-a-vis the fabrication charges paid to private body builders should also be thoroughly analysed in order to utilise the planned capacity of the workshop.

Irregular allotment of Bus bodies

(i) The departmental representative could not satisfy the Committee as to why the department had placed fabrication orders for 15 metal type and 35 composite type buses on 15 firms at higher rates without ascertaining the facts about encashment of the cheque and without assigning any reason. The Committee view this action of the department seriously as it resulted in an extra cost of Rs. 2.03 lakhs. The Committee feel that the department should have complied with the decision of the Standing Purchase Committee to place order on the Jalandhar firm after the cheque deposited by it was encashed.

The Committee, therefore, desire that the circumstances under which the order could not be placed on the firm of Jalandhar should be thoroughly re-investigated and results communicated to the Committee within three months.

(ii) During the course of oral examination when called upon to explain reasons for the delay in completion of the fabrication of four air conditioned coaches, the departmental representative stated that the firm had given contract to voltas for the fabrication of bus bodies and the voltas delayed the job. Regarding position of recovery of Rs. 1.28 lakhs from the firm, the departmental representative informed the Committee that out of this amount Rs. 65,240 had been recovered and for the balance amount viz. Rs. 62,760 recovery will be effected through legal proceedings against the firm.

The Committee do not feel satisfied with the fabrication performances of the department and desire that the whole system should be examined in order to ensure that the delay in completion of the fabricated bus bodies is cut short and the work, if at all entrusted to private body builders, is got executed in accordance with the terms and conditions of the tenders invited so that there is no loss to the State exchequer.

The Committee further desire that the final outcome of the legal proceedings instituted against the firm for recovery of Rs. 62,760 or otherwise be intimated to them.

Non-recovery of penalty

During the course of oral examination the departmental representative admitted the lapse pin-pointed in the audit para and informed the Committee that arbitration proceedings against the Balco Engineering Limited had been initiated and necessary action would be taken as soon as the matter was decided.

The Committee view the lapse on the part of the department seriously and desire that the arbitration proceedings should be pursued vigorously to their logical conclusion and action initiated against the officers/officials responsible for the lapse.

The Committee further desire that the final outcome of the recovery of penalty effected from the firm intimated to the Committee from time to time.

Paragraph 7 45 Short recovery of Adda fee

[34] The State Transport Controller, Haryana instructed (April 1974) the General Managers of Haryana Roadways bus depots to charge Rs. 2 as *adda* (bus stand) fee per trip from each bus belonging to private operators and other State Transport agencies, originating and passing through the bus stand

A test check of the records of Sonipat bus depot in September-October 1982 revealed that *adda* fee at the rate of Re. 1 per trip was being recovered from the private bus operators. Sonapat was a sub-depot under Rohtak and was declared a fullfledged depot by the State Transport Controller, Haryana with effect from October 1979

After the above irregularity was pointed out by Audit (September 1982), the depot started charging Rs. 2 as *adda* fee from private operators from 19th November 1982. The loss of revenue to the Roadways on account of undercharging of *adda* fee from October 1979 to 18th November 1982 worked out to Rs. 0.52 lakh.

The General Manager, Haryana Roadways, Sonipat stated (May 1983) "the orders of State Transport Controller came to our notice through the inspection note of the audit party. Accordingly, from 19th November 1982, we have increased the *adda* fee from Re. 1. to Rs. 2 per bus. The question to regularise the past period will be taken up with the State Transport Controller separately."

The matter was reported to the Government, July, 1983; reply is awaited (November 1983):

In their written reply, the department stated as under:—

"Under sub-rule 7.12(5) of Punjab Motor Vehicles Rules, 1940, the District Magistrate has to fix the fee at the bus stand. Sonipat depot came into existence in October, 1979. The depot charged Re. 1 per trip per bus as *adda* fee on the analogy of Rohtak depot as Sonipat depot was previously its sub-depot. Sonapat depot started charging Rs. 2 per trip from 18-11-82 on the advice of Audit

The letter of State Transport Controller to the General Managers, Haryana Roadways depots was an advice and not binding on them under the Motor Vehicles Rules under which District Magistrate has to fix the fee.

"There is no short recovery as the orders of District Magistrate, Sonipat are still awaited."

During oral evidence, the departmental representative in a way admitted the lapse for short recovery of adda fee by the Sonipat Bus Depot during the period from October, 1979 to 18th November, 1982.

The Committee observe that the orders of the State Transport Controller enhancing the adda fee in other depots did not come to the notice of Sonipat bus depot. The enhancement of adda fee in other depots of the Roadways came to their notice at the instance of audit and the Sonipat depot started effecting recoveries at the enhanced rates immediately without obtaining the orders of the Deputy Commissioner. It only came to the notice of State Transport Controller, Haryana in 1986 that the recovery at enhanced rate was effected at the instance of audit and not with the approval of the Deputy Commissioner. The Committee are surprised over the working of the department that the head office came to know about the short recovery in 1986 which shows ineffective monitoring of the financial affairs. The Committee feel that during 1979 to 1982 none of the officers could detect about the disparity of rates of adda fee obtaining in Sonipat depot vis-a-vis other depots and as a result of which the department had to sustain a loss of revenue to the extent of Rs. 0.52 lakh.

The Committee strongly recommend that the entire system of prescribing/enhancing adda fee should be streamlined to ensure that occasions of short recovery of adda fee by the depots is obviated altogether.

The Committee further desire that as far as possible there should be uniformity in the rate of adda fee and its enhancement is made simultaneously in all the depots.

Paragraph : 7.47. Avoidable payment of interest

[35] The widow of a road accident victim (3rd May 1976) at Delhi involving a Haryana Roadways bus of Ambala depot filed (28th July 1976) a claim against Haryana Roadways with the Motor Claims Tribunal, Delhi for the grant of compensation of Rs. 3 lakhs. The Tribunal awarded (23rd July 1981) compensation of Rs. 0.77 lakh jointly and severally to all the kith and kins of the deceased. The court allowed two months' time to the Haryana Roadways to deposit the amount of award failing which the petitioner would be entitled to recover interest at the rate of 9 per cent per annum from the date of filing of petition till its realisation.

The General Manager, Haryana Roadways, Ambala referred the case (29th September 1981) to the Legal Remembrancer to the Government of Haryana, without making payment of amount of compensation, for filing of an appeal. The Legal Remembrancer opined (29th October 1981) that it was a fit case for appeal and forwarded the case to Government advocate at New Delhi for filing an appeal in the High Court. Accordingly, an appeal was filed in the High Court, Delhi on 19th January 1982. The High Court, while admitting the appeal, directed the Roadways to deposit the compensation amount with the Court by 17th February 1982. The High Court, *inter alia*, ordered that the

amount should be disbursed by the Tribunal to the petitioners against security.

The amount of Rs. 0.77 lakh was paid by the Roadways on 19th April 1982. Due to the Department's failure to pay the amount within two months of the judgement of the Tribunal, the Department had to further deposit (21st July 1982) Rs. 0.40 lakh towards interest for the period from 29th July 1976, i.e., the day of filing of the case by the petitioner to 28th April 1982 which was avoidable.

The Department stated (June 1983) that as payment involved was big, the delay on account of completion of necessary formalities was just.

The matter was reported to the Government in July 1983; reply is awaited (November 1983)

In their written reply the department stated as under :—

"The Motor Accident Claims Tribunal, Delhi had awarded a compensation to the tune of Rs. 0.77 lakhs on 23-7-81 with the direction that the amount of compensation be deposited within two months from the date of award, failing which the award would carry interest at the rate of 9 per cent from the date of presentation of application i.e. from 28-7-76 till realisation.

This intimation was conveyed by Shri Ravinder Bana, Advocate vide his letter dated 28-7-81. The certified copy was accordingly applied on 4-8-81. On 27-9-81, the certified copy of award was also received from Shri Ravinder Bana, Advocate which was sent by General Manager to the Law Department Haryana for taking necessary decision regarding the filing of an appeal and obtaining the stay order.

The matter was examined by the Law Department Haryana who, thereafter, issued the instructions to the Advocate on 29-10-81 to file an appeal in the High Court alongwith the stay petition.

The case came up for hearing before the High Court, which admitted the appeal and issued notice to the other party in the matter of stay with the directions that the payment of the compensation be deposited by 17-2-1982. This intimation was conveyed by the Advocate on 21-1-1982. After the necessary formalities, the amount was deposited on 29-4-1982 whereas the interest amounting to Rs. 0.40 lac was deposited on 21-7-1982. Since the Stay petition was also to be moved alongwith the appeal so the case for payment of the award was not moved till the outcome of the Stay Petition alongwith the appeal."

* * * * *

The Committee do not feel convinced with the reply of the department and observe that the department could avoid payment of interest of Rs. 0 40 lakh if it had acted promptly to comply with the judgement of the Tribunal to pay the amount within two months of the judgement. The Committee further observe that the department not only sustained loss by way of interest payment but also caused a lot of inconvenience to the family of the road accident victim by not making payments to them in time. The best course for the department should have been that pending legal matter in the court, the payment due to the deceased family could have been deposited with the court leaving it to its discretion to make or not to make payment to the family of the road accident victim. In this way the interest payment could have been avoided.

The Committee strongly recommend that in future all cases of road accidents should be proposed promptly and claims for the compensation are settled quickly or within the period specified by the Tribunal.

Paragraph : 7 48. Late commissioning of new buses

[36] Normally, new buses purchased by the Department should be put on road for passenger traffic within three days of their receipt from body fabricators.

During audit of the records of four depots, it was noticed that 87 buses (9 buses of Bhiwani, 31 of Karnal, 31 of Jind and 16 of Kaithal) acquired between February 1981 to January 1982 were put on road after 5 to 45 days of their receipt from fabricators, resulting in non-utilisation of available passenger seat capacity for 1,588 days.

Owing to delay in putting the available vehicle on road, the depots suffered a loss of revenue amounting to Rs 4 38 lakhs (after adjusting expenditure on lubricants, tyres, etc) apart from causing inconvenience to public.

The matter was reported to the Government in July 1983, reply is awaited (November 1983).

In their written reply the department stated as under :—

“Some times, it is difficult to put new buses on road within three days of receipt from body fabricators. The new buses are required to under-go mechanical-checking etc. However, as per practice, the buses were put on road on receipt from the bus fabricators without delay under A/F (applied for) plates. Regular Registration numbers to these buses were however allotted on subsequent dates fixed by the M.V.I for passing these vehicles. The audit has taken the dates of putting these buses on road from the dates of registration instead of actual date of putting on road under “Applied for plates”.

The General Managers of Haryana Roadways Depots have been asked to get immediate registration of vehicles in future as to avoid delay in putting these buses on road.”

The Committee observe that in their written reply the department has been able to explain their failure more than its difficulty. The Committee do not feel convinced as to why new buses could not be put on road for passenger traffic within reasonable time say within three or four days of their receipt from body fabricators. The delay in putting the available vehicles on road does not only entail loss of revenue to the department but also causes inconvenience to the public.

The Committee, therefore, desire that the department should enforce strict procedure by which the new buses purchased by the department are got fabricated and put on road for passenger traffic within reasonable time. The Committee would like to have compliance of the action taken by the department in this behalf by way of supporting data of the latest three years in respect of new buses purchased and put on road after body fabrication.

INDUSTRIES DEPARTMENT

Paragraph · 3.10 Non-utilisation of staff

[37] A rural Industrial Development Centre for imparting training in manufacture of leather goods was set up at Meham (District Rohtak) in May 1976. In March 1980, Government ordered its shifting to Hisar District. Director of Industries, however, allowed it to continue at Meham. No trainee was admitted for the session 1981-82 (July 1981 to June 1982), while an expenditure of Rs. 0.73 lakh on pay and allowances of the staff employed for imparting training had been incurred.

The Director of Industries stated in March 1983 that trainees were not admitted as the matter regarding shifting of the centre remained under correspondence and that the staff produced leather goods valuing Rs. 0.07 lakh

The matter was referred to Government in August 1983, reply was awaited (November 1983)

In their written reply, the department stated as under —

- “(i) As the object of the centre was to provide training to rural artisans in the State of Haryana, the State Government ordered the shifting of Rural Indl. Development Centre (Leather Goods) Meham to Hisar vide letter No 15/1/79-III-IB(i) dated 26-3-80 to impart training to the rural artisans of shoe making units at Hisar. In the meantime, a representative of Meham area approached this office for retention of the centre at Meham which was agreed to and the centre was retained at Meham. The State Government was informed accordingly
- (ii) The reasons for non admission of trainees in the centre during the session 1981-82 (July 1981 to June 1982) were that the matter remained under correspondence. A proposal was sent to State Government for the retention of the centre at Meham. The State Government observed vide letter No. 15/1/79-3 IB-79 dated 4-9-80 that the centre may be retained at Hisar. As training programme was started at Meham the State Government was requested vide letter No 39566-A dated 29-10-80 that the centre may be allowed to be retained at Meham for the time being. The State Government observed vide letter No 15/1/79-3 IB(I) dated 12-12-80 to intimate the date when the present training programme will be over. The Government was informed vide letter No 7995-A dated 6-3-81 that the training programme will be over on 1-6-81 and after this the centre will be shifted. Accordingly, General Manager, District Industries Centre, Rohtak was requested vide letter No.

22357-A, dated 10-6-81 that centre may be shifted to Hisar. The General Manager, District Industries Centre, Rohtak intimated vide letter No nil dated 20-8-81 that General Manager, District Industries Centre, Hisar has intimated that there is no scope for the centre in the Hisar District and the Centre may be shifted to other place. Since no demand was received from any part of the State, the General Manager, District Industries Centre, Rohtak was requested to take effective steps to enroll trainees and during the session 1982-83, trainees equal to sanctioned strength were enrolled in the centre. The General Manager, District Industries Centre, Rohtak again requested for the shifting of the centre and all the General Manager, District Industries centre were requested to send demand for the centre. The General Manager, District Industries Centre Gurgaon intimated that centre may be shifted to village jharsa. This place was not considered suitable for the shifting of the centre and it was decided to retain the centre at Meham for one year more and after this the position be reviewed. After conducting survey of Rohtak District the area adjoining to Bahadurgarh was considered suitable for the shifting of the centre and it was shifted to village Sankhol near Bahadurgarh as large number of shoe making units are located there. During the session 1981-82 staff of the centre manufactured leather goods.

- (iii) At present this centre is located at village Sankhol, District Rohtak and it is imparting regular training in the manufacture of leather goods to the artisans."

During the course of oral evidence, the departmental representative admitted that during 1981-82, no trainee was admitted and during 1984-85 and 1985-86, the number of trainees was 2 and 4 respectively against the optimum number of 15 trainees, though full expenditure on pay and allowances of the staff employed for imparting training had been incurred. The Committee observe that Government orders for shifting of the centre to Hisar district were not properly considered. Even the action of the Director of Industries to allow it to continue at Meham (Rohtak) also does not justify its retention, as no trainee was admitted for the session 1981-82. The Committee observe that expenditure incurred on the pay and allowances of the staff employed, for training without utilisation of their services was a sheer waste.

The Committee, therefore, desire that Government may examine the entire issue of running these rural Industrial Development Centres in the State in terms of their utility vis-a-vis the prospects of availability of candidates for training in various crafts/trades.

The Committee was also informed by the departmental representative that they were trying to negotiate with the development agencies of Haryana Government such as D.R.D.A. etc in order to ensure that all these centres are run by one agency.

The Committee desire that the results of efforts made in this direction and the final outcome intimated to the Committee within three months.

PART--II
REVENUE RECEIPTS

TRANSPORT DEPARTMENT

Paragraph 4.2 Irregular grant of exemption from Motor Vehicles tax

[38] The Punjab Motor Vehicles Taxation Act, 1924 and the rules made thereunder, as applicable to Haryana, provide for exemption from the liability to pay tax in respect of motor vehicles owned and kept for use by departments of Central or State Government. This exemption is, however, not admissible in respect of the vehicles owned by Government undertakings or autonomous bodies or Railways operating for commercial purposes.

(i) In Ambala and Bhiwani, tax amounting to Rs. 56,737 for various periods during the years 1969-70 to 1981-82 was not levied in respect of 3 vehicles belonging to the Haryana Dairy Development Corporation Limited, Bhakra Management Board and Haryana State Minor Irrigation (Tubewells) Corporation Limited.

On the mistake being pointed out in audit (March 1981 to March 1983), Registering Authority, Ambala issued notice to the Haryana Dairy Development Corporation Limited in April 1983 demanding the tax. Report on action taken in the other two cases and on recovery of Rs. 26,925 from Haryana Dairy Development Corporation Limited is awaited (November 1983).

The department in its written reply stated as under :—

“The matter is pretty old. As intimated by R As (MV) Ambala and Bhiwani, concerned officials have been asked to explain the circumstances for irregular grant of exemption from motor vehicles tax. The disciplinary action will be initiated on the receipt of their replies. Registering Authorities have been asked to ensure correct assessment in future.

More check is now being exercised by R As on the working of the licensing branch.

As intimated by the concerned R As (MV) notices have been issued to the concerned undertakings to deposit the amount. The matter is also being pursued through the Deputy Commissioner, Ambala and Bhiwani, progress of recovery will be intimated in due course.

4.2. (i) In reply to Committee's query as to why could the amount not be recovered even from the autonomous bodies, the departmental representative stated that the amount would be recovered within three months but no information of recovery has been received till the writing of this report.

The Committee regret to observe that it is sheer slackness/negligence on the part of the department and desire that the amount be recovered expeditiously and report sent to them.

Paragraph 4.3 Non-realisation of fee for issue of trade certificate to dealers in motor vehicles

[39] Under the Punjab Motor Vehicles Rules, 1940, as application to Haryana, a manufacturer or a dealer in motor vehicles is required to obtain in advance trade certificate (on payment of a prescribed fee) in respect of vehicles which remain in his possession in the course of his normal trade

From 147 dealers falling in the jurisdiction of Registering Authorities in the 5 districts of Karnal, Kurukshetra, Gurgaon, Hisar and Jind fee for issue of trade certificate amounting to Rs. 41,950 was not realised during the year 1980-81.

On the omission being pointed out in audit (between September 1981 to March 1982), the department recovered Rs. 2,500. Report on recovery of balance amount of Rs. 39,450 is awaited (November 1983).

The case was reported to Government in July 1983, their reply is awaited (November 1983)

The department in their written reply stated as under :—

In the case of issue of trade certificate the advice of L.R. was obtained which is as under :—

“That in case the vehicles which are sold to the customers by the dealers are covered by the temporary registration certificate upto the time of sale, then the dealers are not required to pay trade certificate fee.”

Registering Authority, Thanesar has intimated that vehicles sold by the dealers were already covered by temporary registration upto the time of sale, as such no amount was recovered. The instructions have been issued to the Registering Authorities regarding charging of trade certificate fee according to Act.

/ Registering Authorities are again being advised to take action against the officials/officers who did not recovered the dues.

The department could not undertake similar review in other districts due to paucity of staff

The detailed instructions have been issued to Registering Authorities on subject to avoid such lapses in future ”

Rupees 7,300/- have been recovered out of rupees 41,950/-.

In written reply submitted by the Department and during oral examination, the departmental representative stated that Rs. 7,300 out of Rs. 41,950 have been recovered. He further promised that the balance amount would be recovered within six months.

The Committee are not satisfied with the pace of recovery by the Department who could recover only Rs. 7,300 in four years since 1981-82 when non-realisation was pointed out by audit. It desired that the balance amount be recovered and report sent to it.

