



HARYANA VIDHAN SABHA

PUBLIC ACCOUNTS COMMITTEE (1989-90)

(TWENTY NINTH REPORT)

REPORT

ON. THE

REPORT OF THE

Comptroller and Auitor General of India for the year 1984-85

(CIVIL AND REVENUE RECEIPTS)



Presented to the House on 20 N ... 1990

HARYANA VIDHAN SABHA SECRETARIAT CHANDIGARH 1990

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TABLE OF CONT	ENTS	ზ -
· P	aragraph (s)	Page (s)
Composition of the Public Accounts Committee	2	(iii)
Introduction		
Report on the Report of the Comptroller and Auditor General of India for the year 1984-8: (Civil and Revenue Receipts)	1 5	(v) ~
1. General	12	
Part-I (Civil)		
1. Agriculture	2 5	
2. Education	3—5 6—7	512
3. Forest	0—/ 8	13-17
4. Labour and Employment	0 9	18-39
5. Tourism	1011	404 5 464 8
6. Industries	10 11	49-52
7. Irrigation	13-23	
8. P.W.D. (B&R)	24	7778
9. Public Health	25-27	79-91
10. Medical and Health	2829	92 ~~94
11. Home	30	95
12. Development	3132	96-104
	33—34	105-111
4. Transport	3540	112 122
Part—II (Revenue Receipts)	I	
15. Excise and Taxation	41-57	125-150
6. Transport	58-61	123—150 1 51 —156
7. Revenue	62-70	157-171
	· · -	101 - L / L
8. Industries 9. P.W.D. (B&R)	7173	172-182

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1

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

- 1. Shri Hira Nand Arya MEMBERS
- 2. Shri Bhagi Ram
- 3. Dr. Brij Mohan Gupta
- 4. Rao Dharam Paul
- 5. Shri Durga Dutt Attri
- 6. Shri Mange Ram
- 7. Shri Rattan Lal Kataria
- 8. Shri Surinder Kumar Madan
- 9. Shri Ved Singh Malik

SECRETARIAT

- 1. Shri Sumit Kumar
- 2. Shri Ram Narain Yadvav

Secretary

Secretary to Speaker

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this twenty ninth Report on the Report of the Comptroller and Auditor General of India for the year 1984-85 (Civil and Revenue Receipts).

2. The Committee, during the period of their tenure, framed questionnaire on the Report of the Comptroller and Auditor General of India for the year 1985-86 (Civil and Revenue Receipts) and for the year 1986-87 (Civil and Revenue Receipts).

3. The previous Committee examined partly the Report of Comptroller and Auditor General of India for the year 1984-85 (Civil) 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.

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 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, Officers/ officials of Haryana Vidhan Sabha for the whole hearted co-operation and assistance given, by them to the Committee.

Chandigarh

HIRA NAND ARYA

the 7th March, 1990.

Chairman

REPORT

GENERAL

1. The present Public Accounts Committee was nominated by the Hon'ble Speaker vide Notification No. PAC-14/89/25 dated the 17th May, 1989.

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2. The Committee held 69 meetings in all at Chandigarh and other places up to 7-3-1990.

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PART I (CIVIL)

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AGRICULTURE

3.1. National project on Bio-gas development setting up of Bio-gas plants in Haryana.

[3] **3.1.1.** Introductory

A National Project on Bio-gas Development (NPBD) was taken up for implementation by the Government of India in November 1981 as a Centrally sponsored scheme during Sixth Plan Period (1980-85) in order to provide energy in a clean unpolluting form; make available enriched fertilizer as a by-product for supplementing and optimising the use of chemical fertilizers; reduce pressure on the dwindling fuelwood supplies entailing check on indiscriminate felling of trees and consequent deforestation and to bring improvement in rural sanitation. The programme was to be implemented in the State through Khadi and Village Industries Board and other corporate sector bodies identified by the State Government. For implementation of the programme, the project provided for 100 per cent Central assistance to the State Government for the under mentioned aspects/activities :

- (i) Central subsidy on fixed amount basis for various sizes of biogas plants to different categories of beneficiaries.
- (ii) Support at the rate of Rs. 200 per unit of biogas plant actually set up on turn-key basis by corporate bodies/recognised registered societies as fee.
- (iii) Incentives to village level functionaries at the rate of Rs. 30 per unit of biogas plant actually supervised.
- (1v) Grant-in-aid for organisational support as per trainers.
 - (v) Grant-in-aid for organisation of orientation courses and training of trainers.

In Haryana this scheme was implemented from the year 1982-83 partly by the Agriculture Department and partly through the State Khadi and Village Industries Board. Biogas plants are dome-shaped chamber made of bricks and cement with an outlet of pipe and the inputs required are cowdung and water. These 'plants are of various sizes (2 cum to 85 cum) but in Haryana the most popular sizes are of 4 cum and 6 cum. The 4 cum plant costing about Rs. 4,780 can serve a medium size family of 12 members and 6 cum plant costing about Rs. 5,420 is better suited to larger families. The plants are required to be installed and maintained by beneficiaries themselves and the Government provides trained masons, technical guidance, supervision, subsidy, etc.

For different categories of beneficiaries the amount of subsidy per plant varied from Rs. 1,550 to Rs. 3,220 (4 cum plant) and from Rs. 1,940 to Rs. 3,920 (6 cum plant). Subsidy was payable to bene-ficiaries according to size of the plant through the banks depending on whether plants were installed with or without bank loan and on completion of plants. Other incentives available under the scheme were (a) fee at the rate of Rs. 200 per plant to corporate bodies/registered societies, for setting up biogas plants on turnkey basis; (b) incentive at the rate of Rs. 30 per plant to village level functionaries for supervision of plant; and (c) training of masons, etc.

1.3: Audit findings

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(v) - Installation of surplus capacity plants -

(a) In 156 cases (Ambala : 94, Sirsa : 62) biogas plants of 6, cum capacity had been installed for the family members ranging bet-ween 4 and 11 whereas biogas plant of 4 cum capacity could have ser-ved the purpose. Installation of plants of higher capacity involved excess payment of subsidy of Rs 0.61 lakh. The department stated (March 1985) that it was for the farmers to select the size of the plant to meet his future fuel requirements and he generally, opted for bigger size. The plea of the department is not tenable, as the capacity of plant for future requirement. of fuel/gas was, to be determined by the departmental technical officers under the scheme. Besides, some of these beneficiaries did not have 10-12 animals to meet the requirement of cow dung for 6 cum plant.

(b) In Karnal district also, 6 cum capacity plants had been in-11,1 stalled in 1,116 cases without as certaining the number of family members. Again in 177, cases the beneficiaries did not have 10-12 animals required for 6 cum plant. In all these cases the plants of 4.cum or less capacity could have served the purpose and the sexcess payment of subsidy of Rs. 0.30 lakh could have been avoided.

In 'feply to the questionnaire of the committee, the department. stated as under :-1. 3

It is an estimate that there is a fuel saving to the tune of Rs. 59.2 million, per annum approximately (assuming 60% utilization of the installed, capacity, by way of installation of biogas plants (14048 units), upto, 1987, 88, Besides this, the biogas spent slurry adds to the fertility of the soil which indirectly helps in optimising, the use of chemical fertilizer 1.0 . + t

19 × 1 1 A part from this, the gas obtained from biogas plants is completely smoke-free which has improved the environmental conditions of the country-side and there is no doubt that the biogas production has certainly proved a boon to meet the energy requirements of the rural community. A cursory glance at the calculations made out in the attached

sheet would reveal the huge financial benefits accruing annually to the farmers owning biogas plants in the State Besides, this, the targets set for the State are being achieved which amply proves that the objectives of the programme have been achieved.

Pune conducted a survey of M/s Kırloskar Consultant Ltd the biogas plants installed in the State during 1984-85 at the behest of department of Non-Conventional Energy Sources, Govt. of India and had come out with the findings that the biogas plants were more popular amongst the affluent/literate/progressive farmers. While motivating the prospective beneficiaries, the extension staff suggested the correct size of biogas plants keeping in view the cattle in possession and family members as well But sometimes, his logics so advanced did not yield any effect on the beneficiary who insisted on the installation of higher capacity plant because, it added to his family status when compared to the neighbour. So, ignoring the advice of the motivator. he put forth his own arguments for the purchase of more cattle-heads to meet the additional dung demand of the plant in future or to arrange the same locally through purchase. He also indicated that his kitchen requirement of gas was much more, therefore, he went for the higher capacity plant. Above all, to get more enriched manure from the biogas plants, many farmers opted for higher capacity plants, too, even if their families were small Under the circumstances, it is incorrect to say that any excess payment of subsidy had been made to the beneficiaries of the said district

The Committee observe that in a large number of cases, biogas plants of six CUM had been installed for the family members ranging between 4 and 11 whereas biogas plants of 4 CUM could have served the purpose Installation of plants of higher capacity involved the excess pay-ment of subsidy of Rs. 0.61 lakh. The departmental representative stated in reply that the farmers had also to spend more money from his own pocket for installation of 6 CUM capacity plants. So he had to be given capacity plant. higher The Committee higher sbsidv for installing are not inclined to agree with this contention of the department and observe that in fact, there must have been a tendency of beneficiaries to get more and more subsidy for the installation of 6 CUM biogas plants-instead of 4 Cum biogas plants. The Committee further observe that about 500 biogas plants were dismantled and the department could not give the reasons for their dismantling. The Committee feel that there must be some malafide intention that these plants were dismantled.

The Committee, therefore, desire that reasons for dismantling $500^{\frac{1}{2}}$ biogas plants may be throughly investigated and a detailed report in this behalf furnished to the Committee within three months,

[4] (vii) Institutional finance

Under the scheme, subsidy of a certain amount was to be paid by the Government and the remaining amount of the capital cost of the plant was to be raised by the beneficiaries as loan from the banks for to meet it from their own resources. In the Sixth Plan, the amount of loan from banks was estimated three times of subsidy

7

The performance of banks in providing loans to beneficiaries is tabulated below:

	·				
		1982-83	1983-84	1984-85	Total
(i)	Total number of appli- cations for loan raised by the department	7,960	8,728	4,548	21,236
(11) S	Number of cases forwar- ded by the department to banks	5,208	6,957	3,616	15,781
(111)	Number of cases approved by banks	1,515	2,901	885.	5,301
(IV)	Number of persons who availed of the loan	781	1,923	662	″ 3 , 366
(v)	Amount of loan dis- bursed by banks (in lakhs of rupees)	27.77	67 72	22.55	1,18 04

It may be seen from the above that :

-out of 15,781 cases forwarded to banks for the grant of loan only 5,301 cases were approved thus representing 33.59 per cent;

- -against 5,301 cases approved by the banks, only 3,366 persons (63 50 per cent) availed of loan The remaining 1,935 persons did not take loan due, as noticed in audit, to lengthy procedure and delays involved in banks; and
- -the amount of loan disbursed (Rs. 1.18 crores) was negligible as compared to subsidy of Rs. 2.00 crores disbursed by the Government Reasons for the poor performance by the banks were not investigated by the Department.

(b) In Karnal district, against 3,339 applications sent to banks for sanction of loans during 1982-83 to 1984-85 (up to February 1985), banks had sanctioned loans to 1,387 applicants, whereas the actual disbursement of loans was made in 918 cases. While reasons for low percentage of sanction of loans were (i) defaults under some other loan schemes, (ii) lack of space for installation of plants and (iii) beneficiaries not having the requisite number of cattle heads, reasons for low disbursement was delay in processing the loan cases by banks and the department.

(c) In 14 cases (Karnal), the Additional Deputy Commissioner took more than three months to sponsor loan applications to the banks. Additional Deputy Commissioner, Karnal stated (December 1985) that slow movement of applications was due to indifferent attitude of the district offices concerned.

(d) In Sirsa, out of 406 cases sent to banks up to March 1985, the loan had been disbursed only in 119 cases.

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

1. Bio-gas loans are not very popular amongst the villagers and the bankers as well. Villagers piefer to go to the bank for more productive loans such as for tractors, implements and tubewells etc. The bankers, too sometimes adopt cool attitude towards the biogas loans and generally do not consider such loan applications sympathetically. These two factors clearly speak about the low percentage of sanctions of loan applications by the banks and also lowpercentageof disbursement of loans for biogas plants. Villagers first try to raise their own money for plants and when they fail, they go to the banks

2. This has been a countrywide phenomenon about the approach of the banking institutions towards the programme. For streamlining the things, Govt. of Iudia had suggested in the past for the constitution of a Task Force in each State with the NABARD representative as the convenor and the Nodal Deptt. as the member. This Task Force has been constituted in Haryana State under the chairmanship of Financial Commissioner & Secretary to Govt. Haryana, Agriculture Department. The peformance of the various banks participating in the programme is reviewed and the bottlenecks, if any, are removed. It is, hoped that in future years; by implementing the various decisions taken in the Task Force meetings, the share of the banking institutions for providing finance on installation of biogas plants would improve considerably.

A.D.Cs who are the district Nodal Officers under the programme have been advised vide lettler No 1317-28 AD (AE) /TA, dated 19-5-88 to take corrective measures for reducing the incidence of rejection of biogas loan applications by discussing this point regularly with the bankers in the monthly District Consultative Committee meetings It is to be ensured by them that the item of biogas plants installation finds a regular place on the agenda of above committee meetings.

3. The Department has found from the Additional Deputy Commissioner, Karnal that since targets as for his district were achieved and 572 & 350 applications pertaining to 1982-83 and 1983-84 respectively were still pending with the banks awaiting the disposal, therefore, he forwarded the pointed out 14 cases to the banks in the month of July. It has, further, been found that his office had been sponsoring cases within 3-4 days if there was no discrepancy in the loan application.

Under the scheme, subsidy of certain amount was to be paid by , the Government and the remaining amount of the capital cost of the plant was to be raised by the beneficiaries as loan from the banks or to meet it out from their own resourcest.

The Committee observe that out of a large number of cases forwarded to banks for the grant of loan, only a few cases say 33.34% were approved. The Committee further note that a number of persons did not take loan due to lengthy procedure and delays involved in the bankst. In all these cases, the department also did not investigate the reasons for the poor performance by the banks. The Committee feel that the banks are not cooperating with the department as well as with the people in the matter of disbursem1nt of loans. The departmental representative by saying that it is a country-wide phenomenon has admitted this factt. The department could also not give any satisfactory reply as to why the banks were reluctant to cooperate with the peoplet. The purpose of the scheme of institutional finance is defeated it if the beneficiary does not get the loan component.

In the circumstances, the Committee strongly recommend that the department should streamline the procedure so that there is no delay in the scrutiny of applications and also the banks cooperate both with the department and the beneficiaries in expenditing loan application cases.

[5] 3.4 Excessive purchase of pesticide.

To check pests, insects and termites on agricultural crops, 49,783 litres of pesticides valuing Rs. 19.13 lakhs was purchased by the Department in March 1982. The purchase was not based on actual/ immediate requirement but was intended to be only a buffer stock. Up to March 1984 a quantity of 2,089 litres (Rs. 0.77 lakh) leaked out due to long storage period, corrosive effect of chemicals in tin containers etc., and only 16,853 litres were sold to farmers whereafter its validity 'period expired: The balance un-usable quantity of 30,841 litres (Rs. 11.40 lakhs) was got reformulated in January 1985 at a cost of Rs. 4.35 lakhs of which only 17,841 litres could be sold up to 'June 1985. The stock position of the remaining 13,000 litres was not known (February' 1986).

Department stated (July 1985) that extra expenditure of Rs. 4.35 lakhs incurred on reformulation was being made good from farmers by increasing sale price of the pesticide from Rs. 41 48 to Rs. 57.05 per litre.

Financial rules prohibit purchases in excess of immediate requirements. The pesticide was not a scarce commodity to rush through for bulk purchase and had only as much quantity been purchased as was required for immediate use, not only the leakage been avoided or minimised but the burden of extra expenditure incurred on reformulation also not been thrown on farmers.

The matter was reported to the Government in June 1985; reply was awaited (February 1986).

In their written reply the department stated as under :----

For the control of Sugarcane shoot borer and termites in sugarcane and other crops, the purchase of 49783 litres Lindane 20 EC (Gama BHC 20%) was made as per the requirement of field offices based on the forecast of area to be sown. Lindane is also a substitute of Aldrin 30 EC, therefore, the requirement of Aldrin was also included in the purchase of Lindane 20 EC as the Aldrin was not available on the rate contract. This pesticide is used at the time of sowing and in the standing crops as well @6.25 litres per hectare. Thus, the procured pesticide was sufficient to cover only an area of 7,965 hectares of sugarcane against the total sown area of 1.47 lakh hectares during 1982-83. Thus it is evident that the pesticide purchased was not for buffer stock but was based on estimated minimum requirement. However, since the product was not well known in our state then, though it was very effective, the entire quantity could not be utilized before the expiry date.

After reformulation of expired stock of 30,000 litres, a quantity of 30,841 litres was received. The excess 841 litres was due to mixing of other chemicals and thereby expenditure to the tune of Rs. 47,000/was thus recouped from this extra quantity received. To cover the balance of expenditure made on reformulation, the rates were propotionately raised (they were still Rs. 5-7 per litre below the then prevailing market rates). 5240 litres of the material is now left unsold, the rest having been sold. This unsold pesticides is again being reformulated without any additional expenditure and it would be sold during the current year. There is no loss likely to be incurred as shown below:

Total Expenditure

	•	Rs. in lakhs	Quanti	tyv		
(1)	Purchase	19.13	49783	Litres		
(2)	On reformulation	4 35	5 841	Litres	Quantity received excess by mixing other chemicals.	in of
	Total :	23.48	50624	Litres	• •	

(B) Quantity Sold

۰		Quantity	Rate (Rs. per Lit.)	Total amount
(1)	Sale before expiry date.	17694 litres	41.48	7,33,947
(2)	Sale after reforma-	(i) 10621 One Lit.	P Kg. 57.05	6 ,05,92 8
	lation.	(11) 14924 Five Lit.	P Kg. 53.05	7,91,718
(3)	To be sold after remaining quantity is reformulated	(i) 3800 One Lit. (ii) 1440 Five Lit.	P Kg. 57.05 P Kg. 53.05	2,16,790 76,392
	without cost.	48479		24.24 (Lacs)
(C)	Quantity leaked			
(1)	Quantity leaked before expiry date.	2089 litres		
(2)	Quantity leaked	56 litres		
	after reformulation G. Total :	50624 litres as j	per (A) above	

As mentioned above, the pesticides was purchased judiciously but due to circumstances beyond the control of the Department as explained above, the extra quantity could not be sold before expiry date. Therefore, fixing of responsibility is not called for.

The Committee note that although financial rules prohibit purchase in excess of minimum requirements, the department purchased a quite huge quantity of pesticides valuing Rs. 19.13 lakhs. The purchase was also not based on actual minimum requirements but was intended to be only a buffer stock. Further out of the quantity purchased, a quantity valuing Rs. 0.77 lakh leaked due to leaked storage and some quantity could be sold to farmers and the balance quantity of 30841 litres valuing Rs. 11.40 lakhs was got reformulated. The committee feel that the pesticide was not a scarce commodity to rush through for bulk purchase and had only such quantity been purchased as was required for minimum use. The Committee further observe that not only the leakage would have been avoided or minimised but also the burden of extra expenditure incurred on reformulation would also have not been thrown on farmers. During oral evidence, the departmental representatives assured the Committee that loss on account of shortages/leakage etc. were also being investigated separately and responsibility would be fixed soon against the defaulting officers/officials including the responsibility for excessive purchase, if any.

The Committee desire that the whole matter be gone through expeditiously and responsibility fixed in the matter and a compliance report sent to the Committee within six months.

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EDUCATION

[6] 3.7. Universal Elementary Education in the age group of 6-14 and . Adult Education age group 15-35

3.7.1. Introductory

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a) Article 45 of the Constitution of India envisages free and compulsory education for all children in the age group of 6—14 years. Despite expansion in the provision of elementary education the target has yet to be achieved. The programme of Universal Elementary Education was launched with the object of achieving complete coverage of all children in the age-group of 6—14 years by 1990. The Adult Education Programme was, however, launched as a mass compaign from 2nd October 1978 to cover the entire adult population in the age-group of 15—35 years by 1990.

* _ * * * * * * *

Budget provision and expenditure

Against the Budget provision of Rs. 1,99.09 crores (Elementary Education : Rs. 1,93.54 crores. Adult Education : Rs. 5.55 crores) during 1979-80 to 1984-85 for the execution of the programmes, an expenditure of Rs. 2,11.86 crores (Elementary Education : Rs. 2,07.06 crores, Adult Education : Rs. 4.80 crores) had been incurred. Against Central assistance of Rs. 3.41 crores, the expenditure was Rs. 3.10 crores

Elementary education

(i) Formal Education

Primary/middle schools were not set up within 1 KM/3 KM from homes of beneficiaries.

Despite incentive schemes, drop outs persisted and ranged from 32 per cent to 48 per cent. Reasons were not investigated.

In three districts, there was wasteful expenditure of Rs. 40.08 lakhs on deployment of teachers in excess of norms.

Construction/acquisition of school buildings/additional class rooms, remained neglected. Rupees 1,87.82 lakhs out of plan allocation of Rs. 2,45 lakhs had not been utilised.

Out of 188 schools upgraded in three districts only 18 middle schools conformed to norms.

In three districts, attendance scholarships (Rs. 16.08 lakhs) from

1981-82 to 1984-85 were not paid for want of funds and Rs. 6 93 lakhs overpaid for full month of vacation.

Non-formal education

Scheme for middle level education was apandoned after 1979-80, without investigating reasons for poor response, though 5.50 lakh intended beneficiaries were available in the State.

No survey was conducted to ascertain either the exact number of beneficiaries or utility areas, for setting up centres. Year-wise targets were, not fixed and achievement of 1.03 lakhs against targeted 10.07 lakhs was very low. Drop out was high ranging from 29 to 34 per cent.

Adult education

Data regarding eligible illiterates (including members of Scheduled Castes, migrants/agricultural labour etc.) were neither available with Government nor was any survey conducted before/after implementation of the programme.

Achievement of 3.12 lakhs against 18.87 lakhs (estimated population) was very poor considering the goal of 100 per cent coverage by 1990.

An expenditure of Rs. 1,80.22 lakhs incurred on implementation of the scheme in districts having literacy above national level of 36.17 per cent was avoidable and could have been diverted for districts where literacy was below the national level.

There was an excess expenditure of Rs: 14.52 lakhs due to uneconomic running of centres.

Excess expenditure Rs. 14.48 lakhs was incurred in Jind on running of 29 centres by regular staff (instead of part-time staff) and on two excess posts of peons in district office.

Under Shramik Vidya Peeth, no survey was conducted to ascertain educational needs of beneficiaries nor were targets fixed. Low achievement was attributed to indifference of small industrial units to spare workers for training.

General

Books; Stationery and Uniforms were generally supplied late and in less quantity than the prescribed norms. Schemewise stock registers were not maintained (AE and NFE). Items like sewing/knitting machines were shown issued like consumable material and physical verification was never conducted.

Boards set up to aid and assist the Government in implementation of the programme did not meet as per norms.

Programmes were neither monitored nor evaluated.

The above matter was reported to Government in August 1985; reply was awaited (February 1986).

The Committee observe that the programme of Universal Elementary Education and Adult Education was not implemented in effective manner. In the area of formal education, primary and middle schools were not set up within easy access of beneficiaries. Despite incentive schemes, the department could not check the trend of drop outs and wasteful expenditure on deployment of teachers. The Committee also note that construction of school buildings also remained neglected. The Committee further observe middle level education which fell under the scheme for that the scope of Non-formal education was abandoned without investigating reasons for poor response, although nearly six lakhs intended beneficiaries were available in the State. The Committee further note that no survey was conducted to ascertain the exact number of beneficiaries or utility areas for setting up of non-formal education centres. The Committee also note that implementation of the programme of adult education was also not up to the mark, as no survey was conducted either before or after implementation of the programme. So much so, even there was quite high expenditure due to uneconomic ranning of adult education centres. The Committee further observe that the department could avoid incurring expenditure on implementation of the adult education scheme in districts having literacy above national level at 36 17 per cent and instead, should have diverted such expenditure to distrcits, where literacy was below the national level.

The Committee feel that the programme of Universal Elementary Education and Adult Education being an on going scheme is a big milestone in eredicating illiteracy in our country. The Committee, therefore, strongly recommend that Government should make concerted efforts to remove short comings/deficiencies, as pointed out above, in implementing this programme in the spirit in which it was launched so as to cover the maximum eligible population within the ambit of the programme.

[7] 3.8. Idle investment on purchase of equipment

A purchase order for a scientific equipment with accessories i.e., Autosorb Micro processor Controlled Automatic Gravimetric System for the determination of Absorption of Isotherms (Cost : US \$72,000-Rs 6.22 lakhs; freight and insurance . U.S. \$1,700-Rs. 0.15 lakhs) was placed by Maharishi Dayanand University, Rohtak on a Swiss supplier in February 1982. The order stipulated, *intef-alia*, (a) payment through an irrecoverable letter of credit, (b) cash discount of Rs. 0.36 lakh, (c) delivery within eight months and (d) installation of the equipment by the supplier's Indian agent, free of charges, within thirty days of its delivery.

Irrecoverable letter of credit for full amount of Rs. 6 37 lakhs was opened (February 1982) by the University in a bank at Rohtak at the time of placement of order without deducting therefrom cash discount of Rs. 0.36 lakh.

Due to paucity of funds and non-availability of accommodation the University decided (November 1982) not to purchase the equipment and, as such, asked the supplier as well as his Indian agent to cancel the order; the supplier, however, did not agree stating that the goods had already been manufactured. The equipment was received (December 1982) and certain parts were found defective at the time of installation which were replaced (March 1984) by the supplier, free of cost. Meanwhile, further payments of Rs. 0.93 lakh (March 1983) and Rs. 0.07 lakh (October 1983) were made to the supplier on account of revision of exchange rate of dollar but this time also cash discount of Rs. 0.36 lakh was not adjusted.

As per the tender, the equipment was guaranteed for 12 months against manufacturing defects. Tender/purchase order did not specify whether this period of 12 months was to be counted from the date of supply or from the date of installation.

University stated (April 1985) that equipment had not been installed so far due to lack of appropriate accommodation and that the recovery of discount would be followed up only after the equipment was installed. Thus, lack of planning has resulted in idle investment of Rs. 7.37 lakhs by not installing the equipment purchased in February 1982,

Further developments were awaited (February 1986).

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

- "The Non-installation of Autosorb was a result of a varity of circumstances over which department had no control. The instrument was ordered in February, 1982, but the University authorities tried to cancel the order in November, 1982. But the firm sent the insrtument in December, 1982. The instrument received was defective and could not be installed by the Indian and Swiss Engineers who came in March, 1983. The Engineer insisted that a room on the ground floor (Airconditioned) should be provided, although the Indian firm's Engineer had approved the room originally allotted for the purpose, before placement of order. Although there was some delay in site preparation as per revised specification, yet the Autosorb would not have been installed due to some missing parts. Later on when such a room was ready, the firm did not respond to our repeated requests for installation. The department has already requested the University to take legal action.
- The instrument has not yet been installed. The discount of Rs. 0.36 lakhs has not yet been adjusted. The department has suggested legal action in this regard.

The warranty period was to commence from the date of installation.

The Committee observe that pre-conditions were not fulfilled due to lack of planning and the University did not provide accommodation according to specification to instal, the equipment which resulted in idle investment. The Committee fail to appreciate the plea of the departmental representative putforth during oral evidence that the department could simply write to University and could not intervene in the affairs of the University that being an automomous body. The Committee feels that the department concerned to verify that the Government funds released as grant-in-aid was properly utilised by the recipient bodies.

The Committee strongly recommend that action be initiated against persons who were responsible for the lapse of not making adjustment of amount of discount while making final payment to the firm and compliance reported to the Committee within six months.

The Committee further desire that the final outcome of the legal action stated to have been taken by the University be also intimated to the Committee.

The Committee further recommend that the department should be vigilant to watch the proper utilisation of grants-in-aid by the recipient bodies and timely for that purpose evolve such measures/steps as would disuade the grantee institutions to swindle away with Government funds on unintended objects.

FOREST -

[8] 3.9. Afforestation, Social forestry (including Rural fuel wood plantation) and farm forestry

3.9.1. Introductory

Forests maintain ecological balance, reduce soil erosion, supply raw materials to wood based industries and generate employment. Due to rapid growth of population, there had been gradual denudation of forests resulting in deficiencies and shortages creating distortion in community life and the environment. The National Forest Policy formulated in 1952 has recommended that at least one third of the land should be under Forests.

The State has a total geographical area of 44,212 square kilometres of which only 1,522 square kilometres (3.44 per cent) was under forests in 1973-74 and 1,626 square kilometres (3.68 per cent) in 1979-80 Compared with the national goal of 1/3rd of the total area to be covered under forests in Haryana, the coverage was negligible.

3.9.3. Re-afforestation of degraded forests including Civil Forests

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The scheme aimed at developing the degraded forests in Shivalik Hills in Ambala district into plantation by artificial regeneration and thereby to improve the stocking and composition of future crop.

Out of an area of 990 hectares afforested to end of March 1985 at an expenditure of Rs. 22.48 lakhs under this scheme, 600 hectares and Rs. 6.67 lakhs were transferred (March 1985) to the Centrally sponsored scheme "Operation Soil Watch" under direction of Conservator of forests with a view to divert funds for acquisition of land. However, the land had not been acquired so far (February 1986)

Plantation

(i) Though main object of the scheme was to develop degraded forests into good plantation and restock the area with economically important species like 'Khair'. Specific areas under degraded forests in Ambala district were not identified so far (Febrlary 1986). As such, the targets were made on ad-hoc basis.

(ii) Survival of plants in the area of Kalesar and Kalsia ranges was considerably low and the failure of plants ranged from 15 to 40 per cent in the first year of plantation, 25 to 70 per cent in the following year and 30 to 100 per cent in the second following year. Failure of plants in Arrainwala and RIJ Kalesar forests during the months of July 1981 and August 1982 was 100 and 95 per cent, respectively, necessitating re-plantation. Reasons for such appreciably low survival are awaited (February 1986).

(111) This scheme was implemented in Ambala district only which falls in the North Circle of the Department. Forest divisions of South and West Circles were not associated with the implementation of this scheme but during 1982-83 and 1983-84 Rs. 2.65 lakhs (salary of staff) were debited to this scheme. The Circle did not explain as to how this expenditure has been booked under this scheme.

(1v) Expenditure of Rs. 1.19 lakhs (Rs. 0.21 lakh on advance earthwork during 1982-83 under this scheme on 28.15 hectares and Rs. 0.98 lakh under other schemes) proved fruitless as no plantation work was done up to 1984-85 on the areas where advance earthwork had been done by Ambàla, Morni; Pinjore; Kurukshetra and Gurgaon divisions. Reasons for not taking up the plantation are awaited (February 1986).

(v) Similarly, out of advance earthwork done during January to March 1983 for carrying out of plantation works in 1.88 lakh pits and 56.5 hectares of area of Kalesar range of Ambala Territorial Division, work on 1.57 lakh pits and 52 hectares area had to be done again during July to August 1983 at the plantation stage involving additional expenditure of Rs. 0.38 lakh.

(vi) Against 1,15,500 plants actually planted during 1980-81 to 1983-84, expenditure on maintenance of 4,02,850 plants was shown to have been incurred during the said period in Khilanwala forests areas of Ambala Territorial Division, the reasons for which have not been advanced by the department. Expenditure incurred on maintenance of excess; number of plants (2,87,350) was Rs. 0.37 lakh.

3:9.4. (a) Social forestry project (World Bank Aided)

The objectives of the project were to increase supplies of fuel wood, small timber and fodder, etc., through establishment of 67,000 hectares of plantation, creation of seasonal employment of 170 lakh mandays and 1;420 permanent jobs over five years.

The estimated cost of the project (1982-83: to 1986-87) was Rs. 33,31.00 lakhs, share of World Bank was Rs. 18,27 lakhs and of Haryana Rs. 15,04 lakhs. Up to March 1985, the World Bank had reimbursed Rs. 4,05.30 lakhs (through the Government of India) against the total claim of Rs. 7,60.02 lakhs. Against the budget provision of Rs. 12,02.85 lakhs the actual expenditure was Rs. 11,43.06 lakhs to the end of March 1985.

(b) Plantation

The position of physical targets and achievements of plantation was as under :—

Component		198	82-83	1983-	-84	198	34-85
		Targets	Achieve- ments		Achieve- ments	Targets	Achieve- ments
1.	Strip	· ·	, - '	· (I	n hectares))	. ,
1.	plantation	900	- 1,500	1,500	1,500	1,900	1,902
2.	Farm Forestry	1,600	2,435	4,000	4,000	≆ 7,000	6,568
3 .	Village woodlots	1,000	1,000	1,600	1,600	2,400	2,432
4.	Sand Dun Stablizer	e 1,000	433	1,800	1,804	3,200	, 3,204
5.	Alkali lands	100		_ 100	[•] 100	100	150
	Total	4,600	5,368	9,000	9, 004	14,600	14,256

The position regarding survival of plants under this scheme is not available with the department.

- (i) Out of the plantation on 5,368 hectares achieved during 1982-83, 3,407 hectares under the State Plan schemes (including 860 hectares covered before the commencement of the World Bank Project) was transferred to this project under orders of the Chief Conservator of Forests. The work transferred from State Plan schemes was also subtandard as reported (February 1983) by the Additional Chief Conservator of Forests (Social Forestry) to Chief Conservator of Forests while submitting revised schedule of new expenditure for 1982-83. No action was taken by the Chief Conservator of Forests against the officials responsible for substandard work.
- (ii) Divisional Forest Officer Monitoring and Evaluation Unit in his study report to Additional Chief Conservator of Forests sent in September 1983, June-July 1984 pointed out that in 5 cases (Fatehabad : 3, Gurgaon and Rewari : 1 each) area actually planted was less by 64.10 hectares than that shown in the records, resulting in less number of plants actually planted by 3,598 than that claimed to have been planted by the Division.
- (iii) In Ambala a target of 50 hectares was communicated late in December 1982 by the Conservator of Forests under 'Alkali

land' for 1982-83. No work could be executed, as the plantation on Alkali land could not be done as it required prior soaking, rainfalls, arrangements for gypsum, farm yard manure, augres, digging and refilling of pits.

(c) Nurseries

(1) The project report contemplated establishment of one permanent nursery in each of the 92 administrative blocks to provide planting stock. Not a single permanent nursery had been established (March 1985).

(ii) The germination of seeds sown and the survival rate of seedling was low in 9 temporary nurseries of SF division, Ambala necessitating substantial resowing and repricking ranging between 30 and 92 per cent.

The department attributed the low rate of survival to (a) salinity of water or soil, (b) untimely repricking and (c) un-necessary pricking of polythene bags during the month. There was, however, nothing on record to substantiate the departmental version.

(11) Against the requirement of about 22 lakh plants for achieving the target of 1,208 hectares for 1984-85, the actual stock of plants available in various nurseries under the control of Rohtak Social Forestry Division, was 12.5 lakhs (57 per cent). This included 0.74 lakh plants (0.65 Eucalyptus and 0.09 Kikar plants which were not fit for plantation due to their coiled roots and stunted growth as a result of allowing the plants to remain for more than one year in small ploythene bags. The loss on this account amounted to Rs. 0.37 lakh. Reasons for not raising the plantation matching the requirement, and making good the shortfalls were awaited (February 1986). No accounts showing seedling raised, utilised and balance were maintained.

(d) Plantation under village woodlots

(i) No record had been maintained in plantion journals or separately to indicate the number of plantation of each specie by Social Forestry Divisions, Ambala and Rewari. In its absence the actual composition of plantation and deviation from the prescribed percentages (fuel wood/poles : 31 per cent; timber/fuel wood : 68 per cent; and fruit : 1 per cent) could not be verified in audit. However, from the records made available by the DFO, Ambala it transpired that 93 per cent of the plantation were of Eucalyptus. Reasons for too much emphasis on Eucalyptus, which was uneconomical as fuel wood were awaited (February 1986).

(ii) In 97 cases (Ambala : 62 and Rewari : 35), the area covered for plantation per village panchayat for establishment of village woodlot was less (ranging from 0.25 to 4.8 hectares) than the norm of five hectares prescribed under the scheme. The Divisional Forest Officers stated (February and May 1985) that panchayats which had given area less than 5 hectares would be approached to give more areas for covering the minimum area prescribed. (iii) In Rewari, the norm of minimum area of 15 hectares for sand dunes stabilization was not adhered to in 44 out of 132 villages. DFO concerned stated (May 1985) that the panchayats in that area were not having much land with them as it was necessary to leave some land for grazing of cattle. The reply is not tenable as grazing of cattle in sand dunes is neither possible nor practicable.

(iv) In all 1,650 plants per hectare for village woodlots were prescribed. In 24 cases (Ambala 198, Réwari : 113) the number of plantation was, however, less by 224 per cent to 78 per cent. all the number of plantatic is the for the part of the content of the cent.

(v) Survival rate of plantation on village woodlots, farm forestry, strip plantation and dune stabilization was 0 to 66 perfection in 19 cases. Investigation made by the Monitoring and Evaluation Unit revealed that reasons for low percentage of survival included (i) late plantation, (ii) cattle grazing, (iii) neglect of duty by departmental staff, (iv) protective measures ignored, (v) site clearance ignored, (vi) poor earth work/maintenance and negligible performance of cultural operations and (vii) exhibition of fictitious achievements by the division. No responsibility was fixed.

(vi) In Jagadhari and Ambala ranges of Social Forestry Division, Ambala plantation failure was ranging between 40 and 100 per cent in 15 cases. In Rewari division where the plantation failure was 18 to 87 per cent in 68 cases, DFO attributed (May 1985) the failure to scanty rain fall, drought and frost.

(vii) Out of 15.07 'lakh seedlings distributed 'during' 1982-83 by Ambala division, only 3.37 lakh seedlings (22 per cent) were given to small farmers as against the prescribed 50 per cent. DFO stated (February 1985) that small farmers were conservative in their outlook and distribution of seedlings to big farmers resulted in better success of the programme. The plea of the department was in conflict with the spirit of the programme.

(viii) In Rewari and Narnaul ranges, the land holding of the farmers to whom seedlings were supplied was not on record. Reasons for not indicating the land holding in the office records and percentage of distribution of seedlings amongst small and big farmers fine each year were awaited (February 1986) and big farmers fine each

(e) Publicity

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Against the provision of Rs. 22:00 lakhs for publicity, the actual expenditure to the end of February 1985 was Rs: 1.957 lakhs which falso included Rs. 1 lakh as cost of calendars and a film which did for propagate social forestry. No Divisional Publicity Officer had been appointed in any division.

(f) Non-involvement of rural women

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In Haryana the rural women collected fuel wood and fodder from woodlots but they were not associated in choice of species for plantation, location of woodlots, protection and maintenance of plant although the scheme was primarily intended for their benefit.

f(g) Training

For training by the Social Forestry Wing in the techniques of raising and maintaining of nurseries and plantation, as envisaged in the programme, no villagers were sponsored till February 1985 by any village panchayat under the Ambala division. DFO stated (February 1985) that the training had not been arranged due to mon provision of funds.

(h) Wood balance study

No wood balance study had been conducted (April 1985), although Rs. 10 lakhs had been provided by the World Bank for the purpose. The department stated (November 1985) that outlines of study have been approved by the State Government and the study was expected to be completed in a period of 18 months.

(i) Fellowship

No fellowship had been granted, although Rs. 2.50 lakhs had been provided by the World Bank for the purpose. The department stated (November 1985) that Agricultural University, Hisar and Central Soil Salinity Research Institute, Karnal have been asked to sponsor candidates for availing fellowhship.

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(1) Monitoring and evaluation

Performance of the Monitoring and Evaluation Unit was limited to conducting survey in some of the fields of execution and submitting tour notes to the Social Forestry Wing indicating the position of low survival of plants and unsatisfactory conditions of nurseries. There was no feed back available to the department to assess the success and impact of the programme, as envisaged under the scheme.

(m) Employment generation

The project contemplated seasonal employment of 170 lakh mandays and creation of 1,420 permanent jobs over a period of 5 years. The actual employment generated up to March 1985 was 38.22 lakh mandays which was far short of the proportionate target of the 90.67 lakh mandays for the period August 1982 to March 1985 or 72.74 lakhs on the basis of area planted. Reasons for short fall together with the information regarding permanent jobs created so far were awaited (February 1986).

3.9.5. (a) Social forestry including rural fuel wood plantation

In order to cover the deficit between demand and supply of fuel wood in the country, the Central Government sponsored scheme of Rural Fuel Wood Plantations (RFP). The scheme contemplated raising fuel wood plantation in the community waste land, degraded forest areas, coasted waste lands and along the sides of roads, canals, ponds and railway tracts. Seedlings are distributed to the Public free of cost to enable them to plant trees in their private lands. The scheme is eligible for central financial assistance in the form of grant to the extent of 50 per cent of the cost. Initially the scheme was implemented in Karnal, Mohindergarh, Kurukshetra and Gurgaon district.