REVENUE DEPARTMENT

STAMP DUTIES AND REGISTRATION FEES

Paragraph 51 Short recovery of stamp duty and registration fees due to under-valuation of immovable property

[40] Under section 47-A introduced in 1973 (with retrospective effect from November 1966), in the provisions of Indian Stamp Act, 1899, as applicable to Haryana, if the Registering Officer has reason to believe that the value of property for consideration has not been truly set forth in the instrument of transfer, he may refer the same to the Collector for determination of the value of the property

On 34 sale deeds executed in Sirsa, Ambala and Bhiwani, during the year 1977-78 to 1980-81, the value of the property set forth in the sale documents varied in relation to value of other properties in the same area and sold around the same time. The under-valuation of property in the cases resulted in short recovery of stamp duty and registration fee by Rs. 90,495. The valuation had not been referred to the Collector

On the under-valuation being pointed out in audit (between June 1979 and July 1981), the short levy of duty and short realisation of registration fee amounting to Rs. 18,125 was determined by the Collectors of the respective districts in respect of 10 deeds, out of which a sum of Rs. 16,375 was recovered in respect of 9 deeds, Rs. 1,750 was being recovered as arrear of land revenue. In respect of the remaining 24 deeds involving revenue of Rs. 72,368, report on rectificatory action is awaited (November 1983)

The case was reported to Government in August 1983; their reply is awaited (November 1983)

The department in its written reply to stated as under —

“Section 47-A of the Indian Stamp Act, 1899 deals with the cases of under-valuation. As a matter of fact, the adherence of section 47-A depends on the reasons to be believed by the Registering Officers that the value of the property has not been truly set forth in the instrument. In such cases, the assessment of duty shall only be made by the Collector, to the best of his judgement under rule 4 of the Haryana Stamp (Prevention of under-valuation of instruments) Rules, 1978. Hence, the audit objection of definite deficient amount of Rs. 90,495/- is not tenable

Every instrument need not to be referred to Collector as the referring of such instruments depends on the inventory required under section 47-A(I) of the Stamp Act

In this connection, the scrutiny of the Audit and Inspection Notes conducted by the Internal Audit of the Deptt, reveals that such cases were/are —

pointed out and examined to the best of its course for their disposal. For instance, in Hisar Distt. the position of under-valuation cases u/s 47-A detected is given as under —

Years	No. of cases referred to Collector	No. of cases decided	No. of cases in which amount imposed/filed
1979	3	3	2 cases Rs 790/- imposed 1 case filed.
1980	10	10	7 cases Rs 4341.25 imposed. 3 cases filed
1981	7	7	5 cases Rs 7058 50 imposed 2 cases filed

Similarly in Distt. Rohtak 85 cases and in Narnaul 9 cases were detected which have since been decided

In addition to this, it will not be out of place to mention here that u/s 47-A(3) of the Stamp Act, the Collector may suo-moto call for and examine any instrument as to the correctness of its value or consideration which implies a perfect check of the cases of under-valuation. Moreover, a thorough audit instead of test check is being carried out by the A.G. Audit, it is further added that the process of settling and dropping of objections during the subsequent audits reveals that Review and Special-Review are also being conducted by the A G Audit. It may be mentioned that during the Review Audit for the years 1980-81 and 1981-82. Some of the objections were dropped much earlier than their having been reported to Govt. in August, 1983 and were included in the C A G. Report which might have not been reconciled by the A G Audit party.

Legally, there are certain checks and duties imposed upon the Registering Officers u/s 47-A of the Stamp Act and para 112 and 93(3) of the Haryana Registration Manual, 1967 to examine the instrument at the time of registration so as to see that it is properly stamped. This is an obligation imposed by section 33 of the Stamp Act.

The assessment of duty is done by the Registering Officer to the best of his prudence and according to rules. In case of doubt of under-valuation, the assessment of duty is decided by the court of Collector.

The department had initiated action immediately on the receipt of audit/draft para.

The position is explained in the following para.

The position of disposal of amount under objections, is given as under:—

As against Rs. 90,495, as per details in audit para this figure is actually Rs 90,493/-. Out of this an amount of Rs. 16,375/- has already been recovered as per report in C A.G. para leaving a balance

of Rs. 74,118/- Its details are as under —

(1) Amount dropped by A G audit party during their subsequent audit	Rs. 28,297 00 (S R Ambala years 1980-81, 1982-83 & 1983-84)
(2) Amount dropped by D C Bhiwani being not valid, vide his order dated 1-4-1981	Rs 14,360 00
(3) Recovery made by Deptt	Rs 6,724 00
(4) Amount under cases subjudice in the Courts	Rs. 21,945 00
(5) Under consideration of Govt. for writing off	Rs 2,792 00
Total	<hr/> Rs. 74,118 00 <hr/>

In view of the position explained above the para may be dropped

During the course of oral examination the departmental representative stated that in the cases of under-valuation, Stamp Duty and registration fee of Rs. 90,493 was involved, out of which Rs 23,167 have since been recovered cases with a sum of Rs 28,297 have been dropped by the A G, Haryana, Rs. 14,360 have been dropped by D C Bhiwani, cases of Rs 21,945 are in the court and cases involving Rs 2,792 are under consideration of the Government

The Committee are constrained to observe failure on the part of the department in detecting under-valuation of property.

The Committee also desire that some system may be evolved by the department to avoid recurrence of such failure and action against the delinquent officials/officers responsible for short recovery finalised under intimation to it.

The Committee, desire that vigorous efforts be made to expedite the decision of cases in the courts and effect recovery of the amount.

Paragraph 5.3. Short levy due to mistake in computation

[41] In Ambala, Faridabad, Hissar, Jind, Karnal and Kurukshetra districts because of mistakes in computing stamp duty and registration fee there was short realisation by Rs 39,729 on 415 instruments registered during the years 1979-80 to 1981-82. The short levy of duty was not detected in internal audit by the department

On the short realisation being pointed out in audit (between March 1981 and November 1982), the department recovered Rs 5,745 and issued notices for recovery of Rs 9,477 (between February 1983 and May 1983) Report on recovery is awaited (November 1983)

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The cases were reported to Government in July and September 1983; their reply is awaited (November 1983)

The Department in its written reply stated as under —

“The mistakes in calculation of stamp duty wherever found, are also pointed out by the Internal Audit

It may be added that stamp duty on different types of instruments and on the basis of their description is levied differently. Mistake in computation or calculation sometimes occurs, where there is a confusion over the description of any instrument on which basis the calculations of Stamp duty depends. In this para, the Audit has pointed out a short realisation of stamp duty amounting to Rs. 39,729/- on 415 instruments during the years 1979-80 to 1981-82 which in fact mostly resulted because of the technical calculations provided in article 35 of Schedule 1-A of Stamp Act. Reports from the D Cs indicate that *firstly* in some cases, the mistake in calculation in stamp duty has been found to be pointed out through over-sight by the Audit itself as the same had already been correctly charged. *Secondly* in some cases, the deficiencies were found to be pointed out on the basis of interpretation and had been dropped by Audit during the course of their subsequent audits. *Thirdly*, in some cases, the deficiencies resulted due to the technical-calculations under Article 35, of Sch 1-A of the Stamp Act. *Fourthly*, that some of the objections which have been included had already been dropped by the Audit during the course of their audit for the years 1980-81 and 1981-82.”

These occurred perhaps, for want of reconciliation by the Review Audit party

No officer/official may be held responsible as the reports from the D.Cs. reveals that the miscalculation were the result of the mis-understanding and technical calculation involved under Article 35 of Sch. 1-A of the Stamp Act. However, the dealing hands are being instructed by the D C. to be more careful in calculating the Stamp Duty and Registration Fee, at the time of registration of documents

Not a test check but a through-audit is being conducted by the A.G. Audit party which also follows Review Audit and Special Review Audit.

Such cases are also detected by the Internal Audit of the Deptt. In cases where documents are found to be insufficiently stamped, the matter is brought to the notice of head of office in their audit reports. Wherever, necessary, the cases detected, are referred to the court of Collector or to the head office by the office concerned and these are examined/settled by the Deptt / court.

Necessary instructions are issued in this behalf to the field staff from time to time by D Cs. Besides this the Deptt. is trying to post experienced and qualified registration clerks on the registration seats for avoiding mistakes in future.

In the C.A.G. report, the total deficient amount indicated is Rs. 39,729/-,

but according to the departmental figures supplied by the concerned D.Cs, this amount comes to Rs. 40,056/-. The position of this amount is as under.—

- | | | |
|--|------------|--|
| 1. Amount wrongly calculated by the Audit | Rs. 2,633 | (As reported by the D C Faridabad, in 13 cases Rs. 688.75 was wrongly pointed out due to oversight by the Audit as the documents have already been found correctly charged |
| | | In 8 cases an amount of Rs 1,944/- has been found pertaining to the period prior to the increase of Stamp duty vide Notification dated 17-4-1979) |
| 2 Amount recovered by the Deptt. | Rs. 18,853 | (This includes the amount of recovery already taken in CAG para) |
| 3 Amount dropped by A.G. Audit Party in subsequent audits | Rs. 14,564 | (Ambala Rs 3,919-30, for 1980-81, Hisar Rs. 1,154.50, for 1984-85, Karnal, Rs. 6,800+Rs 5447, 1982-83 & 1984-85, KKR D.Cs letter dt 12-2-86 Rs 2146 25). |
| 4 Amount under examination | Rs. 2,660 | (D.C Jind has reported that this amount is not to be recovered under the notification No SO. 95/CA2/1899, dated 5-10-83. A copy of the instrument and a detailed report has been called from D C for its examination). |
| 5. Balance amount recoverable, for which efforts are being made to recover | Rs. 1,346 | (Karnal Rs. 817/-, Kurukshetra Rs 529/-). |

40,056

During oral examination, the department stated that cases involving Rs. 2,660 are under examination by D C Jind and efforts are being made to recover Rs. 1,346 relating to Karnal and Kurukshetra, the remaining amounts have either been recovered or settled in subsequent audit.

The Committee desire that action to recover the balance amount of Rs. 4,006 be expedited and position intimated to it.

Paragraph 5 4. Irregular grant of exemption from stamp duty and registration fee

[42] By a notification issued by the State Government in July 1948

under the Indian Stamp Act, 1899, stamp duty, leviable on instruments executed by any officer or member of a Co-operative Society was exempted, provided the transactions evidenced by the instrument related to the business of a society registered under the Co-operative Societies Act. Payment of the registration fee was also exempted in such cases.

In Pehowa, a Joint Co-operative Farming Society sold agricultural land to some other parties. The stamp duty was to be borne by the vendees as the transactions did not relate to the business of the society. However, no stamp duty was levied nor registration fee realised on the ground that the conveyance deeds were executed by the Co-operative Society. The incorrect grant of exemption resulted in stamp duty amounting to Rs. 30,625 and registration fee amounting to Rs. 2,500 not being realised.

On the mistake being pointed out in audit (November 1981 and August 1982) the department accepted the mistake and recovered Rs. 2,000 in March 1983. Report on the recovery of the balance amount is awaited (November 1983).

* * * *

The department in its written reply stated as under —

“As per report of the D.C. Kurukshetra, all the relevant deeds were registered in favour of the member of the Coop. Farming Society. According to the notification, the exemption is available to the Coop. Society or a member of the Coop. Society if the instrument is relating to the business of the Society. The Sub-Registrar and registration Clerk misunderstood the exemption clause and registered the deeds.

The position has been checked-up in other districts, which reveals that similar objections were/are also being pointed out by the Internal Audit. Such objections are examined and pursued by the Deptt. for their final disposal. For instance, in Sub-Registrar, Jagadhri, according to the Deficiency-Register, a deficiency of Rs. 8,81,854.25 was shown as on 30-9-85. Whereas the identical type of deficiency of Rs. 8,76,274.50 pertaining to the instruments of Cooperative Societies, were stayed by the Hon'ble High Court in various writs filed by the aggrieved parties. Similar deficiency of Rs. 21,562.50 was also pointed out by the Internal Audit on 2-4-84 in the office of Sub-Registrar, Julana, pertaining to the instruments of the Krori Kirshna Coop. Joint Farming Society distt. Kurukshetra in which the recovery proceedings are in progress.

Necessary instructions have been issued by the D.C. to the concerned officers/officials, subsequently no mistake came to notice.

The deficiency in question relates to Sub-Registrar, Pehowa. Sh. Amar Nath Ichhpurani was posted as S.R. Pehowa and Sh. Pawan Kumar as Regn. Clerk then. There was no mala fide intention as the whole amount involved due to technical interpretation. Hence, no action was considered necessary.”

The position of recovery is as under :—

Total deficient amount Rs. 33125/-(30625/-S D.+Rs. 2,500/- R.F.)

Amount recovered	26,292
Amount pending in Civil Courts	6,833
Total :—	<u>33,125</u>

In view of the position explained above, the para may please be dropped.

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The Departmental representative, during oral examination, stated that Rs. 26,292 have been recovered. Case involving Rs. 6,833 is in Civil Court.

The Committee recommend that the case in the court may be pursued vigorously for recovery of the amount.

BUILDINGS AND ROADS

Paragraph : 68. Short recovery of rent for fans

[43] Under the Punjab Civil Services Rules and the departmental instructions, rent is recoverable in respect of fans installed in residential buildings and maintained at the cost of Government.

In Gurgaon, Hisar and Fatehabad rents for fans for the period April 1965 to November 1981 had either not been recovered or were recovered short from the occupants of residential buildings by the Public Works department. The omission resulted in short recovery of Rs. 42,932.

On the omission being pointed out in audit (between July 1981 and March 1982), the department stated (March 1982 and May 1983) that recovery of Rs. 9,409 had since been made and rent rolls for Rs. 15,784 had since been issued. Report on recovery of the amount due is awaited (November 1983).

The matter was reported to Government in September 1983; their reply is awaited (November 1983).

In written reply to the questionnaire of the Committee, the department stated as under :—

The recovery mostly relates to fan charges in respect of such officials/officers who are entitled to rent free accommodation. This recovery has been disputed by the occupants and has only been finally decided by Govt. in 7/85 (Copy enclosed). Accordingly necessary instructions have been issued to all the S.Es/XENs in this regard. It is further submitted that this recovery is to be made from the pay of the official/officers which is drawn by their respective D.D Os.

In view of position explained, no officer/official of this department is at fault

Rent rolls are being issued regularly, recovery in respect of officers/officials of this deptt is being made regularly and in respect of other deptts matter is being persuade.”

The position of recovery in each of the three divisions is as under .—

Gurgaon . The total amount recoverable upto 3/85 is Rs 26,828/- out of which a sum of Rs 8,580.35 has been recovered, vigorous efforts are being made to recovery the balance amount.

Hisar . Remaining recovery relates to fans installed in residences provided free of rent. Rent rolls have been issued, but recovery is still awaited. Revised rent rolls have been issued to the concerned deptts. The balance recovery how

ever pertains to fans installed in accommodation allotted rent free

Fatehabad Out of Rs 12,184/- a sum of Rs 1,260/- has been recovered and Rs. 950/- are not to be recovered as the fans are installed in the Primary Health Centre, Bhattu. Of the balance, Rs. 9,619/- were recoverable from officials/officers of police deptt. and Rs 355/- are in respect of residence of the lady doctor Their D.D O's are being requested to realise these charges

A Copy of letter No. 44/105/83-I (B&R) (W) dated 4-7-85 from the Commissioner and Secy. to Govt. Hr., P.W.D., B & R Br., to the Engineer-in-Chief, P.W.D., B. & R Br., Chandigarh

Subject — Recovery of fan charges from the Deputy Commissioners in respect of fans installed at their residences

Reference your D O No 564-AC-81/3661/AC dated 5-11-84 on the subject noted above

2 It has been decided by the Govt. that all the officers should pay charges for fans. P.W.D. may book such charges wef 1-4-85 for those houses also where they are not charging this rental This would apply to residential houses occupied by other officers also Necessary action may please be taken accordingly.

A copy of endst no 564/AC/6623-78/AC dt 27-7-85 from the Engineer-in-Chief, Hr, P.W.D, B & R Br

Copy is forwarded to all Superintending Engineers /Executive Engineers P W D. B. & R. for information and necessary action The rent for fans where not charged should be charged as per these instructions and any arrears due recovered as early as possible A report of the arrears on account of rent including fan charges as on 31-3-85 may please be supplied within a month togetherwith steps taken to realise the arrears

During the course of oral examination, the departmental representative assured the Committee that recovery pertaining to their Department will be made within three months but it regret to observe that no information has been supplied till the writing of this report, and attributed in failure of the department to do so to sheer laxity. This objection was pointed out in the year 1981 and the department had issued instructions only in the year 1985 The Department had taken a lot of time in issuing instructions

The Committee are not satisfied with the trady progress with regard to the recovery of rent of fans.

The Committee desire that a report about the progress of recovery be sent to them at the earliest.

INDUSTRIES DEPARTMENT

MINES AND MINERALS

[44] The major minerals found in the State of Haryana, mainly in the districts of Mohindergarh, Faridabad, Gurgaon, Bhiwani and Ambala, are lime stone, silica sand, quartz, dolomite, china clay, lime shell and felspar. Minor Minerals like ordinary sand, gravel, ordinary clay, marble stone are also available in the State.

The budget estimates and revenue realised during the year 1982-83 and the two precedings years are given below —

Year	Budget estimates	Actual receipts
	(In lakhs of rupees)	
1980-81	1,60 00	1,41 78
1981-82	1,61.50	1,72.23
1982-83	1,73 00	2,41.35

6.1. Non-realisation of royalty on major minerals

Under the Mines and Minerals (Regulation and Development) Act, 1957, the holder of a mining lease is required to pay royalty on any mineral removed from the leased area. Under the Minerals Concession Rules, 1960 simple interest at 10 per cent per annum is chargeable on default in payment.

(i) In Rohtak and Bhiwani leases for extraction of *Kankar* in 12 quarries, were granted between March 1971 and September 1978 to a Company. From January 1975, royalty amounting to Rs. 4.24 lakhs had not been paid by the Company in respect of 10 quarries. Interest amounting to Rs. 2.15 lakhs had become chargeable upto February 1983. The department had issued notice (October 1977) for the recovery of Rs. 2.57 lakhs, but no amount had been paid by the Company till March 1983. No notices for the recovery of the balance amount of Rs. 1.67 lakhs or interest of Rs. 2.15 lakhs had been issued till March 1983. The Company went into liquidation in February 1980. Subsequently, the assets and undertakings of the Company were vested in the Cement Corporation of India Limited in September 1981.

In reply to an enquiry in audit as to why the recoveries had not been made prior to liquidation, the department stated (February 1983) that the claim against the Company would be decided by the Commissioner of Payments to be appointed by the Central Government and accordingly the claims against the Company would be preferred on the appointment of the Commissioner, who is, still to be appointed (March 1983).

(ii) In Faizabad centre three lessees of china clay and silica sand had not paid royalty amounting to Rs 52,128 under leases taken for various periods ranging between December 1981 and June 1982. The royalty was payable in respect of minerals removed from the leased areas and had not been paid till 15th January 1982. The department had not taken any action to recover the dues from the lessees.

On the omission being pointed out in audit (August 1982), the department stated (January 1983) that recovery of Rs 3,913 had since been made from one lessee in October 1982 and that the other two lessees had been directed to deposit the balance amount immediately. Report on recovery is awaited (November 1983).

In their written reply to the Questionnaire of the Committee the department stated as under :

M/s. Dalmia Dadri Cement Ltd. had a cement plant at Charkahi Dadri. The raw material used for manufacture of cement was lime-kankar available in Bhiwani and Rohtak districts. The Company held 10 mining leases for extraction of lime kankar from these areas. The Company was liable to pay royalty @ 10% of the pits head sale value on six monthly basis after the mineral is extracted. The unit became sick and did not pay royalty as demanded by the Department from time to time because of its internal financial crisis. It is understood that the company even did not pay Excise Duty, electricity bills and to some extent the labour wages. Ultimately, it resulted in the closure of the unit. The unit was initially taken over by the Government of India and subsequently, it was passed on to Cement Corporation of India (A public sector Undertaking of G.O.I.) In these circumstances, the royalty and interest on it could not be recovered from the Company.