- (i) Against the budget provision of Rs. 3,11.15 lakhs, the expenditure was Rs. 4,23.57 lakhs up to the end of 1984-85. Rupees 1.80 lakhs and Rs. 1,32.96 lakhs were spent during 1980-81 and 1981-82, respectively without any budget provision due to late receipt of sanction of the scheme from Central Government (December 1980). Provision of Rs. 1,02.11 lakhs was made through reappropriation in March 1982. There was also a saying of Rs. 1.05 lakhs and Rs. 23.82 lakhs during 1982-83 and 1983-84, respectively. Reasons for excess expenditure of Rs. 30.85 lakhs during 1981-82 and saving during 1982-83 and 1983-84 were not on record.
- (ii) Against Central assistance of Rs. 2,01.12 lakhs received during 1980-81 to 1984-85, the amount admissible was Rs. 1,58.43 lakhs, resulting in excess receipt of Rs. 42.69 lakhs.
- (iii) In Gurgaon plantation/maintenance activities were carried out on private land declared closed under the provisions of the land protection Act/India Forest Act at an irregular expenditure of Rs. 0.92 lakh from the scheme without any provision and in contravention of the Haryana Forest Board's instructions.

(b) / Plantation

Against the target of raising of 267.50 lakh seedlings for supply to farmers/children, 215.50 lakh seedlings had been raised to the end of 1984-85. Similarly, against the target of 0.12 lakh hectares for plantation work, the achievement was 0.10 lakh hectares as tabulated below :

Year			Raising of	seedlings	Plantation	work	
		•	, ı	Targeted ,	Achieved	Targeted	Actually carried
÷.'	_ + <i>\$</i>	· · `,`		(Number in	n lakhs)	(In hectar	out es)
1980-81				40.00	· · ·	1,600	. —
1981-82	-			40.00	28.00	2,613	2,826
1982-83	<i>,</i>	τ,	л 1) ,	62.50	62.50	, 2, 500	2,500
. 1983-8 4	۰. ۱,		, 1	62.50	62.50	2,500	2,500
1984-85	, r	-		62.50	62.50	2,500	2,500
	Total		. –	2,67.50	2,15.50	11,713	10,326
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(i) Record about the distribution/disposal of 215.50 lakh seedlings was not maintained by the Department. Consequently, the number of seedlings lying undistributed and loss on that account could not be assessed.

(ii) During 1982-83 to 1983-84, although the targets had been shown as fully achieved, the accuracy of reported achievements could not be verified, as the necessary journals had not been maintained and in the plantation registers area covered was not indicated.

(iii) The department reported employment generation of 156 lakh mandays during 1980-81 to 1984-85 combined for all Central/State schemes. No record was maintained from which the actual employment generated under each scheme and accuracy of the reported figures could be testchecked.

(iv) No record was maintained in the divisions to show number of plantations, speciewise, on Government/Panchayat land, the number of seedlings supplied to the farmers, vis-a-vis, school children. It could not, therefore, be known whether the plants supplied or planted were fast growing, useful as fuel, and at least 20 per cent fruit bearing.

(v) Department was not aware of the survival percentage of plantations as no survey was conducted.

(c) Nurseries

(1) No record had been maintained to indicate the extent of seeds collected from the pre-selected 'Plus' trees. There was also no consolidated registers to indicate the source of receipt/collection/purchase of seeds from various sources for sowing in the nurseries It could not, therefore, be verified in audit whether quality seeds were used and what was the percentage of seeds of 'Plus' trees therein.

(ii) In three nurseries of Nuh range of Gurgaon Division 9.81 lakh seedlings raised during 1981-82 to 1983-84 (value : Rs. 4.90 lakhs) remained unutilised (March 1985). These seedlings were rendered waste as they were not planted in time; the reasons for raising excessive seedlings were not on record.

In reply to the questionnaire of the committee the department stated as under :-----

The national forest policy, 1952 and 1988 envisages that 1/3rd of the total area of the country should be brought under forest cover, but this area can not be uniform throughout the country. The National Forest Policy 1952 envisages that in plain areas it should be 20% and in hilly areas it should be 60%. Haryana being primarily an agriculture State, more than 82% of the area is under agriculture and there are very few pockets of natural forests in the Siwalik and Aravali Hills.

When Haryana was consitiuted in 1966, percentage of Forest area

to' the' geographical area was 2:8, and now notified forest) area is 3:8% and over all forest area in the State has increased to 7.7% due to concentrated efforts by the department in fores, try sector, Centrally Sponsored Schemes and Special Projects for the Social Forestry Programmes. It is not possible to divert more land from Agriculture exclusively for the Forestry. The technique of mixing up Forest and Agriculture has been adopted since early sixtees. The efforts are being continued, and some addition to Forest area has been possible.

It is clarified that in Haryana it will' never be? possible' to 'achieve the' National goal because acquisition of land is not possible in present political set up. However, we' have prepared several forestry projects like Ind phase of social forestry projects (worth Rs. 74.50 crores) covering an area of 55000 Heet, Aravali Project worth Rs. 42 crores covering an area of 34000 Heets., Kandi' Project covering an area of 25000 Heet. costing Rs. 25 crores in agriculture sector. An other project covering an area of 40000 ha. of Salt affected Soils (Alkali and Saline) is under preparation! If these projects are implemented another increase of about 3.3% in the forest area would be achieved. In addition some area would be covered under Normal Schemes of the department and by the end of 8th Plan, the department expects a total coverage of about 12% Geographical area under Forests. Thus it is very clear that State Government is taking concrete steps towards the aims of the National Forest Policy to bring about 20% of the Geographical area under Forests' as the State is largely a plain.

The land for which the funds were diverted has been acquired at Bir Tapu. 365.64 acres area, was acquired, the award of which was announced, on 21-1-1985. The transfer of funds was from Reafforestation of Degraded Forests to Survey Demarcation and not to Operation Soil Watch. The amount transferred from Reafforestation of Degraded Forests Scheme to Survey Demarcation was Rs. 10.47 lakhs and not Rs: 6.67 lakhs. Total expenditure on this acquisition was Rs: 12.71 lakhs. The balance of the cost of land was met out of the existing provision of funds under scheme survey and demarcation.

Specific areas in Ambala Distt. have been identified as degraded forests on the basis of stocking, that is number of trees of economic importance per hectare. Only that portion situated in Kalesar valley which has optimum number of sal trees per ha. qualifies to remain outside the area of operation of this scheme. Specific revenue estatewise areas are identified in the Annual Planting Programme every year before commencement of planting.

Replacement of seedlings in plantation for two successive years is @20% and 10% respectively. It is normally done to take care of failures. Careful analysis of cash book has shown that in RIJ Kalesar and Arrainwala failures had not been

95% and 100% in August 1982 and July 1981 respectively as pointed out by Audit. The details of planting done and vouchers vide which targets, achieved these have been to August, 1982 charged shows that from June, 1982 been done in newly no replacements have planted areas. It seems that in these vouchers reopening of pits was charged which might have misled the audit party to the conclusion that these plants have been replaced. Only 3300 plants were replaced in Ambwali C-22, where a target of 48 ha. was achieved, that too in month of October, 1982. Similarly in Arrainwala failures had not been 100% in July 1981 though these have been more than 20%. These, failures to a higher extent are because of the very low rainfall during 1981 and 1982 which was 1020m (61%) and 735m (44%) respectively compared to the Annual average rainfall of 1663m (100%) during the decade 1976-1985.

- Every scheme has designated staff as per B.M. Form No. 10 which is endorsed alongwith the scheme. Consequent to transfer of such persons borne on B.M. No. 10 of this scheme to other divisions the expenditure on their salary had to be charged to the same scheme irrespective of their place of posting as the posts are equivalent. The other staff who came in their place had been charged in the scheme to which they were designated. As a matter of fact the staff sanctioned under various schemes is pooled together and distributed to the various Forest Divisions in accordance with the necessities of each. It is not always possible to deplay staff sanctioned under one scheme only to the area of operation of that scheme. Efforts are however made to stick to this principle but on account of administrative and other exigencies the staff is posted outside the area of the operation of particular scheme and the staff posted in this area may be charged to some other scheme. The allocation of the staff to the various schemes is done every year by the Direction Office and it is not possible to go on changing the allocation every time whenever the staff is transferred to the area of operation of some other scheme. The expenditure is booked through ICT/IDT.
- Advance earthwork done in Kalesar, Kalsia and Jagadhri Range the Division had been fully planted in of Ambala of the which The whole area in Monsoom Season. planted and was no advance earthwork was done area was left unplanted. However, while booking the expenditure on plantation in Arrainwala C-5 and 6 where 50 ha. advance earthwork was carried out under the scheme Opera-tion Soil Watch. Expenditure on planting had been charged under R.D.F. Scheme in its place 25 ha. area in RIJ Kalesar C-8 and C-21 and 25 ha. in Bagpat C-5 which should have been booked under RDF Scheme was charged in the Operation Soil Watch Scheme. So no area had been left unplanted. Only booking in the corresponding area has been charged in the other scheme.
- In Morni-Pinjore Forest Division only the Soil Water and Tree Conservation in Himalayas (Operation Soil Watch) scheme was

reviewed by the Audit Party. It is incorrect that advance earth work executed during 1982-83 was proved fruitless, as no plantation was done. It is stated that during the year 1982-83, 600 ha. advance earth work @ 345/- per hectare amounting to Rs. 207000 had been executed and during the year 1983-84 on the same site plantation work was carried out in 600 hectares. Advance earth work is undertaken during winter of a particular year mainly for two reasons. Firstly to reduce the quantum of work at the time of plantation during monsoon of the subsequent year and secondly to allow weathering of soil to have better success of plantation. All advance earth work done in a particular year is always planted in the Monsoon of the subsequent years. Similarly advance earth work done in Gurgaon and Kurukshetra Divisions during the year 1982-83 were also planted up.

Advance earth work is carried out to expose the soil to weathering agencies and to conserve more moisture for better success of plantations. In hilly areas these pits get silted up due to early rains so at the time of planting in July, August some of have to be reopened. Thus this expenditure is part of planting operation expenditure. During the year 1980-81 to 1983-84 the total plantations carried out in Khillanwala forests were more than 1,50,000 as verified by the cash book as detailed below:

Year	' •	No. of Plants planted Voucher No.					
1980-81		ſ,	1`5,000	25-K of 8/80			
1981-82	<i>Q</i> ⁻¹		90, 000	75-K of 9/80			
1982-83 [,]	Ø		17,000:	18-K of 8/81			
1983-84		• -	14,300	131-K of 8/83			

- So total 2,36,300 plants were planted during the said period. As per the planting norms plants are maintained for two successive years. Maintenance operations like replacement; weeding and hoeing etc. are carried out for two successive years. When such tending operations are considered commulatively, the sum total will be higher than the actual number of seedlings planted as some item of maintenance activity such as weeding and hoeing is done during first three years of plantations.
- The operations mentioned as above are actually repeated for the same plant. If a comulative total is taken it would always be more than the number of plants on account of repetition of the same operation. It does not mean maintenance of plants more than the number actually planted,

The percentage of success of the plantations have been worked out through randum sampling by DFO M&E. The Addl. CCF

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SFP made a casual remark of sub standard plantations as these were transferred from Territorial to Social Forestry. These plantations were done just a few months earlier and needed tending up in the subsequent months. The plantations came to the proper standard at the end of the year when tending operations were completed and no action against any official or officer was therefore called for.

- Actually four schemes undertaking similar works were transferred to the Project namely :---
 - (a) Raising of economic plantations along rail, roads, and canals.
 - (b) Farm Forestry,
 - (c) Mixed plantations on Panchayat lands, and
 - (d) Rehabilitation of degraded forests (raising of shelter belts).

Satroad Cantt. area

(ii) The plantation work in the Cantonment area was taken up for the first time. The military personnel at the lower ranks being not very much aware of the importance of afforestation in this area destroyed large number of plants through exercises etc. But when the matter was brought to the notice of the higher military authorities, better response towards the plantations was shown and in subsequent years large chunks of the area have been very successfully planted in military area. At times such failures are bound to occur but as the authorites slowly realised the importance of the whole work a better success was achieved in the subsequent years. It is for this reason that in the beginning in such areas only small targets are achieved and quantum of work is enhanced progressively. Therefore under these circumstances no officer/official both of the Forest Department and the Military authorities can be made responsible for such failures. Uptill now we have raised 500 hectares of successful plantations in Cantonment area and no damage has been done by the military authorities subsequently. There is a complete coordination between Forest Department and Military Authorities.

(2) D J. Railway line Km. 190-197 (L&R)

A target of 20 hect. was shown to have been achieved during 1982-83 in strip plantation Model II & III. In all 32800 plants were planted along this railway line. As per report of M&E plantation of Eucalyputs on ridges and Kıkar in pits was done. The survival of Kıkar plants was 45% and in case of Eucalyptus it was 90% but the spacings have been reduced considerably. Three rows in 2 mtr. wide ridge and spacing between rows was 1 mtr. 29624 plants have been planted over a physical area of 5 Hect. In the opinion of DFO M&E, close spacing of plants on ridges is objectionable and not as per norms. The field staff planted three lines, keeping in view the high fertility status and good moisture contents in the soil. The idea of DFO was that the fertile soil has been very good due to worked up soil of ridges and good moisture conditions down below. This practice has now been stopped. Hence it is requested that the para may kindly be dropped.

(3) Bichpari Panchayat Land

A target of 7 hect. was achieved on the Panchayat land during 83-84 under VWL component. 9000 seedlings of Kikar and Neem were planted vide Cr. Vr. No. 109 H of 9/88 and 2000 running mtr. Kikar sowing was shown vide Cr. Vr. 110 H of 9/84. As per report of DFO M&E only 5400 pits were dug and progress of 9000-5402=3598 is fictitious. Out of 5402 plants, 3150 plants survived. The spacing was reduced to 2mtrs x 1.5 mtrs. to accommodate more plants. As per enquiry report total planted area was found 6 hect. The Enquiry Officer counted 8126 pits at a spacing of 3m x 2m and in this plantation survival percentage is 80%. He has pointed out that, the farmers has destroyed about 500 pits by ploughing about 0.3 Hect. of land. In this way the number of pits comes to 8126+500=8626 and hence the difference of 9000-8626=374 which is very insignificant and may have been given on occular estimate of the M&E Staff. On the other hand 2000 running meter sowing was done and charged 13086 meter and rest of the boundary trench was destroyed by the farmer while encroaching the panchayat land. On which number of plants counted at a distance of Imt. x 1 mtr. apart as per the than CF SFP Ambala orders. The field staff has taken in account only 1520 plants instead of 2000 plants. Thus they have counted 480 plants less where as the difference as narrated above is of 374 plants. Hence in all net 97 plants have been planted in excess. Therefore no shortage of plants or of the area, existed. Hence para may be dropped.

(4) Manpura Panchayat Land, Palwal SFP, Range Gurgaon, SFP, Division

As per report of CF, SFP, Ambala, the panchayat area of this panchayat land is 7.5 hect. where as according to targets achieved, it has been shown as 12 hect. because the planting on ridges was done at 1 meter from plant to plant. The target is full according to the number of plants but physical area is less and success. of this plantation even today is about 75% It may at the most can be termed as a technical mistake but actually there is no shortage of target. Hence para may be dropped. Now strict instructions have been issued to the staff that the plantations may be done at 2m x 2m from plant to plant

This being the first year of the project it took quite some time for clearance etc. and the targets were communicated late. In salt affected soil as mentioned in the para, certain operations are to be completed prior to the on set of the monsoon. These operations could not be completed as the information regarding allotment of the targets under various components was received late. Therefore to avoid heavy failures under this component no targets were achieved in that year. However, on account of flexibility of changing targets from one component to other given in the SAR the total afforestation targets were achieved not only in complete but also in excess and there was no shortage of achievements of the physical targets.

However, under this component also much more targets were achieved during the subsequent years than provided for in the Project. The Project did not define a permanent nursery. However, it is assumed that a Permanent nursery for the purpose of this project would be one which will cater to the needs of raising plantation stock sufficient for that area for the entire Project period. The department has raised 79 nurseries which can be categorised as permanent nurseries and the observations of the audit do not seem to be in consonence with the spirit of the Project.

As explained, 1982-83 being the year of the commencement of the project, therefore, it took quite some time for clearance of the Project targets on account of certain formalities. There was sudden increase in the physical targets of the department which did not have adequate planting stock. The department had to raise planting stock in inappropriate season which resulted in more failures in the nurseries. However, with certain modifications the department was able to raise sufficient stock needed for the planting year. In certain areas the quality of the water is quite well known and therefore, there was no need for getting the water tested. Even on casual observation it is not difficult to know the quality of the water. Keeping in view the necessity of raising planting stock for achieving higher physical tragets a little excessive failures had to be accepted.

On reviewing of records of Social Forestry Project, Rohtak, the position of Nursery stock and utilization of the same is given below :----

Model of p	lantation	Hect.	No. of plants per Hec	No. of plants t. used
Strip Plant	ation M-II	95	1650	486750
Strip Plant	ation M-III	40	1650	66000
V. W. L.	M-VII	500	1650	825000
SDF	MIX	470	1250	587500
		Totzl . 1305 Ha.		1965250

Raising of plants in Nursery up to June 1984--2700122

Replacement of plantations for the year at 10% and 20% respectively— Sale from old stock upto November		1983-84 : 、	i.e. =201615 533257	
Sale from new stock	Total :		2700122 1006743	-
Raise from 1984-85 and 1985-86	Grand Tota	1: .	3706865	-

From the above statement it is clear that there was no shortfall in the targets achieved during 1984-85. Hence, the figure taken by the Audit appear to be based on from incomplete checking of record. It is therefore, requested that "para may kindly be dropped. "Plantation journals had been maintained even at that time and now species wise break up has also been given in each plantation journal which can be seen when ever required by the Audit.

'In the early eighties 'Eucalyputs was catching 'the eye of every body and most of the people including Panchayats 'liked 'to plant up Eucalyptus in their lands. It is incorrect to suggest that Eucalyptus is 'un-economical 'as fuel wood. It is one of the very good fuel wood and 'the 'calorific value of each species is given as below....

Sr. No. Name of species	Calorific value
1. Acacia Nilotica (Kıkar)	5870 K cal/Kg.
2. Acacia tortilis	. ∋4400%K≥cal/kg.
3. Albizzia lebbek (Siris)	5200 K cal/Kg.
4. Casuarinā equesitifolia	4950 K cal/Kg.
5. Eucalyptus hybrid	4880 Kv cal/Kg.

The Eucalyptus' tree give 'good' timber,' good' fuel-wood ' and 'good poles. Therefore, it matched most of the requirements of the Project. It is also not correct that more emphasis is being 'paid to' Eucalyptus. The variation in species is made according to the agro climatic zones. 'It' is true that in Ambala District more Eucalyptus thad been planted but in the other districts particularly the desert areas more emphasis is being laid on Acacia being drought resistant.

The idea of taking not less than 5-hectares 'as 'given in the Project was that it may be difficult to 'manage the smaller chunks of plantations. However, in field situations it 'may' not 'be' always possible to divert bigger chunks of areas for plantation by the Panchayats/Community Land. In such situation even smaller areas 'are-accepted more so to motivate the Panchayats to give more areas in future and in many villages the areas are offered by the Panchayats in stages and department is also not interested to plant up the whole Panchayat area in one single lot. This is done to avoid difficulties for the villagers for carrying out certain operations such as grazing, cultivation etc. In many such cases the Panchayats are generally approached to give more areas in subsequent years so that the total areas become 5t hactares or more.

As is clear that out of 132 only in 44 cases an area of less than 15 sheet, was taken up fors and dune stabilization. The area of 15 hect, mentioned in the Project is a guide line and it may not always be possible to adhere to such a guiding factor. However, efforts are always made to handle bigger chunks of areas. In some cases where the sand dunes are dikely to create problems for the adjacent agricultural lands or habitations, even smaller areas are also tackled to save valuable properties. Moreover the works of sand dunes stabilization is undertaken both on common lands and private lands. In many cases a large sand dune area may be owned by more than one individual and some of the farmers may not be willing to carry out the work for sand dune stabilization on the piece of land belonging to them. Under such circumstances it is imperative to treat areas less than 15 hect also in extent. The grazing of cattle is possible on sand dunes also during part of the year i.e. monsoon and in the rest of the period it may not be grazing but herding of cattle becomes necessary for villagers which is done in such areas.

The audit para is not very clear However, the audit paras may mean that No. of plants planted was less than what should have been planted in a particular case. This inference seems to have been drawn by the audit party from the No. of plants planted as replacements of casualities in the same year and the subsequent years. In the norms and technical notes of the department on an average replacement of 10% in the formation year, 20% in second year and 10% in 3rd year are prescribed. Plant being a living organism certain amount of failures are bound to take place even after taking all kinds of care. In the particular case mentioned by audit replacement of casualities in 3 areas measuring 10.75 hect, had been a little abnormal whereas the remaining 4 areas measuring 34 hect, replacement of casualities as given in para have been worked out on the basis of average of all the areas planted in a particular years. There may be some areas where the casualities which were on account of certain unforseen reasons such as long dry spell, immediately after planting, flood, grazing etc. Out of 5032 hect, of plantation abnormal failures have occurred in 10.75 hact. (25%) any whereas normal and less than normal failures occurred in 34 (75%) is done. Therefore, the matter is in significant and may be dropped

It may be pointed out that the specific locations and names of divisions in which success of plantation is low has not been mentioned by the audit in the absence of which it is difficult to give exact justification of such failures about each area as the conditions may, vary from area to area. The general observation is not maintainable. Success of plantation in village Wood Lots, Sand Dune Fixation and Farm Forestry etc. generally varies between 75% to 80% and in some case may be even high. Under farm forestry the department can not be held responsible for the failures. Individual farmer is responsible for maintenance and protection. However, under Farm. Forestry also on an average the success rate at mid rotation has been worked to 65% by NCEAR in their Wood Balance Study report. There may be a few areas where the farmers might have been negligent in. causing normal heavier failures than the occurrence but the department have done a commendable job under Farm Forestry which are evident by the arrival of surplus Wood in the city markets of the State The traders from Haryana are exporting timber to other States:.

Failures are bound to occur due to drought, frost, termite attack, flooding and above all due to non co-operation of the villagers. On perusal of list of 12 areas compiled by audit in case of Ambala Social Forestry Division, it is revealed that the same inconsistancy as pointed out in para IV above exist in this case also. In some cases where the failures are little more action to replace such casualities is taken in the formation year and two subsequent years. The department makes all out efforts to achieve as much success as possible under the existing circumstances of a particular area.

All possible efforts were made to involve small and marginal farmers for agro forestry/farm forestry. There has been no lapse on the part of the department in this respect. In Haryana generally the land holdings are very small and agriculture being main source of income of the people only progressive farmers used to opt for farm forestry from the beginning. But now with the passage of time the situation has changed and the people on their own are coming forward for farm forestry programme. At initial stages inertia of the people has to be broken by helping innovative and progressive farmers for demostration purpose so that others can follow the social forestry programme launched in 1982 only and that is why we are depended upon the progressive farmers for adopting this practice.

Now the register has been maintained and the requisite information has been incorporated. The information is given below —

Year	Land % age to holding total up to 2 achieve- hect. ments (Col. 6)		Aobe 2 hect.	% age to total achieve- ments (Col. 6)	Total	•	
1	2	3	4.	5	6		
1982-83	172208	50.65	167792	49.35	340000		
1983-84 .	63678 Q	91.43	59720	8.57	696500		
1984-85	550567	80.94	129791	19.06	680158		

No. of	Plants	Distributed	to

Register of seedling distribution is now being maintained at each nursery and the data given above is maintained in each nursery register. The above given data shows that small and marginal farmers were preferred over the big farmers as more than 50% seedlings have been distributed to the small and marginal farmers.

Due to less provision of funds by the State Government in Publicity Head, less expenditure was incurred in that Budget Head. In order to boost up the publicity programme, the Publicity and Extension division was created by the Government in 1984. The work is now done by DFO Publicity and Extension. DFO was not appointed due to 10% cut imposed by the government. Now the Publicity work is being looked after by Dy. C F, 3 Forest rangers and about 2 dozen other field staff. Three ranges namely Ambala, Gurgaon and Hisar have been created to do publicity work, concerning each territotial Circle.

In the calendar, different operations to be carried out month wise were depicted these were to be followed by the general public as well
as field staff. The calendar mentioned the important operations regarding raising of nursery stock, raising of plantations and also cultural operations to be done subsequently in the different seasons of the year. It is correct that the film was a general one but it is necessary to collect the crowd so that the R.O. of publicity unit may deliver his messages to the maximum people. If proper entertainment programme is not shown to the rural people, they are not be expected to associate in the discussions.

Before planting, resolution from the village panchayats are obtained. In every village panchayat there are one or more women members. The panchayats are consulted about location of wood lots and the types of species they would like to have. So it is not correct to say that women are not involved in the project activities. More over, large number of rural women are engaged in protection, maintenance of plantations, weedings/hoeings etc. The seedlings are planted according to the demand/choice of village panchayat and the masses and every Panchayat is made responsible to provide forest produce to the maximum numbers free of cost. Now steps are being taken to involve the people including women for the management of VWL and sharing of usufructs. The decision of the Panchayat reflects the choice of the community as a whole including women folk of the village. The species planted in most of the Panchayat areas are mainly fuel-wood and small timber species which facilitiate collection of fuel wood by the village women.

It is not correct to say that the social forestry wing did not impart training in raising nursery. The poorest of the poor were employed on daily wages for raising departmental nurseries These were very poor persons and consequently entrusted with the job of raising kisan nursery and decentralised nurseries. Students were also trained to raise nurseries. In the initial stages meager funds were provided by the Government due to economic conditions till 1984-85. Now sufficient funds are being provided for training in raising of nurseries and cultural operations. This training is being given to School children, Nehru Youth Clubs and Farmers also. The following table shows the farmers teachers volunteers trained from 1982-83 to 1988-89 :---

Year	Persons trai	Persons trained					
	Farmers	Teachers	Volunteers	Total			
1984-85	2302			2302			
1985-86	947	,	_	947			
1986-87	1764		·	1764			
1987-88	5089		—.	5089			
1988-89	3255	905	588	4748			
G. Total	13357'	905	588	14850			

The para may kindly be dropped.

The Wood balance study has since been completed and report has been submitted by NCAER, New Delhi: The report is now available with the department and has also been circulated to all concerned. It shows surplus wood production in the State since 1987-88.

Due to non sanction of funds initially by the government nothing could be done in this respect. So far as HAU is concerned we had given one fellowship for tissu culture to HAU for the period from 1984-85 to 1986-87. Now three more fellowships have been granted to HAU for undertaking research works for the year 1989-90 and 1990-91. Results of the research finding are awaited.

Due to non provision of funds no consultants could be arranged. The Government of India has now appointed the Director Extension, Dr. Y.S. Parmar University, Solan (H.P.) as consultant for M & E work for Haryana H.P. and J & K States. However, modalities regarding consultancy have not yet been worked out. Dr. Y.S. Parmar University is taking steps in this regard.

The consultants should have proficiency in extension works in Social-Forestry.

The delay in constitution of these committees occured on account of certain formalities to be completed.

The committees were constituted in 1984. The term of these committees was extended again vide Government Notification 2150-Ft-ii-86/9062 dated 16-7-86. The last meeting of these committees was held on 28.10.86.

The performance of M & E Division was not limited by any manner. The DFO, M & E is carrying out field surveys of all the Social Forestry Divisions. So far he has inspected 718 sites covering an area of 8180 hact. all over the State. It is not possible for one Division to do 100% survey of all the works done by the Social Forestry Wing However, randum sampling survey is done by him and the reports are submitted to CCF SFP, who in turn circulate these reports to the concerned officers and the department gets fuel feed-back on the success of the programme. The complete report of M & E has already been prepared.

The following table shows the mandays generated from 1982-83 to 1988-89 under the social forestry programme :----

Year	-			• Mandays g	enerated in lacs
1982-83					34.50
´ 19 83-84	• -	、	,	i,	33.63
1984-85	-	,			52.17
1985-86					48.22
1986-87	•	`		-	42.62
1987-88	•	1 ¹			37.78
1988-89 ₋	-	۰.			49.12
Total			t		298.04 lacs

It will be seen from the above table that against a target of 170 lacs, 298 lacs mandays have already been generated. Against permanent jobs for 1420 persons, job for 1100 persons have since been created and they are in position now. More jobs could not be created due to 10% cut imposed by the Government on recruitment. So para may kindly be dropped.

The matter stands already settled as it is revealed from Haryana Vidhan Sabha Public Accounts Committee (1986-87) (Twenty Fourth Report)

As explained against para 3.9.5 (i) above no excess expenditure/incurred in Sout Circle during the said period. In addition to that amount of Rs. 40.47 lakhs has been alloted and achieved during 1984-85.

According to instruction contained in Director, Haryana Forest Development letter No. 3621-36 dated 23-7-84, plantation, could not be done on private/ individuals land closed under section 4 and 5 of land protection Act and section 38 of Indian Forest Act. As guidelines of RFW. Scheme plantations were to be carried out in Community Waste lands, Degraded Forests areas, costal waste lands along road side, canal, ponds and rail track plantation were done strictly as per above guidelines. All the areas indicated by Audit in Annexure XXV (copy enclosed A-1) are community waste lands. These belong to the community of the concerned village and are termed as 'Shamlat Dehs' in revenue record, only these lands were brought under Punjab land Protection Act, 4 & 5 and were taken up for plantation was in conformity with the guide lines of Rural Fuel Wood scheme.

Total No. of seedlings raised in Mohindergarh/Gurgaon Divisions during the said period is 84.08 lakhs plants. The record of the plants, distributed to farmers is maintained on FDC.8 & Farm No. 14 which can be examined at any time as & when required. List of plants supplied to the schools are also maintained in the concerned divisions. The plants which were utilized for plantation and Mortility replacement of the plantations of the Rural Fuel Wood scheme, the record for the same is maintained in concerned Forest Journals and Nursery Registers, which can be examined at any time.

The achievement of the targets is shown in the plantation journals and not in the plantation registers. Plantation journals are regularly maintained in each Division. However sometimes there may be delays in making enteries in the plantation journals because of the non-availability of clerical staff in the Range Offices. At the time of office inspection of the Ranges by the DFOs and inspection of Divisional Offices by the Conservator of Forests during February/March of a particular financial year and it is ensured that enteries are properly made in these journals. In case where the enteries are lacking a full follow-up action is taken and it is ensured that ultimately any entery which could not be made up to the time of office inspection are certainly made later on.

The works of the Forest Department are carried out by daily wagers employed on mustrolls. The reports regarding generation of mandays from 1980-81 to 1984-85 were made by counting the man-days employed on these mustrolls.

Record of plantation species wise is maintained in the Forest Journals for each plantations i.e. for 'Government land/Panchayat land Community land etc. In the Journals location of plantation, scheme spacing, area covered and species planted 'are also indicated which can be seen at any time. The record of seedling distributed/sold is maintained in FDC.8 & Form No. 14 which can 'be consulted to assertain, whether the plants are fruit bearing/Fast growing 'for 'useful as fuel wood.

The survival percentage of plantation is generally 70 to 90% according to vicinity of different places where plantation are raised. Due to in-adequacy of funds no survey was conducted in the past. In addition to that the plantations are regularly inspected by the senior officers of the department and they are having a full over-all knowledge about the success of the plantations felling in their jurisdiction. Now survey has been done by NCAER.

Seed is always collected from healthy and vigorous trees under the supervision of trained personal i.e. Fr./Fgd. or else purchased only after assertaining the quality of the seed by the field Staff. The quality of seed is always certified by the field functionaries on collection/Purchase Bills itself. Consolidated record for the seed collection/purchase is maintained in Material Form-7 prescribed form of the forest department which can be checked and verified at any time. Identification and marking of a Plus trees is a very huge job and requires full organizational set-up. Till last year there was no such scheme in the country. However, Government of India last year promulgated a Central sector scheme regarding seed collection and seed storage. Efforts are being made to identify and mark plus trees on different sites.

The sowing of seed is done from the month of September to the end of financial year for next years plantation programme as per provision made in Para 3.20 and 3.21 of Technical Note. No. 3 The plants thus raised during this period remain at the end of concerned financial year. The plants as shown un-utilized were utilized in the next financial year. The plea of the audit regarding incurring loss of 4.90 lacs is not maintainable in view of the position stated in para 3.20 and 3.21 of Technical Note No. 3. The Nursery stock is always grown keeping in view the requirement of plants needed for achievement of targets in different plan scheme under 20 point programme which includes the sale of plants to the public and other institutions as well during the subsequent monsoons.

The audit party reviewed the position of nursery stock upto March 1985 and have shown a balance of 9.80 plants as unutilized in three nurseries of Nuh Range. It is submitted that the stock position in April 85 is as under :---

Nuh 'Nursery	•	•			346560
Ghagas Nursery				7	340000
·Pingwa Nursery	•		ć	r	272100
Total		í	•	•	9,58,660

These plants were utilized during the Monsoon of 1985 (July to August) as per the position explanined above. The difference of 0.23 lakh plants is due to the permissible wastage in nursery during Shifting & grading operation & carriage etc. However, most of the southern slopes of Shivaliks are critically eroded and it is not difficult to identify critically eroded area even on a sight of it and there is no necessity of pilot survey in this regard. The Committee observe that afforestation, social forestry (including rural wood/fuel plantation) and farm forestry programme was implemented with a view to maintain ecological balance, reduce soil erosion, supply of raw material to wood based industries and generate employment. But the department did not conduct any survey to assess the impact of the various schemes under the programme to ascertain its impact on the beneficiaries. The seasonal employment generated was 38.22 lakhs mandays. Even mortality of the plants was very high ranging between 25 to 100%. The department had not maintained any record of distribution and disposal of seedlings. Only scant area of 8395 hectares was covered under the soil water and tree conservative programme. The Committee further note that the departmental figures of physical achievement were inflated, publicity, training, research, community participation, survey, monitoring and evaluation remained negelected.

The Committee feel that implementation of the programme in this manner is a half hearted exercise and defeats the very purpose for which such programmes are aunched.

The Committee, therefore, recommend that the department should remove the snags in implementing the programme, so that the objectives intended to be achieved through the programme are achieved and the benefits percolate to the people at large.

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LABOUR AND EMPLOYMENT

[9] 3.10. Working of employment exchanges

3.10.1. Introductory

Employment Exchanges came into existence in July 1945 with a view to rehabilitating the army personnel demobilized during the Second World War. Consequent upon partition of the country in 1947, the exchanges were entrusted with the resettlement of a large number of displaced persons. In early 1948, the exchanges were thrown open to all categories of job seekers.

The main functions of these exchanges are to (a) assist the employment seekers in securing suitable jobs, both skilled and unskilled; (b) assist the employers in providing suitable personnel; and (c) collect, compile and disseminate employment market information for the benefit of planners, employment seekers, educational institutions etc. All these services are voluntary and free of any charge.

As per the 1981 census, the State had a total population of 1,29.23 lakhs of which 88.95 lakhs were non-workers. The department had not conducted any survey to ascertain the number of unemployed in the State.

The number of employers, as on 31st March 1985, was 8;642 representing Central Government Offices (137), State Government Offices (3.360), Private sector establishments (3,097) and Public sector undertakings (2,048).

Employment services through Employment Exchanges is a joint concern of the Central and State Governments. The Central Government was to establish employment services in consultation with the State, Co-ordinate the work in the State, plan and formulate programmes for the expansion and development etc. The State Government was to exercise full control over the Employment Exchanges, carry out inspections, collect/compile/analyse/interpret statistical and employment market data, organise vacancy and labour clearing at the State level and to Co-ordinate with the Control machinery, etc.

The Government of India enacted the Employment Exchanges (compulsory notification of vacancies) Act, 1959 (hereinafter referred to as Act) which came into force from 1st May 1960.

The functions of the Exchanges largely rest on this 'Act and the Rules made thereunder such as National Employment Service Manual, instructions and procedures issued by the Director General of Employment, Government of India, etc.

All vacancies, barring those which are filled in by Public Service Commission, occurring in both Public and Private Sectors are to be notified to the employment exchanges. The Act/Manual also provide prosecution of defaulters who fail to notify the vacancies.

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3.10.4. (i) Efficiency of employment exchanges

During the years 1980 to 1984 (records were maintained calendar yearwise) 11.94 lakh job-seekers were registered in the employment exchanges and, as may be seen from the following table, during the same period 2.70 lakh vacancies were notified by various employers to employment exchanges. The number of candidates placed in employment was, however, only 1 40 lakhs which was only 11.73 per cent of the candidates registered and 51.85 per cent of vacancies notified by the employers.

		1980	1981	1982	1983	1984	Total
			(Num	ber in la	khs)		
(i)	Persons registered	2 23	2.23	2 64.	2 31	2.43	11.94
(i1)	Vacancies notified	0 69	0 62	0 56	0.45	0.38	2.70
(iii)	Number of candidates sponsored	4.23	4.13	3.98	3.49	2.39	18.22
(iv)	Persons placed in jobs	0.37	0.31	0 27	0.25	0.20	1.40
(v)	Persons on live register at the close of the year	3.59	3.77	4.50	4.40	4.69	_
(tv)	Percentage of persons placed in jobs to persons in live register		8.22	6 00	5.68	4.26	
(vii)]	Percentage of persons placed in jobs to persons sponsored	8.75	7 51	6.78	7.16	8.37	7.68

As may be seen from the above (a) percentage of persons placed in employment to the persons sponsored was between 6.78 and 8.75 and (b) percentage of persons placed in jobs to those registered in the live register was only from 4.26 to 10.31. The reasons for the poor performance of employment exchanges were neither analysed by the department nor effective steps taken to improve the situation.

The total expenditure on employment exchanges, all field units and Directorate during the period from 1980-81 to 1984-85 (both in Plan and Non-Plan sectors) was Rs. 3,73.73 lakhs. The number of persons provided employment almost during the same period (1980-1984) was however, only 1.40 lakhs. The average cost of employment provided, thus, works out to Rs. 267 per person.

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(v) Notification of vacancies

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For not notifying vacancies, employment exchanges are authorised under the Act to impose, on the defaulting employers, a penalty up to Rs. 250 for the first offence and up to Rs. 500 for the subsequent offences. During the period 1980 to 1984 as many as 9,357 offences were committed (Central Government Department: 124; State Government Department : 5,403; Private Sector • •

Undertakings : 889 ; and Public Sector Undertakings : 2,941). Had penalty been imposed by the employment exchanges, the same would have amounted to Rs. 23.39 lakhs (approximately). Instead the employers were let off with an advice to comply with the provisions of the Act.

Again, under the Act filling up of posts direct without notifying vacancies to employment exchanges attracts a penalty up to 500 for first offence and Rs. 1,000 for subsequent offences. In Manimajra, Ambala, Kurukshetra, Sonepat and Faridabad 140 employers (private/public sector undertakings) committed the offence of filling up the posts direct. In none of the cases penalty was imposed which works out to Rs. 0.70 lakh. Thus, it could be gathered that the Department did not take any effective steps for enforcement of the provisions of the Act. The department stated (December 1985) that for not notifying vacancies or filling up of vacancies without notification only persuasive measures are adopted against the defaulters and legal action is required to be initiated only against such employers who violate the provisions of the Act, persistently. The Department, however, did not spell out as to how many of 9,497 (9,357+140) offences were of persistent nature and why penalty was not imposed.

(viii) Inspections

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The National Employment Service Manual stipulates periodical inspection of employment exchanges to (a) ensure that agreed policies and procedure are being implemented, standards maintained and programme followed and (b) assess the effectiveness of the work and to suggest improvements. During 1980 to 1984 out of 621 inspections due only 493 inspections were carried out by the officers of the Directorate and Divisional/District Employment Officers. Shortfalls were attributed by the Department (April 1985) to inspecting officers having remained busy with other items of work. The small number of persons placed in job and vocational guidance provided are however, indicative of the fact that inspections were not constructive.

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

No rates are fixed by the Govt. with the working of Employment Exchanges.

No such surveys are conducted by this department. Such surveys are being conducted by the National Sample Survey Organisation of Govt. of India.

- Job seekers desirous of securing employment through the Employment Exchanges get their names registered with the Exchanges which sponsor them against the vacancies notified to the Exchanges.
- (1) The Deptt. of employment does not generate employment avenues, but renders employment assistance to job seekers and helps the employers in meeting their manpower requirements. Due to expansion of educational and training facilities in the State, the number of applicants on the Live Register has been increasing gradually, but the number of new jobs created especially in the publie sector has been decreasing. As many as 34 Employment Offices

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were opened in the rural areas for providing the facility of registration to the people residing in these area which was also responsible for swelling the number of persons registered with the Exchanges.