The Government of India appointed Commissioner of payments for Dalmia Dadri Company Ltd. for disbursement of amount to the claimants to whom the Company owed money and a sum of Rs. 84,87,000 was placed at their disposal for disbursement. The Industries Department Haryana also lodged a claim of Rs 6,38,840.43 with the Commissioner of payment as royalty and interest due on it. In reply to this, Commissioner of payments, informed that the claim of the Industries Department falls in the category of III(a). The first category related to wages, salaries due to employees. The second category related to loans advanced by Central Government and banks and 3rd category related to credits availed by the Company for the purchase or carrying on any trading or manufacturing operations.

Above details show that the financial position of the Company was in such a mess that they did not pay the wages and salaries of the employees and did not return the loans and advances obtained from the banks. The Company also did not make payment of the electricity bills and Excise Duty etc.

Recently, the Commissioner of payments has informed on 5-12-1985 that the funds placed at his disposal have already exhausted while meeting with the liabilities relating to claims of Category-I. In this way, the claim of the Industries Department automatically stands disposed off.

On this advice of the Law Department was sought who have opined that a civil suit in the court of competent jurisdiction against the Dalmia Dadri Cement Ltd. may be filed for recovery of amount due from them. L.R. has issued instructions to the Assistant District Attorney, Charkhi-Dadri to institute a civil suit against M/s. Dalmia Dadri Cement Ltd in the court of competent jurisdiction.

With this background in view, the questionnaire is replied as under :—

- (i) As has been explained in the preceding paras, on different occasions notices were issued to the Company to pay the royalty as well as interest due on it but because of their bad financial position they did not pay any amount.

In the Cement factory and as well as in the kankar quarries more than three thousand persons were employed, the termination of mining lease would have rendered these persons unemployed and caused hardship to them.

In view of the position explained in 1 & 2 above, no official is responsible for non deposit of royalty and interest by the Company.

The case of Dalmia Dadri Cement Limited is unique of its own kind and had no parallel in the State. On the other hand, the 2nd cement factory in Haryana M/s. A.C.C. Ltd. paid the royalty on the limestone extracted regularly and nothing is due from them.

As has been explained in the preceding paras, a claim of Rs. 6,38,849 43 was lodged with the Commissioner of Payments. The claim of the Industries Department was placed at category III(a). Recently, the Commissioner of payments has informed on 5-12-85 that the funds placed at his disposal were exhausted while meeting the claims of the category-I. In this way the claim of the Department automatically stood disposed off. The office of Commissioner of Payments has also been wound up w.e.f 20-12-1985. As advised by the Law Department, a Civil suit is being instituted in the court of competent jurisdiction against Dalmia Dadri Cement Ltd. for the recovery of the aforesaid amount due from them.

The system of payment of royalty has been revised. Now instead of six monthly basis the lessees are required to pay the royalty on monthly basis. If the lessee fails to pay the royalty due in the preceding month by 7th of the next month, he is liable to pay interest @ 15% per annum on the delayed payment. By this system the recovery of royalty on major minerals has been Streamlined to a great extent.

- (ii) In case of 3 lessees of district Faridabad of China-clay and silica sand recovery of Rs. 41,122 has since been made,

Now only a sum of Rs 11,006 has to be recovered from M/s Ishwar Industries Faridabad who held the mining lease of Anangpur China-clay mine. The questionnaire is replied as under —

In spite of notices issued to the lessees they were not making payment of the royalty due from them.

Notices were issued to the lessees from time to time but the lessees were not coming forward to take payment of the royalty. In these circumstances, no one can be held responsible for not initiating action to recover the amount.

As has been explained in item No 6 of para 6.1(i) that now royalty is being charged on monthly basis. In this way, it is not allowed to be accumulated. Moreover an interest 15% per annum is being charged on the delayed payments.

The Department did charge interest on the un-paid amount of royalty upto the date of payment of the amount due. The interest had been charged 10% per annum on the sum of Rs. 41,122 recovered from the lessee. Recently Government of India has increased the rate of interest from 10% to 15% per annum.

Now only a sum of Rs 11,006 is to be recovered from M/s Ishwar Industries, Faridabad. Because of default in payment of royalty, the mining lease of this company was not renewed after expiry of their lease on 30-10-1984.

6.1(i) During the course of oral examination, the departmental representative informed the Committee that a Civil suit against M/s. Dalmia Dadri Cement Ltd will be filed within 15 days to realise the outstanding amount against the factory.

The Committee are unhappy to note laxity on the part of the department in effecting the recovery.

The Committee desire that the latest position of the Civil suit proposed to be filled be intimated to them.

(ii) In written reply submitted by the department and during oral examination, the departmental representative stated that Rs 11,006 remain to be recovered from M/s Ishwar Industries Faridabad. Besides this, interest for non-payment or delay in payment of principal amount is also recoverable. The amount is being recovered as arrears of land revenue.

The Committee desire that the amount alongwith interest be recovered under intimation to it.

Paragraph · 6 2 Non-recovery of royalty on brick earth

[45](i) The mineral rights to brick earth were acquired by the State Government vide Haryana Minerals (Vesting of Rights) Act, 1973. The Government by a notification issued in April 1974 prescribed royalty of Re. one per tonne of brick earth or Rs. three per thousand of pucca bricks sold by a brick kiln owner. The said Act was struck down by the Punjab and Haryana High Court in May 1974 on an appeal by the brick kiln owners. This Act was, however, upheld by the Supreme Court on 18th March 1976 and the royalty for brick earth became recoverable from that date

The department issued instructions on 5th August 1976 to the district authorities to start collecting royalty on brick earth at prescribed rates with immediate effect ignoring the royalty to be recovered from the brick kiln owners for the period 18th March 1976 to 4th August 1976

As a result of delay in the issue of instructions, royalty amounting to Rs 13.54 lakhs was not recovered in respect of 45 13 crore bricks sold by the brick kiln owners between 1st April 1976 to 31st July 1976 (figures of bricks sold during the period from 18th March 1976 to 31st March 1976 and 1st August 1976 to 4th August 1976 were not available).

Report on recovery is awaited (November 1983).

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In their written reply to the Questionnaire of the Committee the department stated as under :

Mineral Rights of various revenue estates of Haryana State where bricks kiln were installed were acquired by State Government on 10-4-74 by issuing a notification under section 3 of the Haryana Minerals (Vesting of Rights) Act 1973. The royalty on brick earth as prescribed in the 1st schedule of the State rules was enhanced w.e.f. 2-4-1974 from Rs. 1.75 per thousand bricks sold to Rs. 3 per thousand bricks sold. Haryana Minerals (Vesting of Rights) Act was up-held by the Hon'ble Supreme Court on 18-3-1976. In the judgement, the Hon'ble court had protected certain rights of the existing lessees who had obtained leases from the private land owners prior to the enactment of this Act in accordance with the Mines and Minerals (R&D) Act 1957. This aspect was got examined and legal advice was that the existing leases which have been granted in accordance with section 19 of the Central Act, read with Rules-35 and 40 of the State Rules should be recognised and in other cases rights to minerals can be exercised by Government which were acquired by the issuance of notification under Section 3 of the State Act.

In year 1971, when the Mineral Rights of brick earth were not vesting with the State Government, the Director Food and Supplies was requested to exclude the element of royalty while fixing ceiling price of the bricks so as to prevent the brick kiln owners from charging royalty from the consumers. This request was made vide letter No. Glg/766/71/III/46252-A dated 25-10-1971. After obtaining above said legal advice and issuance of notifications under section 3 of Haryana

Minerals (Vesting of Rights) Act 1973 upheld by Hon'ble Supreme Court of India on 18-3-76, for acquiring the mineral rights of different revenue estates, the matter was also taken up with the Director Food and Supplies. These instructions were issued by Director Food and Supplies in August, 1976 to the District Magistrates. Instructions were also issued to all the field officers of Industries Department to start collecting royalty with effect from 5-8-1976. It may be made clear here that prior to 5-8-1976 the brick kiln owners were not authorised to collect any royalty from the consumers on behalf of the Department in this way no royalty occurred to the Department. In view of this when no amount was due, there is no question of recovering it from the BKO's. Advice of the Law Department was also obtained on this issue which is reproduced below —

"It is no doubt true that with the acceptance of writ by the Supreme Court, the right of A D to recover royalty gets revived but bearing in mind the loss of corresponding right of brick kiln owners to recover it from the purchasers of bricks at the relevant time and the inability of the Food and Supplies Department to review or re-fix the price of bricks, fixed by them during that period, it would not be legally permissible for the A D to effect or enforce the recovery of royalty amount from the Brick Kiln Owners "

In view of the legal constraints, the royalty for the period from 18-3-76 to 4-8-76 was not recoverable from the BKO's.

The position regarding August, 1976 to March, 1982 is explained as under —

In October, 1976 BKO's represented to the State Government that they have to maintain records for Excise and Taxation/ Food and Supplies and Labour Departments which are checked by these Departments. In case the royalty on brick earth is also charged by the Industries Department they will be put to further inconvenience

They further represented that if at all the royalty is to be charged, it should be charged along with the sales-tax. A high level meeting was convened on 28-10-1976 to discuss this issue. The following decisions were taken —

That it is not feasible to merge the royalty on bricks with the sales-tax as both these elements are recoverable under different Acts by different Departments

That the BKO's shall pay royalty to the Industries Department every quarter on self assessment basis like sales-tax and final collection of royalty be made by the Industries Department on the basis of annual assessment orders passed by the assessing authorities of the Excise and Taxation Department

In case of regular payment of royalty, the records of the BKO's need not be checked by the Industries Department.

According to these decisions, the royalty was accepted on self assessment basis subject to final settlement on receipt of assessment order from the assessing authorities of sales-tax. On account of the above decisions, no separate accounts were mentioned by the Industries Department. After this decision, the BKO's started paying royalty regularly but in the year 1978 onward they started evading the payment of royalty on one pretext or the other and even challenged the levy of royalty in the High Court and in one case direct in the Supreme Court of India. The details of litigation started by them is given as under —

Initially Shri Balwant Raj Sapra and 33 others of district Ambala filed a writ in the High Court challenging the realisation of royalty by the Department. The same was contested by this Department and was got dismissed on 19-9-1978.

CW No 2590 of 1979 M/s Jain Parkash Brick Kiln Owner of Bhiwani versus State of Haryana and others in the State High Court was filed and obtained ex-parte stay orders therefrom, restraining the Department from effecting recovery of royalty. On contesting the same by the Department, the Hon'ble Court was pleased to dismiss the same on 3-9-1979.

CW No 1659 of 1979 M/s Pawan Kumar Satish Kumar, Ambala district Brick Kiln Owners versus B.K. Gauba and others was filed straightway in the Hon'ble Supreme Court on 17-12-79 and obtained ex-parte stay orders therefrom, restraining the Department from effecting the recovery. But during the course of arguments before the Hon'ble Supreme Court of India the petitioner with drew this writ petition and it was disposed of with certain observations

Four hundred fifty brick kiln owners filed a CW No. 949 of 1980 in March, 1980 in the Punjab & Haryana High Court and obtained an ex-parte stay order restraining the Department from effecting recovery of royalty on brick earth. The Department once again won this hotly contested writ petition and the stay was vacated on 2-5-1980

Shri Priya Varat and other 449 BKO's filed SLP in the Supreme Court of India and obtained an ex-parte stay orders dated 19-8-1980 wherein the Department was once again restrained from initiating any penal action against the brick kiln owners from recovering the royalty on brick earth. This SLP came up for hearing on 23-2-1981 when the same was dismissed and the stay stood vacated.

The above details would make it clear that because of protracted litigation which started in 1978 and came to an end in February, 1981 and during this period because of stay from one court or the other, the royalty could not be recovered regularly. After the vacation of stay orders from the Supreme Court of India in February, 1981 once again BKO's started making representations to the State Government

that they may be charged royalty on flat rate as was being charged in the State of U.P. and also requested that arrears be not recovered from them. The State Government in consultation with the Finance Department took the following decisions :—

The Brick Kiln Owners shall pay the arrears due from them in 8 quarterly instalments upto 31-12-1983

If the brick kiln owners pay the above mentioned instalments in time and clear the arrears, then no value of the mineral under Section 21(5) of the Mines and Minerals (R&D) Act 1957 will be recovered as penalty

The Brick Kiln Owners shall complete all the formalities relating to obtaining of certificate of approval/mining leases for extraction of brick-earth from the Industries Department by 31st December, 1981

The regular 3rd quarterly instalment payable by them by 31st October, 1981 shall be cleared by them by 31st January, 1982 and henceforth they shall pay the quarterly instalments regularly

The rate of royalty shall remain as Rs. 3 per thousand bricks sold

In compliance to the Government decisions of recovering the royalty in instalments, the General Managers District Industries Centres were issued instructions to recover the arrears of royalty in 8 instalments upto 31-12-1983 and the regular royalty @ Rs 3 per thousand bricks

In view of the above facts, regular recovery of royalty was not possible because of protracted litigation started by BKO's which finally ended in February, 1981. The position of recovery of royalty made is explained as under :—

In the original draft para it was mentioned that a sum of Rs 47 32 lakhs was to be recovered. After being pointed out in the audit para, the Department recovered a sum of Rs. 15 90 lakhs out of Rs 47 32 lakhs upto December, 1982 leaving a balance of Rs 31 42 lakhs. Out of this Rs 31 42 lakhs a sum of Rs 25.63 lakhs has since been recovered leaving a balance of Rs. 5.79 lakhs. The recovery position (district-wise can be pursued at Annexure-A)

With this background in view, the questionnaire is replied as under :—

As has been explained in the preceding paras, after the perusal of the judgement of Hon'ble Supreme Court of India, it was found that certain rights of the lessces of the land-owners were protected by the judgement and it became necessary to obtain legal advice on the judgement which

also took sometime. In the year 1971 on the request of this Department, the Director Food and Supplies had deleted the element of royalty from the ceiling price of the bricks, to pre-empt them from charging royalty from consumers. In these circumstances at the time of judgement, the brick kiln owners were not authorised to charge the royalty from consumers. In order to authorise them the matter was taken up with the Director Food and Supplies to include the element of royalty in the ceiling price. Necessary instructions were issued by the Director of Food and Supplies in August, 1976. Only then the instructions to all General Managers, District Industries Centres were issued to charge royalty with effect from 5-8-1976. Legal Advice for charging royalty during this period was also obtained from the Law Department which is reproduced below —

"It is no doubt true that with the acceptance of writ by the Supreme Court, the right of A.D. to recover royalty gets revived but bearing in mind the loss of corresponding right of brick kiln owners to recover it from the purchasers of bricks at the relevant time and the inability of the Food & Supplies Department to review or re-fix the price of bricks, fixed by them during that period, it would not be legally permissible for the A.D. to effect or enforce the recovery of royalty amount, from the Brick Kiln Owners".

In view of the above advice of the Law Department, it is not legally permissible to the Department to recover any royalty from the brick kiln owners for the period from 18-3-1976 to 4-8-1976.

The position as explained in (1) above is reiterated.

In view of the position explained in para-1 above, no calculation of number of bricks sold by Brick Kiln Owners were made as the same was not necessary.

In view of the position explained in the preceding paras, no royalty was due from the Brick Kiln Owners as they were not authorised to charge royalty from the consumers and they actually did not charge from them.

In view of the position explained above, no steps were taken by the Department to recover this royalty because it was never due to the Department.

6.2(i) During the course of oral examination and written reply submitted by the Department the Committee was informed that the royalty prescribed by the Government through a notification issued under the Haryana Minerals (Vesting of Rights) Act, 1973 at the rate of Rupees three per thousand of *pucca* bricks sold by a brick kiln owner was struck down by the Punjab and Haryana High Court in May, 1974.

This Act was upheld by the Supreme Court of India on 18th March, 1976 and the royalty for brick earth become recoverable from that date. However, the department issued instructions on 5th August, 1976 to the district authorities to start collecting royalty to be recovered from the Brick Kiln Owners. The representative also added that the responsibility for the delay in issuing the notification after a lapse of about 5 months rested with the Food and Supplies Department. The Commissioner and Secretary to Government, Haryana, and Food Supplies Department on being summoned by the Committee stated that the Food & Supplies department had nothing to do with the recovery of royalty from the Brick Kiln Owners. On this the representative of Industries Department resiled from the statement made earlier before the Committee that the whole responsibility was of the Food & Supplies Department and conceded that it took the Industries Department one month to produce a copy of the judgement of the Supreme Court of India and finally convened a meeting with the Director of Food & Supplies, Haryana on 3rd August, 1976.

After hearing the representative of the Industries Department and Food and Supplies Department the Committee regret to observe that the Industries Department unnecessarily tried to shift the responsibility for the non-recovery of royalty on another Department.

The Committee feel convinced that the entire responsibility for the loss caused to the Government rested with the Industries Department. The Committee desire that the whole matter may be looked into and responsibility be fixed for the loss suffered by the Government.

Paragraph : 6 3 Non-recovery of dues on minerals extracted illegally

[46] Under the Mines and Minerals (Regulation and Development) Act, 1957 read with Punjab Minor Minerals Concession Rules, 1964, no person shall undertake prospecting or mining operations except under and in accordance with the terms and conditions of the mining lease. If mineral is extracted or removed unlawfully penalty is leviable in addition to royalty chargeable.

In Sonipat and Kurukshetra centres, 26 cases of illegal mining were detected by the department during the period between September 1980 and March 1981 but no action was taken to institute cases against the defaulters save for initial issue of notice. The loss of revenue by way of royalty and penalty not realised in these cases, amounted to Rs 10 53 lakhs.

On the omission being pointed out in audit (between June 1981 and May 1982) the department stated (February 1983) that steps were being taken to recover the amount as arrears of land revenue.

The department in their written reply stated as under :—

Regarding the cases of unauthorised extraction district-wise position is explained as under :—

Sonpiat

Prior to the enactment of Haryana Minerals (Vesting of

Rights) Act 1973, the mineral rights were derived from entries of Wajib-ul-Arz read with Section 42 of the Punjab Revenue Act 1887. One Shri Mangat Ram filed a W.P. No. 6846 of year 1973 challenging the mineral rights of sand in village Khewra of district Sonipat in Hon'ble High Court for the States of Punjab and Haryana and obtained stay restraining the Department from granting the contract for extraction of sand. Following him, another 18 persons filed writ petitions on the same basis and obtained stay order and extracted sand from different villages of district Sonipat. Single judge who heard writ petition filed by Shri Mangat Ram decided it in favour of the petitioner and held that mineral rights vest in land owners. State Government filed a letter Patent Appeal No. 416 of 1974 against this judgement in Hon'ble High Court. In July, 1976, this LPA was decided in favour of the State Government and judgement of single judge was reversed. On the basis of this decision, the other writ petitions were also subsequently dismissed. Afterward the efforts were made to recover the royalty as well as the value of the mineral for the period during which the stay was operating against the Department and extraction of sand was made by the petitioners. As all the writ petitions were filed by the same Advocate, these were identical in contents and in one of the paras, it was stated that the petitioners were suffering a loss of Rs. 200 per day by the interference of the State Government. As the petitioners by their own admission in writ petition, stated they are suffering a loss of Rs. 200 per day by Government interference of the then Mining Officer, Sonipat made calculations of the royalty on the basis of this assertion and the period during which the stay was operative was multiplied by Rs. 200. On the basis of these calculations notices were issued to persons who extracted the sand. In this way notices for a total sum of Rs. 9,92,105 were issued against 19 parties on the basis of above calculations. The sand was extracted by these parties under the orders of the Hon'ble High Court and it could not be treated as unauthorised extraction. In fact the intention of the Department was to recover some money for sand extracted by these parties during the period the stay existed in their favour. The method of calculation as adopted by the then Mining Officer was based on the admission of the petitioners and not on actual extraction of sand made by them so he was asked to make calculations on the basis of actual extraction. Later on it was also found to be not feasible as with the passage of time, the pits dug for extraction of sand were got filled up with sand because of flooding during the monsoon season or in other cases land was brought under cultivation. The calculation of Rs. 9,92,105 was highly exaggerated as can be seen from the fact that these quarries before/after the minerals rights were challenged in the High Court were on contract on

the following rates per annum --

Sr No.	Name of the Quarry	Period of contract	Contract money per annum	No. of cases
1	Khevra	16-3-71 to 31-3-74	10,200 P A	10
2	Savli	18-10-72 to 31-3-74	150 P A	3
3.	Saboli	8-3-78 to 31-7-80	1,050 P A	1
4	Aşadpur	5-4-78 to 31-3-81	40,000 P A	1
5	Janti Kalan	5-3-78 to 31-7-80	2,000 P A	1
6	Palri Kalan	—	—	2
7	Jhari	—	—	1
Total				19

In fact this issue was made a audit para before things could reach a point of finality. In reply to the notices most of the persons stated that they had extracted the sand under the express orders of Hon'ble High Court and are not liable to pay any thing. However, efforts are being made to recover the proportionate amount of contract money for the period 19 parties worked these quairies when the stay existed in their favour This amount comes to Rs. 85,687.

With this background in view the questionnaire of para 6 3 is replied as under .—

As has been explained in great details the extraction of sand in district Sonipat cannot be treated as illegal extraction as the same was done by either the land owners or the lessee of the land owners under the orders of the Hon'ble High Court for the States of Punjab and Haryana. It was only after the dismissal of the writ petitions and vacations of the stay orders, efforts were made by the Department to recover the royalty from them for the period they extracted sand under the orders of the court as their writ petitions were dismissed But in any case the extraction cannot be treated as unauthorised and value of the minerals can not be recovered from them under sub-section 5 of Section 21 of Mines and Minerals (R&D) Act 1957 which authorises the State Government to recover royalty as well as value of the mineral which is extracted in an unauthorised manner without the permission of the State Government. As the 19 persons extracted sand under the orders of the Hon'ble High Court, there was no question of checking or detacting its extraction

As has been explained in (i) above, the provision of Section 21(5) of Mines and Minerals (R&D) Act 1957 is sufficiently deterrent provision to check the unauthorised extraction as

the person who indulges in unauthorised extraction has to pay not only the royalty on the mineral but also the value of the mineral so extracted.

As has been explained above, the case of Sonipat was of its own kind and there is no question of such re-occurrence. However, wherever unauthorised extraction is detected, prompt action under Section 21(5) of the Act *ibid* is taken and penalty is recovered from the defaulting persons.

As has been explained above only an amount of Rs. 85,687 is recoverable from the district Sonipat from 19 persons instead of Rs. 9,92,105. Every effort is being made to recover this amount from 19 persons who are pleading that they had extracted the sand under the orders of Hon'ble High Court.

In case of district Kurukshetra out of a sum of Rs. 9,030 a sum of Rs. 1,710 has been recovered from the three parties. For recovering the remaining amount of Rs. 7,320 the warrants of arrest have been issued against the remaining 5 parties.

In view of the facts as narrated in the preceding paras no official is held responsible. In fact the officials had been prompt enough in detecting the unauthorised extraction and initiating action against the defaulting persons.

As has been explained in the preceding paras, the example of district Sonipat is unique of its own kind and has no such parallel in any other district. However, as and when any illegal extraction is detected, prompt action is initiated against the defaulting parties. The number of cases of unauthorised extraction detected and the amount recovered shall be intimated to the Committee at the time of oral examination.

During the course of oral examination on being asked by the Committee to inform the steps taken by the department to recover the amount to the tune of Rs. 10.53 lakhs the departmental representative stated that after the decision of the High Court in July, 1976 the department made efforts to recover the royalty as well as the value of the mineral for the period during which the stay was in operation against the Department. He also informed the Committee that the actual recovery was Rs. 9,92,105. When the Committee observed that according to the audit para the amount was Rs. 10.53 lakhs the departmental representative assured to verify the figures.

The Committee desire to know the actual amount to be recovered and also desire the department to recover the amount at the earliest under intimation to the Committee.

CO-OPERATION

Paragraph . 6 6 Non-realisation of audit fee

[47] Under the Punjab Co-operative Societies Rules, 1963 as applicable to Haryana, every Co-operative Society is liable to pay to Government fee for the audit of its annual accounts by the auditors of the Co-operative Department. The scale of fees prescribed by the Government for audit of different types of societies provides for a minimum fee and also payment at a certain percentage of the net profits earned by the society. The rates of fees differ if audit is done concurrently instead of annually.

(i) From the Co-operative Sugar Mill at Panipat, fee for auditing the accounts for the year 1979-80 was not realised and even the minimum fee of Rs. 60,000 was not demanded. Similarly from the Shahbad Sugar Mill, Shahbad which was registered on 9th January 1976, fee for auditing the accounts for the years 1976-77 and 1977-78 was not realised though fee at the minimum rate of Rs 7,500 per annum was realisable.

On the non-realisation of audit fees amounting to Rs. 75,000 being pointed out in audit (between September 1979 and January 1982), the department recovered Rs. 60,000 in February 1983 and Rs. 15,000 in August 1983.

(ii) Concurrent audit of Central Co-operative Bank, Rohtak was conducted during the year 1975-76. But audit fee was charged at the lower rate applicable to annual audit. The mistake resulted in short recovery of audit fee by Rs 10,000.

On the mistake being pointed out in audit (April 1978) the department recovered the amount of Rs. 10,000 in September 1983.

The cases were reported to Government in October 1979 and March 1982; their reply is awaited (November 1983).

The department in reply to the questionnaire explained as under —

The Assistant Registrar Cooperative Societies, Panipat assessed the audit fee as Rs 60,000 on 10-12-81 and communicated the same to the Mills vide his letter No 7644 dated 10-12-81. Prima facie the then A R C.S has defaulted in the late assessment of the audit fee. The matter for recovery of audit fee was constantly pursued by the Assistant Registrar, Cooperative Societies, Panipat and by this department with the Mills vide RCS DO No. Audit/2/19/18982 dated 20-10-82. The Managing Director, Panipat Co-operative Sugar Mills, Panipat vide his DO No. 2631 dated 5-11-82 informed this department that the financial position of the

Mills was not sound and assured payment of audit fee by end of December, 1982. Again this department made a D.O. reference vide No. 20935 dated 29-11-82 to deposit the audit fee in Government account by the date as agreed upon by the Mills in D.O. letter dated 5-11-82 referred to above. The audit fee was deposited by the Mills on 18-1-83

The Assistant Registrar, Cooperative Societies, Kurukshetra was of the view that audit fee was not leviable on the Mills as the Shahabad Cooperative Sugar Mills was not functioning during the years 1976-77 and 1977-78 whereas minimum audit fee of Rs. 7,500 per annum was to be levied. The Assistant Registrar, Cooperative Societies, Kurukshetra sought clarification in this regard vide his letter No. 185 dated 14-1-80 and the position was clarified to him vide R.C.S. Office letter No. 7938 dated 19-6-80. The Assistant Registrar, Cooperative Societies, Kurukshetra was stressed for recovery vide R.C.S. Office letter No. 18921 dated 21-10-80, No. 7812-13 dated 24-9-1981 and D.O. letter No. 3189 dated 23-3-83 and letter No. 6212 dated 10-6-83 and finally D.O. letter No. 7995 dated 28-7-83.

Explanations of the then Assistant Registrars have been called on 7-2-1986 by R.C.S. for lapses on their part. Their replies are awaited

There is regular system to conduct the review of assessment and recovery of audit fee under para 4.17 of the consolidated circulars of the Cooperative Department for all kinds of Societies. All the Assistant Registrars and Deputy Registrars, have again been stressed upon in this regard vide R.C.S. office Memo No. 29/1/85/Audit-6/dated 22-10-85

The Rohtak Central Cooperative Bank Ltd., Rohtak was brought under concurrent audit vide R.C.S. Office letter No. 1498-1501 dated 2-3-76 since 1975-76. The said bank was required to be assessed audit fee at concurrent rate. But it was assessed at the Assistant Registrar, Cooperative Societies Rohtak

The Assistant Registrar, was stressed to effect the recovery in difference of audit fee from the bank vide R.C.S. Office Endst. No. 19535-36 dated 31-10-80, Endst. No. 1572 dated 29-1-81 and D.O. letter No. 3186 dated 23-3-83 before the draft para was received. Earlier the Manager, Central Cooperative Bank Ltd, Rohtak was contesting that the bank was not brought under concurrent audit in spite of R.C.S. Office letter dated 2-3-76 referred to above. Finally a telegraphic reference was made to the Assistant Registrar and Managing Director of the bank to deposit the arrear of audit fee at once vide R.C.S. Office Endst. No. 631 dated 8-9-83 and compliance of deposit of audit fee on 12-9-83 was reported by the Assistant Registrar,

telegraphically The then Assistant Registrar, Cooperative Societies, Rohtak has been asked to explain for not charging the audit fee at concurrent audit rate in the first instance.

Responsibility will be fixed on receipt of explanation from the concerned Assistant Registrar

There is a regular system to conduct the review of assessment and recovery of audit fee under para 4.17 of the consolidated circulars of the Cooperative Department for all kinds of societies All the Assistant Registrars and Deputy Registrars, have again been stressed upon in this regard vide R.C.S. Office Memo No. 29/1/85/Audit-6, dated 22-10-85

During the course of oral examination the Departmental Representative assured the Committee that action will be taken against the defaulting officers for the lapse but the Committee regret to observe that no information had been received by the Committee till the writing of this report.

The Committee desire that action against the erring Assistant Registrar be taken expeditiously and report sent to it.

The Committee further desire that steps be taken to ensure recovery of Audit fee at correct rates in future.

Paragraph 6.7. Short realisation of audit fees

[48] According to the scale of fees fixed by the Registrar, Co-operative Societies, on 9th September 1980 audit fee was recoverable at the rate of 5 per cent of net profit of a Society subject to a minimum of Rs. 500 The rate was to be applicable from the Co-operative year 1979-80

(i) In Ambala, Kaithal, Karnal, Kurukshetra and Panipat credit for interest recoverable on loans given to members of the Societies had not been taken into account in the Profit and Loss account of the Societies which resulted in reduction of the net profits taken as basis for computation of the audit fee. This resulted in consequent short realisation of audit fees by Rs 2.35 lakhs from 95 Societies for the Cooperative year 1979-80

On the lapse being pointed out in audit between December 1981 and November 1982, the department recovered Rs. 2 15 lakhs between March 1982 and April 1983 Report on recovery of the balance amount (Rs. 0.20 lakh) is awaited

The case was reported to Government in June 1983, their reply is awaited (November 1983)

(ii) Audit of 126 societies in Nuh, Jhajjar, Rohtak, Fatehabad, Sirsa and Faridabad was not done but fees were recovered on the basis of the unaudited net profits reflected in the accounts of the societies for the years 1978-79 to 1981-82. The accounts of the societies were audited between August 1979

and September 1982 and additional demand of Rs 1.08 lakhs became recoverable because the audited net profits were in excess of the unaudited profits. The additional fee was not recovered.

On the omission being pointed out in audit (between September 1981 and January 1983) the department stated (August 1983) that Rs. 27,933 had since been recovered. Report on recovery of the balance amount is awaited (November 1983).

The case was reported to Government in September 1983; their reply is awaited (November 1983).

The department in reply to the questionnaire explained as under :—

6.7. Explanations of the then Assistant Registrar, Cooperative Societies Ambala, Kaithal, Karnal, Kurukshetra and Panipat have been called for not taking into account interest recoverable on loan to members and their replies are awaited.

There is regular system to conduct the review of assessment and recovery of audit fee under para 4 17 of the consolidated circulars of the Coop. Department for all kinds of societies. All the Assistant Registrars and Deputy Registrars, have again been stressed upon in this regard vide R.C.S. Office Memo. No. 29/1/85-Audit-6 dated 22-10-1985.

Rs. 2.35 lakhs has been recovered in full.

It may be stated that initially the audit fee is assessed on the basis of the Annual Statements and thereafter when the audited balance sheets are available, the assessment of audit fee is finalized. Explanations of the then Asstt. Registrars Coop. Societies, Nuh, Jhajjar, Rohtak, Fatehabad, Sirsa and Faridabad have been called for non-revision of audit fee on audited profit figures.

There is a regular system to conduct the review of assessment and recovery of audit fee under para 4 17 of the consolidated circulars of the Cooperative Department.

Instructions have already been issued to revise the audit fee on audited profit figures vide letter No Audit/42344-98 dated 4-8-1983 and R.C.S. Office Memo. No. 1/1/84-Audit (5) dated 10-9-1984.

Explanations of the then Assistant Registrars, Cooperative Societies, have been called for and their replies are awaited.

Now an amount of Rs. 785/- only remains to be recovered for which efforts are being made.

During the course of oral examination the departmental representative stated that only Rs 491/- are recoverable and assured the Committee that the amount will either be recovered very soon or will be adjusted by making book entry.

The Committee regret to note that the promised information had not been supplied by the department till the writing of the report.

The Committee recommend that the desired information be supplied to the Committee within one month.

EXCISE AND TAXATION

Paragraph 1.6 Uncollected revenue

[49] The details of arrears of revenue (where it exceeded Rs. 5.00 lakhs) pending collection as on 31st March 1983 under certain principal heads of revenue, reported by the departments are given in Appendix-III.

The department, in their written reply to the questionnaire of the Committee stated as under :—

The latest position of arrears outstanding on 31-3-1983 is as under :—

Name of the Act	(Rs in lacs)		
	Amount outstanding as on 31-3-83	Arrears cleared during 1-4-83 to 31-3-86	Amount outstanding as on 31-3-86
1. Sales Tax	1831 90	801.64	1030.26
2. State Excise	246.79	84.32	162.47
3. Taxes on Goods & Passengers	30.96	22.32	8.64
4. Other taxes & duties on Commodities and Services Entt. Tax	22.06	5.53	16.53
5. Taxes on Immovable Property other than Agricultural Land	11.59	1.24	10.35
6. Other taxes on Income & Expenditure	5 85	0.05	5.80
Total	2149 15	915.10	1234.05

The reasonwise break up of above arrears is given below :—

(Figures in Rs. in lacs)

	Sales Tax	State Excise	Taxes on Goods & Passengers
1	2	3	4
1. Amount held under stay	447 90	8 88	2 84
2. Instalment	27 93	46 83	0 19

1	2	3	4
3. Inter Distt./State Defaulters,	140.44	33 40	2.13
4. Property attached	35 09	39.89	0.01
5. Firm in liquidation	289.95	0.62	0.03
6. Moved for writing off	53.96	1.51	0.24
7 Other reasons	2.60	—	—
8. Net recoverable arrears	32.39	31.34	3.20
Total —	1030.26	162.47	8.64

	Other taxes & Duties on Commodities & Services Entt. Tax	Taxes on immovable property other than Agricultural land	Other taxes on income and expendi- ture	Total
1.	—	1.99	—	461.61
2.	—	—	0 67	75.62
3.	—	3.41	—	179.38
4.	—	1.52	0 09	76.60
5.	—	—	—	290.60
6.	—	—	—	55 71
7.	—	—	—	2.60
8.	16.53	3 43	5 04	91.93
Total :—	16 53	10.35	5 80	1234.05

A perusal of the above break up would show that out of Rs. 1234.05 lacs amount of Rs. 931.59 lacs represent the amount held under stay by various courts inter District/inter State defaulters and firm which have gone under liquidation. This alone accounts for 75.5% of the total arrears and amount of Rs. 75 lacs is being recovered from various dealers in instalments due to their weak financial position. Action is also being taken by the department for disposal of the property worth Rs. 76.60 lacs which has been attached.

Strenuous efforts are being made by the department to recover the arrears. Monthly meetings of the departmental Officers are held and they are impressed

upon to take effective steps for recovery of old outstanding arrears. Monthly targets for the recovery of arrears have been fixed and the district officers are directed to follow them meticulously.

A monitoring Cell has also been constituted in the Head Office for the same purpose and the performance of the various district officers is periodically reviewed by this cell.

An amount of Rs 455.27 lacs was outstanding on 31-3-83 in respect of arrears upto 31-3-78. Out of above a further recovery of Rs. 85.02 lacs has been made upto 31-3-86 leaving a balance of Rs 370.25 lacs. The break up of the arrears more than five year old as on 31-3-86 is given below —

	Sales Tax	State Excise	Taxes on Goods & Passengers
1. Amount held under stay	159.95	0.44	0.10
2. Instalment	9.47	1.69	—
3. Inter Distt /State defaulters	5.56	2.43	1.00
4. Property attached	1.63	0.21	0.01
5. Firm in liquidation	127.65	—	—
6. Moved for writing off	31.11	0.77	0.24
7. Other reasons	1.73	—	—
8. Net recoverable arrears	8.74	1.30	1.06
Total :—	345.84	6.84	2.41

	Other taxes and duties on Commodities and Services-Entt. Tax	Taxes on immovable property other than Agricultural land	Other taxes on income and expenditure	Total
1.	—	2.00	—	162.49
2.	—	—	—	11.16
3.	—	—	0.68	9.67
4.	—	3.41	—	5.26
5.	—	1.52	0.09	129.26
6.	—	—	—	32.12
7.	—	—	—	1.73
8.	—	2.78	4.68	18.56
Total :—	—	9.71	5.45	370.25

From the above break up of the pending arrears it would be seen that major portion of the arrears (viz 78.88%) relates to amount under stay and firms under liquidation for which cases are being pursued by the department with concerned courts/authorities

Several steps have been taken by the department to expedite the recovery of arrears. The district officers are reviewing the arrear position monthly in detail with their assessing authorities. The review of such arrears is also undertaken at the State level in the meetings of the departmental Officers. A monitoring Cell has also been constituted in the Head Office for the same purpose and the performance of the various district officers is periodically reviewed by this cell. Excise and Taxation Commissioner as well as other senior officers of the department also review the arrear position whenever they visit the district offices.