- (2) 18.22 lakh applicants were sponsored against 2.70 lakh vacancies notified during 1980-84.
- (3) The probable reasons for low placement of persons through Employment Exchanges can be attributed to the following ;—
 - (i) The Govt. of Haryana have imposed ban on the filling of 10% iposts of the existing strength.
 - (ii) Govt. have also; granted exemption to some Boards/Corporations to fill 50% or more of their vacancies from the open market.
 - (4) The placement percentage over registration during 1985 and in subsequent years is as follows :---

4985	7%
- 1986	6.5%
1987	4:9%

(1) There are 16 EMI units and each unit is expected to inspect the employment record of 12 establishments in a year i.e. 192 in each year The number of inspection conducted during 1985 and subsequent-year is as follows :---

-		,	•	• •	-	•	
1985	•		÷	-11:5			
-1986		;		۲ 80		•	
- 19 87			•	133			

(2) It was desired vide the Directorate of Employment Memo dated =19-9-1978, which is addressed to all the Divisional/District Employment Officers in the State, that the employment records of three establishments in the Private -sector should be inspected in each quarter.

Since this work was alloted to the authorised officers in addition to their own duties, these instructions were in the shape of guide-lines, which were issued to maintain the progress of inspection work. All, possible efforts were made during the last five years to inspect the records of maximum number of establishments. As a result of these efforts the employment records of 666 establishments could be inspected during this period. Employment records of some of the establishments could possibly be not inspected due to the posts of Divisional/Distt. Employment Officers remaining vacant, their proceeding on leave/training or due to rush of work.

(1) Most of the staff posted in EMI units in the Employment Exchanges had been given training prior to the year 1980. The remaining officials were given training in the years 1982 and 1983. After 1983 no new recruitment in the EMI units has been made and hence no need has been felt to conduct training courses for the staff posted in these units.

1 & 2 The words 'For not notifying vacancies should be "For nonrendition of quarterly employment return (ER-I).' Employment Department cannot impose any penatly on defaulters. It can only launch pro secutions in the court of law. According to the instructions contained - in para 5.2 (b) of National Employment Service Manual Vol. I, Part-II, inspections should be conducted with a view to help the employers and not to find fault. In case of first inspection, he should be advised not to violate the provisions of the Act in future but if in second inspection also the employer is not complying with various provisions of the Act, a show cause notice should be issued. There are also instructions in Para 3.3 (L) of Hand Book of Instructions for Enforcement Officers issued by the Directorate General of Employment and Training, that if an employer sands a satisfactory reply and assures to comply with the various provisions of the Act in future, legal action should not be initiated against such employer. As far as possible, persuasive measures should be adopted and legal action should be initiated only against such employers as are violating the provisions of the Act persistently. The State Govt. has also decided that whenever any employer in the public sector violates the provisions of the Act, case should be sent to the Govt. for taking appropriate action. The employment records of 666 establishments during the last 5 years were inspected and action against them was taken keeping in view the spirit of the instructions referred to above during 1985 May, 88. Instructions to launch prosecution proceeding against 18 employers have been given to various Divisional/District Employment Officers and convications against 5 private employers were obtained. A fine of Rs. 4400 was also realised from convicted employers.

Inspections are meant to check that agreed policies and procedures are followed properly with a view to improve their functioning. Inspections and Vocational Guidance cannot generate employment. Annual Inspection Roster is prepared well in advance and efforts are made to get the inspections conducted regularly but some inspections are not carried out due to Inspecting Officers are on leave, their posts remain unfilled or they remain busy in other work.

Inspections, have no direct bearing on Vocational Guidance and the number of placements which depend mainly on the number of vacancies notified by the employers, especially in the public sector for whom it is mandatory only to fill their vacancies through the Employment Exchanges. Private employers can fill their vacancies from open market. Notification of vacancies and placings are interdependent as is evident from the data given below :---

Year	•	,	. t	يە 1	•	No. of vacancies Notified	No. of vacancies filled
1978						70,994	, 37,759
1982		-	-	۲		55,309	27,249
1986				••	-	36,010	- 15,311

The Committee observe that the department did not take effective steps against such employees as had violated the provisions of the Employment Exchange (Compulsory Notification of Vacancies) Act, 1959, as in none of the cases penalty was imposed by the department on the defaulting employers. The Committee, therefore, recommend that department should gear up its administrative machinery to ensure that provisions of the said Act are secrepously observed both in letter & spirt and the defaulting employers are brought to book.

The Committee further desire that the prescribed inspections must be conducted regularly to assess the effectiveness of the work and observance of the procedures. A report to this effect be sent to the Committee within six months. TUORISM 101.3.13. Blockade of funds

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To attract tourists, the Department purchased (March 1975) 70/35 mm six track double sound projector equipment at a cost of Rs. 2.40 lakhs for installation of a 150-cars drive-in-cmema at Suraj-kund tourist complex. The site at Suraj-kund was later dropped as it was an area for protected monuments and an alternate site measuring 24.5 acres at the nearby Badkhal tourist complex was acquired in January 1977 at a cost of Rs. 2.84 lakhs. So far (February 1986) neither the equipment has been installed nor drive-in-cinema commissioned. The Department stated (June 1985) that immediately after acquisition of land, the landowners went into litigation on grounds of inadeauate compensation and the matter was sub-judice. The Government also stated (July 1985) that change of site and delay were beyond control and cinema will be commissioned soon. Further developments were awaited (February 1986).

Incorrect selection of site at Suraj-kund and purchase of disputed land at Badkhal, thus, resulted in (i) blockade of Rs. 5.24 lakhs for over ten years, (ii) loss of shelf life of projector equipment and (iii) loss of revenue which the Government would have earned from tourists had the cinema been commissioned in 1975 as initially planned.

The Committee observe that before initiating the proposal and starting the project the department had neither undertaken survey nor obtained any feasibility report nor completed other formalities. The project was later on proposed to be changed into a Craft Institute and the machinery, projectors etc. so purchased, became useless. During the course of oral examination the departmental representative stated that it was decided to dispose of the machinery. The Committee however observe that carelessness of the department in handling the deal not only resulted in blockode Govt. funds for a long time but also resulted in loss of shelf life of projection equipment and loss of revenue which the Govt. would have earned from tourists had the cinema been commissioned in 1975 as initially planned.

[11] 3.15. Uneconomical running of luxury bus

To arrange conducted tours, Chassis for a luxury mini-bus was purchased by the Department in March 1975 for Rs. 0.60 lakh, body was fabricated at the cost of Rs. 0.62 lakh in April 1976 A stereogram (Rs. 0.04 lakh) was also installed in the bus in March 1977. Tourist permit for this vehicle, applied for in May 1976, was granted by Transport Department in February 1977 and the bus was, thus, pressed into service from March 1977 i.e., after two years of the purchase of chassis.

As the bus could not attract required tourists at Chandigarh it was transferred to the Department's regional office, Delhi in March 1977, where too it failed to attract tourists and, as such, it was sent back to Chandigarh in August 1977. Thereafter, the bus was used only intermittently and during March 1977 to April 1979 it covered, in all 20,117 KMs (less than 30 KMs per day, on an average) which included a trip to Kathmandu in connection with an exhibition in March-April 1979. During the course of running it was heavily repaired twice at a cost of Rs. 0.16 lakh due to engine bursts in July 1978 and again in April 1979. In January 1980, the Government advised the Department that as the bus had become uneconomical the same should either be disposed of or transferred to Haryana Tourism Corporation. The Department informaed Audit (July 1985) that the bus was not acceptable to the Corporation and its condemnation was also not possible as it had not covered prescribed kilometres.

The purchase proposal framed by the Department in February 1975, envisaged keeping the bus on road for 25 days in a month and to earn Rs. 220 to Rs. 240 per day against daily operational expenses of Rs. 200. Instead, the bus suffered loss to the tune of Rs. 1.90 lakhs up to June 1983 (Operational expenses: Rs. 3.13. lakhs; Income: Rs. 1.23 lakhs) The particulars of use of the bus from April 1979 onwards and its income/expenditure accounts from July 1983 onwards were not made-available to audit by the Department (February 1986) Government stated (October 1985) that running of the Mini Bus proved, un-economical as :

- (1) The Transport authorities took about two years to issue permit for plying this bus all over India.
- (ii) This was totally a new experience for the Department and it was not easy to find ready market for the vehicle especially in the face of tough competition from the private sector.
- (iii) There were disturbed conditions in the north from early eighties which also affected business considerably.

The Government further stated that bus is being disposed of soon to save further losses. Further developments were awaited (February 1986).

In their written reply; the department stated as under :---

- The luxury bus transport facilities were very much needed for the comfort of the tourists in this area. Even otherwise, to promote such facility is an integral part of the overall tourism promotion as is the case, with almost all the State Governments.
- The delay in procurring the permit for this bus was due to procedura bottlenecks which were beyond the control of this department. The case was vigorously pursued with the Transport Deptt. and even then this delay occurred which was beyond the control of the Tourism Deptt.
- The bus has since been condemned and disposed off for an amount of Rs. 34,500/- in Dec-1987. After taking into account the selling price of the bus the net loss comes to Rs. 74856.53/in this case, including depreciation.

The Audit Report was received in the Deptt. vide Accountant General Haryana Letter No. OADI/AN/82-83/2267-62, dated 25-10-83.

Action on these paras was initiated by the Deptt. immediately as has been explained in the replies to these paras.

There is no financial irregularity involved in these cases.

Both in their written reply and oral evidence, the departmental representative informed the Committee that the delay in procurring the permit for plying the Mini Bus was due to procedural bottlenecks which were beyond the control of the department. He further stated that the bus had since been condemned and disposed of for an amount of Rs. 34500 in December 1987 and after taking into account the selling price of the bus the net loss came to Rs. 74856.53 including depreciation in this case.

The Committee do not feel satisfied with the reply of the department in as much as the Department has explained their failure more than their difficulty. The Committee observe that the purchase proposal of the luxury bus was framed without any proper survey and the economic viability of the running of this bus was not foreseen and consequently the department had to suffer loss for un-economical running of the bus.

The Committee, therefore, desire that responsibility on the officers responsible for sustaining loss to the department for uneconomical running of the bus etc. may be fixed and a report to this effect furnished to the Committee within three months.

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INDUSTRIES

[12] 3.18. Idle staff

Industries department incurred an expenditure of Rs. 13.76 lakhs on staff the services of which were not fruitfully utilised. Details are given in Appendix III.6. (below) :--

Seria No.	l Particulars of Idle staff	Period of idleness	Amount involved (in lakhs of rupees)	
1	2	3	4	5
2 3 4 2 8 4	 Draftsman Storekeepers Mining Guard Drilling Assistants Mechanics Rigmen Drivers Superintendent 	April 1982 to March 1984	12 04	The staff was meant for drilling operations of iron ore, lime- stone, marble deposits etc. During the period indicated in column (3) no drilling op- eration was done and the staff was without work. The department stated (June 1985) that the staff was utilised ag- ainst vacant posts of almost equivalent rank in the department. The reply was not tenable as there was no documentary evidence of post- ing and transfer orders.
1.	Demonstrators Instructor Peons/ Chowkidars	December 1982 to March 1985	5	Three community training cen- tres engaged since November, 1966 in imparting training to rural people in soap, leather and shoe making in Panipat were found by the General Manager (GM) District In- dustries Centre, Panipat as having outlived their utility and were closed down by him in November-December 1982 with- out obtaining sanction of the Government. In February 1985, Industies department decided that these centres be revived and trans- ferred to other districts. While

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one centre was transferred to Kurukshetra where it started functioning from April 1985, the position of the remaining two other centres was awaited (February 1986).

During the period December 1982 to March 1985, the staff of the closed centres was retained by the G.M. Neither the manner in which the services of the surplus staff were fruitfully utilised by the G.M. nor sanction of the Government permitting the GM to retain the staff were on record. Matter was referred to Government in March 1985; their reply was awaited

(February 1986).

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

eIn column¹,2; the designation of various posts junder addit have been indicated which include both technical and ministerial staff. In order to submit_necessary reply to the para in question, on "Idle staff", it may be essential to mention the nature of work being carried out in Geological Wing of the Industries Deptt. The work of Geological Wing of the Industries Deptt. Haryana relates sto "Development of Mines & Minerals" in the State. This work is devided into two interlinked spheres, i.e. exploration of Minerals and the Mineral Concession work respectively. The exploration work cist conducted they the investigation party and drilling coperations are a part of it for proving the quality and quantity of mineral deposits in details, if required. Whenever, mineral insvetigation warrants, drilling operavitions are undertaken after judicious decision in the matter as these sooperations are costly ones. The drilling Assitt. mechanics and breigme nas indicated in Column 2 are the members of drilling staff. The entire existing drilling staff was allocated to the of fire Haryana after reorganisation of Earstwhile State to the State of Punjab. The said category of staff is regular one and are not employed on daily or monthly basis whose services can be dispensed with when drilling is not in progress and at the same.

time, it was also not possible to employ such technically skilled staff on work charge basis. The drilling staff being skilled and acquainted not only in the drilling operations but in the work of development of mines and minerals as a whole, remained attached with the <u>minestigation</u> parties for proving of

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iron are, limestone, dolomite, marble, saltpetre, brine, etc. from time to tune, even when no drilling operations were required. The drilling staff have their HQ at Chandigarh. As a matter of practice, orders were issued whenever they were required to be detailed for an investigation to be carried out in the field for performing technical duties other than drilling operations. Copies of orders at Annexure 'PI' to PVI and 'SI' to 'SVII' in this connection may referred here. The mineral concession work is carried out from the Directorate at Chandigarh. The aforementioned staff on return after completion of mineral surveys in the field are utilised in connection with work relating to mineral concession also in the Geological wing at HQ. As a matter of fact, no need was felt to issue separate orders for them to work within the office at HQs but after the objection of the Accountant General, Haryana in the matter, the practice to issue such orders has since been started.

- As already submitted in the foregoing paragraphs, the drilling staff, out of those mentioned in Column 2 of the para are only drilling Asstts., mechanics and regmen. The pay and allowances of the aforementioned drilling staff during the period in question works out of to Rs. 6,63,660 as against Rs. 12.04 lacs shown in Column 4 of the said para and as explained above, the services of the drilling staff have been usefully utilised in the mineral exploration as also for mineral concession work both in field and at HQ. The other staff viz. draughtsman, store keepers, drivers and Supdtts. are not the members of drilling staff. They work in the office at HQ as matter of routine. The Mining Guards are posted at district HQ and are required to visit the mining areas within their jurisdiction in order to see that there is no illegal extraction of mineral. Accordingly, mining guards also do not fall in the category of drilling staff.
- Three community project centres viz one soap making one Footwear and one leather tanning-cum flaying were functioning in Panito impart training to rural artisans in year 1982 pat circle the then General Manager, Distt. Industries Centre, Panipat closed down these centres as he found that on training being imparted in these centre is of no use in these days. He entrusted some other work to the staff working in these centres in his office. Since the staff working in these centres was permanent and their services cannot be terminated. The training centres being run by the various Departments/Corp. were not functioning properly due to over lapping and terms and conditions of the training programme were different. To sort out this problem the State Govt. constituted High Level Coordination Board for the Dev. of the Leather Industries in the state on 14-6-82 to examine the possibility to being the training programme under one roof. The Coordination Board in its meeting held on 27-6-84 decided that training centres being run by the Industries Deptt. may be transferred to the Haryana Tanneries and Industrial Training Deptt. According to the decision these community project centres were to be

transferred to Haryana Tanneries. Accordingly a proposal was sent to the State Govt. on 21-3-85 for the transfer of these centres to Haryana Tanneries. The orders of the State Govt. are still awaited.

In view of the position explained the para may be dropped as the services of these staff of these centres are being utilised by the General Manager, Distt. Industries Centre, Panipat in his office.

The Committee do not feel satisfied with the reply of the department and observe that an expenditure of Rs. 13.76 lakhs incurred on the staff the surplus of which was not fruitfully utilised. The Committee are amazed to observe that as to how the staff which were meant for dealing operations of iron ore, lime stones, marble deposits etc. was utilised against the vacant posts of almost equivalent ranks in the department when there was no dealing operations during the period from March 1976 to March, 1981 and April, 1982 to March, 1984 and also without any evidence of posting and transfer orders. Similarly training community centres was closed down by the General Manager, District Industries Centre, Panipat without obtaining the sanction of the Government. The Committee feel that such like acts of the department functionaries not only leads the inefficiency but also entails the loss of money to the state exchequer.

The Committee, therefore, strongly recommend that the department should thoroughly investigate their staff requirements vis-a-vis the schemes for which these have been deployed so that surplus and idle staff is not unnecessarily retained.

IRRIGATION

[13] 4.1. Major and medium irrigation projects

4.1.1 Introductory

The State has an area of 4.4 million hectares of which 3.9 million hectares is culturable command area (CCA). The CCA has no perennial river, rainfall is low and undependable and, therefore, depends to a large extent on availability of Inter-State river water. There are two major canal systems namely Bhakra Canal system fed from stored water at Bhakra Dam (Punjab) and Western Jamuna Canal system, which receives supply from river Jamuna (through U.P. State).

Twenty four major/medium irrigation projects were taken by the State since its formation in November 1966. According to revised classification of the Planning Commission formulated in the year 1978, projects having CCA of more than 10,000 hectares were categorised as Major and those having less than 10,000 hectares as Medium. The number of projects taken up, completed and in progress is given below:

•		Major	Medium	Total
(a)	Projects taken up in the State up to March 1980	9	9	18
(b)	Number of projects completed up to March 1980	—	7	7
(c)	Number of projects spilled over to Sixth Plan	9	2	11
(d)	Number of new Projects taken up during Sixth plan (1981-85)	` 6		6
(e)	Number of Projects completed from 1980 to March 1985.	3		3
(f)	Total number of Projects under completion	12	2	. 14
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4.1.3. Irrigation aspect

The irrigation potential created and utilised is summarised below :

Year	Ultimate irrigation potential	Irrigation potential created	Utilisation of potential created	Shortfall
Up to	(In thous	sand hectares)		
4 979-80	, 3,000		1,630	139
1980-81	3,179	1,785	1,658	127
1981-82	3,179	1,816	1,680	/ 136
1982-83	3,179	1,856	1,700	156
1983-84	- 3,179	4,893	1,720	1'73
1984-85	3,179	1;923	1,745	178

(Tentative)

The reasons for shortfall were awaited (February 1986):

The performance of 8 major irrigation projects up to 1983-84 is given below:

Serial Numbr	Name of the Project/ Year of commissioning		covered b	oy tho	tjal	Poren- - tial utilised	Percent age of poten-
ŗ	• • 、	Gross area	C. C. A.	Poten- tial targeted	,	-	tial utilised to poten- tial
-				(iii) -	1 x		targeted
	Major		(In	likhs of	hectares)	I	
1.	Loharu Canal project 1970-71	1.42	, 1.22	50.775	0. 62	<i>'</i> 0.11	14.67
2.	Jui Canal Project 1969-70	0.37	0.30	0.19	0.19	0.12	63.16
3.	Wessern Jamuna Canal includ- ing remodelling (not available)	- 12: 60	11:04	10.45	8.13	6.80	65.07
4.	Gurgaon Canal Project 1967-68	1.45	1.31	0.81	0.61	0.16	19.75
5.	Bhakra Canal Project 1954-55	13.40	11.66	⁷ 6./76	6.76	-8.58	1.26.92
6.	Jawar Lal Nchru (including Jhj)ar Lift Schme) canal Projebt 1972-73	3.12	ر ن ^ن ر	I. •	11 0 - 60	10.40	•
7.	Sewani Lift Irrigation Scheme 1971.72	0.97	2.50 0.74	1.55 0.46	0.65	0.19	12.26 28.26
8.``	Nagal/Lift 1rrigation Scheme 1975-76	0.26	0.23	0.14	0.43	0.13 0.03	20.20 21. 42

*Projects at serial No. 2.5 and 7 have been completed. The remaining five projects have heen commissioned but not completed.

**Sourse : Blue print of utilisation of major and medium irrigation Scheme, Government of Haryana. . Except Bhakra Canal Project the targets achieved in respect of other projects were very low and varied from 12.26 to 65.07 per cent.

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

- Out of 14 Irrigation Projects (12 Major 2 Medium), 2 Major and 1 Medium Project have since been completed. The major bottleneck for not adhering to the schedule/stipulated period for completion of each projects is due to change in the scope of works; paucity of funds; and some inter-state disputes.
 - Irrigation Projects/Scheme in Haryana State are formulated considering availability of Haryana share's water from Ravi-Beas and river Yamuna. SYL Carrier Channel (Punjab portion) is yet under completion whereas construction of New Tajewala Barrage (Hathnikund) remained held up done to non-settlement of inter-state dispute. From the available water resources there is substantial incsease in utilisation of Irrigation potential and the state has been able to with stand the havoc of heavy drought conditions during 1986-87 and 1987-88.
 - Specific reasons for shortfall in utilisation of irrigation potential is attributed mainly due to non availability of Haryana's share of Ravi Beas Water on account of non completion of SYL in Punjab portion.
 - Performance of Irrigation Project is dependent mainly on availability of Haryana Share's of Ravi Beas Water. Since the SYL Carrier Channel (Punjab portion) has not yet been completed, so, for this very reason the actual achievement of potential on the projects other than Bhakra Cznal system is not as projected.

The Committee note that the water distribution system adopted by the department was not according to rules. Mainly it happens that all the outlets are opened simultaneously and the water does not reach the tail end. The Committee desire that the distribution system of water should be so made as the water should reach the tail end also. The Committee recommend that the department should get examine this aspect and make efforts to achieve the target and minimise the shortfall. The Committee further desire that the restults of the steps taken be intimated to the Committee within six months.

[14] 4.1.4. Financial reults of irrigation projects

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Out of the eight irrigation projects for which water was released for irrigation, capital and revenue accounts are being kept only for the Western Jamuna Canal. The total revenue from these projects during 1983-84 was Rs. 6,84.70 lakhs while the working expenses were Rs. 17,84.37 lakhs. Taking into account the interest of Rs. 15,56.27 lakhs on capital account the deficit during the year 1983-84 was Rs. 26,55.94 lakhs which worked out to 10.60 per cent of the capital against 10.50 per cent in the year 1982-83.

	1981-82	1982-83	1983-84
······································	(In	lakhs of rup	ees)
Capital outlay to the end of year	2,23,42.87	2,40,54.24	2,50,44.32
Revenue realised during the year	9,80.13	7,94 .18	684.70
Working expenses during the year	17,92.03	18 ,32.19	17,84.37
Net Profit(+)/Losses() during the year excluding interest	()8,11.90	()10,38.01(—)10,99.67
Interest on capital	13,80.34	14,88.80	15 , 56.27
Losses after incurring interest	.()21,92.24	(—)25,26.81(
Percentage of losses on capital outlay after meeting interest	- 9.81	10.50	10.60

Comparative figures in respect of eight projects mentioned above for the last three years are shown below :

In their written reply the department stated as under :---

1. Since 1975 there has been accelaration of prices for material and labour, but the water rates have not been revised so far. A proposal for enhancement of water rates stands submitted to Government for consideration.

2. The financial results for the year 1984-85, 1985-86 and 1986-87 is given as under :---

	,,, _,	1984-85 (Actual)	1985–86 (Actual)	1986–87 (Actual)
-	· ·	(Rupe	ees in crores)	•
A.	Working expenses	23.94	29 .39	26.53
В.	Interest charges : Total (A) & (B)	43.54 67.48	48.22 77.61	54.64 81.17
C.	Revenue receipts	11.20	-12:09	: 13.66
D.	Difference :	,		`
(i)	Without taking into account the interest charges	(—)12.74 (114%)	(—)17.30 (143%)	()12.87 (94%)
, (ii) -	Taking into account the the interest charged	(—)56.22	()65.52	<u>(</u> —)67.51

During the course of oral examination, the departmental representatives stated that these working expenses do not reflect their liability to the Haryana State Electricity Board in terms of energy charges and if the said amount had been shown here the expenditure would have been much more by Rs. 70 crores which was to be paid. The departmental representative further stated that the main reasons for losses were rising cost and the fact that receipts had not been keeping pace with the expenditure. The departmental representative also stated that another reason for the losses was existence of water rates in lift canal scheme and Government has already moved to consider 100% increase in the water rates and the matter was under active consideration.

The Committee, therefore, desire that efforts should be made to discharge liability of 73 crores which the department has to pay to the Haryana State Electricity Board.

The Committee further desire that the department should conduct a detailed review investigating in depth the reasons for losses and furnish report of the review to the Committee within six months.

The Committee also desire that the final outcome of the proposal for increase in water rates pending with the Government may be intimated to the Committee.

[15] 4.1.7. Modernisation of existing channel

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(vi) Cuts and breaches

The project estimate envisaged that after lining the number of cuts and breaches would be minimised, contrary to this, the number of cuts and breaches had increased after lining.

Name of Division		Number of cuts and breaches	Expendi- ture	
	(In lakhs of rupees)			
I.B. Division, Narwana	1979–80 prior to lining	ç 6	0.35	
	1982–83 1983–84	14	4.18	
	1984-85	11	0.51	

The reasons for increase in cuts and breaches, even after lining, were not analysed by the department.

In their written reply the department stated as under :--

"Audit observations for cuts and breaches pertains to a particular case as their occurance in pucca section of a canal is bound to reduce in comparision to a section of an unlined channel. Study was carried out on 9 channels (as mentioned against preceding para) and the result was encouraging because number of cuts and breaches minimised to 4 against 25 before lining of the channels:

The Committee regret to note that no serious efforts were made for taking action against those officers who are at fault. The Committee desire to know who was responsible for this lapse and who was responsible for not initiating the disciplinary proceedings against the defaulting; officers.

The Committee recommend that the disciplinary cases against defaulting officers/officials be decided very expeditiously.

The Committee further desire that results of steps taken to minimise the cuts and breaches may also be intimated to the Committee detailing the latest position of cuts and breaches.

[16] (VIII) Water logging

It was envisaged in the project estimate that water logged area adjacent to canals will be reclaimed after lining of the channels. There was, however, no mention in the estimate as to how much area is water logged and on which channel it existed:

After lining of channels, the Department carried out a study in a portion of Bhiwani Sub-Branch under W.J.C. system, from, RD. 36000, to RD 40000 and it was claimed that 76 per cent of the water logged area. was reclaimed, after, lining. Instead: of, finding, out, the exact area reclaimed by the method of testing soil; in laboratories to find out the density of earth, the department after conducting; survey; through, interviews with land owners of the area stated that 76 per cent area, has been, reclaimed.

In their written reply the department stated as under :---

- The project Estimate of lining was framed specifying the advantage of reclaiming water logged area after lining of the channels, but no detailed studies were carried, out at the time, of its framing. Preference was, however, given on some of the works, where excessive water logging existed.
- Main benefit of lining the channels is to save the seepage losses and its utilisation in furtherance of the potential. No provision made for testing soil in order to assess the water logged area to be reclaimed in the project Estimate.

During the course of oral examination the Committee had desired, to know the total water waste area and the representative of the department assured the Committee that the information, would, be got collected and supplied to the Committee duly compiled. The Committee regret that the wanting, information, was not, supplied till, the drafting, of the report. The Committee recommend that action should be taken against the officer/official concerned who did not supply the promised information and further desire that the requisite information be collected and supplied to the Committee within three months.

(X) Other Points

[17] (a) Excess issue of coal

In Canal Lining Division No. 11, Narwana the work of setting up of departmental kiln near village Kathana for manufacturing and supply of 35 lakh tiles and 2 lakh bricks was allotted to a contractor in February 1981. As per the contract agreement the contractor was to supply tiles/bricks from April 1981 to April 1982. The department was to supply slack coal at a scale not exceeding 25 tonnes per lakh of accepted bricks and 30 tonnes per lakh of accepted tiles. The grade of coal to be supplied was not specified in the agreement. For coal consumed within norms, recovery was to be made at Rs. 500 per tonne. In case consumption, exceeded up to 10 per cent recovery was to be made at the rate of 50 per cent extra and beyond 10 per cent, recovery was to be made at the rate of 100 per cent extra on the excessive consumption.

The contractor supplied 1, 97 lakh bricks and 16.91 lakh tiles up to May, 1982 and thereafter stopped further supplies on the plea that he was not in a position to supply at the agreed rate as the coal supplied to him was of lower grade. Slack coal required for the supplies made as per norms worked out to 556.643 tonnes only against 945.455 tonnes issued to the contractor, resulting in excess issue of 388.812 tonnes of coal to the contractor. The total amount recoverable from the contractor worked out to Rs. 6 67 lakhs out of which Rs. 2.84 lakhs had already been recovered after adjusting Rs. 0.97 lakh (security : Rs. 0.30 lakh, amount payable on other works : Rs. 0.67 lakh). The net amount recoverable from the contractor works out to Rs. 2.86 lakhs.

The department stated (January 1985) that the contractor had requested for the appointment of arbitrator. No action has been taken so far (February 1986).

In their written reply the department stated, as under ----

"Sh. M.P. Vachher was appointed Arbitrator by the Government on 23-9-86. The Arbitrator announced his award on 7-10-88 in favour of the contractor and rejected the claim of the department of penal recovery of the excess issue of coal.

The reason of excess issue of coal was mainly attributed to supply of F-grade coal to the brick kiln owners, which have less calorific value and high ash contents. For this lapse no officer/official can be held responsible.

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The Committee note that the department was not serious to take action against the officers/officials responsible for the excess supply of coal and observe that higher officers were sleeping over the matter and they were also responsible for this lapse. "During, the course of oral examination the departmental representative intimated the Committee that the departmental S.D.Os and J.Es were responsible for the excess supply of coal and assured the Committee that they would go into each, and every aspect of the case and responsibility would be fixed on the officer/official concerned for this lapse. It was also assured by the departmental representative that the Committee would be informed within two months. It is regretted that the promised information was not supplied to the Committee till the drafting of report.

The Committee recommend that action be taken against the officers/ officials who are responsible for not supplying the promised information to the Committee in time and also against the officers/officials responsible for issue of excess coal and a compliance report be furnished to the Committee within six months.

[18] (b)(i) Injudicious purchase

Original project estimate envisaged lining of existing channels with single/double tile lining. Contrary to this provision, the Engineer-in-Chief took a decision in the Revised estimate to resort to precast cement concrete block lining (PCC) during 1979-80. For the purpose of manufacturing PCC blocks, the department purchased 208 concrete mixers for Rs. 36,58 lakhs. These mixers were put to use in 1979-80 only. Thereafter the department stopped PCC block lining due to scarcity of cement with the result that the entire fleet of 208 concrete mixers had been rendered idle since 1980-81. No steps were also taken to transfer the idle machinery to divisions where the same could not be put to use.

(ii) The Canal Lining Mechanical Division No. 3, Sirsa purchased 32 items of pipe fitting costing Rs. 1.39 lakhs during the period 1979-80 to 1981-82 for laying pipe lines for making water arrangement for lining etc. Out of these purchases not even a single item had been issued to the works executed during Phase-I of Modernisation of existing channels. These items are still lying unused.

(iii) In Canal Lining Division No. 11, Narwana, barbed wire valuing Rs. 0.60 lakh was purchased during March 1982 for constructing enclosure of the departmental store. The work was, however, not taken up and the material was still (March 1985) lying unutilised in stock. The Sub-Divisional Officer, Canal Lining Sub-Division No. 8, Narwana declared the material surplus (February 1984). Further developments are awaited:

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

(14) "The purchase of concrete mixers was made ounder the project provision for the manufacture of P.C.Co.Blocks for use on channels." But rdue to i scarcity goff cement, the sole material, the authority had to dispense with the proposal of block lining.

Set Server to the set winds of the such a set of the surplus concrete by V Earnest efforts are being made: tol dispose offic the surplus concrete by the timizers, to y hards of the start of the robin one loop The pipe fittings was purchased for use on the works of laying pipe line before execution of lining works by the Civil Division. Most of the material has been put to use and the remaining balance material has been kept reserved for immediate use on receipt of closure.

The barbed wire has since been put to use/transferred.

None 'has been held responsible in all the three cases mentioned above."

During the course of oral examination when called upon to explain as to how 208 concrete mixers were disposed of, the departmental representative informed the Committee that out of 208 concrete mixers, only 116 were disposed of. On a further question of the Committee as to how and in what manner were these 116 disposed of and utilised, the departmental representative assured the Committee that the entire information about the purchase of the mixers together with the circumstances leading to their injudicious purchase and being rendered idle due to change of the situation, with officers responsible for their purchase would be supplied to Committee later on. The Committee however regret to observe that the promised information had not been furnished till the drafting of this report.

The Committee desire that the whole matter regarding this injudicious purchase would be thoroughly investigated and responsibility fixed on the delinquent officers/officials and a comprehensive report furnished to the committee within six months.

[19] 4.1.8. Loharu lift irrigation project

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A mention of certain aspects of the Loharu lift irrigation project was made in the paragraph 4.1 of Audit Report (Civil) for the year 1974-75. Further points noticed in test check (May—July 1985) are given in the succedding paragraphs.

15. 3

(a) The original project estimate costing Rs. 11.24 crores sanctioned in June 1971 was first revised to Rs. 21.72 crores in 1977 and again to Rs. 34.53 crores in 1983. The revised project estimate envisaged irrigation facilities to 1.22 lakh hectares (CCA), and, with 62 per cent intensity of irrigation, the area planned to be irrigated was 0.75 lakh hectares (Kharif. : 0.29 lakh hectares and Rabi : 0.46 lakh hectares) in Mohindergarh district and Dadri tehsil of Bhiwani district.

The main increase in cost was in the folloMing sectors of the project :

Particulars of Sectors/sub heads	^f Prôvisión 'in the project estimate 1977	Provision made in project estimate 1983	^r Increase	Percen- tage
*		(In lakhs	of rupees)	1 -
Regulators VI special T & P and buildings	_ 4,70 .14	7,72.47	3,02. 33	64.3
Bridges	1,57.76	1,76.54	18.78	11.9
Escape	5.22	7.37	2.15	41. 1
Earthwork	4,54.47	` 5,84 .87	1,30.40	≤, 28, .6
Liniñg		8,42.39		· · ·
Miscelläneous	11,60.34	2,55.53	^C 95.19	59.3
(i) Increase in the scope of work	and new pro	vision :	(In lakhs c	of rupees
 (i) Increase in the scope of work (a) Construction in think et 	+ -	vision :	(In lakes c	- · ·
1	hannel	-		2 ; 84.0
(a) Construction in link cer	nañnel f Nai-Balla a	nd drain N	o. 8	² ;84.0 22.0
 (a) Construction in link cel (b) Excess in remodelling of (c) New provision for linin 	nañnel f Nai-Balla a g of Loharu	nd drain N Feeder and	o. 8 I Badhwan	^a 2;84.0 22.0 a 4,72.0
 (a) Construction in link cell (b) Excess in remodelling of (c) New provision for lining distributary (d) Construction of addition 	nannel f Nai-Balla a g of Loharu bhal ¹ building	nd drain N Feeder and	o. 8 I Badhwan e lines an	² 2;84.0 22.0 a 4,72.0 d - 50.0 4,53.0
 (a) Construction in link eff (b) Excess in remodelling of (c) New provision for lining distributary (d) Construction of addition wire-less sets 	nannel f Nai-Balla a g of Loharu bhal ¹ building	nd drain N Feeder and	o. 8 I Badhwana e lines an	^a 2;84.0

(b) Financial outlay and expenditure

	The	plan	outlay and	act	ual	expenditur	e d	uring	g Fifth	Plan	(1974-79)
and	Sixth	Plan	(1980-85)	on	thi	s project	are	as	under	•	. ,

Period	Outlay .	Actual expendi- ture	Progressive expendi- ture
	(In	lakhs of rug	bees)
(a) Upto 1973-74			12,15.00
(b) Fifth Plan	9,56.00	9,58.00	21,73.00
(c) 1979-80	1,00.00	1,41.00	23,14.00
(d) Sixth Plan	6,85.00	8,68.00	31,82.00

The year-wise details of budget allotment and expenditure during Sixth Plan are given below :

Year		Budget allotment	Expendi- ture	()Savings (+)Excess
•	é	(II	1 lakhs of ru	pees)
1980-81	L	1,55.00	1,53 00	()2.00
198182		.1,68.00	1,70.00	(+)2.00
1 9 82 - 83		1,62.00	1,66.00	(+)4.00
198 3 –84		1,57.00	2,17.00	(+)60.00
1984-85		2,50.00	1,62.00	()88.00

Reasons for heavy excess during 1983-84 and saving during 1984-85 were awaited (February 1986).

(c) Physical progress

Nottime schedule for completion of the project had been envisaged. Due to increase in the scope of project, the target date for completion was extended from time to time and was still undecided (February 1986). Physical progress achieved during the period 1981-82 to 1984-85 is given below :

Particulars	Estimates	Achieve- ments	Percentage of achieve- ment to targets	
(a) Earth work (in lakhs cft.)	10,73.14	2,27.93	21.24	
(b) Lining of the channel (in lakhs cft.)	3,72.66	34,28	9.20	
(c) Construction of pump houses, rest houses, staff quarters etc. (in numbers) 187	46	24.60	

Slow progress of work and consequential slippage in the construction schedule were attributed by the Department to :

----shortage of cement during 1981-82;

-non-execution of earth work due to non-co-operation of land owners during 1981-82; and

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-non-availability- of funds during 1983-84 and 1984-85,

- It was further observed that :
 - (a) Irrigation potential created in March 1980 was 1.14 lakh hectares which was raised to 1.22 lakh hectares in March 1985. Against this, the area actually irrigated ranged from 4 per cent in 1984-85 to 14.66 per cent in 1981-82.
 - (b) For most of the period the channel remained dried and the average running of water in the channel ranged between nil and 18 days, per month, during 1984-85.
- The Department attributed the shortfall in irrigation to nonavailability of water from Ravi-Beas river of Punjab.
- (d) The area brought under different crops ranged between 0.2 and 30 per cent (Kharif) and 0.6 and 43 per cent (Rabi) of the envisaged cropped area. The benefit cost ratio worked out to 0.42 '1' against 1.2 : 1 envisaged in the project during 1978-79 when irrigation was maximum (18 per cent).
- (e) Working expenses during 1982-83 and 1983-84 were Rs. 27.45 lakhs and Rs. 26.14 lakhs against revenue of Rs. 1.72 lakhs and Rs. 5.85 lakhs respectively. After taking into account interest on capital of Rs. 2,01.90 lakhs (1982-83) and Rs. 2,10.19 lakhs the net loss for these two years worked out to Rs. 2,27.63 lakhs and Rs. 2,30.48 lakhs respectively. The department stated (April 1985) that there was no proposal to cover the deficit as the scheme was intended to combat drought in that area and was not a commercial project.
- (f) Against the total demand of revenue of Rs. 14.30 lakhs during the period 1980-81 to 1984-85, the actual realisation was Rs. 10.26 lakhs leaving Rs. 4.04 lakhs (28.25 per cent) to be recovered.

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

"Increase in cost of Loharu Lift Irrigation Project has no direct relation with simultaneous increase in C.C.A. Basically the cost has increased due to change in scope for including new minors so as to spread water to the whole area, which is undulated. Link channel has been constructed to off-take the canal from J.L.N. instead of Nai Nallah for having dependable source of sypply of water. Loharu Feeder and Badhwana Distributory proposed to be lined to save losses of water and to prevent water logging on the sides In addition there is acceleration of cost for labour and material as also provision for colonies, telephone lines, wire-less etc. have been made therein. Construction of additional Pump Houses and Remodelling of channels on account of enhanced water allowances, construction of regulation quarters for staff on Pump Houses.

- To-date total revised cost of the Project has not yet been finalised. Approval of Central Water Power Commission will be obtained after the project is finally revised. Action in this behalf is under process. The latest revised Project Estimate amounting to Rs. 34.53 crores stands submitted to Central Water Commission in the year 1984, but has not been cleared so far by Central Water Commission.
- The reasons for heavy excess during 1983-84 is due to peak stage of works on Loharu Canal Project. Additional 8 Nos. pump houses were constructed and pumps were installed. For saving during 1984-85 it was mainly for reasons of less allotment of L.O.C.
- The scope of the project has been enlarged as stated against para (a) above The project is still incomplete and under construction and under revision.
- Slow progress of work and slippage in construction schedule is attributed to the less receipt of L.O.C. and enlargement of scope of the Project.
- (a) Loharu Canal 15 a non-prennial and 15 running depends on availability of water. More-over, water courses are not fully developed and lined. Chakbandi 15 incomplete. Irrigation is bound to increase on similar pattern as on Jui Canal, where irrigation has increased to 35% approximately, after the water courses are lined and the water is made available from Ravi Beas.
- (b) As stated above.
- (d) Benefit cost ratio is bound to increase on full supply after the water is made available from Ravi Beas.
- (e) Working expenses have increased due to revision of pay scales of the employees and hike in cost of material and electricity rates. The deficit will be covered to some extent if water rates are revised by the Government for which the matter has already been referred to Government and is under active consideration.
- (f) Due to unprecedent drought conditions during the year 1986-87 there has been major set back in the collection of revenue of irrigation. Civil Authorities are being persuaded to cover up the gap.

During the course of oral examination the departmental representative admitted that there had been delay in not sending the project to the Central Water Commission and assured the Committee that they would submit the project by the end of December, 1989 to the Central Water Commission. The Committee observe that this project remained held up for quite a long time and consequently its cost had increased mainfold.

The Committee desire that responsibility for the delay be fixed and action taken against the defaulting officers/officials be intimated to the Committee within six months.