List is enclosed

ANNEXURE

List of Outstanding arrears more than 5 years old

(Para 16)

S No	Name of the firm	HGST	CST	Excise
1	M/s S S Oberoi and Co	71,704	3,512	—
2	M/s Haryana Spun Pipe Co, Surajpur	27,438	40,879	—
3	M/s Solar Radio A/City	50,557	—	—
4	M/s Sharmik Metal Products Coop Society	56,978	—	—
5	M/s Dalima Cement Factory, Ch Dadri	12,05,564	16,280	—
6	M/s Man Singh & Co 1-14 A, Karon	—	—	53,272
7	M/s Globe Motor Workshop, Faridabad	3,33,287	1,03,393	—
8	M/s Bertan Scott	—	1,11,201	—
9	M/s Sakow Industries Pvt Ltd, Faridabad	3,201	1,26,774	—
10	M/s Ganesh Packing Inds	81,589	56,507	—
11	M/s Ins Auto Inds.	—	87,711 ¹	—
12	M/s Pearl Cycle Inds, Faridabad	—	6,67,476	—
13	M/s Rama Trading Co,	1,15,692	—	—
14	M/s New Soda Motor Ltd	15,88,367	1,47,267	—
15	M/s Auto Sterling India Faridabad	80,946	6,10,799	—
16	M/s Luck Auto Ancillary Pvt Ltd	11,96,203	31,19,405	—
17	M/s Hind Ispat	78,850	—	—

S.No.	Name of the firm	HGST	CST	Excise
18.	M/s Luxmi Trading Co., Faridabad	5,44,165	—	—
19.	M/s Western Machinery Store	—	56,000	—
20.	M/s Ghansha Pipe Ltd, Faridabad	—	50,000	—
21.	M/s Maiuti Ltd. Gurgaon	4,64,728	10,88,483	—
22.	M/s Bags and Cartoons	—	4,64,163	—
23.	M/s D F S C, Guigaon,	—	34,800	—
24.	M/s Bula Mills Cotton Ginning Factory, Fatehabad	3,88,339	—	—
25.	M/s J C Mills Factory, Fatehabad	2,84,971	—	—
26.	M/s Bharat Trading Co, Hissar	63,774	—	—
27.	M/s Govt Medical Store Depot, Karnal	29,42,857	78,13,847	—
28.	M/s Ram Chand Devi Dayal	65,000	—	—
29.	M/s Ram Krishan Jindal	75,000	—	—
30.	M/s Geeta Chawla	53,584	—	—
31.	M/s Naresh Kumar & Co	59,741	—	—
32.	M/s Khosla Sales	1,48,732	—	—
33.	M/s Har Bhajan Singh S/o Gurbax Singh Surinder Singh S/o Harbhajan Singh	—	—	80,506
34.	M/s Sant Lal Tek Chand, Kaithal	1,20,641	—	—
35.	M s Chote Lal Chranj Lal	1,00,122	—	—
36.	M/s Ram Sarup Jai Narain	57,631	—	—
37.	M/s Haryana Rubber Inds. Ltd, Bahalgarh.	3,54,951	13,19,961	—

38.	M/s Lal Chand & Co , L—14-A, Dabwali	—	—	1,67,000
39.	M/s Sirsa Inds Sirsa	2,97,768	58,680	—
40.	M/s Bhakra Cotton & General Mills, Sirsa	1,55,410	—	—
41.	M/s Chaudhry Cotton & General Mills, Dabwali	1,55,878	5,00,86	—
42.	M/s Beni Gopal Mahabir Parshad, Sirsa	1,28,833	—	—
43.	M/s Padmawati Raje Cotton Factory	2,21,378	—	—
44.	M/s Hajja Ram Baiwant Rai Sirsa	1,54,595	—	—
45.	M/s Gupta Cotton and Ginning Mills, Kalawali	2,14,810	—	—
46.	M/s Lachman Dass Kattar Singh Sirsa	—	87,060	—
47.	M/s Suuja Ram Cotton & Ginning Mills, Kalanwali	80,811	—	—

During the course of oral examination the departmental representative stated that the arrears are mainly due to large number of cases pending in the High Court and Supreme Court and stay granted by them and some dispute between F.C.I. and Govt of India

The Committee noted with concern the substantial increase in arrears which include cases pending with the High Court & Supreme Court, some of which are very old and desire that these cases be pursued, to get the stays vacated and to effect recovery expeditiously under report to them.

Paragraph 1.7. Outstanding inspection reports

[50] Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax noticed during local audit and not settled on the spot are communicated to the Heads of Offices and to the next higher departmental authorities through local audit inspection reports. The more important irregularities are reported to the Heads of departments and to Government. Government have directed that first replies to inspection reports should be sent within six weeks. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

As at the end of November 1983, 1,232 inspection reports (issued upto March 1983) containing 9,650 objections remained to be settled. Figures for the two preceeding years are also given below —

	As at the end of		
	November 1981	November 1982	November 1983
Number of inspection reports	899	1,026	1,232
Number of unsettled objections	7,855	8,354	9,650

Yearwise break-up of the outstanding inspection reports is given below :—

	Year	Number of inspection reports	Number of objections
Upto	1978-79	482	3,127
	1979-80	129	1,208
	1980-81	155	1,282
	1981-82	199	1,664
	1982-83	267	2,369
	Total	1,232	9,650

In respect of 168 inspection reports, issued between March 1981 and

March 1983, even the first replies had not been received (November 1983). The break-up of the outstanding objections is given in Appendix-IV.

The department, in their written reply to the questionnaire of the Committee stated as under :—

Latest position of outstanding inspection reports/paras as on 31-3-1986 vis-a-vis outstanding as on 30-11-1983 is given below :—

Sales Tax					
Upto	Year	Outstanding as on 31-3-1983		Outstanding as on 31-3-1986	
		Number of inspection reports	Number of paras	Number of inspection Reports	Number of paras
	1978-79	100	642	85	457
	1979-80	18	298	16	153
	1980-81	15	248	15	145
	1981-82	19	320	19	155
	1982-83	21	340	21	250
	Total :—	173	1848	156	1160

From the above it would appear that 17 reports 688 paras have since been got settled.

State Excise					
Upto	Year	Outstanding as on 31-3-1983		Outstanding as on 31-3-1986	
		Number of inspection Reports	Number of Paras	Number of inspection reports	Number of paras
	1978-79	49	195	41	68
	1979-80	13	53	12	22
	1980-81	26	99	11	45
	1981-82	12	120	11	70
	1982-83	13	136	12	69
	Total	113	603	87	274

From the above it would appear that 26 reports/329 paras have since been got settled.

P.G.T.

	Year	Outstanding as on 31-3-1983		Outstanding as on 31-3-1986	
		Number of inspection reports	Number of paras	Number of inspection Reports	Number of paras
Upto	1978-79	43	148	37	66
	1979-80	11	45	7	18
	1980-81	26	100	10	25
	1981-82	16	76	10	28
	1982-83	11	61	11	61
	Total	107	430	75	198

From the above it would appear 32 reports/232 paras have since been got settled.

To sum up, it may be stated that during the last three years 75 inspection reports containing 1249 paras have since been got settled

Position of the outstanding audit paras is discussed in the monthly meeting of the departmental officers. Instruction have also been issued to all the Dy-Excise and Taxation Commissioners to get the maximum number of paras settled by personal discussion/getting replies verified at the time of review/inspection by the Accountant General's Audit parties of their districts

Recently a High Powered Committee has been constituted by the Govt for settlement of audit paras and meeting of this Committee is expected to be held shortly wherein the outstanding paras will be discussed and efforts would be made to get the maximum number of paras settled by personal discussion in the meeting

Out of 48 inspection reports shown pending as on 31-3-1983 in respect of which first reply was to be sent, replies to 36 reports have already been sent. At present only 12 Inspection Reports as per details given below are pending :—

State Excise

Jind	=	1(1983-84)
Gurgaon	=	2(1981-82 & 1983-84)
ETC/Office	=	5(1979-80 to 1983-84)

Entertainment Tax

Faridabad == 1(1983-84)

Gurgaon == 1(1983-84)

P.G.T.

Gurgaon == 1(1982-83)

Bhiwani == 1(1982-83)

In respect of the five reports pending in Excise & Taxation Commissioner's office it may be stated that these reports were not available in our office. Photo-stat copies of these reports have recently been arranged at personal level from Accountant General Office and replies to these reports are under preparation and will be submitted shortly. Instructions have been issued to all the District Officers to ensure that first replies to Accountant General's inspection reports are invariably submitted within six months under intimation to this office

During the course of oral examination the departmental representative stated that outstanding reports will be got reviewed from the A.G. office within six months in all the districts.

The Committee desire to know as to how many objections are still pending and the latest position be informed to the Committee about the outstanding objections. The Committee also desire that vigorous action be taken to expedite the matter.

SALES TAX

Paragraph 21 Results of audit

[51] The test check of Sales tax assessments and other records pertaining to fourteen districts (18 offices) conducted in audit during the year 1982-83 revealed under assessment of tax amounting to Rs. 1,88.29 lakhs in 836 cases which broadly fall under the following categories —

	Number of cases	Amount (In lakhs of rupees)
1. Under assessment of tax under Central Sales Tax Act	83	24.01
2. Incorrect computation of turnover	199	32.42
3. Non-levy or short levy of penalty	87	46.28
4. Non levy of interest	272	76.77
5. Application of incorrect rate of tax	44	1.97
6. Others	151	6.84
Total	836	1,88.29

Out of 836 cases pointed out in audit the department has since effected realisation in 83 cases creating additional demands amounting to Rs. 2.46 lakhs. In 16 cases (involving revenue amounting to Rs. 18.82 lakhs) audit objections have been admitted. In 737 cases, replies are awaited from the departmental (November 1983)

Some of the important cases are mentioned in the following paragraphs.

The department, in their written reply to the questionnaire of the Committee stated as under :—

The actual number of cases as per list and details supplied by the Accountant General Office vide their memo No. RAW (ST)DP/82-83/2.1/507, dated 28-4-1986 works out 824 cases involving Rs. 137.83 lacs instead of 836 cases involving Rs. 188.29 lacs, as pointed out in the report.

Detailed position of these outstanding cases is given in annexure 'A' A perusal of the annexure will show that out of these 824 cases

involving Rs 137 83 lacs, 221 cases involving Rs 31 21 lacs have been got settled without admitting the addl. demand pointed out by audit. One case involving Rs 0 14 lacs was got settled after recovery of the additional demand. In 16 cases amounting to Rs 2 95 lacs, the objection raised by the audit has not been admitted by the department. Thus 238 cases involving Rs 34 30 lacs have since been got settled. Apart from this, in some cases recoveries have already been effected and reply to the objections raised in various cases by the Accountant General are ready with the department for further review and settlement by Accountant General's audit party. The number of such cases is 136 involving Rs 34 18 lacs. Thus only 450 cases involving Rs 69 35 lacs are left. These are under examination with various Assessing Authorities/Appellate Authorities. The department is conducting internal audit of Sales Tax assessments finalised by various Assessing Authorities through Excise and Taxation Officer Deputy Excise & Taxation Commissioner(I) posted in the field. During 1985-86 these inspecting officers inspected 1557 assessment cases and found under assessment or short/escaped assessment in 303 cases.

In order to ensure proper assessment of sales tax cases, seven posts of Excise and Taxation Officer (I) have been upgraded as Dy. Excise & Taxation Commissioner(I) and that of Dy. Excise & Taxation Commissioners (I&E) in the Head office to that of Jt. Excise & Taxation Commissioner(I). By strengthening this cell, it is expected that checking will now be more effective. Some more posts of Excise & Taxation Officers/Asstt. Excise & Taxation Officers have also been got sanctioned. Apart from this, the Assessing Authorities are also being imparted training in the Training School run by the department at Chandigarh.

The cases pointed out by the audit pertain to whole of the State and are being dealt with separately by various Assessing Authorities. A perusal of the reply given against Q No. 1 will reveal that in most of the cases the objections were got settled without admitting the additional demand. For taking action against the defaulting Officers, in case any Assessing Authority is found responsible, cases are reported to this office by the concerned Distt. Incharge and action is taken against them as will be evident from the replies given against para No. 2.3 to 2.9 of this report.

ANNEXURE 'A'

(Para No. 21)

Category	(Rs in lacs.)													
	Cases pointed out by A G	Objections not admitted by the Deptt.	Cases settled without any Addl demand	Cases settled with addl. demand	Pending with Jt ETC (A)	No. cases pending	Compliance pending for review by A.G.'s	Audit party						
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Under Assessment under CST Act	83	24 00	—	—	26	18 23	—	—	11	0 37	31	4 82	15	1 08
Incorrect computation of turn-over	199	32 42	7	2 31	31	3 73	1	0 14	18	2 03	75	10 84	67	13 37
Non-levy of penalty	87	46 28	7	0 61	12	1 41	—	—	3	0 29	55	26 46	10	17 51
Non-levy of interest	272	26 31	2	0 03	29	3 69	—	—	—	—	213	20 50	28	1 14
Application of incorrect rate of tax	32	1 98	—	—	11	0 14	—	—	1	0 50	7	1 01	13	0 78
Misc /Others	151	6 84	—	—	112	4 01	—	—	1	0 03	35	2 50	3	0 30
Total	824	137.83	16	2.95	221	31.21	1	0.14	34	3 22	416	66.13	136	34.18

In the written reply, the department stated that 416 cases are pending. During the course of oral examination the departmental representative assured the Committee that 238 cases are ready for inspection and the remaining reply will be got prepared very soon and got settled when the A.G. party will visit next.

The Committee desire that the latest position of the pending cases be informed to the Committee within three months.

Paragraph 2.2. Loss of revenue due to delays in assessment of tax and in demanding tax

[52] (i) Under the Haryana General Sales Tax Act, 1973, assessments are to be taken up within five years after the expiry of the assessment year. By an amendment to the Act, made in April 1979, the period was reduced to 3 years. However, the Act was again amended in April 1982 allowing a period of 5 years to take up an assessment. If an assessment is taken up within five years after the expiry of the assessment year, there is no time limit for completion of the assessment.

Returns are being taken up for assessment after prolonged delays as per illustrative details noticed in audit in 3 districts which are given below .—

	Faridabad		Sonapat		Jind	
	Cases	Amount of tax assessed (Rupees)	Cases	Amount of tax assessed (Rupees)	Cases	Amount of tax assessed (Rupees)
1. Number of cases taken up for assessment after 12 months and before 24 months	6	12,80,533	3	8,42,549	—	—
2. Number of cases taken up for assessment after 24 months and before 36 months	7	11,89,763	3	10,33,461	1	62,449
3. Number of cases taken up for assessment after 36 months and before 48 months	1	1,88,488	1	3,99,897	1	1,12,649
Total	14	26,58,784	7	22,75,907	2	1,75,098

Out of the 23 cases mentioned above, in which tax was assessed at Rs. 51.10 lakhs, in 21 cases the assessee had already closed down their business. They had not paid tax amounting to Rs. 2,94 63 lakhs (upto the date of closing of business) including the amount of Rs. 51 10 lakhs mentioned above. The department issued recovery certificates to the liquidators in 8 cases but no amount has been recovered so far (November 1983)

The case was reported to Government in July 1983, their reply is awaited (November 1983).

(ii) Under the Haryana General Sales Tax Act, 1973, and the Haryana General Sales Tax Rules, 1975 on demand being raised by the Assessing Authority, tax is payable within 30 days

99 demands for Rs. 1,67.75 lakhs were assessed in the three districts Faridabad, Karnal and Sonapat during the year 1981-82. It was noticed that out of these cases, 7 demand notices for Rs. 91.65 lakhs were not issued at all and 46 demand notices for Rs. 25 97 lakhs were issued late by one to seven months after completion of the assessments. 16 demand notices for Rs. 97.48 lakhs are still to be recovered (April 1983)

On delays being pointed out in audit to the department and Government in August 1983, the Government stated (October 1983) that the delay in issuing demand notices was due to heavy load of work and shortage of type-writers.

The department, in their written reply to the questionnaire of the Committee stated as under :—

- (i) The department gives priority to the finalisation of old cases. However, as is evident from the order sheets the assessment proceedings were initiated within the stipulated period

Internal Audit Wing of the Department has since been strengthened and now seven Excise & Taxation Officers (I) and seven Dy. Excise and Taxation Commissioners (I) have been posted in the field who are conducting internal audit of all the assessment cases finalised by the various A As. Instructions have also been issued to various Assessing Authorities to finalise the pending cases especially old ones, so as to ensure prompt and proper assessment. Performance of Assessing Authorities is reviewed by the district incharges monthly and also by the officers at the Hqrs at periodical intervals.

Out of 23 cases (in respect of one case of M/s Kilraj Engineering Pvt Ltd. Faridabad, additional demand of Rs. 1,88,488 has been recovered. In the case of M/S Indo Gum Pharmaceuticals, Faridabad, total demand of Rs. 4,34,467/- was quashed in appeal by the Appellate Authority and case was remanded to the Assessing Authority. The demand case was decided on 16-2-1985 creating an additional demand of Rs. 10,229/- which has been recovered on 29-3-1985.

In the case of M/S Shori Pvt Ltd., Kundli, Faridabad demand of Rs. 1,28,073/- was quashed in appeal and case remanded to the

Assessing Authority. The remand case was decided on 25-2-85 creating demand of Rs. 10,770 which stands recovered. In the case of M/S Manav Chand, Narwana, recovery of Rs. 1,44,351 is being made in instalments and at present an amount of Rs. 99,302/- is still outstanding. In the case of M/S Sheela Devi L-II Faridabad Demand of Rs 63,892 was quashed and case remanded to the Assessing Authority by the Appellate Authority. The remand case was fixed for 23-4-1986. In the case of M/S Ramji Lal Ratan Lal Hodel The demand of Rs. 2,76,978/- was quashed in appeal and the remand case is under process

In the case of M/S Ganesh Packing Industries, Faridabad : relating to the year 1977-78 and 1978-79, no recovery has yet been effected but the immovable property was attached by the Collector on 17-8-85 which could not be disposed of due to claim of Bank of India

In ten cases firms have gone under liquidation. Claims have been filed by the districts authorities with the official liquidators but the recovery is still awaited. The claims are being pursued by them.

In respect of two cases stay had been granted by the Tribunal and in one case by the Hon'ble High Court.

The remaining three cases are under examination with the district officers

(ii) Demand notices in all the seven cases involving Rs 91.65 lacs have since been issued during 1982 and 1983. Demand notices could not be issued earlier as the owners of the firms remained outside the State and the cases were decided ex parte on best judgement basis.

Out of 7 cases involving Rs 91.65 lacs, recovery of Rs. 0.59 lacs in five cases has been effected. In one case of Food Corporation of India recovery of Rs. 90,86,329/- is stayed by court and in one case M/S Bhagwati Rice Mills, Kainal recovery of Rs. 26,343/- could not be effected because the levy of tax on rice supplied to D F S C is a controversial point.

Out of 46 cases involving Rs. 25.97 lacs, in 39 cases recovery of Rs. 24.54 has been made. In remaining 7 cases distt offices have been directed to effect recovery expeditiously. Out of 16 cases involving Rs. 97.48 lacs recovery of Rs. 95.24 lacs in 11 cases has already been made and in 5 cases recovery proceedings are in progress

With a view to ensuring that the assessment cases are decided within the stipulated period without any delay more posts of Assessing Authorities have been created keeping in view the pendency and the incumbent of the posts are in position, who have been directed to ensure timely action to complete the assessments, issue of demand notices and challans etc. in time.

During the course of oral examination, the departmental representative stated that internal audit had been strengthened to check the defects in future. He also assured the Committee that information regarding cases of M/S Sheela Devi & M/S Ramji Lal will be supplied within three months. But the Committee regret to observe that no information has been received till the writing of the report. He also informed that the explanation will be called for from those officials who have not issued the demand notices.

The Committee stress that internal audit cell should be made more effective so that such cases of irregularities do not recur.

The Committee also recommend that the case of M/S Ramji Lal Rattan Lal, Hodel may be finalised and recovery effected at the earliest under intimation to the Committee.

The Committee also desire that suitable action be taken against those officers who have not issued the demand notices in seven cases.

Paragraph 23 Non-levy of penalty for suppression of sales

[53] Under the Haryana General Sales Tax Act, 1973 as well as Central Sales Tax Act, 1956, if a dealer has maintained false or incorrect accounts, with a view to suppressing his sales, purchases or stock of goods, or has concealed any particulars of his sales or purchases or has furnished to or produced before any authority under the Act or the information, which is false or incorrect in any material particular, he is liable to pay by way of penalty in addition to the tax to which he is assessed or is liable to be assessed, an amount which shall not be less than twice and not more than ten times the amount of tax which would have been avoided if the turnover as returned by such dealer had been accepted as correct

(i) A dealer in Jagadhri suppressed his sales valuing Rs. 12.30 lakh during the years 1976-77 and 1977-78. The department assessed the sales to tax raising demand for Rs. 93,940 but did not impose any penalty though minimum penalty of Rs. 1,87,880 was leviable

On the omission being pointed out in audit (July 1982) the department initiated (August 1982) rectificatory action. Report on rectification is awaited (November 1983)

(ii) A dealer in Hissar suppressed his inter-State sales valuing Rs. 1.27 lakhs during the year 1973-74 but the assessing authority omitted to levy penalty while finalising assessment in March 1976. Another dealer in Hissar suppressed his sales valuing Rs. 6.03 lakhs during the years 1973-74 and 1974-75. In the assessment records it was stated (October 1977) that penal action would be taken separately and that the assessee was summoned to appear on 8th August 1978. But no penalty was levied.