[20] 4.5. Purchase of low grade coal

F-Grade slack coal weigthing 1,719.400 tonnes at Rs. 6.16 lakhs was purchased by Jawahar Lal Nehru Canal Division No. 1, Rohtak, from Jhuigurda Colliery (Bihar) during July-December 1982 for use in kilns. The division had in stock 894.714 tonnes of coal on 26th June 1982 (value : 'Rs. 3 21 lakhs). Out of a total stock of 2,614.114 tonnes 38.760 tonnes was used on works in JNL Division No. 1 and 2 (March 1985), 93.756 tonnes (Rs. 0.38 lakh) was found short (January 1985) and 2,481.598 tonnes (Rs. 8 90 lakhs) remained unutilised (July 1985).

In test chek (July 1983) it was noticed that :

- (i) The above quantity of coal was purchased under a rate contract (March 1981) entered into by the Food and Supplies Department with the colliery. The grade of coal was neither mentioned in the requirement placed by the Department nor was it indicated by the Food and Supplies Department while allocating the quota of coal to the Department.
- (ii) Although 'F' grade coal has a very low calorific value as compared to 'A', 'B' or 'C' class coal (which was considered most suitable) yet supply of 'F' grade coal was approved by the Chief Engineer (Projects) Irrigation Department.

The Executive Engineer of the Division concerned stated (July 1985) that balance quantity of coal (2,481.598 tonnes; cost : Rs. 8.90 lakhs) was awaiting condemnation, burning of kiln was left half-way as the consumption of coal was on higher side and to meet the requirement, bricks/tiles were purchsed from the market.

The matter was referred to the Government in July 1985; reply was awaited (February 1986).

In reply to the questionnaire of the Committee, the department stated as under :---

"The department placed an indent for supply of coal with the Coal India Ltd. without any gradation as usual. Supply of F-grade coal was accepted in accordance with the policy of 'the Govt. of India. For this lapse no one is held responsible.

- The shortage of 93.756 M.T. Coal has been investigated and the cost thereof stands placed in P.W. Misc. Advances against the concerned official. Disciplinary proceedings under codal rules are under process.
- As already stated above in para 1 supra, the department had to accept supply of F-grade coal in light of policy decided by Govt. of India.
- This coal was put to auction @ Rs. 422 per M.T. through Director, Supplies & Disposal, Haryana but the bidding firm had lifted only 193.050 M.T. of coal so far. For the balance remaining quantity earnest efforts are on to dispose it off through Director, Supplies and Disposal Haryana.

During the course of oral evidence, the departmental representative explained in detail the position about the purchase of the coal as also the arbitration award which was contested by the department to a specific question of the committee whether excessive coal was supplied by the department, to the contractor, the departmental representative replied in affirmative. The Committee observe that the department was aware of the fact that excessive coal was being supplied to the contractor, then they should have investigated the matter and taken disciplinary action against the officials concerned. The Committee feel that higher officers were sleeping over the matter and were thus equally responsible for the lapses.

The Committee, therefore, strongly recommend that the department should go into each and every aspect of the case and initiate action against the officers/officials who failed to enforce the terms of the contract for the supply of the coal. A compliance report to this effect be furnished to the Committee within six months.

[21] 4.6. Misappropriation

Irrigation Department, Haryana had from May 1979 to May 1983 a Division at Ranchi (later shifted to Chandigarh in June 1983) which was engaged in the procurement of coal from collieries and its subsequent supply, against advance payments, to various indenting irrigation divisions in Haryana. Between June and September 1981, a Junior Engineer of the Division lifted 739.660 tonnes of coal from a colliery (cost : Rs. 1.39 lakhs) and, instead of despatching it to consignees misappropriated the entire quantity. The misappropriation came to notice at the time of reconciliation of Divisional accounts of coal with those of the colliery in August 1982. Report was lodged with the Police (September 1982) and simultaneously the Junior Engineer was placed under suspension; his services were later terminated in June 1983.

The Department informed Audit (February 1985) that the Police have since completed their investigations and the case was now pending in a court; further developments in the matter were awaited (February 1986).

It was noticed that contrary to requirements :

-Divisional accounts were not reconciled with those of the collieries from May 1979 to July 1982;

-daily report of procurement of coal were submitted by Junior

Engineer but the reports relating to stock misappropriated were not submitted to Divisional Office;

no specific procedure was laid down for obtaining deliveries of coal from the collieries, despatching the same to the consignee and maintaining their accounts; and

procurement and despatch of coal was entrusted to the Junior Engineer, who was only an ad-hoc employee of the Division.

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N 13 14 Matter was referred to Government in April 1985; reply was 711 awaited (February 1986). 5

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

Case is still under trial in a Civil Court at Hazari Bagh (Bihar). Final decision has not been taken by the Hon'ble Court, so far.

Timely check of mis-appropriation could not be exercised in this case as there was no adequate staff posted in Proture-ment Sub Division No. X, Ramgarh (Bihar)/Procurement Division No. III, Ranchi. A Divisional Accountant was also posted in this Division in 5/82, even after persistent demands, made with the Accountant General Haryana. In these circums-tances an ad-hoc Junior Engineer on his first joining the department, was posted in Procurement Division No. III Ranchi and he was assigned the job of lifting and despatch of coal from collieries to various Indenting Officers in Haryana State. The Junior Engineer was required to submit daily report of his work and he had been sending such reports misappropriated. Misappropriation but for the coal of 739.66 M.T. coal came to notice only after reconciliation. of the accounts with colliery authorities in 1982 when the Divisional Accountant was posted. The Junior Engineer (Ad-hoc) responsible for the misappropriation of coal was placed under suspension in 10/82 and his services were terminated in 6/83 on the advice of the Government.

During the course of oral evidence, the departmental representa-tive stated that it was a case where they were not in a position to put up any defence and give any satisfactory explanation. He further informed the Committee that the case was registered against the Junior Engineer in Bihar court in September 1982 and there was no progress even after a lapse of 7 years. He admitted before the Committee that in this case not only the Junior Engineer alone but there might be some other officers who were also responsible for this misappropriation, and for that matter the case required detailed investigation.

The Committee desire that the whole matter may be thoroughly investigated and a detailed report highlighting the lapses and fixing responsibility on the defaulting officers/officials be furnished to the Committee, within six months.

[22] 4.11. Miscellaneous Public Works Advances

See.

(i) The balances under this suspense head represent value of stores sold on credit, expenditure incurred on deposit works in excess

of deposits received, losses of cash or stores and advances and dues awaiting recovery from Government servants, contractors. Items under this head are to be cleared either by actual recovery or by transfer under proper sanction or authority to appropriate head of account. Non-adjustment or non-recovery of these balances over long periods results in the works accounts remaining under-charged and/or the dues becoming eventually, irrecoverable.

(ii) At the end of March 1985, Rs. 17,28.69 lakhs were outstanding in 214 divisions (123 Irrigation, 55 Buildings and Roads and 36 Public Health) under this head as shown below :

Sr. No.	Description	Irrigation Division	Buildings and Roads Division	Public H Division	ealth Total
		, <u>, , , , , , , , , , , , , , , , , , </u>	(In lakhs o	f rupees)	
1.	Sales on credits	8.75	, 0.35	2.29	11.39
	Éxpenditure on deposit works in excess of deposits received	55.27	10.98	45.75	1,12.00
	Losses, retrenchment, errors etc.	14.57	6.80	5.29	26.66
4.	Other items	10,73.69	2,39.63	2,65.32	15,78.64
,	Total	11,52.28	2,57.76	3,18.65	17,28.69

(iii) In 82 Divisions, from whom information was collected, outstanding balance, as on 31st March 1985, were Rs. 8,26.74 lakhs, (48 Irrigation : Rs. 5,75.15 lakhs, 20 Buildings and Roads : Rs. 93.23 lakhs and 14 Public Health : Rs. 1,58.36 lakhs). Year-wise/Departmentwise break up of balances is given below :

Year	Irrigation	Buildings and Roads	Public Health	Total
Up to		(In lakhs c	of rupees)	,
1979-80	26.65	18.87	45.54	90.06
198081	1,95.27	2.04	3.27	2,00.58
198182	1,61.40	5.86	6.61	1,73.87
1982-83	56.93	17.61	16.01	90.55
198384	26.09	13.33	11.84	51.26
1984-85	1,09.81	35.52	75.09	2,20.42
Total	5,75.15	93.23	1,58.36	8,26.74
the state of the	est en ent	· · ·		

(a) Rupees 2,73.42 jakhs were outstanding in 60 divisions (29 Irrigation : Rs. 1,36,11 lakhs; 18 Buildings and Roads : Rs. 52.68 lakhs and 13 Public Health : Rs. 84.63 lakhs) against contractors, suppliers, private parties and Government servants for the period ranging from one year to ten years on account of advance payments, material received short, demurrage charges and shortages of material.

(b) Rupees 10.27 lakhs remained unrecovered in 23 Divisions (8 Irrigation : Rs. 2.29 lakhs; 9 Buildings and Roads : Rs. 6.27 lakhs and 6 Public Health ; Rs. 1.61 lakhs) on account of losses, retrenchments etc., for the period ranging from 1 to 10 years.

(c) Rupees 4,59.40 lakhs me 70 Divisions (40 Irrigation : Rs. 4,08:07 lakhs, 17 Buildings and Roads : Rs. 32.88 lakhs and 13 Public Health : Rs. 18:45 lakhs) were outstanding for the period 1 to 10 years on account of shortages, advance payment to other divisions for supply of material, telephone charges, water charges, etc.

(d) An excess expenditure of Rs. 77.75 lakhs incurred on deposit works was awaiting recovery from local/autonomous bodies in 6 Divisions (4 Irrigation : Rs. 24.70 lakhs and 2 Public Health : Rs. 53.05 alakhs).

(iv) A test check (April—July 1985) by Audit of the outstanding ritems pertaining to 18, divisions (7-Irrigation ; 5 Buildings and Roads and 6 Public Health) disclosed the following :

(a) Value of stores / excess consumption of material / irregular expenditure, irregular purchases, demurrage charges amounting to Rs. 21.38 lakhs in 14 Divisions (Rs. 7.16 lakhs in 5 Irrigation, Rs. 5.73 lakhs in 3 Buildings and Roads and Rs. 8.49 lakhs in 6 Public Health), pertaining to the period from 1963-64 to 1984-85, were outstanding against Government, officials.

(b) As sum of Rs 10.15; lakh, in three Divisions (2 Irrigation : Rs. 0.11 lakh and 1 Buildings, and Roads : Rs. 0.04 lakh) has become irrecoverable due to resignation, retirement, death or the names of officials against whom recoveries were, due are not known.

(c)-Advance-payments-made to-firms/suppliers/Departments_by_13 divisions amounting to Rs: 1,13.79 lakhs (3 Irrigation : Rs. 57.56 lakhs; 4 Buildings and Roads : Rs. 14.76 lakhs and 6 Public Health : Rs. 41.47 lakhs) were outstanding since 1962-63 for either non-receipt of material from the suppliers or non-adjustment of receipt of material from them (February 1986).

(d) Rupees 0.95 lakh outstanding in 3 Irrigation Divisions were recoverable from 19 officials/officers who were allocated to other states viz. Punjab and Himachal Pradesh due to reorganisation of the States in 1966.

(c): Rupees 22.77 lakhs were outstanding in 8 divisions (Rs. 7.95 lakhs in 2 Irrigation; Rs. 10.42 lakhs in 2 Buildings and Roads and Rs. 4.40 lakhs in 4 Public Health) since 1965-66 to 1984-85 against
contractors on account of (1) minus bills, (11) works got done at their risk and cost and (111) cost of material and wharfage charges

The Executive Engineer, Public Health Division, Panchkula intimated (July 1985) that the whereabouts of 4 contractors against whom Rs. 1.40 lakhs were outstanding are not known and recoveries cannot be effected.

(f) Rupees 2 34 lakhs were outstanding in 3 divisions (1 Irrigation : Rs. 0.72 lakh; 1 Buildings and Roads : Rs. 0.90 lakh and 1 Public Health Rs. 0.72 lakh) since 1964-65 to 1984-85 against officials whose whereabouts were not known to the division.

(g) Decretal charges of Rs. 0.32 lakh in WJC Division, Karnal, were debited (April 1982) to this suspense head instead of obtaining budget provisions under final head of account. Sanction of the Government to regularise these charges was awaited (February 1986).

(h) In three divisions Rs. 90.75 lakhs (One Irrigation : Rs. 14.89 lakhs, One Buildings and Roads . Rs. 3.39 lakhs and One Public Health Rs. 72.47 lakhs) being expenditure on deposit works in excess of deposits were not debited to this head.

The above matter was referred to the Government in August 1985; reply was awaited (February 1986).

In reply to the questionnaire of the Committee, the department stated as under :--

"Against a total sum of Rs. 1169.38 lakhs and not Rs. 1152.28 lakhs which was outstanding in 3/85 under various sub heads of P.W. Misc. Advances in 123 Nos. Divisions of Irrigation Department, the position of its clearance under each sub head is as under :---

			Outstanding as on 3/85	Clearance	Balance
		0	(R	upees in Lakl	hs)
1.	Sales on Credit		8.75	0 ~5 9	8.16
2.	Expenditure on de excess of deposit re		55 .27	26.85	28.42
3.	Losses; retrenchme	nt errors etc. (Actual) (Not)	14.56 14.57	5.63	8.93
- 4. .	Other items	(Actual) (Not)	1090.80 1073.69	366.60	724.20
	Total :		1169.38	399.67	769.71

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To ensure speedy liquidation of the amount lying in P.W. Misc. Advances, instructions are being issued to the field staff from time to time. S.Es are directed to hold periodical meetings and to fix target for its clearance in consultation with the XENs under them. The progress of P.W. Misc. Advances is also watched by the Head Office through half yearly Report on its clearance and Quarterly Reports on clearance of Accounts Arrears.

Detailed position with regard to (a) to (d) of sub para (iii) of Para 4.11 is as under :---

- (a) Out of Rs 136.12 lakhs (not Rs. 136.11 lakhs) outstanding in 29 Irrigation Divisions' against the contractors, suppliers, private parties and Govt. servants on account of advance payments, material received short, demurrage charges shortage of material etc.; a sum of Rs. 55.40 lakhs has been cleared so far. The balance amount of Rs. 80.72 lakhs is held up mainly due to non-receipt of proper accounts for the transfer of machinery to S.Y.L. Punjab Authorities and advance payments made to H.S.M.I.T.C. In certain cases, the contractors etc. have either gone into arbitration or their cases are going on in the Court of law. So far the items of Misc. Advances pending against the officers/ officials are concerned, these will finalize either on completion of disciplinary proceedings/regularisation. Earnest efforts are being made at all level to liquidate the balance amount.
- In fact the un-recovered amount on account of losses, retrenchment etc. in 8 Divisions of Irrigation Department was to the tune of Rs. 2.39 lakhs (not Rs. 2.29 lakhs). Out of it only a sum of Rs. 0.41 lakh could be cleared so far. The balance amount to the tune of Rs. 1.98 lakhs will clear after the finalization of the court cases.
 - (c) Against a sum of Rs. 408.07 lakhs stated as outstanding in 40 Irrigation Divisions on account of shortages, advance payment to other Divisions for supply of material telephone charges, water charges etc. Rs. 123.95 lakhs has been cleared so far. The balance outstanding amount of Rs. 284.12 lakhs stands mainly against H.S.M.I.T.C. for errection of pumps etc. The estimate will be prepared on actual basis and the outstanding amount cleared on receipt of proper accounts for actual amount incurred in the installation of pumps. There are some other cases which are pending for want of awards by the Arbitrator or decision of the courts and completion of disciplinary proceedings.
 - (d) A sum of Rs. 24 61 lakhs has since been cleared against the total of Rs. 24.70 lakhs stated to have incurred in excess on deposit works and awaiting recovery from Local/ Autonomous Bodies in 4 Divisions. A meagre amount of Rs. 0.09 lakh remains to be recovered from H.S.E.B. for which the matter is being pursued.

Detailed position with regard to (a) to (b) of Sub Para (iv) of Para 4.11 is given below :---

- (a) Against a sum of Rs. 7.16 lakhs outstanding in the name of the Govt. officials in 5 Irrigation Divisions on account of value of stores/excess consumption of material/irregular expenditure/irregular purchases/demurrage charges pertaining to the period 1963-64 to 1984-85, Rs. 3.89 lakhs has since been cleared. For the clearance of balance Rs. 3.27 lakhs either disciplinary cases are being initiated or under process against the defaulting officers/officials.
- (b) The sum of Rs. 0.11 lakhs outstanding in the account of 2 Irrigation Divisions pertaining to an old period and it has become irrecoverable due to resignation, retirement, death or non-availability of whereabouts of officials. For its finalization/writing off the amount involved in each case, action is under process.
- (c) In fact the outstanding amount in 3 Irrigation Divisions is Rs. 54.33 lakhs (not Rs. 57.56 lakhs) for non-receipt of material from the suppliers or not adjustment of receipt of material from them. A sum of Rs. 8.80 lakhs has since been cleared leaving a balance of Rs 45.53 lakhs, which being an advance payment to H.S.M.I.T.C. and will be adjusted on receipt of proper accounts.

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- (d) An amount of Rs. 0 93 lakh stated as outstanding in 3 Irrigation Division recoverable from 19 officers/officials, who were allocated to other States at the time of re-organisation of States in 1966, a sum of Rs. 0.12 lakh could be cleared so far. The balance amount of Rs. 0.81 lakhs has to be written off in terms of section 63 of the Punjab Re-organisation Act, 1966 as the cases in which penalty is determined after the appointed day in respect of an act committed before the appointed day i.e. 1-11-1966, the amount so recovered will be retained by the success or State to which, the officer/official is allocated.
- (e) Out of Rs. 7.95 lakhs shown as outstanding in 2 Irrigation Divisions against contractors on account of (1) minus bills (ii) works got done at their risk and cost and (iii) cost of material and whargage charges a sum of Rs. 6.00 lakhs has since been cleared. The balance of Rs. 1.95 lakhs is yet recoverable from certain Brick Kiln Owners, who have gone into arbitration. The balance amount Mill also be adjusted after the awards are announced and made rule of the court.
- (f) From the total of Rs. 0.72 lakhs shown outstanding in one Irrigation Divisions against the officials whose whereabouts were not known, it is stated that the sum of Rs. 0.01 lakhs could only be recovered so far. Howveer, a sum of Rs. 0.63 lakh outstanding against one J.E.; it will be

cleared shortly as disciplinary proceedings against him are near finalization. The balance amount of Rs. 0.08 lakhs will have to be written off.

- (g) A sum of Rs. 0.32 lakhs was paid to a peon in light of the decree passed by the Labour Court. A case for its sanction from the competent authority has since been initiated and is under process.
- (h) So far as Rs. 14.89 lakhs in one Irrigation Division being an expenditure on deposit works in excess of deposits and not debited by One Irrigation Division to the head P.W. Misc. Advance, it is informed that an advance payment of Rs. 36.05 lakhs was received from H. S. E. B. for the execution of a deposit work in 3/85 and the expenditure incurred by the Department raised to Rs. 51 39 lakhs. After the closure of March supplementary accounts the recoverable amount of Rs. 14.89 lakhs was placed in P.W. Misc. Advances during 5/85 to watch the interest of the Department. Immediately on receipt of payments of Rs. 5.00 lakhs (in 7/85 and Rs. 9.89 lakhs. (in 12/85) from H.S.E.B.; this item was cleared.

During the course of oral evidence the departmental erepresentative informed the Committee that there was Rs. 467 lakhs outstanding as in July, 1989 and that they had deputed the concerned Chief Engineer to look into the matter and identify those cases against whom the amount was still outstanding. He also assured that they would enquire into each case and sent the detailed information about the outstanding recoveries in such cases to the Committee.

The required information had not been furnished till the drafting of this report.

The Committee desire that the progress made in this regard be intimated to the Committee expeditiously.

[23] 5.3. Shortages in stores

(a) In J.L.N. Feeder Division No. IV, Bhiwani a Junior Engineer pilfered 35 bags of cement by tampering 400 cement bags on 9th February 1984 and carried them away in a truck without giving any indent or challan. This was reported by the Chowkidar to his superior officer on the same day. He was placed under suspension by the Superintending Engineer on 25th February 1984. As the official, refused to, hand over the charge, the Executive Engineer deputed two Sub Divisional Officers for a special physical verification of the stores held by him. Physical verification conducted during March—June 1984 revealed shortages of stores costing Rs. 1.39 lakhs. The Junior Engineer handed over the charge on 15th June 1984 and he was deemed to have been suspended from 9th February 1984. He was re-instated in December 1984.

In test check it was noticed that neither any report was lodged with the police for the shortages/tampering of cement bags nor any charge sheet was served on the concerned official so far (August 1985). Physical verification of stock was also not conducted by the Division after 1982-83.

The Engineer-in-Chief stated (August 1985) that the official was re-instated in December 1984 and charge sheet for disciplinary proceedings was being prepared against the official. Further developments were awaited (February 1986).

The matter was reported to the Government (May 1985); reply was awaited (February 1986).

(b) A Junior Engineer incharge of stores in J.L.N. Feeder Construction Sub-Division No V Rohtak did not handover charge of tools and plants and store articles on orders for transfer in September 1982. A special physical verification of the material by two Sub-Divisional Officers as per orders of the Superintending Engineer concerned in January 1983, revealed shortages of stores worth Rs. 1.57 lakhs which, on re-verification in January 1984, were found worth Rs. 1.07 lakhs.

A test check (August 1983 and July 1985), revealed that no action has been taken against the Junior Engineer so far and a draft show cause notice submitted by the Executive Engineer in December 1984 was awaiting approval of the Chief Engineer (July 1985). Annual physical verification of stores since 1981-82 has not so far been conducted by the divisional office. Annual tool and plants returns since September 1980 to May 1984 the date of winding up of the division had not been prepared in respect of the charge held by the Junior Engineer.

The Engineer-in-Chief intimated (November 1985) that the charge sheet received from circle office is under process and the amount of shortages will be recovered from the official during his service period.

The matter was reported to the Government in August 1985; reply was awaited (February 1986).

- "In the 1st case (a) charge sheet was served to the concerned Junior Engineer at Superintending Engineer's level in January, 1986. Reply to the charge sheet has been given by the Junior Engineer in 11/86. While deciding for issue of recovery orders against the Junior Engineer (Temporary), Superintending Engineer, Construction Circle No. 1, Rohtak has pointed out that he is not legally competent to do so as in a similar such case, recovery orders passed by him have been challenged in the Court of Law. To avoid any legal complication in the recovery of alleged loss issuance of fresh charge-sheet to the Junior Engineer under signature of Chief Engineer is now under process.
- In the 2nd case (b) a charge sheet was served upon the Junior Engineer (permanent) concerned in February 1986 by the Chief Engineer. Reply to it was submitted by the Junior Engineer in March, 1986. After receiving comments from the field, recovery orders to the tune of Rs. 36588.53 paise were issued

in 3/88 besides a recorded warning to be placed in the Personal Register of the Junior Engineer.

In order to check sheet recurrences, instructions are issued to the Field Officers, from time to time for conducting periodical physical verification of the stores."

During the course of oral examination the departmental representative admitted the avoidable delay of over 5 years in this case and assured the Committee that they, would certainly fix up the responsibility, against the officers who would be found responsible for the lapse. He had also assured to give the entire information relating to this para within six weeks.

The Committee however, regret to point out that the department did not furnish the promised information within the stipulated time or even till the drafting of this report. The Committee desire that the progress made in this case alongwith the action taken against the delinquent officials be intimated to the Committee within three months at the latest.

BUILDINGS AND ROADS

[24] 4.8. Loss due to an injudicious decision

In Provincial Division, PWD (B&R) Nuh, thirteen tenders for earth work in embankment on the road Khor to Dhulkote (quantity : 30,912 cum; estimated cost : Rs. 2 46 lakhs) were opened on 24th March 1982. All these tenders were valid up to 21st June 1982. The lowest tendered rate of Rs. 6.39 per cum (total tendered cost : Rs. 1 98 lakhs) of contractor 'A' (a co-operative society) against the Departmental estimated rate of Rs. 7.95 per cum was accepted and allotment letter was issued on 6th May 1982. The contractor, however, did not start the work and the contract agreement was rescinded by the Executive Engineer on 8th June 1982. Fresh tenders were then invited on 11th June 1982, and in response, six tenders were received. The negotiated rates of contractor 'X' at Rs. 11.75 per cum (total tendered cost : Rs. 3.63 lakhs), being lowest, was approved and work was accordingly allotted to him.

In test check (November 1983) it was noticed that at the time of rescinding contract agreement of contractor 'A' on 8th June 1982, the offer of contractor 'B' (out of thirteen tenders) at Rs. 7.20 per cum valid up to 21st June 1982 was available with the Division for acceptance. Thus, by inviting fresh tenders and allotting the work to 'X' at a higher rate of Rs. 11 75 per cum instead of allotting the work to available contractor 'B' at a lower rate of Rs. 7.20 per cum, the department incurred an extra expenditure of Rs. 1.41 lakhs on 30,912 cum of earth work. The Engineer-in-Chief in his reply (February 1986) did not state the reasons for ignoring the available offer of contractor 'B' while inviting fresh tenders.

The matter was referred to Government in July 1985; reply was awaited (February 1986).

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

- "(1) The tenders were valid for 90 days only when the same were under consideration. Once the work was allotted to the lowest tenderer rest of the tenders got filed under the rules and even the earnest money refunded to all other tenders. There is no provision under the rules to reopen the filed tenders and as such, question of negotiation with the parties of filled tenders (2nd & 3rd lowest) at a subsequent stage after the decision of the tender does not arise.
- In this connection it is considered essential to reiterate that once the contractor stands allotted, all other tenders (even if their validity period was still to expire) become dead offers and incapable of being reviewed.

- In view of the above, the offer of contractor "B" referred to in the question was no more a lawful offer which could even be considered before inviting fresh tenders.
- The decision of ignoring the so-called "available offer of contractor 'B' " referred to in this question, was correct and judicious."

The Committee was informed that there was no provision under the rules to reopen the filed tenders and the offer of the Contractor 'B' was no more a lawful offer. In reply to another question of the Committee, the departmental representative stated that the Contractor 'A' refused to undertake that work and even could not convince the department as to why he was not prepared to execute the work.

The Committee note that the action was not initiated against the contractor 'A' to impose penalty on violation of the contract agreement. The Committee desire that the action taken against the officer/official of the department on the said lapse be intimated to the Committee within six months.

PUBLIC HEALTH

[25] 4.9. Avoidable expenditure

For the construction of suction well, scour well, pump chamber, filter beds, etc., (estimated cost : Rs. 6.00 lakhs) for two water supply schemes, tenders were invited by Public Health Division, Sonipat in July 1983 (tendered cost : Rs. 5.63 lakhs). The tenders, valid for ninety days, were forwarded in July 1983 by the Executive Engineer to the Superintending Engineer for approval with clear indication that requisite funds were available with the Division. The Superintending Engineer initially declined his approval on grounds of paucity of funds. The Executive Engineer clarified (September 1983) to the Superintending Engineer that (i) adequate funds were available with the Division not only to meet the expenditure in question but also to spend on other schemes in hand and (ii) if these tenders are not accepted there is a possibility of escalation of tender-cost. To these clarifications, the Superintending Engineer after protracted correspondence, agreed only in April 1984 and advised the Executive Engineer in vague terms to take action subject to financial regularities. By then, the validity period of the tenders had expired and fresh tenders had to be invited and the works were finally allotted to lowest tenderer at a cost of Rs. 7.06 lakhs in August 1984.

A comparison of the rates of both the tenders showed that, based on actual executed quantities of work up to March 1985, the rates of the latter tender were in excess by Rs 0.72 lakh, which could have been avoided had the earlier tenders been finalised within the validity period; the works are still in progress (April 1985).

The matter was reported to the Government in May 1985; reply was awaited (February 1986).

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

In this explanation dated 16-7-88, the Superintending Engineer conerned has stated that while these tenders were under process, instructions of the Haryana Govt. were received wherein it was emphasized that no expenditure in excess of budget grant would be regularised. The Executive Engineer, Public Health Division, Sonipat through his two separate letters dated 25-8-83 had asked the Superintending Engineer to arrange additional funds of Rs. 10.89 lakhs for the following two MNP targetted schemes to be executed during 1983-84

1.	Water Supply Scheme Sheri Khanda	Rs. 2.90 lakh
2.	Water Supply Scheme Thana Kalan	Rs. 7.99 lakh

Rs. 10.89 lakh

79

The Superintending Engineer, vide his letter No. : 13561 dated 8-9-83 asked the Executive Engineer to proceed further for incurring additional expenditure of Rs. 10.89 lakhs on the targetted schemes as demanded by him by transferring funds from the following three water supply schemes, stating that these schemes (including two schemes Ahulana & Dubeta in question) were not targetted schemes. He also advised the Executive Engineer to control expenditure keeping in view, the water supply schemes to be commissioned during the year 1983-84 :--

Name of work from where the funds are to be transferred		Amount (Rs. in lacs)	Name of work to whom funds are to be allocated
1.	W/S sch. Ahulana Gr. of 3 No. villages	4.00	W/S scheme Thana Kalan Gr. of 3 No. villages.
2.	W/S sch. Dubeta Gr. of 3 No. villages	4.00	-Do-
3. `	W/S scheme Bhainswal of 2 No. villages	3.00	W/S sch. Sehri Gr. of 3 No. villages

Keeping in view, the position of funds, both the tenders submitted by the Executive Engineer on 7-7-83 to the Superintending Engineer were rejected by the Superintending Engineer on 13-9-83 on the plea of paucity of funds. On 21-9-83, the Executive Engineer resubmitted both the tenders to the Superintending Engineer for reviewing his orders of cancellation. Thereafter the Superintending Engineer, Public Health Circle, Sonipat referred the matter to the Engineer-in-Chief, PWD Public Health Haryana vide his memo No. : 14861 dated 2-10-1983. He demanded additional funds to the tune of Rs. Rs. 8.00 lakhs over & above Rs. 475647.56 lakhs already asked for "In case tenders for the water supply scheme, Ahulana and Dubeta were to be approved". He remained in the matter vide his No. : 15863 dated 24-10-1983 again asking for the additional funds of Rs. 8.00 lakhs. The last sentence of the letter read as under : "In case the above funds are not available, the tenders for the above works as given under subject stand rejected, as the extended validity period will be terminated on 30-10-83,"

From the record, it appeared that it was not possible to divert Rs. 8.00 lakhs from other schemes. The matter had been discussed with the Superintending Engineer, Public Health Circle, Sonjpat and it was pointed out to him that it was not possible to withdraw funds from other schemes and place them on his disposal during the year 1983-84. According to the Superintending Engineer there was already an excess liability of Rs. 47.56 lacs over and above the funds against this Division without allotment of works of Ahulana & Dubeta. The explanations of the Superintending Engineer concerned are under process and action taken will be intimated in due course. The works have been completed as under :--

(i) Ahulana in 3/85 (11) Dubeta in 5/85

The excess amount involved is :---

	•	Rs.	74410
2.	Dubeta	Rs.	43665
1.	Ahulana	Rs.	30745

Necessary instructions are being issued to all the Superintending Engineers/Executive Engineers, Public Health Branch to call tenders after ascertaining the availability of funds

During the course of oral evidence, the departmental representative informed the Committee that the Superintending Engineer declined approval to acceptance of the tenders in the wake of decision taken in the meeting held with the Chief Secretary on 22-6-83 according to which no expenditure in excess of the budget/grants would be regularised and it would be the personal responsibility of the Head of the Department to ensure that the expenditure was restricted to the budget allotment,. When asked if it was so, then why were explanation of the Superintending Engineer called for, the departmental representative informed that it was done as the PAC had called for the information on this paragraph.

The Committee do not feel satisfied with these explanations of the department and observe that it was not a proper approach on the part of the department to have called for the explanation of the SE merely on the ground that the matter was to figure in the PAC meeting rather than dealing the case on its merit. The Committee feel that the decision taken in the meeting held with the Chief Secretary was in general terms re-interating the existing requirements/instructions and did not prompt the SE to decline approval of the tenders on the grounds of paucity of funds. If it had been so, then he would not have agreed in April, 1984 to accord his approval on the specific clarification of the Executive Engineer in September, 1983 that adequate funds were available with the division not only to meet the expenditure in question but also to spend on other scheme in hand. The Committee, therefore, think that obviously it is a case where the delay in finalisation of the tenders has resulted into an avoidable expenditure of Rs. 0.72 lakh.

The Committee desire that final outcome of the explanation of the SE may be intimated to the Committee after thoroughly investigating into the case.

The Committee further desire that in future it should be ensure that tenders are invariably finalised within the prescribed validity period and on no account should these be allowed linger on to entail loss to the department by way of extra/avoidable expenditure.

[26] 4.10. Cash settlement suspense account

Cost of materials supplied or services rendered by one Public

Works Division to another (Receiving Division) is initially debited to the head "Cash Settelement Suspense Account" by the Division Supplying material or rendering services (originating Division). The receiving Division has to make payment by issuing cheque/bank draft within a period of 10 days of the receipt of claim from the originating division and clear thereby the balance outstanding under the suspense head. There should normally be no balance outstanding under this suspense head at the end of the year. The outstanding balances represent the outstanding liabilities of the receiving divisions and their non-adjustment indicates that expenditure to this extent has remained unaccounted for under the final heads and, consequently, the excesses and surrenders against grants/ appropriations do not represent the true position. The items, if not settled in time, may conceal frauds and verification of the receipt of materials etc., is rendered difficult with the passage of time.

(ii) Department-wise analysis of balances at the end of 1984-85 was as follows :

Sr. No.	Name of Department	۰.	. '	Total numb Divisi	er of	Balance as on 31st March 1985
	-			. (In la	khs of	rupees)
1.	Irrigation	۰. ,	۲. ۲	, a	123	1,16.18
2. _.	Buildings and Roads	,		•	55	, 1,57.80
3.	Public Health			,	36	2;76.72
	Total			t	214	5,50.70

(iii) The information was received from 90 divisions (60 Irrigation, 17 Buildings and Roads and 13 Public Health) that Rs. 2,35.18 lakhs were outstanding at the end of March 1985 Year-wise details are given below :

Year	Irrigation Department	Buildings and Roads Department	Public Health Department	Total
		(In lakhs	of rupees)	•
Up to		,		· · · · · ·
1979–80	4.91	16.99	53.92	· 75.82
1980-81 -	0.83	(—)1.29	8.11	7:65
1981–82	10.37	6.32 [.]	48.44	65.13
1982-83	13.03	1.24	9.04	23.31
1983-84	16.93	8.95	20.06	45.94
1984-85	· ()0.18	12.81	. 4.7 0 [°]	17.33
Total	45.89	45.02	1,44.27	· 2,35 [.] 18

(iv) A test check (March—July 1985) of outstanding balances in 18 divisions (7 Irrigation, 5 Buildings and Roads and 6 Public Health) disclosed as on 31st March 1985, the following :

- (a) In 12 divisions claims for Rs. 70.17 lakhs (2 Irrigation : 5.42 lakhs; 5 Buildings and Roads : Rs. 8.41 lakhs and 5 Public Health : Rs. 56.34 lakhs) were preferred after a time lag of one month to three years.
- (b) Minus balances of Rs. 1,19.20 lakhs were appearing in 11 divisions (6 Irrigation : Rs 72 74 lakhs; 2 Buildings and Roads : Rs. 25.25 lakhs; and 3 Public Health : Rs. 44.21 lakhs) due to advance payments received for works to be executed, non-adjustments of outturns of different kinds of machinery, less supply of material against advance payments, non-posting of debits and mis-classifications.
- (c) In three divisions balances of Rs. 47.36 lakhs (one Irrigation : Rs. 1.37 lakhs; one Buildings and Roads : Rs. 4.89 lakhs; and one Public Health : Rs. 41.10 lakhs) were outstanding being disputed amounts as the liabilities were not accepted by the receiving divisions due to change in the jurisdiction of works.
- (d) In four divisions claims amounting to Rs. 10.44 lakhs (2 Buildings and Roads : Rs. 7.34 lakhs and 2 Public Health : Rs. 3.10 lakhs) pertaining to the years 1975-76 to 1984-85 were not preferred.
- (e) In three divisions, Rs. 1.09 lakhs were outstanding (2 Public Health : Rs 0.67 lakh and 1 Irrigation : Rs. 0.42 lakh) against such divisions which are now under the Punjab Government. These balance relates to the period 'prior to 1966-67.
- (f) Original documents relating to claims received for Rs. 52.30 lakhs by 8 divisions (Rs. 5.92 lakhs in 2 Irrigation; Rs. 1.39 lakhs in 2 Buildings and Roads and Rs. 44.99 lakhs in 4 Public Health) from other divisions between October 1972 and February 1985 were pending settlement for want of (a) non-verification of claims, (b) sanction of estimates, (c) non-provision in the estimates and (d) details from the originating divisions.
- (g) Complete details of the balances amounting to Rs. 9.27 lakhs (Rs. 7.19 lakhs in one Irrigation Division and Rs. 2.08 lakhs in one Buildings and Roads Division) and of minus balances Rs. 4.35 lakhs (one Buildings and Roads : .Rs. 0.85 lakh and in one Public Health : Rs. 3.50 lakhs) were not known to the Division concerned.

- (h) In March 1984, Provincial Division, B&R, Charkhi Dadri made an advance payment of Rs. 10.28 lakhs to a supplier. The material had, however, not been received and the Division booked Rs. 6.05 lakhs to Cash Settlement Suspense Account against, Provincial Division, Bhiwani and Rs. 4.23 lakhs to Miscellaneous Public Works Advances.
- It was noticed that (i) these amounts were transferred from suspense head to family planning head in March-Supplementary 1984 and (ii) the entire amount was reversed from family planning to suspense heads in April 1984. The Executive Engineer stated (July 1985) that these adjustments were made to exhibit utilisation of funds under the family planning head to avoid lapse of appropriation during the financial year 1983-84.
 - (i) In 8 divisions (3 Irrigation, 4 Public Health and 1 Buildings and Roads) the media of Cash Settlement Suspense Account was used for transfer of Cash by one Division to another which is not permissible under the rules.
 - (j) In 5 Divisions (2 Irrigation, 2 Buildings, and Roads and 1 Public Health) the suspense head was wrongly used for transactions with autonomous bodies and offices other than Public Works Offices.
- (k) The division-wise register of transactions/register of claims received were not maintained in 9 divisions (5 Irrigation and 4 Buildings and Roads) in the absence of which it could not be ascertained that all the claims raised by originating divisions were received in the receiving divisions and vice-versa.

The matter was referred to Government in August 1985; reply was awaited (February 1986).

The department in their written reply to the questionnaire of the Committee explained as under :--

(i) Heavy balances under the head "Cash Settlement Suspense Account" accumulated in Public Health Divisions due to increase in transaction as a result of increase in activities of the department connected with supply of Drinking Water to villages in Haryana State.

Para-wise latest position of the balances is given below :---

- (ii) So far as, Public Health Branch is concerned out of Rs. 276.72 lacs an amount of Rs. 149.81 lacs has been cleared upto 30-6-88, leaving balance of Rs. 126.91 lacs. Division wise detail attached.
- (iii) Out of Rs. 144.27 lacs an amount of Rs. 56.18 lacs has been cleared leaving balance of Rs. 88.09 lacs. Year-wise

cno	Dalance	amount	is	given	below	:
	-			·····		Balance amount as on 30-6-88
				*****	(In loss	of Duran)
					un lacs	
						55.31
						7.66
						34.06
						()4.92
						21.18
	•					()25.20
 			,			88.09
			• .	· · ·		of the balance amount is given below (In lacs

Instructions have been issued to all the Executive Engineers, in Public Health Department to expedite the clearance of remaining outstanding liabilities under Cash Settlement Suspense Account.

- (a) Instructions have been issued to all the Executive Engineers in Public Health Department to send the B.T. Bills in time in future.
- (b) Out of Rs. 44.21 lakhs, an amount of Rs. 31.47 lacs has been cleared, leaving balance of Rs. 12.74 lacs.
- (c) Out of Rs. 41.10 lakhs, an amount of Rs. 10.05 lacs has been cleared, leaving balance of Rs. 31.05 lakhs Superintending Engineer, Public Health Circle Gurgaon has been instructed to settle the matter.
- (d) Debit advices have already been sent to the responding Divisions.
- (e) Against Rs. 0.67 lakhs, actually Rs. 0.31 lac are outstanding against earstwhile Punjab Public Health Division. Efforts are being made to clear the amount as early as possible.
- (f) An amount of Rs. 37.36 lakhs has been cleared, leaving balance of Rs. 7.63 lakhs. Efforts are being made to clear the balance amount.
- (g) Executive Engineer, Public Health Division, Panchkula has been advised to collect the details from the Executive Engineer, Public Health Division, Ambala Cantt. & expedite the clearance of balance.
- (h) It does not relate to Public Health Department.
- (i) Noted, Instructions have been issued to all Public Health Divisions for guidance.

(i) Noted for compliance in future. Necessary instructions have been issued to all concerned.

(k) It does not relate to Public Health Department.