On the omission being pointed out in audit (January 1977 and August 1979), the department raised demands for Rs. 25,900 (December 1979) and Rs. 60,000 (October 1981) respectively. The dealers' petitions questioning the penalty were dismissed by the Supreme Court in May 1983. Report on recovery is awaited (November 1983).

(iii) A dealer of Faridabad suppressed sales amounting to Rs. 9.77 lakhs, in respect of the year 1973-74. It was detected and tax was levied on the sales valuing Rs. 9.77 lakhs. But no penalty was levied. On the omission being pointed out in audit (December 1979), penalty was imposed which on appeal was reduced to the minimum amount of Rs. 72,640 (February 1983).

(iv) A dealer of Yamunanagar suppressed sales amounting to Rs. 67,000. Though tax was levied on detection, no penalty was levied. On the omission being pointed out in audit (May 1981) penalty amounting to Rs. 10,000 was levied (October 1981) which was recovered in December 1981. But in another case in Faridabad on suppression of sales amounting to Rs. 9.84 lakhs being detected, though tax was levied on detection, penalty was not levied.

The omission was pointed out in audit (April 1982). But no penalty has so far (November 1983) been levied though minimum penalty leviable is Rs. 1,96,868.

(v) A dealer of Bahadurgarh suppressed sales amounting to Rs. 3.38 lakhs in his quarterly returns for the year 1976-77. The assessing authority charged interest and penalty aggregating to Rs. 6,752 even though the minimum penalty leviable was Rs. 27,000.

On the mistake being pointed out in audit (July 1979) the Revisional Authority levied (September 1981) penalty of Rs. 27,800. Report on the recovery of the balance amount is awaited (November 1983).

(vi) A dealer of Jagadhri evaded tax aggregating to Rs. 6,242 by showing the sale of utensils, amounting to Rs. 1.56 lakhs as sale of sterilizers. Minimum penalty of Rs. 12,484 was leviable for evading the tax, but the same was not levied.

On the mistake being pointed out in audit (March 1978), the assessing authority (May 1978) initiated rectificatory action. Report on rectification is awaited (November 1983).

(vii) Under the Haryana General Sales Tax Act, 1973, a dealer who purchases goods without payment of tax within the State on the authority of his certificate of registration but exports them outside the State, is liable to pay tax on the purchase price of the goods.

During the years 1976-77 to 1978-79, a dealer in Samalkha consigned goods valuing Rs. 10.08 lakhs which had been purchased without payment of tax, to places outside the State. The dealer did not show the consignments in his returns for the respective years and thereby evaded payment of tax amounting to Rs. 42,106. However, the consignments were shown in his returns for the year 1979-80 and tax on the purchase of goods in that consignment was levied. The assessing authority imposed a penalty of only Rs. 6,000 for the mis-declaration in returns instead of a minimum penalty of Rs. 84,000 leviable.

On the omission being pointed out in audit (December 1981), the department initiated (July 1983) rectificatory action. Report on rectification is awaited (November 1983).

The cases were reported to Government (between July 1983 and September 1983); their reply is awaited (November 1983).

The department in their written reply to the questionnaire of the Committee stated as under :—

This case pertains to M/S Kiran Metal Stores Jagadhri for the assessment year 1976-77 & 1977-78.

- (i) The actual amount of penalty works out to Rs. 1,69,500/- and not to Rs. 1,87,880/- as pointed out by the Accountant General. The difference being due to the fact that the audit calculated penalty after taking into consideration the rate of tax leviable at the rate of 7 % whereas part of PTO was leviable to tax at the rate of 6 % and part at the rate of 7%. The recovery could not be effected. The firm has closed its business in September 1980 and R.C. had also been cancelled with effect from 30-9-80. The original assessment in this case was framed by Shri R.N. Chotani Assessing Authority (now DETC) whose explanations have not so far been received.

- (ii) This case pertains to M/S Shiv Shakti Dall Mills, Hissar and M/S Anand Dev Avinash Kumar, Fatehabad.

In the first case penalty of Rs. 29,500/- was levied which was recovered in instalments during 11/83 to 9/84. In this case the original assessment was framed by Sh. D.P. Kirar (Now Dy. Excise & Taxation Commissioner) whose explanations were called for. Since explanations submitted by him were found unsatisfactory he has been warned.

- (iii) This case pertains to M/S Sehgal Puri (Pvt.) Ltd., Faridabad.

The firm had closed its business and recovery has not so far been made. The total tax and penalty due for the year 1973-74 to 1981-82, works out to Rs. 16,72,504/- under GST and Rs. 25,20,285/- under CST including the amount under objection in this para. Out of this amount recovery of Rs. 1,77,892.41 was made and the balance has not been recovered. Property worth Rs. 40 lacs was attached which could not be auctioned due to stay granted by the Civil Court, Faridabad.

- (iv) This case pertains to M/S Purshotam Singh Gambhir, Penalty of Rs. 10,000/- has already been recovered. Original assessment in this case was framed by Sh. K.S. Arora, Assessing Authority (now Dy. Excise & Taxation Commissioner) whose explanations were received and were not found satisfactory. He has been warned to be careful in future.

In respect of M/S Merchantile Industrial Trading Corpn. Faridabad, as per audit objection, the case was moved for taking suo moto action to the revisional authority in December 1983 who returned the case to the Assessing Authority with the directions that Section 48 is independent and penalty could be imposed by the

A.A. Himself without involving the provisions of section 40. The A.A. initiated proceedings for imposition of penalty but could not finalise the case as the whereabouts of the dealer are not available. Even the additional demand created originally by the Assessing Authority could not be recovered. Recovery certificate was issued to Collector, Delhi which had also been received back from Collector, Delhi with the remarks that the defaulter is not available and there is no movable or immovable property in the name of the defaulter.

Instructions have been issued to assessing authorities to take up penal action where ever required simultaneously to the assessment. The internal audit wing also point out such lapses which are rectified by concerned Assessing Authorities.

(v) M/s. Ajay Udyog, Bahadurgarh for the A Y 76-77 Amount of penalty levied by revisional Authority is Rs 27,000/- not Rs 27,800/- recovery of which had already been made. The original assessment in this case was framed by Sh. G.R. Gupta, Assessing Authority who has since retired on 30-4-1981, as such reasons for not charging penalty could not be ascertained.

(vi) This case pertains to M/S Allied Metal Products, Jagadhri.

While framing assessment it was considered by the Assessing Authority not to impose any penalty under section 48 of the HGST but after pointing out by the audit that penalty was leviable. Case was sent to the revisional authority for suo moto. Revisional Authority directed that penalty could be imposed by the Assessing Authority himself as section 48 is independent. Accordingly Shri S.K. Kalra Assessing Authority issued notice under section 48 for imposition of penalty. It was argued on behalf of the dealer by their counsel that since the matter regarding imposition of penalty was considered at the time of framing original assessment by Assessing Authority, no fresh proceedings on the same point could be initiated. The A.A. finding force in this contention vacated the notice.

(vii) This case pertains to M/S Giani Ram Shiv Kumar, Samalkha. This case is still under finalisation with the Assessing Authority.

The department is conducting internal audit of sales tax assessments finalised by various Assessing Authorities through Excise & Taxation Officer (I) & Dy. Excise & Taxation Commissioner (I) posted in the field. During the year 1985-86 (upto January 1986), 1557 cases were inspected by inspection wing out of which under assessment or short/caped assessment was detected in 303 cases.

The change in law and various judicial pronouncements which work as guidelines are regularly brought to the notice of all the Assessing Authorities. Training is also imparted to the Assessing Authorities in the Training School being run by the department at Chandigarh. Performance of the Assessing Authorities is also reviewed monthly by the officer incharge of the district and

also at periodical intervals by the Excise and Taxation Commissioner

During the course of oral examination the departmental representative admitted that this lapse was committed due to carelessness on the part of Assessing Authority in case of M/S Kiran Metal Store, Jagadhri and assured the Committee that action will be taken against the erring officer. He further informed that a register had been maintained for watching the performance of the officers. The Committee also recommend that the case of M/S Giani Ram Shiv Kumar, Smalkha may be finalised and recovery effected at the earliest under intimation to the Committee

The Committee are unhappy to observe that action against the officers responsible for the lapse was initiated very late. The Committee desire that action finally taken against the erring officers may be intimated to them.

The Committee recommend that in future early & strict action be taken against the delinquent officers so that revenue of the state may be saved.

Paragraph 2.4 Non-levy of penalty on default in payment of tax and submission of returns

[54] Under the Haryana General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956, penalty is leviable in the event of default in payment of tax due, in addition to payment of simple interest at the prescribed rate

(i) A dealer in Faridabad filed the quarterly returns for the years 1973-74 and 1976-77 and deposited the tax after the due dates. The assessing authority, however, did not take any action to levy penalty

On the omission being pointed out in audit (September 1979 and August 1980), demand for Rs 18,164 towards interest and penalty was raised (January 1983). Report on recovery is awaited (November 1983)

(ii) Another dealer in Faridabad filed returns for 1973-74 and paid tax after due dates. However, the assessing authority did not levy penalty but only mentioned in the assessment order (October 1978) that action would be taken separately to levy penalty

On the omission to levy penalty being pointed out in audit (December 1979), penalty amounting to Rs 43,034 was imposed which was reduced to Rs 20,310 (April 1981) by the Revisional Authority. Report on recovery is awaited (November 1983)

(iii) A dealer in Faridabad failed to pay tax amounting to Rs 92,942 payable along with two of his quarterly returns for the year 1974-75 and his returns for the years 1975-76 to 1977-78. The assessing authority recorded an order that penal action for non-payment of tax be taken separately, but failed to levy penalty not exceeding Rs. 92,942.

On the failure being pointed out in audit (August 1979), the department levied penalty amounting to Rs 35,600 which was realised between June 1982 and May 1983

(iv) Under the Haryana General Sales Tax Act, and the Central Sales Tax Act, a dealer is required to furnish every three months quarterly returns to the assessing authority within 30 days of the expiry of the quarter to which it relates. In the event of default, the assessing authority may, after giving the dealer reasonable opportunity of being heard, direct him to pay penalty at a rate which shall not be less than five rupees or more than ten rupees for every day during which the default continued.

A dealer in Faridabad had not filed quarterly returns for the year 1976-77 by the prescribed dates. The assessments were finalised (March 1980) but penalty for delay in furnishing the returns was not levied.

On the omission being pointed out in audit (August 1980), the assessing authority levied (October 1982) penalty amounting to Rs 12,260 which was realised in November 1982.

The above cases were reported to Government in July 1983; their reply is awaited (November 1983).

The department, in their written reply to the questionnaire of the Committee stated as under .—

This case pertains to M/s Anand Steel & Wire Pvt. Ltd, Faridabad for assessment year 1975-76

Recovery of Rs 18,164 has since made during 5/83 to 2/84. The original assessment in this case was framed by Sh. H.S. Rana, Assessing Authority. The explanation submitted by him were not found satisfactory and he has been cautioned to be more vigilant in future.

(ii) This case pertains to M/s. Sehgal Puri (Pvt) Ltd, Faridabad

Recovery has not so far been made. Immovable property of the firm has been attached which could not be put to auction due to stay granted by the Civil Court to the bank from which the party has also taken loan

(iii) This case pertains to M/s Crucible Steel (Pvt) Ltd, Faridabad

Recovery in this case already stands made. The original assessment in this case was framed by Shri H.L. Goel Assessing Authority whose explanations were received and were found satisfactory.

(iv) This case pertains to M/s Ganesh Commercial, Faridabad

Recovery of Rs 12,260 has already been made. The assessment

in this case was framed by Shri H.S. Rana, whose explanations were received and were not found satisfactory. He has been warned.

Reply to various questions is given below —

- 1 In all these cases the Assessing Authorities had specifically mentioned in the assessment orders that the penalty proceedings are to be initiated separately by issuing show cause notices with a view to affording a reasonable opportunity to the dealers of being heard. Hence in pursuance of these orders, the penalties were imposed and recovered as mentioned above. Action against defaulting officers is also being taken as stated against each individual case.
- 2 Position has been explained above against each individual case
- 3 No doubt instructions were already issued to the effect that action for assessing interest and levying penalty should be taken simultaneously with assessment. These instructions were again re-interated with the specific directions that interest and penalty proceedings should be finalised while framing assessment.
- 4 Position has been explained above against each individual case

During the course of oral evidence, the departmental representative stated that explanation from the assessing authorities, found responsible for non levy of penalty had been received and warning had been issued

The Committee desire that disciplinary proceeding should be initiated immediately to avoid such situation in future.

The Committee further desire that strict action be taken against the assessing authorities who are found responsible on more than one occasion.

Paragraph . 2.5 Interest not charged

[55] Under the Haryana General Sales Tax Act, 1973 and the Central Sales Tax (Amendment) Act, 1976, a dealer is required to pay the tax due from him according to his returns, by a prescribed date. Similarly, a dealer is required to pay the amount specified in any demand notice issued to him within the period specified in such notice or in the absence of any period being specified within thirty days from the date of service of such notice. In the event of default, he is liable to pay in addition to the tax due, simple interest on the amount due at one per cent per month from the date following the prescribed date for a period of one month and at one and a half per cent per month thereafter, during the period of default.



(i) In Karnal, ten dealers did not pay the tax due, in full, by the prescribed date during the years 1975-76 to 1979-80 and demand for Rs 97.11 lakhs of tax was raised by the department. However, interest amounting to Rs 50,32,225 which was chargeable was not demanded.

The omission to recover interest charges was pointed out in audit in May 1983, the reply of the department is awaited.

The matter was reported to the Government in September 1983; their reply is awaited (November 1983)

(ii) A dealer of Karnal did not pay tax on sale of gypsum valuing Rs 1,15.39 lakhs though he reflected it in his quarterly returns for the years 1975-76 to 1977-78. The sale of gypsum was assessed as taxable and tax amounting to Rs 7,08,298 became recoverable from the dealer and same was demanded. However, no action was taken to charge interest and penalty on the belated payment of tax.

On the omission being pointed out in audit (January 1978 and July 1981), the assessing authority charged (March 1983) interest amounting to Rs. 2,19,094 which was realised in July 1983. The penalty was not imposed on the ground that delay was not wilful.

(iii) In Bhiwani district, a dealer did not deposit local Sales tax amounting to Rs. 1.88 lakhs alongwith the quarterly returns for the first and fourth quarters of the year 1975-76. He was granted extension of time for depositing the tax subject to payment of interest on tax overdue. The amount of tax due was paid by him during the period from October 1975 to September 1976. The assessing authority while making the assessment in September 1978 charged interest amounting to Rs. 14,578 on the belated payment of tax. The amount of interest was deposited by the dealer in November 1978. The dealer, however, preferred an appeal before the Appellate Authority against the interest charged after grant of extension. The appeal was allowed (May 1980) and the amount of interest (Rs 14,578) was refunded to him (June 1980). However, the Sales Tax Tribunal had held in another case that charging of interest was a legal obligation notwithstanding the grant of extension of time for the deposit of tax due and therefore, interest was chargeable in such cases. The department did not seek review or revision of the appellate order.

On the legal facts being pointed out in audit (October 1982) the assessing authority referred the case to the Revisional Authority for taking *suo moto* action. Decision of Revisional Authority is awaited (November 1983).

(iv) A dealer of Faridabad did not deposit the tax amounting to Rs. 2,49,185 required to be deposited alongwith the quarterly returns for the year 1979-80. The assessment was done in March 1981 but interest was not charged for delay in payment of tax.

On the omission being pointed out in audit (April 1982) demand for Rs. 53,610 towards interest and penalty of Rs. 10,000 (November 1982) was raised and the amount was recovered in March 1983.

(v) From a dealer of Sonapat, tax amounting to Rs. 2.99 lakhs relating to the years 1975-76 and 1976-77 was demanded in April 1981 and January 1982 respectively and the notices were issued to the dealer accordingly. The dealer, however, did not pay the tax within the prescribed period. However, interest amounting to Rs. 25,283 was not levied by the assessing authority on account of the belated payments of tax demanded.

On the omission being pointed out in audit (December 1982) interest amounting to Rs. 25,283 was levied in January 1983 and recovered in March 1983 and April 1983

(vi) A dealer of Kaithal did not pay tax amounting to Rs. 43,152 in respect of the 1st, 3rd and 4th quarters of the year 1978-79 along with his quarterly returns. The assessing authority failed to charge interest on the delay in payment of tax

On the omission being pointed out in audit (November 1982) the assessing authority charged (January 1983) interest amounting to Rs 21,650 Report on recovery is awaited (November 1983).

(vii) A dealer of Faridabad did not deposit tax amounting to Rs. 2.91 lakhs along with his quarterly returns for the 2nd and 4th quarters of the year 1977-78. The assessing authority while assessing the case in March 1981 charged interest amounting to Rs. 4,140 though Rs. 19,682 was chargeable.

On the short charge being pointed out in audit (March 1982), the department raised demand for Rs 15,542 (September 1982) and recovered the same in January 1983.

(viii) A dealer of Kurukshetra district deposited tax which was short of Central Sales tax payable on the basis of his quarterly return for the second quarter of the year 1976-77 by Rs. 56,550. The assessing authority raised (October 1980) additional demand for Rs 56,550 which was paid by the dealer in November 1980 but interest on belated payment of tax was not charged

On the omission being pointed out in audit (June 1982), interest amounting to Rs 15,848 was realised in August 1982.

(ix) A dealer of Faridabad was assessed (February 1981) to tax and demand for Rs. 1,51,967 for the year 1977-78 was raised against him. He did not pay the tax within the specified period and was allowed to deposit the same in instalments. However, interest on the belated payment was not charged.

On the omission being pointed out in audit (April 1982) the department raised a demand for Rs. 12,225 and the same was collected in August 1982.

The above cases were reported to Government between June and September 1983; their reply is awaited (November 1983)...

The department, in their written reply to the questionnaire of the Committee stated as under —

(i) This para pertains to following ten dealers :—

- 1 M/s. Food Corporation of India, Karnal
2. M/s. Haryana Roadways Catering Service, Karnal
3. M/s. Haryana Tourism, Karnal
4. M/s. National Tractors & Implements, Karnal
5. M/s. Super Tyre Pvt. Ltd, Karnal
- 6 M/s. Steel Crafts, Panipat
7. M/s. Agricultural Disc Corporation, Karnal
- 8 M/s Pawan Rice Mills, Indri
9. M/s Haryana Harijan Kalyan Nigam, Karnal.
- 10 M/s. Gharaunda Co-operative Marketing and Processing Society, Gharaunda

Instructions have been issued to the Assessing Authorities that they should proceed to impose penalty and assess interest keeping in view the judgement of the Hon'ble Supreme Court in A.C.C's case but the local officer vide his memo No. 1106/STA, dated 11-4-86 reported that all the cases have been re-examined and he finds that the judgement in ACC case does not apply in all these cases as the provisions of the Rajasthan Sales Tax Act and Haryana General Sales Tax Act are at variance in as much as in the Haryana General Sales Tax Act, the word is "tax due as per return" whereas in the Rajasthan Sales Tax Act, the words are "tax payable as per returns"

In view of position explained above, the objection is not tenable.

(ii) This case pertains to M/s. Haryana Land Reclamation Corporation, Karnal A Y 1976-77 to 1977-78

As already pointed out in the para interest amounting to Rs. 2,19,094 has been deposited

Reply to various questions is as under :—

1&2. Since judgement in the ACCs case regarding levy of interest was pronounced after the cases for the year 1975-76 to 1977-78 were decided by the Assessing Authority the interest was not levied by the Assessing Authority while

framing assessment but the same has been assessed now and recovered.