During oral evidence, the departmental representative could not give any satisfactory reply for the settlement of outstanding amount under this head but assured the Committee that the balance amount would be adjusted by the end of December, 1989 and also action would be initiated against the persons responsible for the lapse. Later in its written reply, it was stated that out of 276.72 lacs, a sum of Rs. 200.45 lacs were cleared upto 31-12-1989 and efforts are being made to clear the remaining balances.

The Committee desire that the detailed report about the settlement/ adjustment of the balance amounts in each case be intimated to the Committee within six months.

The Committee also desire that the action against the persons responsible for not adjusting the old outstanding under the suspense head for a long time be taken under report to the Committee.

[27] 4.11. Miscellaneous Public Works Advances

(i) The balances under this suspense head represent value of stores sold on credit, 'expenditure incurred on deposit works in excess of deposits received, losses of cash or stores and advances and dues awaiting recovery from Government servants, contractors. Items under this head are to be cleared either by actual recovery or by transfer under proper sanction or authority to appropriate head of account. Non-adjustment or non-recovery of these balances over long periods results in the works accounts remaining under-charged and/or the dues becoming eventually, irrecoverable.

(ii) At the end of March 1985, Rs. 17,28.69 lakhs were outstanding in 214 divisions (123 Irrigation, 55 Buildings and Roads and 36 Public Health) under this head as shown below :

Sr. No.	Description	Irrigation Division	Buildings and Roads Division	Public Health Division	Total
			(In lakhs	of rupees)	
1.	Sales on credits	8.75	0.35	2.29	['] 11.39
	Expenditure on deposition works in excess of deposits received		10.98	45.75	1,12.00
3	Losses, retrenchment, errors etc.		· •	-5-29	26.66
4 .	Other items	• 10,73`.69	2,39.63	2,65.32	15,78.64
~ 61	Total, , , , , , ,	11,52.28	2,57.76	3,18.65	17,28.69

(ii) In 82 Divisions, from whom information was collected, outstanding balance, as on 31st March 1985, were Rs. 8,26.74 lakhs, (48 Irrigation : Rs. 5,75.15 lakhs, 20 Buildings and Roads : Rs. 93.23 lakhs and 14 Public Health : Rs. 1,58.36 lakhs). Year-wise/Departmentwise break up of balances is given below :

Year	Irrigation	Buildings and Roads	Public Health	Total
Up to	<u> </u>	(In lakhs	of rupees)	
1979-80	26.65	18 87	45.54	90.06
1980-81	1,95.27	2.04	· 3.27	2,00.58
1981-82	1,61.40,	5 86	6.61	1,73.87
1982-83	56.93	17.61	16.01	90.55
1983–84	26.09	13.33	. 11.84	51.26
1984–85	1,09.81	35 52	75.09	2,20.42
Total	5,75.15	93 23	1,58.36	8,26.74

. (a) Rupees 2,73.42 lakhs were outstanding in 60 divisions (29 Irrigation : Rs. 1,36.11 lakhs; 18 Buildings and Roads : Rs. 52 68 lakhs and 13 Public Health : Rs. 84 63 lakhs) against contractors, suppliers, private parties and Government servants for the period ranging from one year to ten years on account of advance payments, material received short, demurrage charges and shortages of material.

(b) Rupees, 10.27 lakhs remained unrecovered in 23 Divisions (8 Irrigation : Rs. 2.29 lakhs, 9 Buildings and Roads : Rs. 6.27 lakhs and 6 Public Health : Rs. 1.61 lakhs) on account of losses, retrenchments etc., for the period ranging from 1 to 10 years.

(c) Rupees 4,59.40 lakhs in 70 Divisions(40 Irrigation : Rs. Rs. 4,08.07 lakhs, 17 Buildings and Roads . Rs. 32.88 lakhs and 13 Public Health : Rs. 18.45 lakhs) were outstanding for the period 1 to 10 years on account of shortages, advance payment to other divisons for supply of material, telephone charges, water charges, etc.

(d) An excess expenditure of Rs. 77.75 lakhs incurred on deposit works was awaiting recovery from local/autonomous bodies in 6 Divisions (4 Irrigation : Rs. 24.70 lakhs and 2 Public Health : Rs. 53.05 lakhs).

(iv) A test check (April—July 1985) by Audit of the outstanding items pertaining to 18 divisions (7 Irrigation : 5-Buildings and Roads and 6 Public Health) disclosed the following :

(a) Value of stores/excess consumption of material/irregular expenditure, irregular purchases, demurrage charges amounting to Rs. 21.38 lakhs in 14 Divisions (Rs. 7.16 lakhs in 5 Irrigation, Rs. 5.73 lakhs in 3. Buildings and Roads and Rs. 8.49 lakhs in 6 Public Health) pertaining to the period from 1963-64 to 1984-85 were outstanding against Government officials.

(b) A sum of Rs. 0.15 lakh in three Divisions (2 Irrigation Rs. 0.11 lakh and 1 Buildings and Roads : Rs. 0.04 lakh) has become irrecoverable due to resignation, retirement, death or the names of officials against whom recoveries were due are not known.

(c) Advance payments made to firms/suppliers/Departments by 13 divisions amounting to Rs. 1,13.79 lakhs (3 Irrigation : Rs. 57.56 lakhs; 4 Buildings and Roads : Rs. 14.76 lakhs and 6 Public Health : Rs. 41.47 lakhs) were outstanding since 1962-63 for either non-receipt of material from the suppliers or non-adjustment of receipt of material from them (February 1986).

(d) Rupees 0.95 lakh outstanding in 3 Irrigation Divisions were recoverable from 19 officials/officers who were allocated to other states viz. Punjab and Himachal Pradesh due to reorganisation of the States in 1966.

(c) Rupees 22.77 lakhs were outstanding in 8 divisions (Rs. 7.95 lakhs in 2 Irrigation; Rs. 10.42 lakhs in 2 Buildings and Roads and Rs. 4.40 lakhs in 4 Public Health) since 1965-66 to 1984-85 against contractors on account of (1) minus bills, (i1) works got done at their risk and cost and (iii) cost of material and wharfage charges.

The Executive Engineer, Public Health Division, Panchkula intimated (July 1985) that the whereabouts of 4 contractors against whom Rs. 1.40 lakhs were outstanding are not known and recoveries cannot be effected.

(f) Rupees 2.34 lakhs were outstanding in 3 divisions (1 Irrigation Rs. 0.72 lakh; 1 Buildings and Roads : Rs. 0.90 lakh and 1 Public Health : Rs. 0.72 lakh) since 1964-65 to 1984-85 against officials whose wherabouts were not known to the division.

(g) Decretal charges of Rs 0.32 lakh in WJC Division, Karnal, were debited (April 1982) to this suspense head instead of obtaining budget provisions under final head of account. Sanction of the Government to regularise these charges was awaited (February' 1986).

(h) In three divisions Rs. 90.75 lakhs (One Irrigation : Rs. 14.89 lakhs, One Buildings and Roads : Rs. 3.39 lakhs and One Public Health : Rs. 72.47 lakhs) being expenditure on deposit works in excess of deposits were not debited to this head.

The above matter was referred to the Government in August 1985; reply was awaited (Februrary 1986).

The department in their written reply to the questionnaire of the Committee stated as under :--

(i & ii) The latest position (Sub Parawise) of outstanding under

Misc. Public Works Advances is given below :---

So far Public Health Department is concerned, out of Rs. 318.65 lacs, an amount of Rs. 198.87 lakhs have been cleared leaving balance of Rs. 119.78 lakhs. Details of the balance amount is given below :--

Sr. No	Description	Balance as on 30-6-88 ,
		(Rs. in lacs)
1	Sales on credits	0.88
2.	Exp. on deposit works in excess of deposits received	14.86
3	Losses, retrenchment errors etc.	4.53
4.	Other items	99.51
		119.78

Division-wise breakup is given in the enclosed statement.

(11) Out of Rs. 158.36 lakhs, amount of Rs 99.14 lakhs have been cleared leaving balance Rs. 59.22 lakhs. Yearwise break up of the balance amount is given below .---

Year	Balance amount as on 30-6-88
	(Rs. in lacs)
Upto	
197980	8.37
198081	2.13
1981-82	2.60
1982–83	10.34
1983–84	6.75
1984–85 ·	29.03
Total	59.22

Instructions have been issued to all the Executive Engineers to expedite the clearance of remaining outstanding balances under Misc. P.W. Advances. (a) Out of Rs. 84.63 lakhs, items amounting to Rs. 54.44 lakhs have been cleared leaving balance of Rs. 30.19 lakhs.

Yearwise breakup of the balance amount is given below :--

Year	· · · · · · · · · · · · · · · · · · ·	· ,	Balance amount as on 30-6-88
 -	······	(In laķi	ns of rupees)
1975–76		x	3.82
1976-77	· ,	· .	0.35
197778	·		0.50
1978–79	Course and the second	د ځ	1.16
1979-80			~ 0.75
198081			1.67
1981-82.			2.09
198283			8.14
1983–84	· · ·		5.14
1984 <u>–</u> 85	and the second state of the second)	, 6.57
-	· •	•	30.19

Efforts are being made to clear the balance amount as early as possible.

- (b) Out of Rs. 1.61 lacs items amounting to Rs. 0.42 lakhs have been cleared leaving balance of Rs. 1.19 lakhs. Efforts are being made to clear the balance amount as early as possible.
- (c) Out of Rs. 18.45 lakhs items amounting to Rs. 6.23 lakhs have been cleared leaving balance of Rs. 12.22 lakhs. Efforts are being made to clear the balance amount as early as possible.
- (d) Out of Rs. 53.05 lakhs, amount of Rs. 29.34 lakhs has been cleared leaving balance of Rs. 23.71 lakhs (Pertaining to Public Health Division, Hansi). Efforts are being made to clear the balance amount as early as possible.
- (a) Out of Rs. 8.49 lakhs, amount of Rs. 1.30 lakhs has been recovered, leaving balance amount of Rs. 7.19 lakhs. Efforts are being made to recover the balance amount from the concerned person.

(b) It does not relate to Public Health Department, Haryana.

(c) Out of Rs. 41.47 lakhs items amounting to Rs. 32.16 lakhs

have been cleared, leaving balance of Rs. 9.31 lakhs. Efforts are being made to clear the balance amount of Rs. 9.31 lakhs.

- (d) It does not relate to Public Health Department, Haryana.
- (e) Out of Rs. 4.40 lakhs, an amount of Rs. 0.30 lakhs has been recovered from the contractors. Efforts are being made to recover the balance amount of Rs. 4.10 lakhs from the contractors.
- Executive Engineer, Public Health Division, Panchkula has been advised to trace out the whereabouts of the 4 contractors against whom Rs. 1.40 lakhs are outstanding.
 - (f) Out of Rs. 0.72 lakh amount of Rs. 0.48 lakh has been recovered. Efforts are being made to recover the balance amount of Rs. 0.24 lakh from the officials concerned.
 - (g) It does not relate to Public Health Department, Haryana.
 - (h) Out of Rs. 72.47 lakhs amount of Rs. 12.20 lakhs has been cleared leaving balance of Rs. 60.27 lakhs. No substantial progress has yet been made to recover the arrears of maintenance charges recoverable from the Municipal Committee. Efforts are being made to recover the outstanding balance amount as early as possible.

During oral evidence, the departmental representative could not give any satisfactory reply for the adjustment/recovery of balance amount under this head but assured the Committee that the outstanding balances would be cleared by the end of December, 1989 and also action would be initiated against the persons responsible for the lapse. Later in its written reply, it was stated that out of Rs. 318.65 lacs, a sum of Rs. 248.53 have been cleared upto 31-12-1989 and efforts are being made to clear the remaining balance.

The Committee desire that the detailed report about recoveries of the balance amount in each case the intimated to the Committee within six months.

The Committee also desire that the action against the persons responsible for not adjusting/recovering the old outstanding for a long time be taken under report of the Committee.

MEDICAL AND HEALTH

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[28] 5.1. Sub-standard medicines/drugs

(b) Between 1980-81 and 1984-85, 62 samples of different drugs in stock of Chief Medical Officer, Karnal were taken by Drug Inspector for testing and of them, 25 samples were declared sub-standard. There was nothing on record to show that action was taken against the defaulting manufacturers. In all, medicines worth Rs: 2.59 lakhs were thus declared sub-standard of which medicines worth Rs. 0.37 lakh were awaiting replacement from the suppliers (July 1985) and medicines worth Rs. 2.22 lakhs had been consumed during the period intervening the dates of taking samples and test reports.

The department, in their written reply, stated as under :--

Out of 62 samples of drugs taken from the Medicine Store of Chief Medical Officer, Karnal 25 samples were found as of Sub-standards quality. Out of these 25 samples 10 were concerning the drugs manufactured in Haryana State while 15 samples of the drugs were manufactured outside the Haryana State. Out of these 7 samples were found to be mis-branded and were not substandard in terms of the quantity of active ingredients as such their efficiency intact. Out of the remaining 18 samples, 8 drugs were manufactured by the firms of the Haryana State. On receipt of the analysis reports these drugs manufacturers were directed to withdraw the stocks of the products in question from the institution/market. A part from the above the following punitive action was also taken in all the 8 cases keeping in view the substandardness of the items.

1. Licences Suspended

· 2 cases

C 2. Permission to manufacture the concerned items withdrawn

4 cases

3. Warning issued

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2 cases

In regard to the drugs manufacturers situated outside the Haryana State, all the 10 cases were referred to the respective State Drugs Controllers for taking necessary action at their level.

These medicines were purchased from approved sources like Govt. of India undertakings. (MSD, Karnal, Bengal Immunity, I.D.P.L. Karnal etc.), Rate Contract approved by the Director Supply and Disposal, Haryana and through Haryana Small Industries and Export Corporation. Only one item i.e. Rolled bandage worth Rs. 1750 were purchased by calling quotations due to emergency needs & one item worth Rs. 1950 was purchased from original manufacturer.

Moreover at the time of Purchase it could not be as-certained as to whether any of these were of substandard/misbranded quality and it was only after analysis they were found to be substandard/misbranded and as such no responsibility can be fixed for precurement/utilisation of these drugs. Moreover unused stock of medicines have been got replaced by C.M.O. Karnal.

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The Committee painfully observe that medicines were consumed without waiting the results of samples and the patients were admisburse substandard/misbranded medicines. The Committee desire that the action be taken against the officers/officials responsible for this lapse.

The Committee further recommend that random sampling be done periodically in the stores of all hospitals/dispensaries in the State and action initiated against officers/officials handling stores where such substandard or misbranded medicines/drugs were found.

The Committee also desire that punitive action should also be initiated in future against the manufacturers/stockists of such substandard/ misbranded medicines/drugs in the court of law under the Act and rules in vogue.

The Committee desire that compliance report in respect of the above recommendation furnished to the Committee within six months.

[29] 5.1.5. Physical verification

(i) No physical verification of stores and stock was done in Civil Hospital, Rohtak (1983-84 and 1984-85), Karnal (1980-81 and 1981-82) and Primary Health Centre, Nilokheri (1980-81 onwards).

(ii) Spare parts (Rs. 1.08 lakhs) on stock of Central Workshop of the Health Transport Organisation were not physically verified during the period test checked from 1980-81 onwards. Department stated (June 1985) that physical verification can not be done, reasons for which have not been stated.

The matter was reported to the Government (August 1985); reply was awaited (February 1986).

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

Civil Hospital, Karnal

"Necessary steps were taken to get the Physical verification done from an officer, independent incharge of an other institution Duties of Physical Verification to Dr. J.C. Girotra, D.T.O. Karnal were allotted vide C.M.O. Karnal, letter No. Acctts.-81/4909-38 dated 5-8-81. The officer conducted the physical verification on 18-11-81, which covered the period 1980-81 and 1981-82 (upto 18-11-1981). No discrepancy in any store was pointed out by him as per his letter No. GHK-81/1908 dated 19-11-81.

P.H.C. Nilokheri

Similarly, physical verification of Stores/Stock of P.H.C. Nilokheri was conducted by Dr. B:R: Dahiya, Medical Officer/ I/C R.D. Traori on 6-11-81, for the year 1980-81 and 1981-82 (upto. 6-11-81). The Physical verification of P.H.C, Nilokheri for the year 1987-88, covers the period from the year 1981-82 onwards, as the balances carried, forward on the new registers from year to, year: were duly checked with receipt and issue entries by the A.G.'s Audit Party every, year and no discrepancy was ever pointed out. It therefore proves the the correctness of the balances of previous year, which was verified physically during the course of Physical Verification for the year 1987-88.

Civil Hospital, Rohtak

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- Physical verification of Civil Hospital, Rohtak in r/o Medicines was done in September 1983, after Flood. Hence no physical verification for 1983-84: was done at the end of Financial year. The Physical verification for 1984-85: was done in February & March, 1985. in r/o medicines only.
- During the year 1983-84 and 1984-85, Dr. M.L. Duggal was the C.M.O. Rohtak. He has since retired and no action against him is possible at this stage. However, now physical verification of the whole stock and stores is being done.
- The physical verification of the store of the Central workshop was conducted by Sh. H.G. Taneja, the then Accounts Officer of Directorate in 12/85. For future, it is noted, the physical verification of central workshop store will be done regularly.

The Cojmittee observes that the physical verification of estores and stock in Civil Hospitals/Health Centres and dispensaries was not done for a long time. In the absence of such physical verifications there can be chances of misappropriation of stores and other accountal irregularities.

The Committee therefore desire that physical verification of stores should be done at the periodical regular intervals. The Committee also desire, that results of such physical verification done on at least, two occasions after the drafting of this report be also intimated to the Committee.

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[30] 5.4. Shortages

The details of five cases of shortages of material valuing Rs. 0.92 lakh noticed by audit in test check are given below :---

Name of Office	Period of Audit	Audited during	Value (in lakhs of Rupees)	Remarks
1	2	3	4	5
POLICE	,		,	~ R
Senior Superinten- dent of Police Bhiwani	May 1981 to Aprıl 1982	May 1982	0 25	Non consumable store articles valuing Rs. 25,353 issued to various police stations were not accounted for in the

store register of recipient police station. The S.P. Bhiwani stated (July 1985) that the matter was being looked

out.

The departmental representative informed the Committee during the course of oral examination that articles valuing Rs. 14048 had been traced and recovery of Rs. 7998 was to be effected and that article worth Rs. 3307 were under enquiry. When called upon to explain as on what dates articles amounting to Rs. 14048 were accounted for, the departmental representative stated that the information would be supplied in due course.

The Cmmoittee however, observe that the department was not serious about the matter and did not make any efforts to adjust/recover the shortages. The Committee, therefore, desire that responsibility for not affecting the recoveries for such a long time be fixed and action initiated against the officials responsible for the lapse under intimation to the Committee.

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DEVELOPMENT

6.5. Desert Development Programme

[31] 6.5.1. Introductory

The Centrally sponsored 'Desert Development Programme' (DDP) which aimed at integrated developoent of desert areas through arresting the desert conditions and simultaneously conserving, harnessing, developing and utilising the resources in an integrated manner was started in Sirsa, Bhiwani, Rohtak and Hisar districts in 1977-78. The programme was being implemented in these districts through District Rural Development Agencies (DRDAs) and expenditure was shared on 50 : 50 basis by the Central and the State Governments. No survey was conducted to ascertain the extent of desert in the State before commencement of the Programme and the area so far reclaimed as a result of implementation of the Phogramme had not been identified by the State Government.

6.5.2. Financial Outlay

(a) Rupees $3,46.60^*$ lakhs remained un-utilised on the programmes at the end of 1978-79. During 1979-80 to 1983-84, grants aggregating Rs. 9,40.85 lakhs were released to the agencies of which central assistance received was Rs. 5,58.11 lakhs as under .

Year	,		Allocation			Expendi- tùre by
	-	Central	State	Total	released by State Govern- ment to DRDAs	DRDAs
			(In la	akhs of rup	ees)	·
197980		48.75	· 48.75	97.50	Nıl	1,86.38
1980-81		1,29.89	1,29.89	2,59178	1,81.91	2,02.78
198182		1,52.50	1,52.50	3,05.00	3,05.00	3,12.25
198283	-	1,11.97	1,11.97	2,23.94	2,15.44	2, 86.01
1983–84	•	1,15.00	1,15.00	2,30.00	2,38.50	2,53.52
	-	5,58.11	5,58.11	11,16.22	9,40.85	12,40.94

*Rs. 1,52.34 lakhs with the DRDAs and Rs. 1,94.26 lakhs advances with implementing departments.

Out of total allocation of Rs. 11,16.22 lakhs, the State Government released only Rs. 9,40.85 lakhs. The less release of Rs. 1,75.37 lakhs was due to the fact that during 1978-79, the State Government had released excess funds to the tune of Rs. 1,75.37 lakhs.

(b) The receipts and expenditure of the agencies for the years 1979-80 to 1983-84 were as under :

Receipt		Name of the Agencies						
		Hisar	Rohtak	Bhiwani	Sirsa	Total		
		(In lakhs of rupees)						
1.	Opening Balance	41.78	10.07	8.22	92.27	1,52.34		
2.	Grant-in-aid	3,23 50	2,15.36.	2,30.86	1,71.13	9,40.85		
3.	Other Receipts	3 19	16.73	3.69	6.08	29.69		
	Total	3,68.47	2,42 16	2;42.77	2,69.48	11,22.88		
	Payment							
1.	Revenue	3,77.03	2,10.59	2,11.99	3,42 09	11,41.70		
2	Capital	1.08	24 50	70.67	2.99	99.24		
3.	*Advances to implementing Agencies	()9.73	(—)1.85	()44.06	()80.01	(—-) 1,35.65		
4.	Closing Balances	8.09	8.92	4.17	4.41	17.59		
		3,68 47	2,42.16	2,42.77	2,69.48	11,22.88		

Sector wise break up of expenditure was Forest : Rs: 6,59.95 lakhs; Agriculture : Rs. 25.63 lakhs; Animal Husbandry : Rs. 2,32.93 lakhs; Irrigation : Rs. 61.89 lakhs; Dairy Development : Rs. 2,25.22 lakhs; Fisheries : Rs. 1.26 lakhs and Project Administration : Rs. 52.46 lakhs (Total : Rs. 12,59.34 lakhs).

It was noticed that :

-The variations in the figures of actual expenditure (Rs. 12,40.94 lakhs) as per audited accounts of the Agencies and those depicted in the progress reports (Rs. 12,59.34 lakhs) submitted by the Project Cell to the Government had not been reconciled (February 1986).

*Minus figures under the Head "Advances to implementing agencies" represent adjustment of advances given to them in the previous years (1977-78 and 1978-79).

- -Rupees 1.80 lakhs (1982-83 : Rs. 0.30 lakh; 1983-84 : Rs. 1.50 lakhs) thad been diverted to meet establishment charges in respect of IRDP and DPAP.
- ---Rupees 24.20 lakhs given as advances to implementing Agencies were treated as final expenditure in the accounts for 1982-83 by the DRDA Hissar without obtaining any utilisation certificates.

Mention regarding implementation of the programme during 1977-78 and 1978-79 was made in para of 7.5 of the Audit Report for the year 1981-82 (Civil). Further test check of the accounts of the Agencies from 1979-80 to 1983-84 was conducted in Februrary-May 1985 and the points under each sector noticed are mentioned in the succeeding paragraphs.

"As 26 blocks of 4 districts viz. Rohtak (5), Bhiwani (7) Hissar (10) and Sirsa (4) covering an area of 17650 sq. Kms. had been identified by the National Commissin on Agriculture as constituting desert in Haryana, no separate survey was considered necessary for the purpose. The identification by National Commission on Agriculture was based on severity and frequency of droughts and eratic nature of rainfall. As such there was no need to conduct fresh survey.

The desert in India including Haryana was identified by the the National Commission on Agriculture and as such no fresh survey was got conducted to get the desert areas identified again. According to the guidelines to DDP/DPAP of Govt. of India some activities like afforestation, watershed Management, land levelling Rain water harvesting have been highlightened in order to check desertification. These activities were undertaken in consultation with line departments such as agriculture, animal husbandry and Forest Department as well as HAU Scientists. (Toposheets of all districts are available with Agriculture Department which have been published by Survey of India.

The progress achieved during the 6th Plan and onward under the afforestation sand dune fixation, shelter belts and pasture development is as under :---

Sr. No	During 6th	Plan	ł	1985–86	1986–87	1987–88
1.	Afforestation	-7160	Hect.	.2598	1707	446
2.	Sand Dune Fix	.*5751	Hect.	e 🕯 👔 🖓	• ,	
3.	S. Belts	26730	RKM		·	150 RKM
4.	Pasture Dev.	:563	_Hect.		~ ~~~	_80 _Hect.

- The Planning requires manpower, financial resources and is a time consuming process. The amount of financial resources needed for identification are not available under DDP/DPAP. The work could have been undertaken by line departments only if their financial resources permitted.
- The progress reports indicate only tentative expenditure on the basis of work done, but the audited balance sheets depicit the actual expenditure booked and hence the variations. The final figures are given in the audited balance sheet.
- In the initial stages the entire amount was given to Implementing Departments as advance. This was causing a problem at the time of reconciliation of progress reports and final accounts. Hence, the variation as stated in para of PAC. To solve the problem and as a result of review of the delayed utilisation certificates the instructions have not been issued to DRDAs regarding, release of funds in instalments vide letter No. Acctts.-85/SO-II/2513 dt. 6-4-85 & Acctts. 85/SO-II/8755 dt. 14-10-85 to stop recurrence of such irregularities in future.
- An amount to the tune of Rs. 1,25,000 was transferred to IRDP during 83-84 to meet the expenditure on account of pay and TA of establishment as no funds were available under IRDP at State Headquarters. The amount has since been recouped vide Vr. No. 26, dated 17-6-85. The accounts of the DDP/ DPAP at the State Headquarter's have since been integrated as per Govt. of India's guidelines and, therefore, the question of recoupment of Rs. 55,000 to DDP fund does not arise.
- A sum of Rs. 24 20 lacs was treated as final expenditure since tenders for all the buildings work had been finalised and almost entire building material had been stored at the site of work by the contractors. In view of the above, the expenditure of Rs. 24.20 lacs was committed expenditure of the year on the building under construction. The utilisation certificates of the said advance were duly submitted by the implementing departments during 1982-83 and 1983-84.

The centrally sponsored 'Desert Development Programme' which aimed at integrated development of desert areas through arresting the desert conditions and simultaneously conserving, harnessing, developing and utilising the resources in an integrated manner was, taken up in Haryana. The Committee, however, notes the following shortcoming/ deficiencies in the implementation of the programme.

(i) There was an unauthorised excess expenditure on plantation on private land, inflated coverage of area under plantation and plantation in urban areas.

(ii) There was shortfall in irrigation area anticipated to be covered, deep irrigation tubewells provided 13 to 14% irrigation in Bhiwani district and provided 20 to 27% irrigation in Sirsa District

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(iii) ¹Machinery purchäsed worth Rs. 36:91 lakhs: for Milk Plant, Bhiwani and Rs. 160 läkhs, for Milk Plant, Sirsa remained unutilised for want of demand of condensed milk at Bhiwani and non-construction of milk plant at Sirsa.

(iv) Expenditure incurred on raising of fruits and vegetable nursuries; mulei: breeding, piggery vextension; centres, camel breeding centres and village amilk cooperative societies; fail to vield, the fruitful results.

(v) The Department had no information about the area irrigated and the crops raised out of subsidy of Rs. 6.65 lakhs paid to 301 beneficiaries: for installation of shallow tubewells.

. . .(vi) 1. No evaluation of the programme had been done, to ascertain impacts on the beneficiaries a

The Committee, therefore, strongly recommend that while launching such developmental programmes which are intended for the welfare of the State, the Government should be circumscriptive informulating them and foreseeing the bottlenecks and problems at the time of evolving various schemes connected with them so that the benefit perculates to the people for whom these programmes are intended.

[32]: 6.5.3. Forestry sector

Rupees 6,59.95 lakhs were spent during 1979-80 to 1983-84 under this sector on different schemes. Four schemes as under were testchecked :

Sr. Scheme No.	Financial allotment.	Expendi-	Physical		
140.		ture -	Target	Achieve- ments	
	-	(In lakhs:	of rupees)		
1. Afforestation:	1,10.01	83.213	6833. Hectares	6479 Hectares	
2. Sand Dunes Eixation	44.85	39.19	2955. Hectares	301950 Hectares	
3. Shelter Belts	. 2,19.58	.2,11.78	.24432 RKMs	26170 RKMs	
4. Pasture Development	4.97	2.83	542. Hectares	466 Hectares	

As may be seen from the above table, while expenditure in respect of sand dimestification and shelter belts was less than the financial allotment while physical achievements were more than targets. Financial allotment was, thus, not based on reliable estimates.

(i) Under the scheme, plantation was to be raised on public as well as on private land. For plantation on private lands, cash subsidy at the rate of 25 and $33\frac{1}{3}$ per cent of the total cost was payable to small and marginal farmers, respectively. Instead of paying subsidy in cash, plants were raised by the Forest Department during 1980-81 to 1983-84 on private lands in Bhiwani, Hisar and Sirsa at a cost of Rs. 29.74 lakhs. Categorisation of beneficiaries into small and marginal farmers was not identifiable in departmental records. Even assuming that all the plants were raised on the land of marginal farmers, the maximum amount of subsidy at the rate of $'33\frac{1}{3}$ per cent works out to Rs. 9.91 lakhs thus resulting in unauthorised expenditure of Rs. 19.83 lakhs due for recovery from beneficiaries.

(ii) (a) DRDA, Bhiwani approached the revenue authorities for measurement of the area actually covered by Forest Department as correctness of the same done by official of DRDA was not reliable. Physical measurements conducted by the Revenue Authorities (April 1984) at the instance of DRDA revealed that in village Mankawas (Bhiwani) actual area covered and plantation done were <u>98 hectares</u> (1.07 lakh plants) against <u>310 hectares</u> (3.41 lakh plants) claimed to have been done by the Forest Department, resulting in excess payment of Rs. <u>3 93 lakhs to the Forest Department</u>. The claim for refund lodged by the Agency (July 1984) with the Forest Department was under investigation with the State Vigilance Department (February 1985).

(b) Similarly, physical verification conducted by the DRDA, Bhiwani (March 1984) revealed that in four villages of Bhiwani the actual area covered (42.5 hectares) was much less than the area reported to have been covered 68.5 hectares) by the DFO. Bhiwani resulting in excess payment of Rs. 0.50 lakh. Although the Chief Executive Officer, Bhiwani ordered (June 1984) physical re-verification of the area by the Revenue Authorities neither such re-verification had been done nor was any responsibility fixed for not conducting the same (February 1986).

(iii) Although the programme was to be restricted to rural areas, Rs. 2.71 lakhs were spent (Bhiwani : Rs. 2 53 lakhs and Hisar : Rs. 0 18 lakh) during 1981-82 to 1983-84 on afforestation of 86 hectares, raising of shelter belts in 82 Row kilometres and pasture developments in <u>22 hectares</u> in urban areas.

(iv) While passing 1,216 muster rolls amounting to Rs. 30.29 lakhs relating to work of raising nurseries, plantation and their maintenance in Bhiwani, Hissar, Rohtak and Sirsa, the Divisional Forest Officers reduced the value of the work done to Rs. 25.69 lakhs due to less work or poor quality of work done. As per record, however, full amount of Rs. 20.29 lakhs was shown as paid to the labourers during 1982-83 and 1983-84 and Rs. 4.60 lakhs were shown as recovered ranging from Rs. 100 to Rs. 11,000 from each guard. Reasons as well as source of recovery of such a huge amount from Guards/foresters were neither enquired nor any departmental action initiated against the delinquent officials (February 1986).

As a result of sub-standard work carried out at the time of plantation, the success of plantation raised, as physically verified by the Agencies, ranged from 50 to 75 per cent against the norms of 80 per cent.

(v) Rupees 1.09 lakhs intended for afforestation, sand dunes fixation and raising of shelter belts had been utilised by the District Forest Officer, Sirsa for the purchase of tyres/tubes, store articles and building materials during 1982-83 and 1983-84.

In their written reply; the department stated as under :--

"1. Regarding aff. SDF PD in private land

14

It is stated that during the period 1980-81 to 1983-84 forestry work on private land was as under :---

1980-81 1981-82	1982-83	198384	Total
1. Afforestation 4	. 142	,	146 Hectare
2. S.D.F. — . 169	167	78	414 Hectare
3. P.D. 10	•	` <u> </u>	10

 $e^{ix} \rightarrow 1 \rightarrow 1 \rightarrow 1$ Works on Pvt. lands were under taken as one of the main objective of the Afforestation, Sand Dune Fixation & Parture Development was to improve the soci-economic conditions of the area because it helps in rainfall checks the mrach of desert and maintain secological balance. The work was also carried out after clousure of land under Section 38 of Indian Forest Act, 1927 and 4 & 5 of LPA 1900 because afforestation and SDF work is equally important in Pvt. lands because it effect the community land, Government lands, ponds and village habi-tants. Moreover, in action plans of 1978-79 to 1981-82 the provision existed for afforestation and sand dune fixation on private lands also and during 1982-83 to 83-84 Sand Dune Fixation could also be taken up in closed lands. Keeping in view these facts, the Govt. of India had allowed plantation on private lands vide their letter No. (1)-16/85 DPAP, , dated 22-7-87. Hence, the work were undertaken according to guidelines, and action plans. Government/panchayat lands were not easily available, as such the work were undertaken in the fields of persons who were ready for getting plantation in their, lands, Officers/officials found responsible for the inin their lands, Oncers one is rough responses were placed under correct measurement of area in Mankwas were placed under suspension and charge-sheets served upon them. Now they are the pending enquiry as explained have been reinstated subject to the pending enquiry as explained by Forest Department. The Enquiry officers have been appointed and inquiries are in progress. Necessary action will be taken after the receipt of enquiry reports.

2. In view of the position explained in the reply at Sr. No. 1, the question of recovery does not arise. The farmers were not willing for execution of work in their farms voluntarily so question of recovery from them does not arise.

102

- 3. The ADC & the Divisional Forest Officer, after reverification, has confirmed that the targets as shown to have been achieved in the four villages viz. Naloi, Saral, Kaloa and Gudha are correct and no excess expenditure has been incurred.
- 4. According to Forest Department, it is an implied condition in the Forest Department to get work from a labourer so as to commensurate the wages he is entitled to get for the days he has worked. DFO and the Forest Guard is directly responsible for taking full work from the labourers employed by him and the responsibility of other supervisory staff i.e Forester and Forest Ranger is also fixed. The DFO has certified that recovery was made from Forest Guard, Forester and Forest Ranger due to less execution of work and payment was made for the work got done by them.

DFO Rohtak stated that in Forest Department the entire afforestation works, raising and maintenance of nurseries & other departmental works are got executed by Forest Guards. The works are actually carried out by the daily paid labourers employed by him and supervised by Block Officer Range Officer and Divisional Forest Officei in their respective sphere. Some times, it happens that the works are not of desired specifications i.e. the quality of works is poor or less work is taken by the Foiest Guard from the labourers. As per Forest Manual, the work must commensurate with the expenditure incurred. The expenditure is adjusted by number of labourers employed. & No. of days for which they worked in a particular month. The work got done is adjuged by sche-dule of rates fixed for such works by Forest Department. The Forest Guard has to carry out a number of works, settered over in far flung areas under his Beat. Besides he is responsible for protection of the area in his charge. It is always not possible for him to get all the works from labourers carried out to the desired specifications. Some times the labourers misuse his absence to other areas of his beat. When the labourers shirk work and progress of work which are supposed to do become lesser. The Forest Guard is the ultimate sufferer of poor quality of the works or less works carried out under his supervision. The poor quality of works is noticed when such works are checked by Blocks Officers, Range Officer, Divisional Forest Officer and they reduce the cost of muster roll accordingly. The resultant reduction of amount of muster roll takes the shape of recovery. The Forest Guard being directly responsible for executing these works, recovery is effected from him. Since the actual defaulters are labourers, the amount is made good by him from their wages and the Forest Guard pays the recovery os loss/poor quality of works, in case-supervisory staff is found responsible for less over/poor quality of works recovery to they are responsible, is made also from them.

In other words, cheques for the actual amount to be paid to the labourers on the basis of actual work done are issued in favour of Forest Rangers by the DFO. The recovery shown is thus notional which is adjusted at the time of making payment to labourers by the Forest Rangers. Therefore, the question of recovery from any. Forest Guard/Forester does not arise.

- 5. DFO Sirsa reported, that according to the standing order No. 3/79-80 of Conservator of Forests, West Circle, Hisar, departmental action has been taken against defaulting officials for their negligence by imposing the recovery for less Work. The recovery in itself a punishment under section 8 of CSR (Punishment and Appeals) Rules, 1987. Therefore, no further action is considered necessary in this matter.
- 6. As per report of DFO Sirsa building material like angleiron, cement etc. were purchased to protect the plantation raised under DDP. There are three tractors in Sirsa division under DDP. The spare parts and tyres were purchased for these tractors to make the machinery in running condition. In this way, no irregularities have been committed as all the tyres/ tubes were used in Forest Departments vehicles purchased out of DDP. funds for proper maintenance of plantation raised. As such the question of fixation of responsibility does not arise as amount spent on their items did not exceed the allocation of budget under forestry sector.

During the oral evidence when asked to intimate the area covered under sand dune programme in general and Manakwas village in Bhiwani district in particular, the departmental representatives informed the Committee that in Manakwas village, against the coverage of 310 hectares of land, only 94 hectares of land was covered and 216 hectares of land remained to be covered. The departmental representative further informed the Committee that the responsibility for non-coverage of the area would be fixed after the receipt of the enquiry report of the vigilance department.

The Committee desire that the final outcome of the enquiry together with the refund of Rs. 3.93 lakhs from the Forest Department may be intimated to them expeditiously.

MEDICAL-EDUCATON

[33] 6.7 Extra expenditure

Construction of ten quarters of 9-J type (estimated cost : Rs. 10.39 lakhs) and sixteen quarters of 11-J type (estimated cost : Rs. 6.80 'akhs) for the staff of Medical College, Rohtak was allotted by Maharishi Dayanand University, Rohtak to two contractors in March 1978 ' for completion in March 1979 and November 1978 respectively. When the construction reached plinth level at a cost of Rs. 0.39 lakh and Rs. 0.61 lakh, respectively, the administrative control of the college was taken over, in September 1978, by the Government and further construction was stopped by the contractors of their own.

A test check (Novermber 1983-May 1984) of the accounts of the University and the College revealed the following developments in the matter of execution of incomplete works :---

- (1) Between September 1978 and August 1979 the University repeatedly asked the college to take over charge of the incomplete works and to get them executed through the agency of the State Public Works Department but no action was taken by the college.
- (11) In October 1979 the college enquired from the contractors, who had executed the works up to plinth level, whether they were willing to complete the works or not; the contractors declined to complete the works without assigning any reason.
- (iii) From October 1979 to September 1980 the matter remained under correspondence by the college with the Government/ PWD/University and the Government decided only in September 1980 that these works be resumed and got completed through the Public Works^{cr} Department.
- (iv) Between October 1980 and July 1981 revised estimates were prepared and tenders were invited by the PWD and works were allotted in August 1981 to two contractors (different from earlier ones) at an estimated cost of Rs. 11.73 lakhs for ten quarters and Rs. 10.31 lakhs for the sixteen quarters.

All the ten quarters were completed in November 1983 (actual cost :Rs. 12 51 lakhs) and sixteen quarters in March 1984 (actual cost : Rs. 9.96 lakhs). Had the works been resumed by the college immediately after September 1978, these would have been completed at a cost of Rs. 7.86 lakhs and Rs. 6.41 lakhs on the rates approved in March 1978. The delay, thus resulted in (a) extra expenditure of Rs. 4.65 lakhs (Ten quarters) and Rs. 3.55 lakhs (sixteen quarters), (b) avoidable expenditure of about Rs. 3.95 lakhs on account of house rent allowance paid and (c) loss of revenue of approximately Rs. 1.43 lakhs by way of non-recovery of house rent from the staff concerned.

The Department in its reply of December 1985 and March 1986 accepted the facts.

The department in their written reply stated as under :---

The above work was allotted to Sh. Gian Chand Nawal Contractor vide Executive Engineer, M.D. University, Rohtak allotment letter dated 14-3-78 with a time limit of 12 months starting from 14-3-78. The N.I.T. as well as the allotment letter contained a condition that the M.D. University would supply cement & steel to the contractor @ Rs. 22/- per bag and @ Rs. 2300/- per M.T. +3.% storage charges respectively. There was general shortage of cement at that time and the contractor wrote 7 letters for the supply of cement, steel and also for plan of the building on 14-3-78, 28-3-78, 5-5-78, 8-9-78, 23-9-78, 13-12-78 and 28-4-79. The contractor in his letter dated 8-9-78 had mentioned that only 210 bags of cement were issued to him from 3/78 to 9/78 and his staff & labour was sitting idle due to non supply of cement. Similarly, the contractor in his letter dated 23-9-78 informed the Executive Engineer. M.D. University that department would be responsible for loss & delay due to non supply of cement. In his letter dated 13-12-78, contractor requested to finalise his work in the present stage otherwise he would charge 300% premium against 255% premium tendered by him. In his letter dated 28-4-79, the contractor accused the deptt. that due to nonsupply of cement, steel & plan, he suffered heavy loss and submitted his claim for the same and a copy of this letter was endorsed to the Registrar, M.D. University. Ultimately, the contractor served a notice to the University Authorities through his advocate on 14-1-80 and claimed for loss of Rs. 5,33,835/-. The Executive Engineer, M.D. University in reply to contractor's letter dated 5-5-78 asked him to use lime surkhi instead of cement. The contractor blamed M.D. University that he was the only contractor who had been asked to use lime surkhi instead of cement, after the issue of allotment. letter. The period of 12 months for completion of the work expired on 13-3-79. The contractor being agrieved applied for appointment of an arbitrator in the court of Sr. Sub Jude Rohtak on 16-11-83 and finally Shri G.R., Jain, Superintending Engineer, M.I.T.C., Rohtak was appointed as an arbitrator by the court on 20-12-86. The Arbitrator gave award of Rs. 4.01.500/-in favour of the contractor on 30-6-87. The award of the arbitrator was contested by the deptt., in the court of Sr. Sub Judge Rohtak and ultimately, the award was set aside by the court vide its Judgement dated 13-1-89. The contractor has further filed an appeal in the court of District Judge on 13-1-89 and the matter is still pending in the court.

Construction of 16 Nos. 11-J houses at an agreemental cost of Rs. 6.80 lacs.

The above work was allotted to Sh. Harkishan Dass contractor vide Executive Engineer, M.D. University allotment letter dated 14-3-78 with a time limit of 8 months starting from 14-3-78. As in case of 9-J houses, the allotment letter contained a condition for the supply of
cement and steel @ Rs. 22/- per bag and Rs. 23000/- per M.T. +3% storage charges to the contractor. During the execution of work, the contractor wrote 3 letters to the Executive Engineer, M.D. University for issue of cement on 18-7-78, 4-8-78 and 30-1-79. The contractor in his letter dated 14-2-79 to the Executive Engineer refused to continue the work at old rates and claimed damages of Rs. 15,000/. From these letters it is clear that there was general shortage of cement at that time due to which the progress of work was hampered.

In the meantime, the administrative control of Medical College, Rohtak was transferred from M.D. University, Rohtak to a Governing Body vide Ordinance No. 3 of 1978 published in Govt. Gazette on 21-9-78. In the Ordinance, the management of the Medical College was vested in the Governing Body. The Governing Body was constituted by the Govt. on 3-11-78. Thereafter , an indenture between the university and the Govt. containing the terms & conditions of transfer of control of Medical College from M.D. University to Govt. was signed on 29-11-78.

The agency which was to execute the works of Medical College earlier being executed by the P.W D. cell of the M.D. University was a policy matter and could not be decided either by the Director-Principal, M C. Rohtak or be thre Local 'P.W.D. authorities and, therefore, the matter was placed befoy the Governing Body in its meeting held on 30-1-79 The Governing Body authorised the Chairman to take a decision in the matter after consulting the P.W.D. authorities. After consultation with P.W.D authorities and the Chairman, the Director-Principal referred the matter to Govt. on 19-3-79 with a request that Medical College may be allowed to deposit Rs 31.43 lacs with the P.W.D for execution of building works as Deposit works. The Commissioner, Health, further wrote a letter to the Engineer-in-Chief, P.W.D. B&R Branch, on 21-3-79 to issue instructions to the Executive Engineer, Provnl. Divn. No. 2 to carry out the works of Medical College as Deposit works The Engineer-in-Chief , B&R Hr., accordingly, issued instructions to the Superintending Engineer, B&R Circle, Rohtak on 21-3-79 to carry out the works of Medical College, Rohtak as deposit works after obtaining estimates, revising the rates and also after obtaining the administrative approval of the competent authority in respect of various works. Medical College, Rohtak deposited Rs. 31.43 lacs with the Executive Engineer, Provnl. Divn. No. 2 Rohtak on 23-3-79.

The Executive Engineer, Provnl. Divn. No. 2 Rohtak informed the Director-Principal, Medical College, Rohtak vide his letter dated 16-4-79 that almost all the works were already in progress and, therefore, it would not be advisible to transfer any work to the P.W.D. at that stage. The Executive Engineer, Provnl. Divn. No.2., Rohtak in his letter dated 9-5-79 also informed the Executive Engineer, M.D. University that the time limit of the works had lalready expired and neither extension was granted nor any action under clause 2 of the agreement was taken against the contractor and, therefore, asked for the further details of works to be transferred to P.W.D. and also to regularise the time limit to avoid litigation. The information asked for by the Executive Engineer, B&R was supplied by the Executive Engineer, M.D.U. on 2-7-79. Prior to this, the Executive Engineer, M.D. University had also informed the Director-Principal vide his letter dated 16-6-79 that the contractors of 9-J & 11-J were not prepared to carry out the works and they wanted their works to be finalised and securities to be released. In the meantime, the matter was discussed by the Superintending Engineer, B & R Circle, 1Rohtak with the Engineer-in-Chief, P.W.D. B&R during his visit at Jhajjar on 14-5-79 and after discussion with the Engineer-in-Chief, he (S.E.) directed the Executive Engineer, Proval. Diva. No. 2 on 12-6-79 to take over only those construction works which were yet to be started. He further advised that the works which have already been started have to be completed by the Medical College authorities themselves. Even in case of works which were yet to be started, it was to be made clear to the Medical College authorities that they should settle with the contractor finally in case any contractual obligations have been entered into by them and the B&R department will not deal with any contractor engaged originally by the M.D.U. Thereafter, the Director-Principal again called a meeting of Executive Engineer, M.D. University and the Executive Engineer P.W.D. B&R on 6-7-79. In this meeting it was pointed out by the Executive Engineer, M.D. University that the P.W.D. authorities were not capable of taking over the charge untill the contracts were finally settled and in this way both the works could be not completed by the two contractors in view of earlier University contractors un willingness to do so.

Ultimately, the control of Medical College was completely taken over by the Govt. on 9-7-79 and Commissioner, Health vide letter dated 18-9-80 requested the Commissioner, P.W.D. B&R that the construction works of the Medical College should be taken over by the P.W.D. B&R. In view of this decision of the Govt. a meeting was again held on 30-12-89 in the office of the Director-Principal consisting of Executive Engineer, M.D. University and Executive Engineer, P.W.D. B&R etc. in which it was decided that the Executive Engineer, M.D. University would finalise the on going works of the contractors and hand over the same to the Executive Engineer, B&R. Thereafter, fresh estimates of both the works were prepared by the P.W.D. B&R and administrative approval of the Govt. was conveyed as under :--

Sr. Name of work No.	Amount No. & dt. of Adminis- of trative Approval. Estimate
• • •	Rs.
, 1. 10 Nos. 9-J Houses.	20,46,300 2019-29 dt.12-6-81
2. 16 Nos. 11-J Houses.	18,01,000 2313 dt. 26-6-8

The works were allotted to the new contractors after inviting fresh tenders. This resulted in additional cost for the completion of these works.

The Committee do not feel convened either with written reply or thr oral evidence of the department and desire that the Government should have a system under which the work started once must be completed within a stipulated period. The Committee further desire that the case be pursued in the Court and its final outcome be intimated to the Committee.

[34] 6.8 Avoidable expenditure

In January 1977, work for construction of a workshop building for Medical College, Rohtak (College) was entrusted by Maharishi Dayanand University, Rohtak (University) to a contractor on agreement basis (estimated cost: Rs. 8.00 lakhs) for completion by December 1978. The University had also a proposal to construct a dharamsala in the college for the facility of patients and for this purpose, freceived a donation of Rs. 11 00 lakhs from Haryana State Agriculture Marketing Board (March 1977 : Rs. 5.00 lakhs; March 1978: Rs. 5.00 lakhs) and from a Sugar Mill (March 1978 : Rs. 1.00 lakh). While the construction of workshop building was in progress (expenditure incurred up to December 1978 : Rs. 3.15 lakhs), the University decided (Novembr 1977) to convert the workshop into dharamsala for providing accommodation to attendants of the patients admitted and obtained (June 1978) its detailed design and estimates prepared from a private architect at a cost of Rs. 0.60 lakh. Later, in September 1978, the administrative control of the college was taken over by the State Government and, therefore, neither the proposal of constructing dharamsala was proceeded with nor the donation of Rs. 11 00 lakhs was transferred by the University to the Government.

Meanwhile up to December 1978, an expenditure of Rs. 3.15 lakhs had been incurred on the construction of the workshop building. In July 1979, the University advised the college to take over the charge of the incomplete works. Upon this, the college asked the contractor (October 1979) to continue the work at original rates which the contractor declined (November 1979). At this stage, the matter was taken up by the college with the Government and later, on approval of the Government, the work was entrusted (November 1981) to another contractor through Public Works Department. The workshop building was completed in August 1983 at an extra cost of Rs. 3.57 lakhs, as compared to the rates approved in January 1977.

Thus, besides fruitless expenditure of Rs. 0.60 lakh incurred by the University on preparation of design and estimates for the dharamsala works never executed, there was an extra expenditure of Rs. 3.57 lakhs due to lack of timely follow-up on the part of the college for completing the workshop building immediately after transfer of its control to Government in September 1978.

The matter was referred to Government in September 1984. The Director-Principal of the College in his reply (July 1985) to the State Government and Audit admitted the facts and the extra expenditure.

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

The construction of Maintenance & Equipments repair workshop building was planned and administrative approval accorded by the Government (Health Deptt) vide Memo No. 330-I-HB-II/76/1522 dt. 14-1-76 for Rs. 12.83 lacs.

Medical College was put under the administrative control of M.D. University from 1-7-76 and on the basis of above administrative approval, the work was taken up by the Construction Cell of M.D. University and the work was allotted to Sh. Harkishan Dass Contractor at 215% premium with time limit of 8 months vide Executive Engineer, M.D. University letter No. EE/UPC-I/148-150 dated 12-1-77. The contractor continued to work up to 3/78 and executed the work to the extent of Rs. 3.15 lacs.

Another proposal for the construction of Dharamshala building for the attendants of patients coming to the Medical College for treatment
was also going on since 1972-73 but no final decision was arrived at. Ultimately in 1975-76, it was decided to construct a Dharamshala for 200 attendants only which could lateron be expanded for 300 attendants. Estimates were sent by the Chief Engineer, P.W.D.
B & R. Haryana on 2-6-76 for Rs. 44.47 lacs. Administrative approval was accorded by the Govt. on 19-7-76. Government also advised the Director-Principal to take further action through the M.D. University since the Medical College was placed under its administrative control w.e.f. 1-7-76.

Following donations for the construction of Dharamshala building were received by the M.D. University :---

(i) Marketing	Board Haryana	Rs. 10 ² .00 ⁴ lacs	(5.00 lacs on 10-3-77 & Rs. 5.00 lacs on 27-3-78)
(ii) Cooperative Rohtak	e Sugar Mill,	1.00 lacs	(in3/78)
Total		11.00 lacs	, ``

Thereafter 13 representations addressed to the Chief Minister, Haryana by the public of various towns of the State regarding the necessity for construction of Dharamshala building for stay of attendants of the patients in the Medical College were forwarded by the Govt. (Education Deptt) Haryana to the Registrar, M.D. University vide letter No. 5462-EDU-I. (Misc)-6E-77/23105 dated 28-7-77.

Keeping in view the collections of Rs. 11.00 lacs made by the M.D. University for construction of Dharamshala and various representations of the public received through the Govt. it appears that the then Vice-Chancellor felt the necessity for immediately starting the the construction of Dharamshala building and further construction of workshop building was stopped and plans & drawings of Dharamshala building were get prepared by making additions in the existing workshop building (under construction). The plan of Dharamshala building was approved by the building committee of the M.D. University in its meeting held on 3-6-78 under the Chairmanship of the then Vice-Chancellor. Negotiations were also held with the existing contractor to execute the work of Dharamshala under the same agreement of workshop building but the contractor refused to execute the work more than the amount already agreeded upon ite. Rs. 8.00 lacs for workshop building. The rough cost estimates of Dharamshala were prepared by the University Engineers for Rs. 30.13 lacs on the basis of plan/design prepared by M/s Anand Aptay Jhabwala, Delhi whose appointment was approved by the Executive Council of M.D University with the stipulation that they would be paid fee as per norms of University Grants Commission. Payment of Rs. 60,260 was made to this firm which was based on the above decision.

- The Control of Medical College was re-transferred to Govt. from M.D. University vide Ordinance No. 3 of 1978 published in Haryana Govt. Gazette on 21-9-78 The affairs of the Medical College were to be governed by a Governing Body under the provisions of the ordinance. The Governing Body was constituted by the Govt. on 3-11-78 An indenture containing the terms & conditions of transfer of control of Medical College Rohtak to Govt was signed between the Govt. and the University on 29-11-78
- Thereafter meeting of the Governing Body of the Medical College was held on 24-2-79 in which the Governing Body was informed by the Medical Superintendent (Agenda Item No. 22) that recently a Survey Board of the Collège had surveyed the entire Medical equipments held by the College & Hospital worth nearly Rs 100 crore in 1977-78 and, out of this, equipments worth Rs 30 00 lacs (to which more was added then) was lying in disuse on account of lack of repair facility. It was necessary to create an adequate repair facility. It was necessary to create an adequate repair cell with proper facilities and equipments. On the basis of these recommendations, the Governing Body decided vide Agenda Item No. 24 of its meeting (24-2-79) that the building which was earlier initiated for repair workshop but was later proposed to be converted in a 'Dharamshala' should be constructed for using the workshop. The required tools and equipments of repair should also be purchased while recruiting additional men As such, the expenditure on revised plan/drawing got prepaied proved to be of no use
- As far as further construction was concerned, the circumstances were identical to that of construction of 10 Nos. 9-J and 16 Nos. 11-J type houses mentioned in para 67.

During the course of oral evidence the departmental representative stated that the scheme for the construction of workshop was converted into construction of Dharamshala in view of the representations made by the public regarding necessity of Dharamshala building for stay of attendants of the patients in the Medical College. He further added that later on, the Vice-Chancellor converted it again into a workshop with a small margin of money keeping in view the immediate need for repair and maintenance of equipment etc. When called upon as to why authorities of the University were allowed to misutilise the money, the departmental representative assured the Committee to examine the matter thoroughly and intimate to the Committee the entire position within two months.

The Committee observe that the promised information was not supplied till the drafting of the report. The Committee desire that the whole matter be thoroughly investigated whether the grant-in-aid was utilised properly and if not, any action was taken and a detailed report to this effect be sent to the Committee within three months.

TRANSPORT

7.2. Performance and utilisation of fleet and consumption of lubricants.

[35] 7.2.1. Introductory

The Haryana Roadways was formed (with three depots) on 1st November, 1966. As on 31st March, 1985, the Roadways had 15 depots (7 of TATA and 8 of LEYLAND chassis) with a total fleet strength of 2,893 buses. The proforma accounts of the department for 5 years up to 1984-85 were in arrears (October 1985).

The working of the Roadways was reviewed in audit during March to May 1985 with special reference to performance and utilisation of fleet and consumption of lubricants in seven 'TATA' depots and the results of test check are mentioned in the succeeding paragraphs.

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

- The performa accounts upto the year 1981-82 have since been finalised by the Accountant General Haryana. As regards preoforma accounts for the year 1982-83 onwards, all the depots of Haryana Roadways have submitted the same to the A.G. Haryana for audit. Revised Accounts upto the year 1984-85 have also been submitted by all Haryana Roadways depots to A.G. after attending to the audit observations for authentication The certified copies are awaited from A.G. In the absence of certified copies, the consolidated accounts could not be finalised. Thess will be finalized as soon as these are received from the Accountant General, Haryana.
- It is requested that in view of the position explained above, the subpara may kindly be dropped.

The Committee note that the proforma accounts of the department for five years upto 1984-85 were in arrears, when asked about their completion, the departmental representatives stated both in their written reply and during oral evidence that the accounts upto 1981-82 had been finalised and these from the year 1982-83 onwards, all the depots had submitted the same to the Accountant General Harvana for audit. The position stated by the department is not in conformity with the agreed procedure for submission of accounts to and certification by the Accountant General. The Committee was given to understand that on the basis of audit observations on the respective accounts of the depots, the accounts are consolidated by the respective depots and submitted by them to the Transport Commissioner, who in turn, submits them to the Accountant General for certification. The Committee further observe that this has been the practice so far but the department was not aware of it and hence the delay in finalising these accounts. During oral evidence, the Committee was assured that the proforma accounts up to the year 1984-85 would be finalised by January, 1990 and for the year 1985-86, these will be finalised by 31st March, 1990. However, till the finalization of this report no infortation about the progress for the year 1984-85 received from the department. For the remaining years, the department assured the Committee that these would also be finalised expeditiously.

The Committee desire that concerted efforts should be made to finalise all the proforma accounts to date on the due basis and a compliance report furnished to Committee by 31st December, 1990.

[36] 7 2.4. Breakdowns and accidents

The total number of breakdowns during the period from 1981-82 to 1984-85 was 18,245 and the number of accidents during this period was 1966. While the higher incidence of breakdowns was attributed by the depots to poor performance of workshop, engine failure, breake failure, tyre failure and transmission and gear box failure, the higher incidence of accidents was attributed to overspeeding of the vehicles by the drivers, bad road conditions and increase in traffic on highways.

It was, however, noticed in audit that large number of breakdowns was due to non-adhering to the schedules of servicing vehicles, in as much as against 61,178 vehicles due for service 42,411 vehicles were actually serviced during the period from 1981-82 to 1984-85

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

(1) The department takes all possible care to ensure that the schedule cf servicing of vehicles & adhered to by its depots and the incidence of accidents and breakdowns may not be attributed to servicing but because of the following reasons :---

Accidents

(1) Aged fleet

(1) Increase in Traffic

with the Traffic potencial.

(2) Poor road conditions not coping (2) Bed road condition.

Breakdowns

- (3) Due to the fault of drivers of vehicles other than H.R. vehicles.(3) Overloading due to traffic rush.
- (4) Non observance of Traffic rules/ (4) Driving habits. guidelines by drivers.
- (4) Duissing 1 1 1
 - (5) Fatigue metal.
 - (6) We aking of diesel in Winter.

(1) Controlling of speed of vehicles.

(2) Imparting refresher, training to drivers of Haryana Roadways.

(3) Medical check up of drivers.

(4) Annual passing of vehicles.

In view of the prosition explained above it is requested that Sub-Para may kindly be dropped.

Both in their written reply and during oral evidence, the department attributed the incidence of breakdowns to poor performance of workshops, engine failure, brake failure etc. etc. The higher incidence of accidents was, however, attributed to over-speeding of vehicles by drivers, bad roads conditions etc. etc. When asked by the Committee to explain as to how many under-matric drivers with bogus driving licences had been recruited in service and what action had been taken against such incumbents, the departmental representatives stated that adequate action will be taken against the delinquent incumbents. The Committee was however, informed that the department had not investigated such cases so far but now they would soon be investigating these cases.

The Committee desire that all these cases where the under-matric drivers with bogus licences had been recruited should be thoroughly investigated and results of such investigations furnished to the Committee within three months.

[37] 7.2.6. Repair and maintenance of vehicles

The department had not prescribed any time schedule for different types of repair (July 1985). A review of the working of workshop revealed that a large number of vehicles were detained for repairs in the workshops for periods ranging between 3 and 119 days as per the details given below

taken	Number of · vehicles ·	Total vehicle days	Number of vehicles	Total vehicle days	Number of vehicles	Total vehicle days	Number of vehicles	Total vehicle days
of vehicle (Days)	s 198	1-82		2-83	198	3-84	1984	4-85
3—10	340	2,139	´312	1,669	263	1,400	282	1,696
1120	128	2,056	105	1,441	122	1,615	105	1,464
2130	58	1,325	. 36	i 1,1 43	° → 3 1	- 755	32	780
31 —40	26	···917	34	1,116	20	, 701	12	426
.41100	. 14	747	20) 1,211	12	;597	9	514
above 100 days	1	101	. 3	357	- 1	.118	*	، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ، ،
Ťotal	567	7,285	5 510	6,937	449	5;186	5 440	4,880

115' -

The delay in outshedding of vehicles was attributed (August 1985) by the 6 depot General Managers except Kaithal mainly to .

-shortage of skilled staff;

----inadequate availability of spare parts :

--limited powers for local purchase ; and

-no space in workshop to carry out routine shedding and repairs of fleet strength (Jind).

Analysis by Audit (April-May 1985), however, revealed that delay in outshedding vehicles was mainly due to lack of body building and repair facilities in the workshop and non-fixing of time schedules for different type of repairs.

Expenditure on repair and maintenance was showing an increasing trend as tabulated below :---

Year		Total ex on repai mainten		Average number	Expenditure per bus
		(In lakh	s of rupees)	(Ir	a lakhs of rupees)
1981-82			9.06	2,543	0.36
1982-83	•	ъ	11.04	2,669	0.41
1983-84			12.85	2,744	0.47
1984-85			N.A.	2,872	N.A.

The reasons for increase in expenditure were not analysed by the Department (February 1986).

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

- The detention of the vehicles in workshop beyond 3 days is mainly in case of major accidents which cause damage to the body/ chassis and other aggregate like front exle assembly engine assembly and gearbox assembly etc. In such cases the delay in repairs is inevitable. Further the priority is given to the scheduled day to day maintenance.
 Priority is also given to those, acccidental vehicles where the completion of job could be done earlier than those vehicles detain ed previously. Thus the detention period for heavy repairs is always on higher side. However, every possible effort is made that the vehicles are outsheded as early as possible.
- (2) The increase in expenditure on repairs, and maintenance is due to the following reasons :---

(i) Increase in the cost of spares; tyres; tubes and oil/lubricants...

(ii) More wear and tear due to age of the fleet:

- (iii) Overloading of vehicle due rush of Traffic resulting into fast wear and tear.
- (iv) Bad road conditions particularly during raining seasons.
- The expenditure on repair and maintenance is reviewed regularly in Commercial/Technical Officers meetings periodically and remidial measures taken where over necessary with a view to control the expenditure.
- In view of the position expalined above, it is requested that para may kindly be dropped.

To a specific question of the Committee whether the new vehicles or the old vehicles required extensive maintenance and repair and whether the department conducted any such investigation, the departmental representatives informed in negative. The Committee, however, observe that it is a matter of common knowledge that usually the new vehicles meet with frequent accidents while old vehicles are mostly out of order and are not well maintained.

The Committee, therefore, strongly recommend that a thorough investigation should be made into the causes of accidents and remedial measures adopted to avoid their recurrence. The Committee further desire that the old vechicles should be adequately maintained and these should not be allowed to rot in the garages and a comprehensive report about the action taken in this behalf be furnished to the Committee within six months.

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[38] 7.2.13. (i) Use of diesel oil for cleaning of parts of vehicles ·

Kerosene oil is ideal and also cheaper for cleaning the parts of vehicles. It was only in March 1984 that the department decided to use kerosene oil for cleaning the parts instead of cleaning them with diesel. Five TATA depots of the department consumed 0.70 lakh litres of diesel oil in cleaning the parts during the year 1984-85. Had kerosene oil been used the department could have saved Rs. 0.70 lakh. No efforts were made by the deports to procure kerosene oil permits from the Food and Supplies department of the State Government.

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

The K.Oil is a controlled item and is not available in the open market. The Director Food and Supplies Haryana was approached to issue the permit for K. Oil to various depot, but he had refused to issue the permit for use of K.Oil for cleaning purpose vide his office memo No. 5602-25-84/28753, dated 30-10-84 and asked to use the HSD for this purpose. As such HSD is being used for cleaning parts.

During oral evidence, the departmental representatives informed the Committee that the Food & Supplies department expressed their inability to supply kerosene oil for cleaning the parts of the vehicles. The Committee, however, observe that in fact, the matter had not been pursued at the appropriate level with the Food & Supplies Department for procuring kerosene oil permits. The department should have better approcached the Government instead of pursuing the matter in routine manner at the lower level. The Committee feel that kerosene oil being and idle and cheaper for cleaning the parts of vehicles should be put to use for the purpose.

The Committee, therefore, recommend that the department should look into the matter and work out the economics of the use of kerosene oil in place of diesel oil for cleaning purposes so as to save expenditure on this account. A detailed report about the study undertaken together with the results thereof be furnished to the Committee within three months.

[39] 7.4. Fabrication of bus bodies

To augment the fleet of vehicles and to replace the condemned vehicles, 348 chassis were purchased by the department during December 1983—May 1984 for fabrication of bus bodies. The department was running a bodybuilding workshop at Gurgaon. As its monthly fabrication capacity was only 30, the department initiated advance action by inviting tenders in April 1982 for annual rate contract for fabrication of district type bus bodies on 250 'TATA' and 'LEYLAND' chassis, to which fifteen firms tendered their rates in May 1982. After technical/financial scrutiny, the rates were negotiated in May 1983 by the Standing Purchase Committee with the representatives of these firms. The negotiated rates of a Jullundur based firm 'A' with fabricating capacity of 100 bodies per month were the lowest at Rs. 57,500 per body for 'TATA' chassis (52 seater) and Rs. 59,500 per body for ' LEYLAND' chassis (54 seater). Besides firm 'A', four other firms (two Punjab and two Haryana based) with fabricating capacity ranging between 6 and 15 bodies, per month, were also approved by the Committee without recording any reason although their rates were as high as from Rs. 60,000 to Rs. 62,500 for 'TATA' chassis and from Rs. 62,000 to Rs. 65,500 of 'LEYLAND' chassis. Agreements were executed by four, out of the five firms, on 20th October 1983.

In November 1983, the High Powered Purchase Committee (HPPC) of the Government decided that, before assigning the job, each of the four firms be asked to fabricate one model body for inspection. Three firms, out of four, fabricated model bodies which were inspected by HPPC on 14th December 1983 and it was found that the bus body fabricated by the lowest-tendered firm 'A' was the best of all the models. The HPPC, however, without assigning any reason, decided on 26th December 1983 that case be prepared de-nono and fresh tenders called for. Accordingly, short-term tenders were invited on 6th January 1984 in response to which eleven firms tendered their rates on 19th January 1984. All these tenders were considered by the HPPC and, after negotiations with the representatives of these firms, rates of Rs. 59,000 per body for 'TATA' chassis and Rs. 61,000 for 'LEYLAND' chassis were approved (February 1984) for all the firms. At these rates, orders for fabrication of bodies on 150 chassis (98 TATA and 52 LEYLAND) were placed (March-May 1984) on seven firms including 75 on firm 'A' from Jullundur. The remaining 198 chassis were retained for meeting the requirement of departmental workshop.

The Department stated (June 1985) that order for the entire number was not placed on firm 'A' as their fabricating capacity was only 86 chassis, per month. The reply is not tenable since the fabricating capacity of firm 'A' was 100 bodies per month and as such the firm could have fabricated all the 150 chassis within 1% months. Failure to take advantage of the rate contract executed by firm 'A' in October 1983 which were lower by Rs. 1,500 as compared to the rates approved in February 1984, thus, resulted in an avoidable extra expenditure of Rs. 2.25 lakhs.

The matter was reported to the Government in June 1985; reply was awaited (February 1986).

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

After the decision of the Govt. that each one of the party be asked to fabricate one model bus body thereafter the matter could be referred to High Rowered Committee for final allocation. Accordingly one chassis was given to the following body builders :--

(1) M/s New Model Inds. Jullundur.

(2) M/s Guru Nanak Body Builder.

(3) M/s Harvana Coach Body Builder.

(4) M/s Balco Engg. Sonipat.

They were asked to produced for final inspection before the Committee on 14-12-83. The following body builders excepting M/s Haryana Coach Body Builder Rohtak brought the vehicle duly fabricated by them as model proto-type bus body.

(i) 'M/s 'New 'Model Inds. 'Jullundur.

(ii) M/s Guru Nanak Body Builder Jullundur.

(iii) M/s Balco Engg. Sonipat.

The bus was not ready with M/s Haryana Coach therefore they could not produce. M/s Delhi Automobile Pvt., Ltd. Faridabad also brought an all metal Semi Deluxe bus fabricated by them for some other client, for inspection before the Committee.

The inspection report in respect of the inspection conducted was sent to the Govt. and the Govt. decided that fresh quotation be called from all the parties concerned and case be prepared de novo. There was a difference of Rs. 1500 per bus body only in the tendered rates of (May, 1982 and January, 1984 which is quite nominal keeping in view the increase in price index and also gathering the bus bodies fabricated strictly in accordance with the prescribed specifications which was essential in the interest of service and safety of the passengers. Therefore the extra expenditure of Rs. 2.25 lakhs for fabrication of 150 No bus bodies at 1500 per bus was justified. In view of the position explained above it is requested that the para may kindly be dropped.

During the oral, evidence, the departmental representatives admitted that High Powered Purchase Committee without assigning any reason decided to call fresh tenders and consequently the department had to incur an avoidable expenditure of Rs. 2.25 lakhs in fabrication of bus bodies. The Committee are, however, amazed to know that as to how and under what considerations did the Government decided to call for fresh tenders. It is equally surprising that there was nothing on record any reasons for the call of fresh tenders.

The Committee desire that the whole matter be thoroughly re-investigated and circumstances under which the necessity for inviting fresh tenders had arisen may be explained. A compliance report to this effect be furnished to the Committee within three months.

[40] 7.5. Purchase of Kailwood

To meet urgent requirement of Kailwood sleepers for use in departmental body building workshops and roadways depots, and also to get the benefit of competitive rates open tenders for the supply of 7,250 sleepers of first grade quality of a certain size were invited by the State Transport Controller on 25th January 1983 though DGS & D rate contract with H.P. State Forest Corporation, Shimla and Conservator of Forest, Jammu was already in existence. In response, nineteen agencies tendered their rates varying between Rs. 1,666.62 and Rs. 3,010.00 per cum. which were opened on 15th February 1983. The rates tendered by firm 'A' of Jammu (Rs 1,666.62 per cum.) were approved by the Standing Purchase Committee on 6th April 1983 and, after receipt of confirmation from the firm on 19th April 1983 that they had a ready stock of 10,000 sleepers, a supply order for 9,000 sleepers (877.5 cum) including the requirement for more depots was placed on this firm on 22nd April 1983 stipulating inter alia (i) delivery F.O.R. destination within 15 days failing which the material will be purchased from another source at the risk and cost of the supplier; (1) agreement in this behalf to be executed by the firm within seven days; and (iii) security amounting to Rs. 0.30 lakh be deposited within seven days

As the requirement of sleepers was urgent a deam consisting of three departmental officers was deputed on 22nd April 1983 to collect 700 sleepers from the firm without execution of agreement or even obtaining security of Rs. 0.30 lakh. The firm, however, delivered only 261 sleepers (29.3 cum.) at quoted rates and expressed inability to supply the balance quantity stating (28th April 1983) that prices in the market had suddenly gone up. The Committee then invited (9th May 1983) firms 'B', 'C' and 'D' of Jammu to negotiate their tendered rates of Rs. 1,752, Rs. 1,788 and Rs. 1,815 per cum, respectively, and also to extend the validity period of their offer, expiring on 15th May 1983 to 20th May 1983. These firms, however, declined to extend the validity period. Meanwhile, to meet urgent requirements of Central Body Building Workshop an order for the supply of 1,000 sleepers (97.5 cum.) was placed on 13th May 1983 on Forest Department Himachal Pradesh, Shimla at the rate of Rs. 2,110.89 per cum.; the supplies received in May 1983 were accepted by the department.

The offer of the fifth firm 'E' of Jammu was, however, still open and a supply order for 9,000 sleepers (877.5 cum.) at the quoted rate of Rs. 1,941.12 per cum was placed on this firm on 25th May 1983 after obtaining security deposit of Rs. 0.35 lakh. In June 1983, the firm offered 10,500 sleepers for inspection of which 5,423 sleepers were approved and accepted by the inspection committee and delivered at Gurgaon, Ambala and Rewari depots (4943,240 and 240 sleepers respectively). On receipt of these sleepers in July 1983, the General Manager Gurgaon depot complained to department about defects in these sleepers. On this complaint, re-inspection was conducted and it was decided (October 1983) to accept 3,533 sleepers as grade I,910 sleepers as grade II, reject the remaining 400 sleepers and to cancel the order for the balance quantity. Security of Rs. 0.35 lakh was later (May 1984) refunded to the firm.

To meet the requirement, two supply orders (December 1983 and March 1984) for 2,000 sleepers (195.0 cum.) each were placed on H.P. State Forest Corporation, Shimla and Conservator of Forest, Jammu on DGS & D rate contract of Rs. 2,639 per cum.

Thus, due to time lag of 67 days between opening of tenders on 15th February 1983 and placement of supply order on 22nd April 1983 on firm 'A' and by not invoking the cost and risk clause against firm 'A' the department had to incur an extra expenditure of Rs 3.98 lakhs on purchase of 848 cum. sleepers, as tabulated below :

Name of supplier	Quantity Quantity ordered received	Rate at which orders were placed (per cum)	Rate at which it could have been procured	Difference in rate	Extra cost
	(In cum.)	(.	In rupees)	• •	
	(In curring)			•	. 4. 2
(i) Firm 'A'	877.50	1,666.62	, 		· — .
(11) Forest Departme HP, Shim	97 50 97 50 nt la	2,110.89	1,666.62	444.27	43,316
. (iii) Firm 'E'	877. 60 402.60 98.47	1,941.12 1,779'76	1,666.62 1,666.62		1,10,514 11,141
(1v) H.P.State Forest Corporati Shimla		2,600.16	1,666.62	933.54	, 2,32,853
(v) Conserva- tor of Forest	. 195.00			-	
×	848.00	-, -		- 、	3,97,824

In reply to the qustionnaire of the Committee, the department stated as under :--

1. In this connection, it submitted that after the opening of tender for the supply of kailwood sleepers on 15-2-83 a comparative statement was prepared and was sent to accounts Branch, for checking on 23-2-83 which received back on 28-2-83 and was fair out on 3-3-83. After that a note was sent to STC for requesting the CTL to fix the date of meeting because the amount involved in this purchase was more than 4 lacs.

- The CTL fixed the date for holding the meeting on 6-4-83. Accordingly the meeting was held on 6-4-83 and the proceeding of the meeting were received back after the approval and signatures of CTL on 12-4-83 and the order on the approved firm i.e. Rashim Timber, Jammu was placed on 22-4-83. Thus it took 67 days in completing paper procedure and necessary formalities.
- 2. Though the firm in question had not mantioned the validity period of their offer, but later the firm confirmed that they could supply the material within 15 days from the date of placement of order. As the material was urgently required an order was placed with the firm for 9000 sleepers on 22-4-83. Since the work of bus body building Gurgaon was suffering for want of timber in anticipation of completion of formalities a committee constituted by the department visited the firm on 25-4-83 for inspection of timber but the firm refused to supply timber against 90% payment even though the Committee has passed 261 sleepers out of 700 sleepers offered by the firm for inspection, and the firm informed the committee that they could not supply the balance quantity as the price of the timber had gone This attitute of the firm was explained to the Standing Purchase up. Committee wherein the committee decided to forefeit the earnest money and black list the firm. Since the firm had not signed any agreement and they agreed to supply only 261 sleepers inspected by the Committee and that too against 100% payment question of invoking risk purchase clause did not arise and accordingly keeping in view the urgency of requirement depratment accepted 261 sleepers in the interest of service. Urgency of requirement could be seen from decision of the department to purchase 400 sleepers from open market during second week of April, 1983
- 3 Reply of para 2 clarifies the position regarding not being able to invoke the risk purchase clause. Remaining three firms namely M/s M. S. Timber supply com Jammu (ii) M/s Sudan Tiber, Jammu (iii) M/s Jak Timber Traders Jammu were also asked to appear before Standing Purchase Committee in their meeting held on 18-5-83. These firms with next higher rates refused to extend the validity but since validity of M/s R. C. Timber was still valid, Standing Purchase Committee decided to purchase timber from this firm. As per decision of the Standing Purchase Committee timber was purchased from M/s R. C. Timber, Jammu and thus no body is at fault.

During oral evidence, the departmental representatives explained to the Committee that the firm did not sign the agreement despite the request of the department and also did not deposit the security within 7 days as asked for by them, and, therefore, there was no contract and risk clause invoked. The Committee did not feel satisfied with this explanation of the department and feel that it is a case of a failure on the part of the department as due to time lag of this 7 days between opening of tenders and placing of supply order on firm and by not invoking cost and risk clause against this firm, the department had to incur an extra expenditure of Rs. 3.96 lakhs on purchase of sleepers. The Committee, therefore, desire that the matter may be investigated and responsibility for not invoking the risk and cost clause be fixed under initimation to the Committee

During course of discussion of certain paragraphs, of the Audit Report Civil for the year 1984-85 with the representatives of the Transport Department, it transpired that the annual proforma accounts for a number of years were in arrears and that there were irregularities in operation of fleet services and management of the department. The Committee, therefore, made on-the-spot study of four depots, namely Kaithal, Jind, Bhiwani and Gurgaon in the month of February, 1990.

During the course of on-the-spot study, the Committee note that these depots except Gurgaon have sustained, accumulated losses in crores of rupees. The Committee also did not feel satisfied with, the up-keep of buses as well as the manner in which their conductors and drivers conduct the journey. The Committee were amzed to notice that mostly the drivers and conductors were not in their uniforms and the buses did not have first-aid kits; complaint books, stepneys and tool-boxes.

The Committee desire that the department should investigate the reasons and factors which contributed losses. In order to improve the performance of depots, the infernal audit cell of the Transport Department should be strengthened by providing additional manpower on a regular basis to under-take internal audit of all the depots in general and the depots in particular which leading to huge losses, for examining, in detail fraud cases of issue of bogus licence, re-issued of fare tickets, and recruitment of staff of all category in excess of the norms, sanctioned strength and other assignments matters.

The Committee further recommend that all the conductors and drivers periodical meetings by way of seminars or otherwise should be convened by the General Managers or Officers of higher rank, with a view to motivating them to submit to sense of discipline, courtesy and good behaviour towards passengers and all and to up-keep the buses in proper conditions.

The Committee was also pained to observe that no senior officer of the Transport Department accompanied the Committee during its spot study.

PART---II

REVENUE RECEIPTS

EXCISE AND TAXATION

[41] 1.4. Assessments in arrears

The number of assessments finalised by the Excise and Taxation Department during the year 1984-85 and the assessments pending finalisation as at the end of 1984-85, alongside figures for the preceding year, are given below .---

	Sales	Sales Tax		ers and Tax
	1983-84	1984-85	1983-84	1984-85
(a) Number of assessments due for completion during the year	1,45,429	1,53,685	421	443
(b) Number of assessments completed during the year	1,05,762	1,11,068	317	307
(c) Number of assessments pending as at the end of the year	•	42,617	104	136

Year-wise break-up of the pending assessments as at the end of 1984-85 is given below :---

, _	Year	Numbe	er of cases
		Sales Tax	Passengers and Goods Tax
Upto	1980-81	1,379	14
	1981 -82	2,980	6
,	1982-83	8,608	26
	1983-84	29,650	90
	Total	42,617	136

Five assessments pertaining to the years 1968-69 to 1975-76 were not finalised even after the expiry of the prescribed period of eight years and consequently tax amounting to Rs. 65,559 became irrecoverable.

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

The assessment cases were pending because of the fact that most of

the firms have either closed down their business in the state and the proprietors/partners were residing outside the state due to which service, of statutory notices could not be effected upon the dealers. Some firms have gone under liquidation, and proceeding are in progress with official liquidators. The cases pending in the Courts and stay have been granted by Tribunal, High Courts Civil Courts etc. Besides above, in some cases a documents were in the custody of income tax/custom Department.

Out of pendency of 42617 cases of sales Tax on 31-3-1985, 42378 cases have been disposed off and 239 cases were pending as on 30-9-1988. Similarly out of 136 cases of P.G.T. 98 cases have been disposed leaving a balance of 38 cases on 30-9-1988. All out efforts are being made to arrest the arrears in future :--

Sales Tax	
Upto	HGST CST PGT
1980-81	13 13 14
1981-82	. 9 . 9 3
1982-83	22 22 7
1983-84	76 75 14
Total:	120 119 38

As regard five assessment cases which were not finalised involving tax liability of Rs. 65,559. The Position is explained in para 2.2 (iii).

The Committee note that five assessments pertaining to the years 1968-69 to 1975-76 were not finalised even after the expiry of a period of 8 years and consequently the tax amounting to Rs. 65,599 became irrecoverable. When called upon to explain the reasons for non finalisation of these cases and the names of the officers responsible for the delay and consequential loss of Rs. 65,599 to the State Exchequer, the departmental representatives could not give satisfactory reply to the Committee's quarries. The departmental representatives attributed the delay to a variety of reasons which explain their failure more than their difficulty.

The Committee feel that the department does not take prompt action at the appropriate time with the result that cases for assessments are allowed to linger on for an indefinite period an that with the passage of time the amount becomes irrecoverable.

In the circumstances, the Committee strongly recommend that department should streamline their machinery as well as procedure so that the pace of assessments in arrears is accelerated and recoveries of such arrears are not allowed to accummulate.