(iii) This case pertains to M/s. Sat Narain, Krishan Kumar, Charkhi Dadri for the year A.Y. 1976-77.

1. Against the levy of interest an appeal was filed by the dealer which the Appellate Authority, following decision of the sales Tax Tribunal in the case of Rohtas Industries, Sonapat accepted the appeal and quashed levy of interest. Hence the amount of interest recovered from the dealer was refunded to him
2. Since the appeal of the dealer was accepted and the assessment orders of the Assessing Authority merged in the appellate order, Assessing Authority was not competent to reopen the case.
3. After a different decision by the Tribunal in the case of M/s. Bharat Steel Tubes, Ganaur, the case was referred to the Jt Excise & Taxation Commissioner, Rohtak for taking up the same in suo moto action. The revisional authority decided the suomoto case on 14-3-1983 and restored the order of original Assessing Authority and directed the Assessing Authority to recover Rs 14,570 which was recovered on 17-3-1983.

(iv to ix)

2.5(iv). This case pertains to M/s. Haryana, Paper Mills, Faridabad As already mentioned in the para amount stands deposited. Assessment in this case was framed by Sh. M.L. Kapoor Excise & Taxation Officer who has since retired on 30-11-1983.

(v) This case pertains to M/s Haryana Electric Steel Ltd. Larsoli (Sonapat).

Recovery has already been made during 3/83 and 4/83 as mentioned in the para. Original assessment in this case was made by Shri H.R. Mohindroo, Excise and Taxation Officer whose explanations were found satisfactory.

(vi) This para pertains to M/s. Gupta Traders, Pehowa. As pointed out by the Audit, interest of Rs. 21,650 was levied in this case but the recovery could not be effected because the Government vide executive instructions, bearing No. STA/329/14/82/851, dated 29-3-1982, on account of delivery of rice to D F S C., took a decision to stay the recovery.

(vii) This case pertains to M/s. Bharat Carpet Ltd., Faridabad. As already mentioned in the para, recovery has been effected. The assessment in this case was framed by Shri H.S. Rana, Assessing Authority (Now Dy. Excise & Taxation Commissioner) whose explanations were found satisfactory.

(viii) This case pertains to M/s. Markanda Vanaspati Mills Ltd., Shahbad

Recovery has already been made. The assessment in this case was framed by Sh. B.R. Sahnewal Assessing Authority who has since retired on 30-6-1984

(ix) This case pertains to M/s Precision Steel and Engineering Works, Faridabad

Recovery of interest has already been made. The original assessment in this case was framed by Shri K.S. Nain, Assessing Authority whose explanations have been received. These were not found satisfactory and warning has been issued to him

As regards various points raised in the question against cases at Sr. No (iv) to (ix), the reply is as under .—

M/s Haryana Paper Mills, Faridabad

Since the extension to file the return late was allowed to the dealer, the Assessing Authority was of the opinion that where extension to file the return has been allowed, it was implied to make the payment late and no interest is payable. Hence he did not levy any interest. In respect of M/s Haryana Electro Steel Ltd, Larsoli, Assessing Authority calculated the interest on the order-sheet but since the order sheet was misplaced, it could not be submitted to the audit party irrespective of the fact that interest under section 59 stood already assessed, which was recovered in March, 1983

In respect of M/s Gupta Traders Pehowa. Since the levy of tax on rise supplied to DFSC was doubtful, the Assessing Authority did not assess any interest because the dealer had already paid tax due in accordance with the returns.

M/s Bharat Carpet Ltd., Faridabad

In the case of Amern Universal Electric Ltd., Faridabad, since the Sales Tax Tribunal held that no interest was leviable, in cases where extension to pay the tax was allowed, the Assessing Authority did not levy any interest for the period for which extension period was allowed by him, but levied interest Rs 4,140 only for the rest of the period of late payment

In respect of M/s Markanda Vanaspati Mill, Shahabad

Since the Assessing Authority Shri B.R. Sahnewal had already retired the circumstances under which he assessed tax at the rate of one per cent instead of 4% could not be ascertained.

In respect of M/s Precision Steel & Eng. Works Faridabad (East)

Since the Assessing Authority was of the opinion that no interest was leviable in cases where instalments were allowed, no interest was assessed by him and the judgement in ACC's case to the effect that interest accrues automatic came after the decision of the Assessing Authority.

As already mentioned above, in this case, no doubt the assessment was made but recovery could not be effected due to stay granted by Government.

The department has strengthened the interest audit wing. Now this wing is conducting internal audit of the sales tax assessments finalised by various Assessing Authorities through Excise & Taxation Officer (I) and Dy. Excise and Taxation Commissioner (I) posted in the field. During the year 1985-86, the internal audit wing inspected 1557 assessment cases and found under assessment and short/escaped assessment in 303 cases.

Position has been explained in reply to each individual case as stated above.

The information is given below : —

<i>Name of A A.</i>	<i>CAG Audit Report</i>	<i>Para No</i>	<i>Amount involved</i>	<i>Action taken</i>
			Rs.	
1. Sh. H.R. Mohindroo	1982-83	2.8 (ii)	18471	Case under examination
2. Sh. H.R. Mohindroo	1982-83	2.9 (ii)	12250	Warning issued
3. Sh. H.S. Rana	1982-83	2 4 (iv)	12260	Do
4. Sh. H.S. Rana	1982-83	2 4 (i)	18164	Cautioned to be Vigilant
5. Sh. K.S. Nain	1982-83	2 8 (i)	55779	Case under examination

During the course of oral examination, the departmental representative stated that special instructions will be issued to recover the amount of interest from 10 dealers of Karnal district. He also stated that recovery had been made from M/s Markanda Vanaspati Mills Ltd., Shahbad but no action could be taken against the delinquent officer who has since retired from service.

The Committee desire that latest position in regard to recover the

interest amount from 10 dealers at Karnal district be intimated to the Committee at the earliest.

The Committee recommend that case of M/s Gupta Traders, Pehowa be expedited and recovery effected at the earliest under intimation to the Committee.

The Committee observe with regret that action against the delinquent officer had not been finalised till his retirement.

The Committee recommend that action be taken against the erring officers at the earliest in future.

2.7. *Non-levy of sale or purchase tax*

[56] Under the Haryana General Sales Tax Act, 1973, on purchase of goods (other than those on which tax is leviable at the point of first sale in the State) which goods are intended for use in the manufacture of other finished goods, tax is not leviable provided on sale of the finished goods, sales tax is leviable.

(i) In Sonapat, tax was not paid on goods valuing Rs. 46.24 lakhs which were purchased during the year 1979-80 and which were used to the extent of Rs. 11.05 lakhs in the manufacture of finished goods, on sale of which tax was not leviable. Non-levy of tax on the purchase of goods to the extent they were used in the manufacture of such finished goods was irregular and it resulted in under-assessment of tax by Rs. 78,754.

On the non-levy of tax being pointed out in audit in March 1983, the department accepted (June-1983) the objection and stated that rectificatory action was being taken. Report on rectification is awaited.

The case was reported to Government in September 1983; their reply is awaited (November 1983).

The department, in their written reply to the questionnaire of the Committee stated as under —

This case pertains to M/s Amritsar Oil and Chemical Mills, Sonapat for Assessment year 1979-80.

The matter is under examination.

(i) During oral examination, the departmental representative admitted that the reply was not adequate and promised to give full details within one month. But no further information was received till the writing of the Report

The Committee are unhappy to observe the carelessness on the part of the department which has not finalised the case even after three years of its being pointed out in audit.

The Committee recommend that the case may be finalised at the

earliest and action taken against the delinquent officers for non-levy of tax and delay in finalising the case.

2.8. Short levy of tax due to mistakes in computation

[57] The Haryana General Sales Tax Act, 1973 provides that a registered dealer purchasing goods may do so without paying tax thereon subject to furnishing of prescribed declaration form. This is allowed provided the sale is not of those goods on which tax is leviable at the point of first sale in the State or is of goods meant for use in the manufacture of other goods (sale of such other goods being not free of tax) meant for resale in the State or meant for sale in the course of inter-State trade or commerce or for sale in the course of export out of India. If goods so purchased are disposed of as such or as manufactured goods otherwise than by way of sale or resale under circumstances in which no tax is leviable, there shall be levied a tax on the purchase of such goods at the rates applicable under the Act.

(i) A dealer in Faridabad purchased goods valuing Rs. 27.79 lakhs during the year 1977-78 and utilised the same in manufacture of other products and in the execution of works contract. The goods used in the manufacture of products, which were not sold within the State, transferred to branches and goods used in works contract amounted to Rs. 8,00,000 and were to be included in turnover for purpose of tax. However, by mistake the assessing authority included only an amount of Rs 80,000 resulting in under-assessment of tax by Rs. 55,779.

On the mistake being pointed out in audit (March 1983), the department raised (March 1983) additional demand for Rs. 55,779 which was realised in April 1983.

(ii) A dealer of Karnal district purchased goods valuing Rs. 1.31 lakhs and Rs. 4.94 lakhs during the years 1978-79 and 1979-80 respectively without payment of tax and the goods were used partly in the manufacture of finished goods on sale of which no tax was leviable. On the goods going in the manufacture of such finished goods tax was levied incorrectly resulting in short levy of Rs. 18,471.

On the mistake being pointed out in audit (January 1982), demand for Rs. 18,471 was raised in December 1982 and January 1983.

(in) Under the Haryana General Sales Tax Act, 1973, with effect from 1st April 1980 on Indian made foreign liquor as well as foreign liquor tax is leviable at the point of first sale in the State.

In Faridabad, in assessing a dealer on his turnover for the period from 1st April 1981 to 30th June 1981, declarations forms were accepted in order to exclude turnover of Rs. 2,42,418 from tax.

However, in one declaration form Rs. 3,091.60 was altered to Rs. 43,091.60, totals were worked out in excess by Rs. 1,620 and a claim for Rs. 1,020 was not supported by the prescribed declarations.

In the result deduction from turnover assessed to tax was allowed in excess by Rs. 47,220 (including expenses and profit) resulting in tax being levied short by Rs. 9,633 and penalty by Rs. 19,500.

On the mistake being pointed out in audit (March 1983), the department stated (September-October 1983) that tax amounting to Rs. 9,633 and penalty amounting to Rs. 19,500 had since been levied and recovery certificate had been issued to Collector, Delhi, Report on recovery is awaited (November 1983).

(iv) Under the Haryana General Sales Tax Act, 1973, a dealer is required to pay the tax due from him as per his return by the prescribed date and the amount of tax so paid is adjusted towards the tax payable on assessment.

A dealer of Pehowa (Kaithal) deposited advance tax amounting to Rs. 20,000 on 30th March 1978 against tax amounting to Rs. 73,320 due for the fourth quarter of the year 1977-78. The amount of Rs. 20,000 was adjusted towards tax assessed for the year 1977-78 and also again towards tax assessed for the year 1978-79. The mistake resulted in short recovery of tax by Rs. 20,000.

On the mistake being pointed out in audit (November 1982) demand for Rs. 20,000 was raised (January 1983). Report on recovery is awaited (November 1983).

The above cases were reported to Government between July and September 1983; their reply is awaited (November 1983).

The department, in their written reply to the questionnaire of the committee stated as under —

- (i) This case pertains to M/s Frick India Limited, Faridabad (East).

As already mentioned in the para amount of Rs. 55,779 has already been recovered in April, 1983. The assessment in this case was made by Sh. K.S. Nain, Assessing Authority whose explanations have been received and are under examination.

Centpercent Internal Audit was not possible due to shortage of staff. However during 1984-85 Internal Audit Wing was strengthened and seven posts of Excise and Taxation Officer (I) have been got upgraded to that of Dy. Excise & Taxation Commissioner (I) and that Dy. Excise & Taxation Commissioner (I) as Jt. ETC (I) at the Headquarter. Besides 7 posts of Excise & Taxation Officer (I) were also created. It is now expected that Internal Audit Wing will work more effectively.

- (ii) This case pertains to M/s Aggarwal Iron and Foundry Works, Samalkha.

As already pointed out in the para, recovery of Rs. 18471 has already been made. Assessment in this case was framed by Sh. S.K. Sabharwal & Sh. H.R. Mohindroo Assessing Authorities whose explanations have been received and are under examination.

- (iii) This case pertains to M/s Shridhar Gupta and Co., Faridabad

In this case total tax and penalty including the one pointed out by the Accountant General in this para, works out to Rs. 3,91,968 which is being recovered in instalments of Rs 3100 through Collector Delhi. Recovery to the extent of Rs. 1,98,968 has since been made leaving a balance of Rs 1,93,000. The assessment in this case was framed by Sh. M.P. Mittal Assessing Authority whose explanations are still awaited.

As per reply given to question No. 2 against para No 2.8(i) above

- (iv) This case pertains to M/s Gupta Traders, Pehowa

As already pointed out in the para, additional demand of Rs. 20,000 has already been created but the recovery could not be effected because the Government have stayed recovery in respect of tax/penalty relating to sale of rice made to DFSC vide memo No. S.T.I/329-M/82/858, dated 9-3-82, 1997/S.T.I, dated 15-6-82 and 3503/ST, dated 26-10-82.

The wrong adjustment was due to lapse on the part of Sh. P.D. Aggarwal A.A. Whose explanation has been received and is under examination.

Proper record of tax paid and adjusted is kept in the tax demand register/disposal register of the Assessing Authorities and dealer at the time of assessment what ever payments are made by the dealer are taken into consideration and compared with the Treasury Receipts. The mistake in this case was due to oversight. The fact is that the Camp Clerk while preparing the summary of returns and tax paid by the dealer during the year inadvertently has shown amount of Rs 20,000 having been made twice.

During the course of oral examination, the departmental representative stated that action against the erring assessing authorities will be taken at the earliest.

The Committee point out with regret that action against the erring assessing authorities has not been finalised even after three years when objections were raised.

The Committee desire that disciplinary action against the assessing authorities responsible for short levy of tax may be finalised at the earliest and a report sent to them.

2.9. Short levy due to application of incorrect rate of tax

[58] (i) The Haryana Government notified on 22nd September 1978 that tax on the sale of woollen carpet yarn, made in the course of inter-State trade be levied at a concessional rate of one per cent provided the sales are supported by declarations in prescribed form given by the purchasing dealers

In Faridabad a dealer was taxed at the rate of two percent on the inter-State sales of woollen carpet yarn amounting to Rs 4 73 lakhs made by him during the year 1979-80. However, the sales were not supported by declarations in prescribed form. In the absence of the declaration, tax was leviable on the sales at the rate of 10 per cent. Failure to levy tax at the rate of 10 per cent resulted in tax being levied short by Rs. 37,857.

On the mistake being pointed out in audit (April 1982), the case was referred (January 1983) to the Revisional Authority for *suo moto* action. Report on action taken is awaited (May 1983)

* * *

The department in their written reply to the questionnaire of the Committee stated as under —

- (i) This case pertains to M/s. Radhika Woollen & Silk Mills Ltd, Faridabad (East)

The case was remanded by Appellate Authority on 23-12-1983. In the mean time the party went in appeal before the Sales Tax Tribunal against the orders of the Appellate Authority. The case is at present pending with the Tribunal, Replies to the various questions is as under :—

1 and 3 According to the rate fixed on the T.T.O. relating to cotton yarn, the rate of tax for all types of cotton yarn was 2% and hence irrespective of the fact whether the sales were made in the course of inter State trade or commerce or in the course of inter State trade, the rate of tax would remain the same and there would be no need of any declaration forms. Hence the objection that the T.T.O. of Rs. 4 72 lacs would have been assessed at the rate of 10% in the absence of declaration from is not correct. However since it has been held by the Hon'ble Supreme Court in the case of commissioner of Sales Tax U.P. versus Saran Textile Mills that woollen Carpet Yarn properly known as "Kutti" falls in the category of general goods and not in all types of yarn. The

case was referred to the Revisional Authority for taking suo-Moto action who held that the commodity i.e. woollen carpet yarn" was leviable to tax at the rate of 10% and directed the Assessing Authority to calculate the tax @ 10% but the party being aggrieved with this order of the Revisional Authority preferred an appeal in the Sales Tax Tribunal which is still pending. Further action would be taken according to the decision of the Tribunal. In view of these circumstances the action of the Assessing Authority was right because the decision of the Supreme Court came subsequent to the assessment framed by the Assessing Authority.

The changes in law and various judicial Pronouncements which work as guide lines are regularly brought to the notice of the Assessing Authorities. Training is also imported to the A.As, in the Training School being run by department at Chandigarh

Actions, if any, will be taken after the case is decided by the Sales Tax Tribunal

Exact information is being collected from field officers.

(i) During oral examination, the departmental representative stated that the sales tax tribunal has decided the case against the department. To a query whether the department accepts the decision of the Tribunal in view of the judgment of the Supreme Court in the case of M/s Sarin Textile Mills, the departmental representative agreed to examine the case to see whether Tribunal's judgment needs to be challenged in the High Court.

The Committee desire that the case may be reviewed at the earliest and decision taken intimated to them.

2.10. *Extent of internal audit*

[59] (i) Prior to 1973-74, the departmental internal audit was limited to mainly of compilation of various returns at headquarters of Sales Tax department. From 1973-74, a party comprising of 3 persons functioned in each district headquarters and checked the revenue collection and accounting.

From September 1981, review of assessment work was taken up in internal audit by eight inspection parties and each party was to check 200 assessments every month. From January 1983, the number of assessments to be checked every month was reduced to 150 cases (75 cases assessed by Assistant Excise and Taxation Officers and 75 cases assessed by Excise and Taxation Officers). Their performance is given

below :—

<i>District</i>	<i>Number of assessments in</i>		<i>Number of assessments re- quired to be checked in internal audit</i>	
	1981-82	1982-83	1981-82	1982-83
Ambala	10,188	9,985	1,800	1,950
Jagadhri	9,172	9,239	..	200
Kurukshetra	7,744	8,543	2,400	2,015
Karnal	10,367	11,175	200	..
Sonepat	5,851	4,943	600	1,290
Gurgaon	5,642	6,117	.	1,200
Faridabad East	13,034	6,085	1,400	1,900
Faridabad West		6,578	..	790
Narnaul	4,814	5,513	.	100
Rohtak	7,971	7,994	1,800	2,250
Jind	4,291	3,880	.	150
Hissar	9,577	9,412	1,800	1,800
Sirsa	5,770	6,676		..
Bhiwani	4,117	3,565	..	2,230

<i>Number checked</i>		<i>Percentage of performance</i>	
1981-82	1982-83	1981-82	1982-83
1,451	1,260	14	13
..	98	..	1
2,665	2,019	34	24
222	..	2	..
216	1,245	4	25
	1,263	..	21
724	1,372	6	23
..	901	..	14
..	98	..	2
975	947	12	12
..	135	..	4
2,404	1,800	25	19
..	—	—	—
..	1,697	—	48

(ii) The under assessments of tax detected in internal audit during the years 1981-82 and 1982-83 are given below .—

District	1981-82		1982-83	
	Number of cases	Under assessment (In lakhs of rupees)	Number of cases	Under assessment (In lakhs of rupees)
Ambala	1,451	0.38	1,260	11.34
Bhiwani			1,697	0.44
Faridabad	724	0.05	1,372 (East)	9.28
			901 (West)	0.05
Gurgaon	1,263	0.05
Hissar	2,405	0.37	1,800	Nil
Kurukshetra	2,665	0.01	2,019	0.71
Rohtak	975	0.78	947	0.03
Sonepat	216	0.04	1,245	3.73
Jagadhri	98	Nil
Karnal	222			..
Total	8,658	1.63	12,602	25.63

The department in their written reply to the questionnaire of the Committee stated as under :—

To start with E T O (T) were posted in some districts. Party comprises of 3 persons namely E T O (I), Senior Auditor and Taxation Inspector. However, Senior Auditors were withdrawn at some later stage and only ETO(I) alongwith Taxation Inspectors used to do the inspection of assessment cases decided by the AETOs and ETOs. Since, the number of ETOs posted for inspection work was not sufficient enough hence only test checking was done. However, the steps have been taken by the department to strengthen the Internal Audit Wing by creating 7 posts of Dy. Excise and Taxation Commissioners who have been posted in various districts. Each of them being incharge of two or three districts depending on the number of cases and they have been directed to check each case involving turn over exceeding Rs. 25 lakh. Apart from this 7 new posts of ETO(I) have also been created to conduct the Internal

Audit of all the assessment cases finalised by the various assessing authorities

As already explained in para 1, no ETO(I) were posted in these districts for the period under review

Now it is being ensured that each officer posted for the purpose works according to the norm and for this purpose the post of DETC(I) at the Head office has been up-graded to the rank of Jt. ETC, so that effective supervision of the work done by the DETC(I) can be exercised.