[42] 1.5. Uncollected revenue

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As on 31st March 1985, arrears of revenue pending collection under principal heads of revenue, as reported by the Departments were as under :---

	Head of Revenue	arrears ou for the	rrears utstanding r more an 5 ars	Remarks
		(In crores of	of rupees)	
1.	Sales Tax	27 19	5.94	Of the total arears of Rs. 44.70 crores.
2	State Excise	3.39	1.50	demands amoun- ting to Rs. 10.43
3.	Taxes on Goods and Passengers	0 37	0 03	crores had been certified for recovery as arrears
4.	Sugarcane	3.52	1.21	recoveries amo- unting to Rs.
5.	Taxes and duties on Electricity	7.07	2.60	9.84 crores and Rs. 2.20 crores had been stayed by
6.	Taxes on Vehicles	0.36	0 03-	
7	Medical	0.79	0.52	pectively and arrears amounting
8.	Co-operation	0 83	0.12	
9.	Mines and Minerals	1.18	0 23	be written off. In some cases, the firms from which arrears amounting to Rs. 4.48 crores were recoverable were in liquidation. The remaining arrears of Rs. 17.17 crores were at various other stages of recoveries

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

The main reason for accumulation of arrear is that the assesses gone to the Courts of Law against the Addl. demand and courts granted stay order for the recovery of the amount. Similarly, some firms gone under liquidation and the matter has to be taken up with the official liquidators. In some

other cases dealer closed their business and changed their residence and it becomes very difficult to effect the recovery. The reason wise details are also given below :---

Out of Rs. 30:95 crores as on 31-3-85 Rs. 13.47 crores have been recovered upto 31-3-88 leaving a balance of Rs. 17.48 crores as detailed below :----

		•	• 2	
•	Head of Account	Arrears as on 31-3-85	Recovered for 1-4-85 to 31-3-88	Arrears as on 31-3-88
	······································	(in crores of	of rupees)	
	1. Sales Tax	27.19	13.22	13.97
	2. State Execise	3.39	0,06	3.33
•	3. Goods & Passengers	0.37	0.19	0.18
	Total	30.95	13.47	17.48
	, , i			

Out of 7.47 crores which were more than 5 years old as on 31-3-85 Rs. 2.12 crores have been recovered leaving a balance of Rs. 5.35 as under :--

.94	2.12	3.82
. 50	- .	1.50
0.03		0.03
.47 2	.12	5.35
	.50	.50 —).03 —

As already observed by the Committee in their earlier reports while the arrears of Revenue on account of sales taxes have been increasing, the pace of recovery of tax amount has been slow as huge amount of arrears still remains to be recovered. The Committee also note with concern that these arrears in most of the cases are due to the stay against the recovery granted by the various courts/departmental officers, cases where property had been attached or firms have gone in liquidation.

The Committee, therefore, reiterate their earlier recommendations made in 28th Report regarding vigorous persuance of cases pending with the courts /departmental officers for lodging claims of recovery in case of firms under liquidation and making special efforts to collect the revenue expeditiously in cases where the arrears of revenue of sales tax´ and State Excise exceeding Rs. 50,000 are involved in individual casés.

[43] 2.1 Results of Audit

The test check of sales tax assessments and other records of 22 units, conducted in audit during the year 1984-85, revealed under-assessment of tax amounting to Rs. 4,33.67 lakhs in 1,089 cases, which broadly fall under the following categories :--

	•	Number of cases	Amount (In lakhs of rupees)
1.	Under-assessment of tax under the Central Sales Tax Act	18	33.59
2.	Incorrect computation of turnover	401	2,03.85
3.	Non-levy/short levy of penalty	166	1,09.02
4.	Interest not charged	384	80.58
5.	Application of incorrect rate of tax	20	6.03
б.	Others	100	0.60
	,	1,089	4,33.67

Out of 1,089 cases pointed out in audit, the department has since effected recovery of Rs 3.51 lakhs in 107 cases. In 14 cases involving revenue amounting to Rs. 11.66 lakhs, audit objections have been admitted and report on recovery is awaited. Replies in respect of 968 cases are still awaited from the Department (December 1985).

Some of the important cases are mentioned in the following paragraphs).

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

This para relates to under assessment of tax due to incorrect computation of turnover non-levy/short levy of penalty Non-charging of interest, application of incorrect rate of tax etc.

The audit has pointed out under assessment of 4,33-67 lakhs. The latest position as given in Annexure attached herewith according to which the position is as under :-----

Total No. of cases

Amount involved

1068

4,34,35,462

	No. of cases	Amount
(i) Settled without any addl. demand.	535	2,80,76,276
(ii) Cases settled with addl. demand	140	40,80,136
(iii) Pending with Jt. ETC (A)	31	15,03,655
(iv) Pending A.A.	24	3,66,497
(v) Pending with ETC/STT.	23	31,85,120
(vi) Compliance made for review of Audit	315	62,23,778
Total:	1068	4,34,35,462
Parawise reply of querries is given as unde	r : ' ·	
1. The audit of A:G. Haryana is itself	quite co	omprehensive.

- The audit of A'G. Haryana is itself quite comprehensive. The deptt. has also oreated an Inspection with to check the assessments made by A.As. so that the cases of under assessment are detected well in time. The position is constantly being reviewed by the deptt. every year.
- 2. The Position of 14 cases is also inclued in the Annexure.
- 3. The Position of 968 cases 1s given in the Annexure.
- 4. This is a general para. The individual paras are discussed in the next pages, action has been taken against the officer at fault wherever found necessary.
- The department has created an Inspection Wing to detect defective assessments. Inspection Wing consists of seven D.E.T.Os. (I), seven ETO (I) and their support staff. The Inspection Wing is headed by Jt. E.T.C. (I/E) at the Head quarters.

130

Cátegory	Cases p by	Cases pointed out by audit		Cases settled with- out any addl. demand	- •	Cases settled with addl. demand	Pendl Jt I	Pending with Jt ETC (A)	Pending with A.A.		Pending with ETC/STT.		omplia, view fo	Compliance made review for audit
	Cases	Amoùnt	Çases	Amount 6	Cases	Amount	Cases	Cases Amount	Cases	Amoun	t Cases	Amount Cases Amount	Cases	Cases Amount
Under Assessment under ST Act.	24	3567134 17	17	1811407	-	4772	-	13225		-	м	1 709559	3	28171
Incorrect com- position of turnover.	398	20364339 239	239	16146017	33	-271961	17	625890	6	188056	ļ	1	100	3132915
Non levy of Penalty—	237	11283047	80	5176319	29	3186261	Ś	619563	×	122497	•	1	115	2178407
Non levy of Interest.	299	7557895 156	156	4397399	68	610206	. 7	228310	7	55944 21	21	1475561	40	790475
Application of Incorrect rate of Tax.	20	602936	16	, 529672	***	1061	1	16667	ļ	l	1	1	, 7	55536
Misc./others	90	59611	27	15462	~	5875	ł	1	ļ	I	ł	1	55	38274
	1068	43435462	535	28076276	140	4080136	31	1503655	24	366497	23	3185120	315 ,	622377
]										•				

The Committee observe that the trend of mounting up cases of underassessment of tax was still persisting despite the Committee's earlier instructions to check this tendency.

The Committee would, therefore, like to reiterate their earlier recommendations made in 28th Report regarding fixing of a time limit for finalising cases pending with the appellate assessing authorities and would expect a report regarding action taken within three months from the Government.

[44] 2.5 Short levy due to failure to detect suppression of purchases

Under the Haryana General Sales Tax Act, 1973, if a dealer has maintained false or incorrect accounts, with a view to suppressing his sales, purchases or stocks of goods, or has concealed any particulars of his sales or purchases, or has furnished to or produced before any authority under the Act, any account, return or 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.

A dealer in Ambala purchased paddy valuing Rs. 15.86 lakhs during the year 1976-77 but accounted for purchases valuing Rs. 12.22 lakhs only in the purchase tax return, which was assessed in March 1984. The assessing authority failed to detect the suppression of purchases Rs. 3.64 lakhs resulting in purchase tax being levied short by Rs. 14,572. Besides, minimum penalty of Rs. 29,144 and interest amounting Rs. 18,104 were also chargeable from the dealer for suppression of purchases and short payment of tax.

On the omission being pointed out in audit (May 1984), the department initiated rectificatory action in October 1984. Report on rectification is awaited (December 1985).

The case was reported to Government in October 1984; their reply is awaited (December 1985).

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

This para relates to M/s. Sunder Rice Mills, Barara Ambala for, the A.Y. 76-77. The audit has pointed out that the dealer purchased paddy for Rs. 15.86 lakhs but accounted for value of Rs. 12.22 lacs in the purchase tax return for which as assessment was made in March, 1984, thus resulting in short levy of purchase tax by Rs. 14,572. Besides, minimum penalty of Rs. 29144/- and interest amounting to Rs. 18,104 were also chargeable from the dealer. The case has been remanded by the revisional Authority and is under process.

The reply to quarries is as under :---

(i) The case is under remand. The responsibility will be fixed when remand case is decided.

(ii) The remand case is still under process.

To a question of the Committee as to why the concealment of purchase could not be detected by the Assessing Authority and what action had been taken against the defaulting officials/ officers, the departmental representatives stated that the case was remanded and that the responsibility would be fixed when remand case was decided.

The Committee, therefore, desire that case may be persued to its logical conclusion and final outcome thereof may be intimated to the committee in due course. The Committee further recommend that delay in finalisation of remand cases should be avoided so as to ensure timely recovery of the tax amount.

[45] 2.6. Short levy due to misclassification of goods.

* * * * * *

(ii) Under the Haryana General Sales Tax Act, 1973, on sale of general goods tax is leviable at the rate of seven per cent.

A dealer of Karnal sold old machinery and plant valuing Rs. 3.80 lakhs during the year 1979-80. The assessing authority levied tax at the 'rate of four per cent, treating the transaction as sale of scrap, instead of at the correct rate of 'seven per cent applicable to the sale of old machinery. The mistake resulted in short levy of tax by Rs. 11,937.

On the mistake being in pointed out in audit (March 1983), the appellate authority held (February 1985) that all transactions pertaining to sale of old machinery do not represent scrap and remanded the case (February 1985) to the assessing authority for reassessment. Further progress is awaited (December 1985).

The cases were reported to Government in May 1983 and December 1984; their reply is awaited (December 1985).

When asked to intimate as to what was the outcome of the remand case and whether the re-assessment had been done, the departmental representatives informed the Committee that the dealer had filed an appeal before the Sales Tax Tribunal who upheld the orders of the revisional authority and consequently the case was remanded for fresh examination of the transactions which was under process.

The Committee desire that final outcome of the case remanded for fresh examination may be intimated to them.

[46] 2.8. Application of incorrect rate of tax

As per a notification issued on 20th September 1979, on inter-State sales of copper wire rods, tax was leviable at the rate of four percent up to 19th September 1979 and at one per cent from 20th September 1979 to 19th March 1980.

On sales amounting to Rs 527 lakhs, made by a dealer of Rewari during the period from 1st March 1979 to 19th September 1979, tax was levied at one per cent, instead of at the correct rate of four per cent. . The mistake resulted in tax being levied short by Rs. 15,806.

On the mistake being pointed out in audit (May 1984), the department initiated (October 1984) rectificatory action. But the whereabouts of the dealer and one of the sureties were not traceable, as they had since closed down their business. Notice to the second surety was issued by the assessing authority on 15th February 1985 and recovery of Rs. 10,000 effected. Report on recovery of the balance amount is awaited (December 1985).

The case was reported to Government in August 1984; their reply is awaited (December 1985).

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

- This case pertains to M/s. Ravindra Industries, Rewari for the Assessment year 1979-80 in which the audit has pointed out that the Assessing Authority has levied tax at the concessional rate: of 1% instead of 4% resulting a loss of revenue of Rs. 15,806/-. The parawise replies of the querry is as under
- 1 & 2. In this case the Assessing Authority has relied on notification 5022/CA 74/56/S/8/72, dated 14-1-72 vide which rate of tax on metal wirs was fixed @1% in Inter-State Sales against C form to R.D.s but this notification was subsequently superseded vide notification No. SO/105/CA 74/56/S-8/72, dated 7-7-72 published on 11-7-72 and this exemption was only for one year 1 e. from 11-7-72 to 10-7-73. The explanation of the Assessing Authority is being called. The case has also referred to DETC (I) for suo-moto action.
- 3. An amount of Rs. 3,12,499/- under HGST Act, and 1,67,613 under CST are outstanding against the party on account of additional demand in respect of upto date assessment exparte. The RC of the firm has been cancelled on 1-7-85 No recovery could be effected as the bank filed a suit in the Civil Court and obtained stay order against the order of attachment issued by the Financial Commissioner. Recovery proceedings are pending due to stay by one of the surety Sh. Moti Ram Proprioter of M/s. Trikha Ram Ram Parshad, Rewari.
- (1) and (ii), Explanation of the concerned Assessing Authority is being called.
- On a specific question of the Committee whether the balance amount of Rs. 15,806 had been recovered and that there were, no other dues outstanding against the dealer, the departmental

representatives informed the Committee that an amount of Rs 3.12 lakhs under the Haryana General Sales Tax Act Rs. 1.68 lakhs of the Central Sales Tax were outstanding against the party on account of additional demand in respect of upto-date assessment ex-parte and that the R.C. of the firm had been cancelled on 1st July, 1985. The department further stated that no recovery could be effected as the Bank filed a suit in the civil court and obtained a stay order against the order of attachment issued by the Financial Commissioner. Recovery proceedings, the Committee was informed, were still pending due to stay by one of the surety of the dealer. The departmental representatives also stated that the explanations of the concerned Assessing Authority were being called for

The Committee desire that the final outcome of the case together with the action taken against the delinquent Assessing Authority be intimated to the Committee.

[47] 2.9. Non levy of penalty

(1) As per the Haryana General Sales Tax Act, 1973, 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, any account, return or information, which is false or incorrect in any material particulars, 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. The Act further provides that no appeal against the assessment order shall be entertained unless the amount demanded has been paid The appellate authority may, however, in cases where the assesse has paid the amount of tax admitted by him to be due, entertain the appeal for reasons to be recorded in writing and subject to the furnishing of a bank guarantee or adequate security for the payment of the amount finally determined to be due

(a) A dealer of Gurgaon was assessed (September 1980) ex-parte for the assessment year 1979-80 and an additional demand for Rs. 1,06,813 was raised against him The dealer did not pay the tax demanded and went in appeal, which was accepted without taking adequate bank guarantee or security and the case was remanded (February 1981) for re-assessment. The remand case was also decided (December 1981) ex-parte, as the dealer failed to produce his accounts books, despite being asked to do so, several times. A tax demand for Rs. 3,06,000 was raised against the dealer by the department in respect of suppressed sales/purchases amounting to Rs. 19,52,811, but no penalty was imposed upon him, although a minimum penalty of Rs. 3,98,374 was leviable.

On the omission being pointed out in audit (March 1985), the department stated (May 1985) that whereabouts of the dealer were

not known and that there would be no use in levying the penalty when even the tax amount had become irrecoverable.

In reply to question of the Committee, the departmental representative intimated that total demand due was Rs. 9.18 lakhs (sales tax Rs. 3.6 lakhs and penalty 6.12 lakhs) and that the action against the surety was initiated to procure the stay from the Court. He further informed that the recovery could be started only after the assessment order was passed.

The Committee desire that this case must be persued vigorously and final outcome about the recovery of this huge amount be intimated to the Committee.

[48] (b) Two dealers of Jagadhari and Faridabad had suppressed sales amounting to Rs. 5.81 lakhs during the years 1977-78 and 1981-82. The assessing authority included the suppressed sales in the dealer's taxable turnover and levied tax thereon, but did not take penal action for the suppression of sales although in one case the assessing authority had stated (March 1984) that penal action would be taken separately. Minimum penalty leviable in both cases amounted to Rs. 1,16,794.

On the omission to levy penalty being pointed out in audit (May 1981 and November 1984), the department recovered (between January and February 1985) Rs. 9,000 in one case and levied (September 1985) penalty of Rs. 1,10,000 in the other case. Report on recovery is awaited (December 1985).

When asked whether the amount of Rs. 1,10,000 had been recovered, the departmental representatives stated that the amount had not been recovered as the dealer went in appeal but the Joint E.T. C(A) in November, 1985, allowed payment in instalments on the execution of surety bond in February, 1986 and the appeal was dismissed in lime in December, 1989. It was further stated that the dealer went into liquidation and the surety also went to civil court against the recovery order of May, 1987. The liquidation case was in High Court, the claims have not been allowed but the official liquidator who had not so far taken the possession of the property of the dealer.

The Committee desire that the case may be vigorously pursued and final action about the recovery of the amount be intimated to the Committee

[49] (f) A dealer of Gurgaon suppressed his sales amounting to Rs. 2,89,745 during the year 1980-81. The assessing authority raised additional demand for Rs. 20,686, but omitted to levy penalty. The minimum penalty leviable amounted to Rs. 41,372. Besides, interest amounting to Rs. 24,104 for non-payment of tax was chargeable.

On the omission being pointed out in audit (September 1984), the department raised (January 1985) an additional demand for Rs. 55,790 towards penalty (Rs. 47,000 and interest (Rs. 8,790). Report on recovery is awaited (December 1985)

Against the recoverable amount of penalty, the departmental representatives informed the Committee that the amount was still in arrears and recovery certificates had been issued to the Collector Delhi with whom the matter was being persued vigorously to effect the recovery

The Committee desire that the final outcome of the recovery of the amount be intimated to the Committee.

[50] (g) Four dealers of Faridabad suppressed sales amounting to Rs. 1,07.91 lakhs during the years 1978-79 1979-80 and 1981-82. The assessing authority increased the dealers' taxable turnover by that amount and levied tax thereon, but omitted to impose penalty on the dealers for suppression of sales. Minimum penalty leviable on the dealers on the basis of tax assessed (Rs. 22.01 lakhs) amounted to Rs. 44 03 lakhs.

The cases were reported to the department in November 1984; their reply is awaited (December 1985).

(h) In five cases (three at Ambala and one each at Karnal and Hissar), where the dealers had suppressed purchases/sales amounting to Rs. 1,23.66 lakhs during the years 1975-76 to 1979-80 and 1981-82 to 1982-83, the assessing authority mentioned in the assessment orders (between March 1980 and September 1983) that penal action for suppression of turnover would be taken separately. However, no such action was taken till March 1985. Minimum penalty leviable in these cases amounted to Rs. 14.97 lakhs.

The cases were reported to the department between September and December 1984; their reply is awaited (December 1985).

The above cases were reported to Government between February 1983 and July 1985; their reply is awaited (December 1985)

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

The para pertains to 4 firms of Faridabad for the assessment year 78-79, 79-80 and 81-82. All these cases were decided by the A.A. exparte on best judgement. As the dealears were totally non co-operative. Since, the penalty notices have not been issued prior to assessment penalty could not be imposed. Dealer- wise details of each case is given as under :---

(1) M/s. Dinesh Wine Shop

This case was decided exparte on 18-2-82 creating an addl. demand of Rs. 1,46,233. Penalty notices u/s 46, 47 were issued but could not be served. Proceeding for recovery of arrear of Rs. 1,46,223 for 1979-80 and 95,776 for 1978-79 were initiated by issuing RC to collector Delhi. The propreietor Mr. B.K. Gupta was arrested by Delhi Au- thority who was kept under look up for 10 days. The Collector Delhi has intimated that there is no property in the name of proprietor as such the amount is being moved for writing off the arrears.

(ii) M/s Mahesh Chand & Co. Shop No. 2 FBD

- This case was decided exparte on 18-1-82 creating an addl. demand of Rs. 2,82,670 and penalty notices are issued on 9-8-81 but could not be served. One partner who was available was sent to revenue lock up but nothing could be recovered.
- (iii) Yash-PalL-2 Faridabad
- This case was also decided exparte on 11-12-181 creating an addl demand of Rs 2,08,567. The dealer went in appeal which was dismissed in limene on 5-8-82. Recovery Certificate was also sent to Collector Delhi who intimated that recovery is not possible as there was no property in the name of two defaulters. However, recovery of Rs. 10,000/- have been made from the surities.

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(iv) M/s. AmarJit Singh & Co.

This case was also decided exparte on 2Q-8-82 creating an addl. demand of Rs. 7,29,715 for the period December, 1981 to Feb. 1982 and addl. demand of Rs. 36,720/- was created for the month of March. 1982 out of this the arrear of amount of Rs. 1.00 lacs has been recovered from the surety. No further recovery is possible as the partners are untraceable.

The parawise comments are given as under .--

- (i) In all these four cases the assessments were made exparte as the dealers did not cooperate. These dealers were assessed on best Judgement basis. The action to impose penalty could not be initiated as the notice for penalty etc. had to be served -afresh and due process of law had to be followed and act of suppression of sales etc. had to be put to the assessee before the penalty could not be imposed.
- (ii) Disciplinary proceeding against the A.A. are under process.
- (iii) The penalty u/s 48 has not so far been imposed as even the addl. demand has not been recovered due to non-availability of assessee
- (iv) Instead of sales tax the addl. excise duty has been levied on IMFL and Beer to avoid recurrence of such lapses.^b

This case pertains to 5 firms (One of Karnal, 3 of Ambala & one of Hisar) The parawise reply of each case is as under :--

(i) M/s. Raj Kumar Bhushan Lal, Ambala City 1976-77

(ii) M/s. Raj Kumar Bhusan Lal, Ambala City

1977-78

(iii) M/s. Shiv Trading Co., Ambala City

1978-79 and 1979-80

- The levy of tax and imposition of penalty are independent proceedings. In the assessment of tax, the burden of proof is on the assessee to prove that the particular turnover is not leviable to tax or exempted while in the penalty proceedings the burden of proof is on the officer imposing penalty to conclusively establish the guilt of the assessee. The two pro-ceedings are thus different in nature and qualitative content. The A.A. did contemplate the imposition of penalty but did not from all initiate the proceedings for want of recovery of
- The tax demand of Rs. 1,66,888 for the year 76-77 and Rs. 2,79,653 for the year 77-78 less a sum of Rs. 10000 recovered from the surety to the full extent, arrears against M/s. Raj Kumar Bhushan Lal, a business concern of two partners one of whom is dead and the other on the death partners, one of whom 1s dead and the other on the death bed. The later had been confined to without yielding a pie. None of them held any property. M/s. Shiv Trading Co. was assessed to tax of Rs. 1,19,268 and Rs. 55,746 for the year 1978-79 and 1979-80 on 31-3-81 and 1-2-82 respectively. Of the four partners of the firm. two have expired, one is untraceable and the fourth is of taking out living as accountant in a firm. He has little capacity to pay. His confinement in the revenue look up did not produce any result. So far only Rs. 9,000 could be re-covered from him. None of the partners left or had any property. The sureties to the extent of Rs. 10000 have challanged recovery proceedings in a civil court and have obtained
- There was no default of the A.A. framing assessment in these 2. cases. The cases relate to deductions comprising claim of sales to registered dealers. The law on the point evolving from a number of decisions of the Tribunal is such that though the claim of sales to registered dealers is bogus, it is not possible to tag the selling dealer with sales tax liability if the declaration have been furnished and hence no course is left but to assess the purchasing registered dealer who did not actually purchase the goods but merely traded the declaration
- No penalty has so far been imposed on M/s. Raj Kumar Bhushan Lal and M/s. Shiv Trading Co., for the reasons explained above that the huge amount of tax assessed is out-3. standing and there seems little possibility of recovering the same. Ultimately the case for writing off the arrears has to be moved. In such circumstances imposition of penalty will only add to paper arrears without adding a pie to the State Exchequer. The prudence of such a step is seriously debatable.

4. To meet the menace of bogus claim of sales tax register ed dealers, the deptt. had switched over to Ist stage levy of tax on most of the commodities. Nevertheless, the Ist stage levy though minimising leakage of tax yet requires constant vigilance and monitoring. The effective system of cross checking is therefore necessary to develop. This requires collection and analysis of date of magnitude which is not possible to handle manually.

M/s. Goyal Cotton and Ginning Dal Mills, Hisar.

- (i) The assessment case for the year 74-75 was finalised on 16-4-76 after initiating assessment proceedings w.e.f. 13-11-75 i.e. within six months from the due date i.e. 30-4-75 of submission of last quarterly return. It is, therefore, apparent that there has been no delay in finalising the asstt. The A.A. has clearly observed in the asstt. order that the dealer liable to penal action u/s 9(2) of the CST Act read with section 48 of the HGST Act 1973 for suppression detected at the time of assessment. As provided under the existing law, certain formalities such as issue of show cause notice and confirmation notice are essential to be completed before imposition of penalty. Non observations of these requirements of law is unlawful and may result in less of Govt. revenue as such orders are often quashed by the Appellate Authorities. It was, therefore, inevitable to observe all the requisite formalities which certainly involve the intervening period.
- (ii) However, the explanation of A.A. is being called.
- (iii) The penalty of Rs. 40,000 was imposed vide order 31-3-80 which stands recovered in instalments.
- (iv) The tax has been imposed at Ist stage in 25 more items to avoid evasion of tax
- 5. M/s. Pawan Rice Mill, Inds. 1981-82 and 1982-83.
- (i) In the assessment proceeding exparts orders were passed rejecting sales to registered dealers. Penalty u/s 48 was considered to be not leviable by the A.A. as the sales to R.D. was rejected with out confronting the dealer under the circumstances the penalty u/s 48 does not seem to be leviable.
- (ii) The A.A. has created an addl. demand by rejecting sale to registered dealer by reopening the assessment cases.
- (iii) The penalty u/s 48 was not leviable when assessment was made exparts. The addl. demand of Rs. 18499 & 91388 stands almost recovered in instalments.
- (iv) The deptt. has levied tax at 1st stage in 25 more items to avoid evasion of tax on such cases by selling the goods to

registered dealers against declaration forms without charging sales tax.

The Committee desire that the cases may be persued to their logical conclusion and final outcome be intimated to the Committee.

The Committee further observe that in all these cases of supersession of sales, the Assessing Authorities failed to impose penalty at the time of the assessment.

The Committee desire that in future penalty should be imposed simultaneously in such cases of suppression of tax.

[51] (i1) Under the Haryana General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956, if a dealer fails to furnish, to the assessing authority, his quarterly returns within 30 days of the expiry of the relevant quarter, he is liable to pay penalty which shall not be less than five rupees or more than ten rupees for every day during which the default continues. Under the State Act, the dealer is required to pay tax due as per his quarterly returns alongwith the returns, failing which he is liable to pay interest at the rate of one per cent per month for the first month of default and at on and a half per cent per month therafter, so long as the default continues. In addition, penalty not exceeding one and a half times the amount of 'tax, to which he is assessed or is liable to be assessed, is leviable for delay in payment of tax.

(a) A dealer of Faridabad did not furnish by the prescribed dates, his quarterly returns for the third and fourth quarters of the year 1973-74. While making the assessment (in April 1978), the assessing authority stated that penal action for delay in furnishing the returns would be taken separately, but no such action was actually taken. Minimum penalty leviable amounted to Rs 26,600.

On this being pointed out in aduit (August 1979), the department raised (June 1984) a demand for Rs. 32,676 (penalty : Rs 29,530; interest : Rs. 3,146) The amount, however, remained unrealised as the firm had gone into liquidation in September 1977. A claim for 32,676 was lodged by the department with the liquidator on 13th November 1984. Report on recovery is awaited (December 1985).

When asked to intimate the latest position of recovery, the departmental representative informed the Committee that claims lodged with the official liquidator had not been confirmed by the Hon'ble High Court of Calcutta and the matter was being taken up with the local staff of the West Bengal Government.

The Committee desire that the matter may be pursued vigorously with the quarter concerned and the development/progress of the case be intimated to the committee from time to time.

[52] 2.10. Short levy of surcharge

As per the Haryana General Sales Tax (Amendment) Act, 1977,

the rate of surcharge on sales tax was revised from two percent to fifteen per cent with effect from 1st September 1977. The revised rate remained in force up to 31st March 1978.

In Faridabad, a dealer was assessed to tax amounting to Rs. 7,72,396 on his turnover for the year 1977-78. The assessing authority levied surcharge on tax at the uniform rate of two per cent, although part of the tax amounting to Rs. 3,77,177 related to the period from 1st October 1977 to 31st March 1978 when surcharge on tax was leviable at the rate of 15 per cent. The mistake resulted in surcharge being levied short by Rs. 49,033

On the mistake being pointed out in audit (February 1983), the department referred (February 1985) the case to the revisional authority for *suo moto* action. Report on recufication is awaited (December 1985).

The case was reported to Government in June 1983; their reply is awaited (December 1985).

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

- "This para pertains to M/s Goodyear India Ltd., Faridabad for the assessment year 1977-78. In this para the audit has pointed out that the dealer was assessed to tax for Rs. 7,73,296 during 1977-78. The Assessing Authority levied surcharge on Tax at uniform rate of 2% although surcharge on tax on the part of the amount was to be leviable at 15% resulting a loss of Rs. 49033. The parawise reply of the quarries is as under :---
 - (i) The assessment was framed on 20-4-81 whereas the audit had taken the point on 22-2-83. The assessee filed the CWP No. 2813 of 1982 in Punjab and Haryana High Court and the High Court vide their orders dated 4-12-82 quashed the assessment. The full bench of Punjab and Haryana High Court upheld the levy of purchase tax U/s 9 in the case of M/s. Des Raj Pushap Kumar issued in 58 STC 383 dated 25-1-1985. Hence on the basis of this judgement the re-assessment proceedings were initiated on 26-10-86 and were challenged by the assessee vide CWP No. 6667 of 1986 in the Punjab and Haryana High Court. The recovery was stayed by the Court vide, their order dated 27-1-1987."
- From the above it is clear that since this assessment of dated 20-4-81 was not in existance after 4-12-82 the question of levy surcharge does not arise. However, no receivery could be made as the recovery has been stayed by the Punjab and Haryana High Court.
- The assessment order for the year 1977-78 was made on 29-4-81. It was challenged by the dealer in the High Court vide CWP No. 2813 of 1982 and the High Court quashed the Assessment on 4-12-1982.

- The dealer was re-assessed on 26-10-86 on the basis of High Court judgement dated 25-1-1985 in the case of M/s. Des Raj Pushap Kumar Gulati. The dealer again went in appeal to High Court vide C.W P. No. 6667 of 1986 The High Court has granted stay order on 27-1-1987
- As the High Court has quashed the original assessment dated 20-4-81 and recovery of 2nd assessment dated 26-10-1986 has been stayed, no recovery could be made. The Comments in audit objection raised on the Ist assessment cannot be given as the same was not inexistance having been quashed by the High Court.

The Committee desire that the final outcome of the stay granted by the High Court be intimated to the Committee and till then the case may be continued to be persued to its logical conclusion.

[53] 2.11. Interest not charged

Under the Haryana General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956, a dealer is required to pay the tax due from him according to his returns which are to be submitted by the prescribed dates. The amount specified in any demand notice is also required to be paid 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, the dealer is liable to pay, in addition to the tax due, simple interest on the amount due at one per cent per month for the first month and at one and a half per cent per month, thereafter, so long as the default continues.

(1) In Dabwali, six dealers did not pay tax amounting to Rs. 9.38 lakhs along with their quarterly returns during the years 1979-80 and 1980-81. After assessment demand for tax amounting to Rs. 9 38 lakhs was raised by the department against the dealers However, interest amounting to Rs. 3.21 lakhs, which was also chargeable from the dealers for non-payment of tax along with the returns, was not demanded.

On the omission to charge interest being pointed out in audit (September 1983), the department stated (February 1985) that interest was being recovered. Report on recovery is awaited (December 1985).

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

- "This case relates to six dealers of Sirsa in which the audit has taken point that interest amounting to Rs. 3.21 lacs which was chargeable from the dealer for non-payment of tax alongwith the returns was not demanded. These firms are as under :---
- 1. M/s. Grain Traders, Dabwali.
- 2. M/s. Gupta Sons, Dabwali.

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- 3. M/s. Harbans Lal Subhash Chand, Dabwali.
- 4. M/s. Diwan Chand Sat Narain, Dabwali.
- 5. M/s. Amar Singh Nathu Ram, Dabwali.
- 6. M/s. Tayal Brothers, Dabwali.

The parawise reply of each querry is as under :--

- (a) When the Assessment proceedings were finalised there was already stay order regarding recovery by the Supreme Court of India.
- (b) The interest U/s 25(5) and U/s 59 has been assessed on 11-9-84 as under :—

		U/s 25(5)	U/s 59
1.	M/s. Grain Traders Dabwali.	5320	19164
2.	M/s Gupta Sons Dabwalı	24597	94682
3.	M/s. Harbans Lal Subhash Chand, Dabwal	1 132876	19953
4.	M/s Dewan Chand Sat Narain, Dabwali	6080	2047
5	M/s. Amar Singh Nath Ram	6858	3955
6.	M/s. Tayal Bros Dabwalı	2278	380
		1720009	140181

- Interest of Rs 3,18,190 lacs was assessed on 11-9-84. Out of the six dealers M/s. Harbans Lal Subhash Chand Dabwali, Grain Traders, Dabwali and Gupta Sons, Dabwali went in Court, which decided the case in favour of the dealer on 30-10-86. The department preferred the appeal against these orders before the Court of Distt. and Session Judge Sirsa which has not been decided so far As regards the remaining three dealers an amount of Rs. 6,382 out of 21,598 have been recovered leaving a balance of Rs 15,216. The Recovery could not be made further due to litigation and stay in remaining three cases as stated above.
 - (c) The interest U/s 59 was recoverable from the dealers after the date of assessment. The interest U/s 59 was worked out to Rs. 1,40,181 which was levied on 11-9-84. It was charged from due date of payment to actual date of payment.

The Committee observe that the dealer is required to pay tax due from him according to his return and the amount specified in any demand notice within the period specified in notice and in the event of default the dealer is liable to pay in addition to the tax due, simple interest on the amount due at the prescribed rate for the first month and the-reafter so long as the default continues. The Committee further notice that in a large number of cases, there were commission on the part of the assessing Authoritics in charging interest and consequently huge amount on this account have become recoverable.

The Committee desire that reasons and circumstances under which the various assessing authorities did not comply with the provisions of the Act of the Sales Tax (Haryana General Sales Tax and Central Tax) should be investigated and responsibility fixed in each case. The Committee further desire that procedure should be streamlined to ensure that the interest in such cases is invariably charged in the event of default by the dealer.

The Committee desire that the results of the efforts made in this direction be intimated to them within six months.

[54] 2.13. Loss of revenue due to non-registration of dealers

Under the Haryana General Sales Tax Act, 1973, no dealer who is liable to pay tax, can carry on business unless he has been registered and possesses a certificate of registration which specified the class or classes of goods in which the dealer carries on business. Liability to pay tax arises as soon as the minimum turnover of a dealer exceeds a certain prescribed limit, e.g., Rs. 25,000 in the case of a manufacturer, Rs. 40,000 in the case of a Halwai, etc.

A dealer of Hisar purchased foodgrain seeds valuing Rs. 36.79 lakhs during the years 1975-76 to 1979-80. His turnover during the year 1975-76 itself exceeded the prescribed limit by Rs. 10.77 lakhs. The dealer was, therefore, liable for compulsory registration under the law and was required to pay tax on the sale of goods with effect from 1975-76. The department, however, registered the dealer on 12th October 1981, with the date of validity of registration as from 30th April 1981. The non-registration of dealer, with effect from the year 1975-76 itself, resulted in loss of revenue amounting to Rs. 1.47 lakhs.

The omission was pointed out in audit in March 1985; reply of the department is awaited (December 1985).

The case was reported to Government in September 1985; their reply is awaited (December 1985).

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

- "This para pertains to M/s. Deputy Director, Agri. Hisar for the Assessment years 1975-76 to 1979-80.
- The audit has pointed out that the dealer during the above period exceeded the prescribed limit by Rs. 10.77 lakhs resulting a loss of revenue to the tune of Rs. 1.47 lakhs parawise reply of each querry is as under :---

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(i) Deputy Director, Agri. had applied for grant of RC on 20-4-81. The then Assessing Authority in order to fix the

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liability of the dealer sought information from the Deputy Director Agriculture but the said Office did not comply with the orders. Therafter the Assessing Authority issued registration certificate with the orders that liability to pay the tax shall be fixed later on. It was not in the knowledge of Excise and Taxation Department that the turnover of the Depity Director Agriculture exceeded the limit of taxable quantum and the Department could not register them earlier. However, as and when the information was collected, the liability was fixed accordingly.

According to the scheme of Act the dealer must apply for registration as soon as he becomes registerable when his turnover exceeds taxable quantum. His failure to do so attracts penalty U/s 29. Lapse 1s not on the part of any officer of Excise and Taxation Department.

When called upon to explain as to why the dealer was not compulsorily registered under the provision of the Act when his turnover itself exceeded the prescribed, limit, the departmental representative stated that the Assessing Authority had sought for the information from the concerned dealer but he did not comply with the orders and then the information was collected and the liability was fixed accodingly. The Committee observe that there appears to be some gap in the procedure with respect to the obtaining of such information and registering the dealers under the Act. The Committee feel that the Excise & Taxation department itself cannot be absolved of the responsibility of non-registering the dealers in such cases, which leads to loss of revenue.

The Committee, therefore, desire that the matter may be looked into by the department in the light of the forgoing observance and a fool-proof procedure should be evolved to ensure that whenever turnover of a dealer cxceeds the prescribed limit, he should compulsorily be registered to discharge the tax liability.

[55] 3.2. Non-levy of duty on spirit lost in redistillation or conversion

The Punjab Distillery Rules, 1932, as applicable to the State of Haryana, do not provide for exemption from levy of excise duty on spirit lost in the process of redistillation or conversion of rectified spirit into plain spirit

(i) In a distillery at Jagadhari, 1,43,250.5 proof litres of spirit were reported to have been lost in the process of redistillation during the period from 1979-80 to 1982-83. On the quantity lost, excise duty amounting to Rs. 10.03 lakhs was recoverable (at the rate of Rs. 7 per proof litre), but was not recovered.

On the omission being pointed out in audit (July 1980 to June 1983), the department confirmed (January 1985) that the excise duty was recoverable. Report on action taken to recover the amount is awaited (December 1985).

(ii) In a distillery at Yamunanagar, 20,45,152 proof litres of rectified spirit were issued for conversion into plain spirit during the year 1982-83. Plain spirit prepared was, however, 20,39,283 proof litres only. On 5,869 proof litres of rectified spirit wasted during the process of conversion, excise duty amounting to Rs. 41,088 was recoverable, but was not realised.

On the omission being pointed out in audit (June 1983), the department confirmed (January 1985) that excise duty on this was age was recoverable. Report on action taken to recover the amount is awaited (December 1985)

The cases were reported to Government between July 1980 and June 1983; their reply is awaited (December 1985).

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

- This para relates to non levy of duty on loss in redistillation on conversion. In this para the audit has pointed out that Excise duty amounting to Rs 10 08 lakhs in Jagadhari is recoverable. The parawise reply is as under :--
 - (1) The accordance with the terms of section 3(15) of the Punjab Excise Act, 1914 in which the process of readistillation- covers by manufacture and as such the loss which has been pointed out by audit 1s due to manufacture and is permissible under the rules. Accordingly no duty is recoverable being loss permissible under rules.
 - (ii) Since no duty is leviable the question. of fixation, of responsibility does not anise.
 - (iii) According to the above explanation, to nothing is leviable and no recovery is to be made.
- This para also pertains to Haryana Distillery, Jagadhri in which the Audit has pointed out that Rs. 41,088 is recoverable from the distillery on account of wastage of rectified spirit during the process of conversion. The parawise reply is as under :---
 - (1) The wastage of rectified spirit is within the prescribed limit as per detailed below :---

Opening balance of rectified spirit. Production of rectified spirit	2,08,603.7 94,67,851.3
Total	96;76,455.00
Less transfer to C.L. & I.M.F.S.	91,08,497.4
Balance	5,67,957'.6
Actual Balance	5,35,971°.9°
Loss/wastage	31,985.7
Addl. wastage on A/c of plain spirit	5,869.8
lotal wastage.	37,855,5

(ii) This para has already been dropped by A.G. during May, 1987.

(iii) There is no such cases pricr to 82-83, in which excess wastage is occured on account of conversation."

During oral evidence the departmental representative stated that the wastage is allowed at three stages viz. wastage in spirit store room 2M, bottling operation 1.5% and bottled spirit store room 1% under Rule 101-A of Punjab Distillery Rules 1932. At a subsequent stage of discussion the departmental representative stated that "Manufacture includes every process whether natural or artificial by which any intoxicant is produced or prepared and also redistillation and every process for the rectification, reduction, flavouring, blending or colouring of liquor" laying stress that distillation includes redistillation and as such wastage on redistillation is also admissible. The departmental representative however conceded that re-distillation is not necessary in all the cases and becomes necessary only when there is some defect in distillation itself.

The Committee observe that wastages refrred in Rule 101-A of Punjab Distillery Rules 1932 are not relevant in this case as the audit has pointed out wastage during re-distillation. The Committee further observe that even according to their own admission, the redistillation is not required in all cases and is required where distillation has been failty. It. thus follows that the distilleries responsible for faulty distillation are accountable for wastage in re-tistillation. In view of this Committee is of the opinion that distillaries are not entitled to any wastage on redistillat tion. The Committee also observe that the department was not able to quote any distinct provisions in the Act/Rules providing for wastage on re-distillation of spirit.