After the strengthening of the wing as described in the above para it is being ensured that all the cases decided by the assessing authorities are immediately taken up for internal audit by the inspection wing. Regarding the previous cases decided by the assessing authorities some of the cases have already become time barred for the purpose of re-opening. However, wherever the *suo-moto* action could be taken the same are being referred to the competent authority

Out of total demand created as a result of internal audit of Rs. 1.73 lac during the year 1981-82 and Rs 25.63 lac in 1982-83, demand of Rs 1.21 lac has been quashed, demand of Rs. 9.33 lakh under *suo-moto* action with Appellate Authority ; recovery of Rs. 0.33 has already been effected. Recovery amounting to Rs. 16.34, though stated have been made, is still under verification by the DETCs with concerned Treasury Officer, Sub Treasury Officers. Efforts are being made to recover the balance of 05 lacs also.

After strengthening of the department there has been marked improvement in the working of the inspection wing. During the year 1985-86 the inspection wing inspected 2617 cases out of which under assessment/short assessment was noticed in 422 cases involving Rs 32,77,233/—

During the course of oral examination the departmental representative assured that the performance of inspection wing for the year 1985-86 giving inter-alia number of cases required to be inspected as per norm, actually inspected escaped/short assessment detected, demand created and recoveries made will be supplied within a month.

The Committee point out with regret that the required information has not supplied to the Committee till the writing of the report.

211. *Assessments in arrears*

[60] The number of sales tax assessments finalised by the Excise and Taxation department during the year and the assessments pending finalisation as at the end of 1982-83 and the preceding year are given below :—

Year	Number of cases for disposal	Number of assessments completed	Number of assessments pending at the end of the year	Percentage of column (4) to column (2)
(1)	(2)	(3)	(4)	(5)
1981-82	1,32,991	98,468	34,523	26
1982-83	1,38,451	99,074	39,377	28

The department, in their written reply to the questionnaire of the Committee stated as under :—

Against 39377 cases shown as pending at the end of the year 1982-83, only 1170 cases are now pending as on 31-3-1986 which shows that 38207 cases have since been disposed of which works out to 97 percentage the total of outstandings. It may be stated here that the cases which are now pending generally relate to the firms which have been closed and the partners are residing outside the State or to firms, which have gone under iliquidation. Most of the cases pertain to stay granted by various courts viz Sales Tax Tribunal, High Court etc. In some cases the documents have been impounded by Income Tax Authorities Central Excise etc. However efforts are being made to finalise these pending cases. Norm for disposal of assessment cases in respect of Excise and Taxation Officer. Asstt Excise and Taxation Officers has already been fixed and their progress is watched monthly by the District Incharge and also at periodical intervals by the Head Office by holding meetings of departmental Officers Emphasis is laid for disposal of old pending cases.

During the course of oral examination the departmental representative stated that out of 39377 cases only 1148 cases were pending upto 31st July, 1986.

The Committee desire that latest position about the 1148 pending cases be informed to the Committee within two months.

3.2. *Duty not recovered on spirit lost in bottling operations in excess of norms*

[61] Rule 101-A of the Punjab Distillery Rules, 1932 provides for an allowance towards loss of spirit during storage and bottling operations at 2 per cent and 1.5 per cent respectively. Excise duty is chargeable on each kind of spirit wasted in the distilleries in excess of the prescribed limits.

In a distillery in Panipat, wastage of ordinary spiced spirit which occurred during bottling operations was in excess of prescribed norm during the years 1980-81 and 1981-82, resulting in short levy of duty by Rs. 1.82 lakhs as detailed below :—

Year	Quantity issued for bottling	Quantity bottled	Actual wastage	Wastage permissible	Excess wastage	Duty on excess wastage (In lakhs of rupees)
(In proof litres)						
1980-81	21,14,106	20,77,522	36,584	31,712	4,872	0.54
1981-82	27,75,836	27,22,513	53,323	41,638	11,685	1.28
Total	48,89,942	48,00,035	89,907	73,350	16,557	1.82

On the short levy being pointed out in audit (November 1981 and August 1982), the department stated (April 1982) that show cause notice for recovery of Rs. 0.54 lakh had since been issued to the management of the distillery. Report on recovery of Rs. 0.54 lakh and acceptance of objection balance for amount is awaited.

The department, in their written reply to questionnaire of the Committee stated as under :—

In spite of fool-proof working in the distillery by wastage of spirit, occurs in excess of the prescribed limit, as the same has to go in the different operations viz. in the spirit store-room, in the bottling operations, in the bottled spirit store-room. As soon as the department, duty was calculated and show cause notice was issued to the distillery management.

To keep the correct and proper account of the spirit which is wasted over and above the prescribed limit, instructions have been issued to the Excise staff posted at the distillery, to submit statements in form D—26, D—27 and D—28 in the first week of May every year which shows the position of wastage of spirit during the last year.

To check the excess wastage strict vigil is kept by the excise staff posted at the distillery on the working of different operations.

The recovery orders were served on the management of the distillery on 20-6-84 and 25-6-84 for the recovery of Rs. 0.54 lakhs+1.28 lakhs for 1980-81 and 1981-82 respectively. The management obtained stay from F.C. (R) and the case is now fixed for 28-5-1986.

No excess wastage was allowed and no official is thus responsible in this connection.

During the course of oral examination, the departmental representative informed that notices for recovery of Rs. 1.82 had been issued to the management of the distillery. The management got stay orders from the Financial Commissioner (Revenue). The case was still pending.

The Committee desire that efforts be made to get the stay vacated and recover the amount early under intimation to them.

3.3. *Short recovery of duty on beer produced in brewery*

[62] Under the Punjab Brewery Rules, 1956, and Punjab Fiscal Order, 1932, as applicable to Haryana, duty is leviable on beer produced in a brewery. The quantity brewed is recorded in the brewing book by the licensee and by the Inspector in his survey book, and whichever figure is higher, is adopted. An allowance of 10 per cent is made towards wastage after brewing. Duty becomes payable immediately after the account of brewing has been recorded by the Inspector. The payment of duty can be deferred to a date not later than the fifteenth day of the month succeeding the quarter in respect of which duty was payable, but only with the approval of the Financial Commissioner and on execution of a bond.

(i) In the breweries at Murthal and Faridabad, duty on beer was levied on the quantity of beer permitted to be issued by the District Excise authorities. This is in contravention of the provisions of the rules aforesaid. By reference to the quantity of beer brewed, duty amounting to Rs. 9.18 lakhs was leviable on 11.93 lakh bulk litres of beer (18.36 lakh bottles) in stock as on 31st March 1982 remained to be levied and recovered at the end of the year.

(ii) In the brewery at Murthal, 56.87 lakh bulk litres of beer were manufactured during the year 1981-82 out of which 30.32 lakh bulk litres were removed under bond without payment of duty. On the balance of 26.55 lakh bulk litres, the Company claimed and was allowed wastage of 6.12 lakh bulk litres though only wastage of 2.66 lakh bulk litres (at 10 per cent of 26.55 lakh bulk litres) was allowable. The excess allowances of 3.46 lakh bulk litres as wastage, resulted in short levy of excise duty by Rs. 2.66 lakhs.

On the short levies being pointed out in audit in November 1982, the department stated (February 1983) that recovery of duty was under consideration. Report on recovery is awaited.

The department, in their written reply to the questionnaire of the Committee stated as under —

- (i) The Haryana Breweries Ltd., Murthal and Indo Lowen Brau Breweries Ltd., Faridabad, had represented that the payment of duty on the quantity of beer brewed as required by rule 35 of the Punjab Fiscal Orders, 1932 was cumbersome and caused financial hardship to them and that the duty be charged at the time of issue as was done in the case of I.M.F.S. and country spirit. This request of the breweries was accepted in principle. Steps to amend the rules were accordingly initiated. Meanwhile the breweries started paying excise duty on the quantity of beer issued against permits.

According to provisions of Rule 35 of the Punjab Brewery Rules, 1956, the duty on beer shall be charged on the total quantity actually brewed but the un-amended proviso to order 5 of the Punjab Fiscal Order, 1932 laid down that while calculating permissible wastage at the prescribed percentage of the total quantity brewed, the beer issued in bond, shall be deducted from the total quantity brewed. Thus according to Brewery Rules the dutiable beer would be lesser in quantity as the extent of permissible wastage would be more after allowing wastage on quantity of beer issued in bond while according to fiscal orders, the quantity of dutyable beer would be more as no wastage would have been allowed on beer issued in bond. Thus the provisions of law were not clear. In view thereof, proviso to order 5 of the Punjab Fiscal orders, 1932 has been amended and brought in conformity with the Provisions of Rule 35 of the Brewery Rules.

As explained in the forgoing paragraph, there was no irregularity. However, it has been decided to secure bonds from the Breweries indemnifying Govt., against any loss in duty on beer.

In view of the position explained, no official can be said to be at fault.

No beer issued against permits (excluding beer issued in bond and duty paid permits) was permitted to be taken out of of excise enclosures of the breweries except on payment of prescribed excise duty. However, in the case of wastage of beer in excess of the permissible limit, the E.T.C. as F.C. has passed orders for payment of duty thereon upto the year 1980-81 in the case of Haryana Breweries, Murthal, but the said orders have been stayed in appeal by the F.C.R. exercising the powers of State Government under Section 15 (7) of the Punjab Excise Act, 1914. The appeals are now fixed for 28-5-1986. The Indo Low in Brau Breweries Faridabad have however paid duty on excess wastage of beer upto the year 1976-77 as determined by Excise and Taxation Commissioner by his order, dated 25-4-1984.

- (ii) According to provisions of rule 35 of the Punjab Breweries Rules, 1956, the duty on beer shall be charged on the total quantity actually brewed but the un-amended proviso to order 5 of the Punjab Fiscal Order, 1932 laid down that while calculating permissible wastage at the prescribed percentage of the total quantity brewed, the beer issued in bond shall be deducted from the total quantity brewed. Thus according to Brewery Rules, the dutiable beer would be lesser in quantity as the extent of permissible wastage would be more after allowing wastage on quantity of beer issued in bond, while according to fiscal ** would be more as no wastage would have been allowed on beer issued in bond. Thus the provisions of law were not clear. In view thereof, proviso to Order 5 of the Punjab Fiscal Orders, 1932 has been amended and brought in conformity with the provisions of rules 35 of the Brewery Rules. Thus there was no short levy of excise duty on wastage allowed with reference to beer issued in bond.
2. In view of the position explained, no official can be said to be at fault.
3. Fiscal order 5 has since been amended as narrated earlier.
4. According to provisions of Rule 35 of Punjab Brewery Rules, 1956, the permissible wastage has to be calculated on the total quantity of beer actually brewed and this has been so allowed. There being no excess wastage the question of charging duty does not arise.

During the course of oral evidence, the departmental representative stated that Rule 35 of the Punjab Brewery Rules 1956 will be amended in the Budget Session, as per observation made by the Committee in its 19th report for the year 1982-83.

The Committee are pained to observe that Rule 35 of the Punjab Brewery Rules, 1956 had not been amended even though the observation was made by the Committee in the year 1982-83.

The Committee recommend that its earlier recommendation be implemented and latest position be informed to the Committee at the earliest.

26-10-2021

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3.4. *Non-recovery of licence fee and interest*

[63] Under the Haryana Liquor Licence Rules, 1970, licences for vending country liquor and Indian made foreign liquor are granted by auction. The licensees who bid successfully are required to deposit by way of security one tenth of the licence fee within a period of seven days from the date of successfully bidding at the auction. The licence fee is payable in ten monthly instalments by the 20th of each month. The instalments can, however, be paid up to the end of the month by paying interest at the rate of 15 per cent per annum from the first day of the month to the date of payment. 90 per cent of the security is adjusted against the last instalment a licence fee. In the event of failure to pay the instalment or instalments along with interest, as the case may be, by the due date, the licence for vending is liable to be sealed on the 1st day of the following month and re-auctioned. The deficiency in the licence fee and expenses on resale of licence are liable to be recovered from the original licensee.

In Kurukshetra, Karnal, Sonapat, Rohtak and Faridabad districts 44 licences for sale of country liquor and 21 licences for sale of Indian made foreign liquor were auctioned for Rs. 2,61.17 lakhs and Rs. 71.27 lakhs respectively in respect of the years 1979-80 to 1981-82. The licensees failed to pay the monthly instalments regularly but they were still allowed to operate their business and receive and sell liquor. The amounts due from licensees at the end of each financial year are indicated below :—

Year	Number of licensees in default	Amount due at the end of the year	Amount recovered after the close of the year	Balance due as on 31st March 83
(In lakhs of rupees)				
<i>A—Country liquor</i>				
1979-80	36	32.75	10.95	21.80
1980-81	5	1.35	0.17	1.18
1981-82	3	10.21	0.04	10.17
Total	44	44.31	11.16	33.15
<i>B—Indian Made Foreign Liquor</i>				
1979-80	16	5.61	3.11	2.50
1980-81	4	1.98	0.34	1.64
1981-82	1	0.16	—	0.16
Total	21	7.75	3.45	4.30

In respect of the years 1979-80 to 1981-82, 9 licences for sale of country liquor and 10 licences for sale of Indian made foreign liquor were cancelled and re-auctioned in Kurukshetra, Karnal, Sonapat, Rohtak and Ambala districts. The licences had been originally auctioned for

Rs. 49.28 lakhs and Rs. 32.00 lakhs respectively and the licensees had failed to pay the licence fee within the prescribed periods. The amounts for which the licences were auctioned and re-auctioned, the amount recovered from the defaulters and balance as interest was recovered by the department between December 1980 and September 1982. Reports on recovery of the balance amount is awaited (November 1983).

The department in their written reply to the questionnaire of the Committee stated as under :—

“During 1979-80 & 1981-82 bids for liquor vends were on very high side with the result that incidence was also very high. Most of the licencees suffered heavy losses and defaulted in payment of instalments. Had the department taken action for sealing the bends and then putting them for re-auction as required under the rules, the arrears would have been much more than the arrears actually left over.

Prompt action is taken when re-auction is essential and the defaulters are for-bidden to bid in the next auction.

The only remedy with the department is not to allow the defaulters to bid at the time of next auction. Resultantly defaulters who owned arrears upto the date of next auction are debarred from bidding. The DETC of the District concerned has been asked in the departmental meetings held from time to time to recover the arrears expeditiously.

The position of recovery is as under :—

- (a) In 44 cases of C.L. vends involving Rs. 33.15 lakhs, Rs. 7.51 lakhs in 14 cases have been recovered and for the balance amount of Rs. 25.64 lakhs in 30 cases, vigorous efforts are being made.
- (b) In 21 cases of L-2 vends an amount of Rs. 4.30 lakhs was involved Rs. ~~3.22~~ lakhs in 11 cases have been recovered leaving a balance of Rs. 1.08 lakhs in 10 cases. Efforts are a foot to recover the balance.
- (c) In 9 cases of C.L. vends involving of Rs. 8.87 lakhs on accounts of deficiency in licence fee, a sum of Rs. 1.35 lakhs has since been recovered while efforts are a foot recovery the balance
- (d) In 10 cases of L-II vends on accounts of deficiency in licence fee involving Rs. 10.53 lakhs Rs. 2.43 lakhs have since been recovered in 2 cases and balance amount outstanding is now Rs. 8.10 lakhs for which vigorous efforts are being made.

So far as the recovery of interest is concerned in 13 cases, Rs. 0.62 lakhs are involved. In 7 cases recovery to the tune of Rs. 0.24 lakhs has been effected while efforts are a foot to recover the balance amount of Rs. 0.38 lakhs in 6 cases.

During the course of oral evidence the departmental representative informed the Committee that a sum of Rs. 24.53 lakhs in 23 cases of country liquor vends, Rs. 0.92 lakh in 10 cases of L-2 vends and Rs. 0.20 lakh of interest were left to be recovered. He further informed that the deficiency in licence fee amounting to Rs. 1.66 lakhs out of Rs. 8.87 lakhs in 9 cases of vends and deficiency of license fee in L-2 vends amounting to Rs. 2.94 lakhs in 2 cases out of Rs. 10.53 lakhs in 10 cases has been recovered. Recovery of balance amounts is yet to be made for which vigorous efforts were being made.

The Committee are constrained to observe that a large amount of licence fee and interest was left unrecovered.

The Committee desire that vigorous efforts be made to effect the recoveries and progress intimated to them.

The Committee further desire that strict action be taken against erring officers officials.

Paragraph : 4.9. Assessment in arrears :

[64] The number of Goods and Passengers tax assessments finalised by the Excise and Taxation Department during the year and assessment pending finalisation as at the end of 1982-83 and the preceding year are given below :—

Year	Number of cases for disposal	Number of assessments completed	Number of assessments pending at the end of the year	Percentage of Column (4) to Column(2)
1	2	3	4	5
1981-82	463	359	104	22
1982-83	405	331	74	18

The department, in their written reply to the questionnaire of the Committee stated as under :—

“Instructions were issued to all the Dy. Excise & Taxation Commissioners for finalising the assessment cases upto date under P.G.T. Act, 1952 expeditiously (copy enclosed) The latest information upto February 1986 has been received and the latest position of pending cases as on 31-3-1986 is still awaited.

The latest position of pending assessment cases under Passenger and Goods Taxation Act, 1952 at the end of February, 1986 is given below :—

Year	Number of assessment cases pending
Upto 1981-82	15
Only 1982-83	9
Total ;	24

IMMEDIATE

DATE BOUND

From

The excise and Taxation Commissioner,
Haryana, Chandigarh.

To

All the Deputy Excise and Taxation Commissioners
in the State of Haryana.

Memo No. 2726/T. III,
Chandigarh, dated the 25th November, 1985.

Subject : Assessment in arrears under the Punjab passengers and Goods
Taxation Act, 1952—Reasons regarding.

It has been noticed that the assessment of cases under the Punjab Passengers & Goods Taxation Act, 1952 are numerous pending where heavy amount of Govt. revenue is involved. It shows that no strenuous and consistent efforts have been made to wipe out the numerical strength of pending cases in this regard. This question has been pinpointed by the members of the Public Accounts Committee and they have impressed upon to know the reasons thereof. Meanwhile it has been decided that the yearwise position of all pending cases upto the assessment year 1984-85 under the Act ibid be furnished to this office earnestly. It is also desirable that the reasons in explicit of these pending cases as it stands on 30-11-85 should invariably be sent by 10-12-85, the latest. The assessment of these pending cases should be finalised expeditiously avoiding any further delay otherwise the matter will be viewed seriously. In future also the information in this regard in prescribed proforma may be sent regularly by the 10th of the close of every month.

Sd/-
(V.P CHAUHAN)

Deputy Excise and Taxation Commissioner(Admn.)
for Excise and Taxation Commissioner, Haryana.

During the course of oral examination the departmental representative informed the Committee that 14 cases out of 24 cases got stay from the Supreme Court.

The Committee desire that the cases pending in the court be pursued vigorously and final outcome reported to them.