The Committee therefore recommend that the recovery of duty as pointed out in the para may be made and a report sent to the Committee.

The Committee further desire that in case Government feels that wastage on re-distillation should be admissible, the desirability of making such a provision in the Rules may be considered.

[56] 3.5. Interest not charged on belated payments of licence fee

As per the Haryana Liquor Licence Rules, 1970, if a licensee fails to pay any instalment of the licence fee or part thereof by the 20th day of a month, he shall be liable to pay interest at the rate of 15 per cent per annum from the first day of the relevant month up to the date of payment.

In Rohtak, although in 50 cases the licensees had failed to pay the monthly instalments of licence fee by the prescribed dates, during 1982-83 and 1983-84, interest on belated payments was either not recovered or was recovered short. Interest not realised amounted to Rs. 50,355.

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On the omission being pointed out in audit (January 1984 and January 1985), the department recovered (July 1984) Rs. 27,400 from the licesees. Report on recovery of the balance amount is awaited (December 1985).

The cases were reported to Government in February 1984 and February 1985; their reply is awaited (December 1985).

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

- In this para the audit has pointed out that in Rohtak fifty licensees had failed to pay monthly instalments of licensee fee by the prescribed dates resulting in short recovery of interest to the tune Rs. 50,355. Out of the outstanding amount an amount of Rs. 30212 has since been recovered and efforts are being made to recover the balance amount.
- The licensee is liable to pay interest for the period between the due date and actual date of payment.

When asked to intimate the latest position of the recovery of the balance amount of interest, the departmental representatives stated that out of total recoverable amount of Rs. 50,355, a sum of Rs. 30,212 has since been recovered and for the balance amount efforts were being made to recover the same.

The Committee desire that further progress made in this regard may be intimated to them.

[57] 4.4(11) Under the Punjab Passengers and Goods Taxation Rules, 1952, as applicable to Haryana, the owner of a tractor having a public carrier permit is required to pay lump sum tax at the rate of Rs. 450 per annum. In September 1976, the Excise and Taxation Commissioner had clarified that tractors with attached trollics which were owned by the Municipal Committees, were not exempt from levy of tax.

In Ambala and Hisar, in respect of nine tractors (with trollies) belonging to the Municipal Committees, tax amounting to Rs. 31.612 for varying periods during the years 1973-74 to 1983-84 was not recovered on the mistaken view that these were exempt from payment of tax.

On the incorrect grant of exemption from tax being pointed out in audit (between February 1983 and August 1984), the department initiated (November 1984) rectificatory action in one case. Report on rectification and action taken in the remaining eight cases is awaited (December 1985).

The cases were reported to Government between February 1983 and December 1984; their reply is awaited (December 1985).

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

The amount of Rs. 31612 has not been recovered so far because the Municipal Committee Ambala has represented that the tractors/trollies owned by at are not liable to tax as these are used for carriage of garbages and refuse from the city which does not fall in the definition of 'Goods'. This department is of the opinion that these tractors and trollies owned by MCs are covered under the defination of private carriers' and are liable to pay tax under the "Passenger and Goods Tax Act.". The Municipal Committees Ambala City has moved the Director of Local Biodies Haryana for exemption of tax. The matter 1s under the consideration of Haryana Govt. in the Local Bodies Govt. Deptt. The tax can not be recovered by detention of the vehicles as it will involve the sanitary condition of urban area concerned. As regards recovery from Municipal Committees Hasar is concerned, it is intimated that these three vehicles No. 6671, 2927 and 1678 have been assessed by the Assessing Authority alongwith other vehicles creating not total demand of Rs. 35944 in respect of ten vehicles."

During the oral evidence the departmental representatives, assured the Committee that the balance amount of recovery will be got made from the month of October/November) 1989.

The Committee desire that the progress made in this behalf may be intimated to them.

TRANSPORT

[58] 4 1. Results of Audut

During the period April 1984 to March 1985, test check of documents in the departmental offices, conducted in audit, revealed underassessment of tax to the extent of Rs 11 32 lakhs in 5,817 cases. The under-assessments were due to mistakes, which may be broadly categorised under the following heads :--

	-	Number of cases	Amount (In lakhs of rupees)
1.	Non-levy of token tax	. 171	.3.07
2	Short levy of token tax	127	2.54
3.	Non-renewal of registration of non-transport vehicles	4,907	3.61
4.	Irregular exemptions	26	0 98
5.	Other reasons	586	1 12
	Total	5,817	11.32

Out of 5,817 cases of under-assessment pointed out in audit, the department had since taken rectificatory action and recovered Rs. 1 53,931 in 121 cases. In 253 cases, action had been initiated by the department to rectify and recover the amount under-assessed. In 5,443 cases, replies are awaited (December 1985)

Some of the important cases are mentioned in the following paragraphs

- In their written reply, the department stated as under .---
- (i) It is submitted that all the 5817 cases amounting to Rs. 11.32 lakhs do not fall under the category of under assessment of tax cases. Out of these 4907 No. of cases amounting to Rs. 3.61 lakhs relate to non renewal of registration of non Transport Vehicles by owners after 15 years as would be clear from item No. 3 of the audit para. Similarly 586 No. of cases under head other reasons amounting to Rs. 1.12

lakhs also do not fall under the category of under assessment of tax because these pertain to non recovery of various kinds of fees. However, the remaining 324 No. of cases amounting to Rs. 6.59 lakhs fall under the category of under assessment of tax as per item No. 1, 2 and 4 of the audit para. The circumstances which led to under assessment of tax in these cases are that there are 36 Registering Authorities and 3 Regional Transport Authorities in the State dealingwith registration of Motor Vehicles and realisation of tax under head 0041-Taxes on Motor Vehicles which are under staffed and burdened with heavy work load. The staff posted with the Registering Authorities is on the strength of the Dy Commissioners and is not well conversent with the Taxation Rules and other instructions issued from time to time. The staff is transferred frequently on administratives reasons. The under assessment in most of the cases was due to lack of knowledge of taxation Rules and not due to any malafide intention. However, the Registering Authorities have been directed to fix responsibility of the lapses and take appropriate action against the defaulters. The matter is being persued with the Registering Authorities.

- (11) As already explained above all the 5817 cases amounting to Rs. 11.32 lakhs do not fall under the category of under assessment of tax, As regards review of under assessment of cases, the Department has created Internal Audit Cell during November, 1987 under the charge of a Senior Accounts Officer for conducting internal audit of Revenue Receipts under head This cell has reveiwed similar 0041 Taxes on Motor Vechicles other cases to detect the under assessment while conducting Internal Audit of all the Registering Authorities in the State and noticed 9182 No. of cases of under assessment/non levy/ short levy of taxes involving a sum of Rs. 10,80,608 upto 31-3-1989. These cases are being persued for effecting recovery the Registering Authorities In addition the Department with arranged joint review meetings of A G. (Audit) and Registering Authorities under the Chairmanship of Transport Commissionner Haryana during October, 1988 and January 1989 for the settlement of old A.G.s audit paras pertaining to the period from 1972-73 to 1986-87 which were pending upto 31-3-1988. As a result of these joint review meetings 570 audit paras involving an amount of Rs. 16,60 56,428 have been got settled. The 448 audit paras involving a sum of remaining Rs. 1,25,93,413 are being persued with the Registering Autho-rities and compliance in most of the cases has already been The Registering Authorities and their staff have been made. provided necessary guidance in respect of Motor Vehicle Act/ Rules and instructions issued by the State Govt./Department from time to time. There is a considerable improvement in the assessment and reliasation of revenue under head 0041 Taxes on Vehicles.
- (iii) The rectificatory action has already been taken in 253 No. of cases of under assessment amounting to Rs. 1,96,282 and a

sum of Rs. 1,79,589 has been recovered in 207 cases. Efforts are being made to recover the balance amount of Rs. 16693.00 in 46 cases.

- (iv) Out of remaining 5443 cases, amounting to Rs. 7,82,048 4907 cases amounting to Rs. 3,60,930 pertains to non renewal of Registration of non Transport Vehicles after the expiry of 15 years. In this connection it may be submitted that under section 24(5) of the Punjab Motor Vehicle Act 1939 it is the responsibility of the owner of the vehicle to get his/ her registration of non-transport vehicles renewed after the expiry of period of 15 years after submitting application on prescribed form and making payment of the prescribed fee. In the event of non compliance on the part of the vehicle owner, he is hable to face fenal action by the law enforcing agencies. The Registering Authorities can not be held responsible for non-renewal of registration under the pro-visions of the aforesaid Act. The visions of the discussed with The matter also discussed with the Senior Deputy Accountant General (Audit) Haryana in the review meetings of A.G.s Audit Paras held on 27/28-10-1988 at Karnal/Faridabad and he agreed with the view of the department and dropped all such paras on the spot. Instructions have also been issued to all the Registering Authorities in the State on 8-11-88 that in case any vehicle owner comes to deposit the token tax of non transport vehicles with them after the expiry of 15 years renewal fee for registration should invariably be charged from him.
- In view of the position explained above it will kindly be agreed that the amount of Rs. 3 60,930 in respect of 4907 cases was not recoverable as shown in the audit para. It is requested that this para may kindly be dropped.
- Out of remaining 536 cases amounting to Rs. 4,21,118 a sum of Rs. 1,67,432 has since been recovered in 328 cases and efforts to recover the balance amount of Rs. 2,53,686 are being made in 208 cases.
- Out of total amount of Rs. 11,32,261 a sum of Rs. 2,70,379 is now recoverable as shown in sub para (iii) and (iv) above. It may be submitted that out of Rs. 2,70,379 a sum of Rs. 1,30,755 is under objection for want of sanction of reduction of seats of buses of Rewari and Hisar Depots and this amount is not actually recoverable. The sanction of the Competent Authority is likely to be received within a week's time. The department is making all out efforts to recover the balance amount of Rs. 1,39,624.
- In view of the position explained above it is requested that the para may kindly be dropped.

Test checks conducted by the audit of the documents, disclosed under-assessment of taxes to the extent of Rs. 11.32 lakhs in 5817 cases. The under-assessment were mainly due to mistakes in assessment. During the oral evidence the departmental representatives informed the Committee that the under-assessment in most of the cases was due to lack of knowledge of taxation rules and not due to malafide intention and that the registering authorities had been directed to fix the responsibilities of the lapses and take appropriate action against the defaulters.

The Committee desire that action taken in the matter may be intimated to them within a period of three months.

[59] 4.3. Application of incorrect rates of tax

(1) Under the Punjab Motor Vehicles Taxation Rules 1925, as applicable in Haryana, token tax on contract carriages owned by any factory and used exclusively for the carriage of its personnel was chargeable at the rate of Rs. 130 per seat per annum up to the year 1977-78 and at Rs. 200 per seat per annum there after.

In Ambala, Bhiwani, Charkhi Dadri, Gohana, Kalka, Panipat, Ballabhgarh and Rohtak, on twenty five vehicles owned by the Haryana Electricity Board and private companies/parties and used exclusively for carriage of their employees, tax was recovered at rates lower than the prescribed rates during various periods between July 1968 and June 1984. The mistakes resulted in tax being realised short by Rs 55,951.

On the mistakes being pointed out in audit (between November 1982 and January 1985), the department recovered Rs. 3,795 in December 1982 and May 1984 and issued notices for recovery of another amount of Rs. 34,968 between May 1983 and May 1985 Report on recovery of Ris. 34,968 and action taken in the remaining cases is awaited (December 1985).

When called upon to explain as to why the tax was levied on lower rates and who was responsible for less charging of tax amounting to Rs. 55,951, the department stated in the written reply as under :---

- (i) (a) The Matador owned by H.S.E.B., Haryana Roadways, HMT and other private companies being used exclusively for the carriage of its employees were classed as private carriage by the Registering Authorities and token tax was charged under article 6 of the tax schedule of Punjab Motor Vehicle Taxation Rules 1925 as: amended from time, to time. This was a case of misinterpretation of the rules. However, when the mistake came to notice such vehicles were classed as contract carriages and Registering Authorities started charging token tax under article 5(11) of the tax schedule ibid The Registering, Authorities have been asked to fix responsibility for this lapse and take action against the defaulters immediately. The matter is being persued with the Registering Authorities regularly
- (i)(b) Out of Rs. 34,868 a sum of Rs. 15,892 has since been recovered. Efforts are being made to recover the balance amount of Rs. 19076.
- (i) (c) The entire amount of Rs 17,188/- has since been recovered.

The Committee desire that final outcome of the responsibility fixed for the lapse and the action taken against the defaulting officers/official, may be reported to them within a period of two months :—

The Committee further desire that the progress made in effecting the recovery of the balance amount of Rs. 19076 may also be intimated to them.

[60] (11) Under the Punjab Motor Vehicles Taxation Act 1924 and the rules made thereunder, as applicable to Haryana, on vehicles for which private carrier permits have been issued and which are used solely in the course of trade and industry, tax is leviable at varying rates based on their unladen weight.

In Karnal and Panipat, in respect of 14 vehicles owned by autonomous bodies (11 vehicles) and private parties (3 vehicles) and covered by private carrier permits, tax was levied at rates lower than those actually applicable based on their unladen weights. The mistakes resulted in tax being realised short by Rs 25,831 for various periods between October 1974 and March 1984.

On this being pointed out in audit (between November 1982 and November 1984); the department recovered (August 1983) Rs. 883 and issued (March 1985 and May 1985) notices for recovery of the balance amount Report on recovery is awaited (December 1985).

The cases were reported to Government between January 1983 and November 1984, their reply is awaited (December 1985).

In their written reply, the department stated as under ----

- (ii) (a) The Registering Authority, Karnal and Panipat did not levy tax on the basis of unladen weight of 14 vehicles which resulted into short levy of tax out of 14 vehicles, 11 vehicles owned by autonomous bodies and remaining three by private parties. Both the Registering Authorities have been asked to fix responsibility for this lapse and take action against the defaulters. Further progress is awaited.
- (11)(b) Out of Rs. 24,948 a sum of Rs. 4909 has since been recovered and efforts to recover the balance amount of Rs. 20,039 are being made.

The Committee desire that the action taken against the defaulting officials for the lapse of leaving short tax may be intimated to the Committee alongwith the particulars of recovery of the balance amount of Rs. 20039.

[61] 4.5. Short ecovery of tax on vehicles having temporary permits

Under the Motor Vehicles Act, 1939, a Regional Transport Authority may grant permit for use of a transport vehicle temporarily in other States. Under the Punjab Motor Vehicles Taxation Act, 1924 (as applicable to Haryana State) and the notifications issued thereunder, motor vehicles entering the State of Haryana on temporary permits, issued by other States for a period not exceeding fifteen days shall be charged token tax equal to one twenty-fifth (1/25th) of the tax payable per vehicle per annum Any broken period in a quarter is considered as a full quarter for the purpose of levy of token tax.

In respect of 57 vehicles, entering the State of Haryana (during the year 1983-84) on temporary permits granted by the Madhya Pradesh State Government for a period exceeding fifteen days in each case, token tax was incorrectly charged by taking month as a unit, instead of a quarter as a unit for recovery This resulted in short realisation of tax amounting to Rs. 14,460.

On this being pointed out in audit (October 1984), the department stated (July 1985) that recoveries were being effected. Report on recovery is awaited (December 1985).

The case was reported to Government in November 1984; their reply is awaited (December 1985).

When called upon to explain as to why the tax was charged less despite the clear provisions in the Act and whether the amount of Rs. 14,460 had been recovered or not, the department stated in their written reply as under :--

- (i) Under Sec. 63 of the Motor Vehicle Act, 1939 and Sec. 3 of Motor Vehicle, Taxation Act 1924 Regional Transport Authorities Gwalier & Morena (MP) issued temporary permits to 57 Nos. vehicles for entering Haryana State for a period exceeding 15 days and token tax at the rate of Rs. 375 per quarter was to be charged by the respective RTAs and remitted to RTA, Faridabad. But the RTA Gwalior and Morena charged less token 'tax @ the rate of Rs. 120 and 125 per vehicle taking month as a unit instead of quarter as a unit as required under the provisions of the Act/Rules ibid. This mistake on the part of 'RTA, Gwalior/Morena (MP) resulted 'into less charging of token tax 'amounting to Rs. 14,460.
- (ii) Out of 57 vehicles balance token tax in respect of two vehicles for which temporary permits were issued by RTAs Gwalior amounting to Rs. 510 @ the rate of Rs. 255 for two vehicle has since been recovered in June 1988 and remitted to RTA Faridabad. The remaining 55 vehicles for which balance token tax amounting to Rs. 13950 is recoverable, belongs to RTA Morena. The case is being persued vigorously with RTA Morena (MP) to recover the balance amount of Rs. 13,950 at an early date.

The Committee desire that further developments in respect of the remaining 55 vehicles for which the balance tax amounting to Rs. 13950 is recoverable be, intimated to them.

REVENUE

[62] 5.1. Results of Audit,

Test check of the records in departmental offices, conducted in audit during the year 1984-85 revealed short levy and non-levy of stamp duty and registration fee as also other irregularities in 1,460 cases, which broadly fall under the following categories:---

1 4 7	Number of cases	Ámount (In lakhs of rupees)
	2	10.10
1. Irregular exemptions	357	12.16
2 Under-valuation of immovable pro perties	198	7.59
3. Short levy due to mistakes in computation	399	1 .09
4. Evasion of stamp duty	3	0.92
5 Short levy or non-levy of stamps duty and registration fee due to incorrect classification of deeds	_ 5	0.81
 Short levy or non-levy of fine on late presentation of documents for régistration 	27	0 27
7. Other irregularities	471	1 99
Total	1460	24.83

Out of 1,460 cases pointed out in audit, the department had since taken rectificatory action in 72 cases and recovered Rs. 23,383. In 147 cases, action had been initiated by the department to recover an amount of Rs. 73,866.134 cases involving under-valuation of immovable properties had been referred to the Collector for decision. In 1,107 cases, replies are awaited from the department (December 1985).

Some of the important cases are mentioned in the following paragraphs.

In reply to the Qustionnaire of the Committee, the department

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stated as under :---

The reason for the Stamp Duty and Registration fees having not been levied or short levied was due to the mis-interpretation of rules by the filed staff. However, the responsibility of officers/officieals at fault, is being fixed and Deputy Commissioners have been asked to intimate the action taken in this behalf.

However, it is mentioned that out of 1460 cases, in 198 cases deficiency of Rs. 7.59 lacks has been shown in cases of under-valuation of immovable property. This deficiency carnot be considered actual deficiency, but as a matter a fact it is only based on general assessment by audit party. Such cases are to be decided by the Collector as to whether any deficiency exists or not. The remaining 1262 cases involving Rs. 17.24 lacs relate to the actual deficiencies, which normally occur due to mis-interpretation of rules, Instructions are however issued to the Deputy Commissioners/Sub-Registrars (Tehsilcars)/Joint Sub-Registrars (Naib Tehsildars) from time to time to ensure that proper Stamp Duty is charged on the instruments. In cases where the fault of any officer/official is obvious action is taken against him.

Stamp Auditors of the department conduct audit of all the deeds/ cases in the districts and deficiencies are pointed out by them. Each audit note is sent to the Deputy Commissioner concerned and Sub-Registrar/Joint Sub-Registrar by this department for taking necessary action on each item and to effect recovery wherever it is due according to rules.

The position in regard to 1388 cases of all the Seven items is discussed below:---

1. Irregular exemption

Under this item, the number of cases shown are 357 with a deficiency or Rs. 12.16 lacs But as per reports received from the Deputy Commissionners, the number of cases under this item are 356 and the amount involved is Rs. 11,15,514 (say Rs. 11.16 lacs) There is a mistake of Rs. 1 lac in the total in the detailed statement supplied by A. G. The position of 356 cases for the amount of Rs. 11,15,514 is given below:—

		Amount	No. of cases
1 H	Recovery already intinated in A.G's report	6,643	9
2.	Amount dropped by A. G. in their sub- sequent audit	1,60,233	239
3.	Amount recovered by the department	49,293	47
4.	Cases in courts	6,51,825	11
5.	Balance amount under settlement/ recovery	2,47,520	50
	Total	11,15,514	356

(2) Under valuation of immovable properties

Under this item, there are 198 cases involving an amount of Rs. 7.59 lacs shown in the A.G's report. The position of disposal of these cases is given below:—

		Amount No.	of cases
1.	Recovery already mentioned in A.G.s report	1,779	3
2.	Amount dropped by A. G. in their subsequent audit	1,64,251	31
3.	Amount dropped by Collector	2,00,404	40
4.	Amount recovered by the department	39,039	33
5.	Cases under courts	1,60,049	48
6.	Balance amount under settlement/ recovery	1,93,705	43
	Total	7,59,247	198

(3) Short levy due to mistakes in computation

Under this item the number of cases shown are 399 involving an amount of Rs. 1.09 lacs. But as per reports received from the Deputy Commissioners there are 401 cases involving an amount of Rs 1,10,283 (say Rs 1 10 lacs) The disposal of these cases is given below —

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		. Amount	No. of cases
1.	Recovery already mentioned in A.G's. report	9,747	48
2	Amount dropped by A. G. in their subsequent audit	27,978	52
3.	Amount recovered by the department	35,475	208
4.	Balance amount under settlement/ recovery	37,083	93
	Total	1,10,283	401

(4) Evasion of Stamp Duty

Under this item the three cases of evasion of stamp duty shown by the A. G. are in respect of Tehsil Ambala (Distt. Ambala), Tehsil Julana (Distt.

Jind), and Tahsıl Nilokheri (Distt. Karnal). The amount of deficiency involved in respect of all these Tahsilŝ, is Rs. 91,787 (say Rs. 0.92 lac). As per reports of the D. C.s. these paras have been dropped by the A. G. as this amount was found to be not recoverable.

(5) Short levy or non-levy of stamp duty and registration fee due to incorrect, classification of deeds.

Under this item the number of cases are only five involving an amount of Rs. 80,561 (say Rs. 0.81) lac. The position of these cases is given below :--

	· · ·	Amount No. c	of cases	
1.	Amount dropped by A. G. in their subsequent audit	23,663	' 2	
2.	Balance amount under settlement/ recovery	56,898	- 3	
	Total	80,561	5	

(6) Short levey of non-levy of fine on late presentation of documents for registration

Under this item the number of cases shown are 27 involving an amount of Rs. 27,227 (say 0.27 lacs) As per reports received from D.C.s the position of these cases is given below —

		Amount	No. of cases
1.	Recovery already intimated in A.G.'s report	1,454	5
2 .	Amount dropped by A. G. in their subsequent audit	2,701	8
3.	Amount recovered by the department	1',1'48'	- 6
4.	Balance amount under settlemtnt/ recovery	21,924	8
	Total.	27,227	- 27
	-		

(7) Other irregularities

Under this para the number of cases as shown in the A. G.s. report are

471 involving	an amount	of Rs.	1,98,822	(say Rs	1.99 lacs).	The	position of
these cases, i					-		•

		Amount	No of cases
1_	Recovery already intimated in A G's report	3,750	11
2.	Amount dropped by A. G. in their subsequent audit	1,16,286	232
3.	Amount recovered by the department	4,241	16
4	Balance amount under settlement/ recovery	74,544	, 212
	Total	1,98,822	471

From the position explained above the final picture of recoveries emerges as under:---

1	Total amount of recovery in 1460 cases (Rs. 24 83 lacs have been shown in A:G's report)	23,83,000
2.	Total amount dropped by A. G. in 568 cases	5,86,900
3.	Total amount recovered in 386 cases. (This includes Rs. 23383 already shown in A G.s. report)	1,52,589
4.	Recovery held up due to court cases in 59 cases	8,11,874
5.	Amount dropped by the Collector in 40 cases	2,00,404
6.	Total of items from 2 to 5	17,51,767 (Say 17.52 lacs)
7.	Balance amount to be recovered (Column 16)	23.83 17.52 lacs

During the oral evidence the departmental representatives informed the Committee that reasons for the stamp duty and registration fee having not been levied or short levied was due misinterpretation of rules by the field staff. When asked by the Committee, as to what action was taken against the defaulting staff, the departmental representatives stated that they were waiting for their explanations. The department representatives also stated that instructions were also issued to the departmental officers for avoiding recurrence of these irregularities. The Committee, however, observed that such instructions are issued in a routine manner and no

6.31 lacs

161

serious follow up action is taken to watch compliance of these instructions. The Committee further note that these instructions are issued only after the issue of notice of Public Accounts Committee's meeting and not on their own initiative

The Committee desire that department should expendite the action against the defaulting officials and intimate the final outcome to the Committee within a period of three months.

[63] 5.2.4. Under-valuation of immovable property

Under Section 47-A of the Indian Stamp Act, 1899 and the rules made thereunder, as applicable to Haryana, if the Registering Officer has reason to believe that the value of the property 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 and the proper duty payable thereon. Further, section 64 of the Indian Stamp Act, 1899 provides that any person who, with intent to defraud Government, executes any instrument in which all the facts and circumstances required to be set forth in such instrument under the Act are not fully and truly set forth, is punishable with fine which may extend to five thousand rupees

(a) In 196 cases, values of land as set forth in the instruments of sale/gift or exchange of immovable properties were lower, as compared to the values set forth in other instruments relating to similar properties transferred in the same or neighbouring areas approximately during the same periods. But the cases had not been roferred to the Collector Stamp duty and registration fee had apparently been levied short by Rs. 7 15 lakhs due to adoption of incorrect values of these properties

On this being pointed out in audit, 112 cases were refeired to the Collector between August 1982 and February 1985. Of these, 3 cases only were decided by the Collector up to March 1985, as a result of which further stamp duty and registration fee amounting to Rs. 3,736 became recoverable in one case Particulars of recovery are awaited In 10 other cases (including 6 referred to the Collector), recoveries amounting to Rs. 6,475 were also effected by the department. Result of action taken in the remaining cases is awaited (December 1985).

In their written reply the department stated as under :---

The value of the land is determined by the A.G 's Audit Party on the basis of general assessment. But in fact, there are many factors involved in the determination of the price of the land at the time of sale. For example, the price is lesser in case of lands under tenancy, under lease, under mortgage, location of land etc. Therefore the value of land varies from land to land However, in some cases the Sub-Registrars could not visualise that the value set for th in the deed was lower for which lapse, they are responsible. However, instructions have been issued to the Registrars/ Sub-Registrars and Joint Sub-Registrars that they should remain more careful in visualising the correct value of the land. Instructions also have been issued to the Deputy Commissioners to fix responsibility of the officer/official responsible for the lapse. .

- As per information received from Deputy Commissioners, out of 112 cases, Rs. 39,039.00 have been recovered in 33 cases, 48 cases are under court proceedings and 31 cases have been dropped by the Collector.
- Out of 74 cases, 31 cases involving an amount of Rs. 1,64, 251 have peen dropped by A.G. Haryana in their subsequent audit and 43 cases involving an amount of Rs. 1,93,705 are under process.

Both during the oral evidence and in their writteen reply, the departmental representatives stated that instructions had been issued to the Registrars/Sub-Registrars and Joint Sub-Registrars that they should remain more careful in visualising the correct value of the land. The department also stated that Deputy Commissioners have been instructed to fix responsibilities of the officers/officials responsible for the lapse and that out of 112 cases involving an amount of Rs. 39039 have been recovered in 33 cases and 48 cases are under the court proceedings.

The Committee desire that final outcome of the responsibility fixed against the delinquint officers/officials as well as progress of the recovery of the balance amount of Rs. 193705 be intimated to the Committee within a period of six months.

(64) (b) In 6 registering offices at Ambala and Kurukshetra districts, values of properties set forth in 16 sale deeds (registered during 1981-82 to 1984-85) were found to be much less than those agreed upon between the parties and set forth in the "agreements to sell" executed by them earlier with the document writers, Stamp duty and registration fee were realised on the basis of values indicated in the sale deeds witout comparing these with the values shown in the agreements to sell. This resulted in stam duty and registration fee being realised short by Rs. 47,466.

The cases were reported to department in August 1985; their reply is awaited (December 1985)

In their written reply, the department stared as under:---

The registering authorities are responsible for short realisation of . Stamp Duty & Registration Fee. The D.Cs concerned have been asked to fix responsibility on the concerned regi tering authorities for these irregularities and inform the Govt. immediately.

(ii)	2 cases involving an amount of
and	Rs. 4,285.00 of Ambala District
1111	Ambala District

(111)

have been dropped by A.G.s Audit Party and the rest of 14 cases of Kurukshetra District

of 14 cases of Kurukshetra District were referred to Collector which are pending.

During the course of oral evidence when asked who was responsible for short realisation of the stamp duty and registration fee amounting to Rs. 47466 in 66 cases, the departmental representatives informed the Committee that the registering authorities were responsible for short realisation of stamp duty and also informed that all the Deputy Commissioners concerned had been asked to fix responsibility on the concerned registering authorities for these irregularities and inform the Government immediately. The department also stated that out of 16 cases, 2 cases involving an amount of Rs. 4285 of Ambala district had been settled while remaining 14 cases of Kurukshetra district had been referred to the Collector.

The Committee desire that action against the defaulting officers/officials may be expedited and final outcome of the remaining 14 cases of Kurukshetra district be intimated to the Committee in due course of time.

(65) (ii) (a) On 11 instruments executed by four House

Building Co-operative Societies' (having their head quarters in uban area of Jagadhari and Yamuna Nagar) for purchase of land in rural areas during the year 1983-84, stamp duty amounting to Rs. 6,51,875 was leviable, but was not levied.

On the irrgular, grant of exemption being pointed out in audit (September 1984), the department issued (December 1984) notices for the recovery of Rs. 6,51,875 from the Co-operative Societies. Report on the recovery is awaited (December 1985).

In their witten reply, the department Stated as under ;

According to notification dated the 15th July, 1948 the Cooperative Societies of both Rural and Urban areas were exempted from payment of stamp duty, but later on the exemption was withdrawn in respect of the societies of Urban areas vide notification dated the 8th Feb. 1962. In these 11 cases the land was purchased by the Coop. Societies in rural areas though their Headquarters were in Urban areas. The exemption from stamp duty in these cases is a lapse on the part of the registering authorities. However, the members of these 4 societies have filed Writ-Petitions in the High-Court on 11/84, 2/85 and 5/85 stating that although the lands have been purchased in rural areas. As such, they are exempt from payment of stamp duty. In view of this position, the mater being subjudice, action can only be taken after the final decision of the High Court.

When called upon to explain as to why the stamp duty was not levied initially in accordance with the notification issued in February, 1962 and who was responsible for the lapse as also latest position of the recovery of Rs. 6,51,875 in 11 cases, the departmental respresentatives admitted during oral evidence that the exemption from stamp duty in these cases was a lapse on the part of Registering Authorities and that the concerned societies had gone to the court of law and recovery was not possible at that stage and that action would be taken only after the final decision of the court.

The Committee desirc that the matter may be pursued vigorously to its logical conclusion and final outcome intimated to the Committee in due course.

[66] 5.2.5 Mistaks in calculations

Under the Indian Stamp Act, 1899, and Indian Registration Act, 1908, stamp duty and registration fee are leviable on the consideration set forth in the instruments.

In respect of 528 instruments of different nature, registered in Ambala, Kurukshetra, Karnal, Faridabad, Jind and Bhiwani during the years 1981-82 to 1983-84, stamp duty and registration fee amounting to Rs. 95,589 (stamp duty : Rs. 82,449 and registration fee : Rs. 13,140) were realised short due to arithmetical mistakes in calculations.

On the short realisation being pointed out in audit (between June 1982 and January 1985), the department recovered Rs. 31,402 in 182 cases and issued notices (between October 1984 to January 1985) for recovery of balance amount of Rs. 64,187 in 346 cases. Report on recovery is a waited (December 1985). Ċ,

In their written seply the department stated as under :----

The Registering Authorities and Registration clerks are responsible for short realisations of fee and Stamp Duty due to mis-caloula-The Deputy Commissioners have been asked to take tions. necessary action againts the defaulting officers/officials.

The position in respect of the balance recovery of Rs. 64,187.00 in 346 cases is explained below :--

		Number of cases	Amount	
	ount wered	208	35,475.00	
(ii) Ama by A	ount dropped A.G.	32	15,959.00	
(1i) Bala amou		.106	12,734.00	

When called upon to explain as to who was responsible for short realisation of fee and duty amounting to Rs. 82,449 due to arithmetical mistakes and whether the department had taken any action against the defaulting officials, the departmental representatives informed the Committee that the Registering Authorities and Registration Clerks were responsible for short realisation of fee and stamp duty and that the Deputy Commissioners had been asked to take necessary action against the defaulting officials. The departmental representatives also informed that out of total recoverable amount of Rs. 64,187 in 346 cases, a sum of Rs. 12,734 in 106 cases remained to be recovered.

The Committee desire that action against the defaulting officials/officers may be expedited and the balance amount be also recovered expeditiously, and the compliance report be furnished to the Committee within three months.

[67] 5.2.7. Misclassification of instruments

(i) Under the Indian Stamp Act, 1899, a deed of settlement inter-alia includes a non-testamentary disposition, in writing, of movable or immovable property made for any religious or charitable purposes and is chargeable to

stamp duty at a rate higher than that chargeable on a deed of declaration of trust.

In Ambala, Bhiwani, Jind and Karnal districts, II instruments (by which certain individuals had donated movable and immovable property to a trust created for educational and cheritable purposes) were erroneously registered as deeds of declaration of trust, instead of as deeds of settlement and assessed to stamp duty at lower rates. Stamp duty and registration fee evied short as a result of this misclassification amounted to Rs. 29,268.

On the mistake being pointed out in audit (between June 1982 and January 1985), the department recovered Rs. 4,000 in 5 cases and issued notices for recovery of Rs. 1,358 in 4 cases. The remaining 2 cases, involving short recovery of Rs. 23,910, were pending in the court since. December 1982. Further progress is awaited (December 1985).

(ii) In the offices of Sub-Registrar Kalka, Jagadhari and Jind, in four cases relating to handing over of possession of properties after receiving full or part amounts of consideration, the relevant instruments were erroneously registered as memorandum of agreements, instead of as instruments of conveyance. The misclassification resulted in stamp duty and registration fee being realised short by Rs. 21,722.

On the mistake being pointed out in audit (November 1982 and October 1984), the department recovered Rs. 2,003 and issued notices (November 1984 and January 1985) for recovery of the balance amount of Rs. 19,719.

(iii) The Indian Stamp Act, 1899 and the Indian Registration Act, 1908, as applicable in Haryana, require that where a power of attorney is given for a consideration and it authorises the attorney to sell any immovable property, the deed is liable to stamp duty as if it were an instrument " of conveyance, for the amount of consideration set forth therein.

In the offices of the Sub-Registrar, Ambala, Palwal and Ballabhgarh, four deeds whereby power of attorney was given for consideration (totalling Rs. 1,34,296) and the attorneys had been authorised to sell the properties, stamp duty and registration fee were charged at lower rates applicable to the general power of attorney, instead of at rates applicable to deeds of conveyance. Stamp duty and registration fee 'realised short amounted to Rs. 19,825 (stamp duty : Rs. 18,128 and registration fee : Rs. 1,697).

On the mistake being pointed out in audit (February 1983), the department issued notices (November 1984) for recovery of the duty short levied. Progress of recovery is awaited (December 1985).

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

(a) The misclassification happened due to wrong undersanding between a trust deed and a settlement deed.

167

(b) The latest position of the recovery in 6 cases is given belo w =

-	Number of Cases	Amount
(1) Amount dropped by A.G.	2	1,335
(2) Amount recovered	3	23,228
(3) Balance Amount	1	705
Total	6	25,268

The position in regard to the recovery is given below:----

(11)		· No. of c	No. of cases Amount		
(1)	Amount dropped by A.G.	l	11,600		
(2)	Amount recovered	1	8,119		
	Total	2	19,719		
(iiı)	I				
(!)	Amount dropped by A.G.	1	5,099		
(2)	Cases pending in the Court	2	9,358		
(3)	Case in which power of Attornery has been	1	5,369		
(cancelled as such no deficiency remains chargeable	4	1 9, 826		

The Registering Authorities are responsible for this lapse. The Deputy Commissioners concerned have been asked to fix responsibility on the delinquents and to inform the Govt. of the action taken in this behalf.

During the course of oral evidence, the departmental representatives informed the Committee that the Registering Authorities were responsible for mis-classification of instrument and that the Deputy Commissioners concerned had been asked to fix responsibility on the delinquint officials/ officers and inform the Government about the action taken in this behalf.

The Committee desire that final outcome of the action initiated by the Deputy Commissioners against the defaulting officials/officers may be intimated to the Committee within six months, [68] 5.2.8 Short levy of fine on late presentation of documents for registration.

Under the Indian Registration Act, 1908 and the rules made thereunder, as applicable in Haryana, no document, other than a 'Will', shall be accepted for registration unless presented for that purpose to the proper officer within four months from the date of its execution. The rules *ibid* provided recovery of fine for the delay in presenting documents for tegistration.

In the offices of Sub-Registrar, Ambala, Karnal, Faridabad and Kurukshetra districts, during the years 1981-82, 1982-83 and 1983-84 on 24 documents presented late for registration, fine amounting to Rs 18,049 was either not imposed or was incorrectly imposed.

On this being pointed out in audit (May 1982 to January 1985), the department recovered an amount of Rs. 1,408 in two cases and issued (November 1984 to January 1985) notices for recovery of the balance amount of Rs. 16,641.

In their written reply the department stated as under:---

This is a default on the part of the Registering Authorities.

The position in regard to the recovery of Rs. 16,641/- is given below :—

i			No. of cases		Amount
	(1)	Amount shown recovered in A. G. report	 ۵	1	1,330/-
	(2)	Amount dropped by A. G.	-	° 2	4,600/-
	(3)	Amount recovered		8	6,558/-
	(4)	Balance amount		11	4,153/-
	•	Total		22	16,641/-

During oral evidence the departmental representatives stated that this was a fault on the part of the Registering Authorities and that out of the total recoverable amount of Rs. 16,641, an amount of Rs. 12,486 had been recovered/settled leaving a balance of Rs. 4153 in 11 cases only.

The Committee desire that final outcome of the action taken against the Registering Authorities as also further progress of recovery of the balance amount be intimated to them as early as possible.

[69] 5.2.10. Other topics of interest

Under the Income Tax Act, 1961, where any document required to be registered under the Indian Registration Act, 1908, purports to transfer, assign, limit or extinguish the right, title or interest of any person to any property valued at more than Rs. 50,000, no Registering Authority appointed under the said Act shall register any such document, unless a certificate to the effect, that such person or persons has paid or made satisfactory provisions for payment of all existing liabilities of income tax, gift tax and wealth tax, has been obtained by the assessee from the Income Tax Officer.

In 194 cases, the registering authorities in six districts (Ambala, Karnal, Kurukshetra, Jind, Faridabad and Bhiwani) had not complied with the aforesaid provisions of the Income Tax Act, although the value of the properties in each case had exceded rupees fifty thousand.

On the omission being pointed out in audit (April 1982 to January 1985), the registering outhorities obtained Income Tax Clearance Certificates in 16 cases. Report on action taken in the remaining 178 cases is still awaited (December 1985).

In their written reply the department stated as under ;---

This is a lapse on the part of the Registering Authorities.

Out of 194 cases income Tax certificates have been obtained by the Registering Authorities in 16 cases as indicated in A.G.'s report. The position regarding remaining 178 cases is given below :---

Dropped By A.G.		Cet tificate obtained	Notices issued	
. 49		73	56	

It is, however, mentioned that Govt. have been issuing instructions to the Registering Authorities/Tehsildars, from time to time to ensure the compliance of the provision of the Income Tax Act in such matters.

During oral evidence, in reply to a question of the committee as to why the provisions of Income Tax Act were not complied with by the Registering Authorities before registering the documents, the departmental representatives admitted that this is a lapse on the part of Registering Authorities and the Government had been issuing instructions to the Registering Authorities/Tehisldar from time to time to ensure the compliance of the provisions of the Income Tax Act,

The Committee, however. observe that the instructions are issued in a routine manner and no follow up of their complaince is done by the Govern-

ment with the result that Registering Authorities and the Tehsildars do not ensure non-recurrence of similar irriegularities.

The Committee desire that Government should streamline a procedure so as to ensure that the statutory provisions of the important Acts i.e. Income Tax Act are scrupulously followed and there is no let off in their observance.

The Committee further desire that remaining 56 Income Tax Certificates may also be obtained by the Registering Authorities and the compliance report furnished to the Committee in due course.

[70] 5.2.11. Arrears of stamp duty and registration fee

A test review of the Deficiency Register, maintained by the Sub-Registrar/Joint Sub-Registrar in Jind, Kurukshetra, Karnal, Ambala, Faridabad and Bhiwani districts, showed that as at the end of March 1985, recovery of stamp duty and registration fee amounting to Rs. 27.64 lakhs was in arrears in 2,306 cases as detailed below :--

	Cases	Amount (In lakhs of rupees)
(1) Arrears outstanding for more than	10 years 212	1.15
(ii) Ariears outstanding for 6 years to 10 years	746	5.23
(iii) Airears outstanding for 3 years to 6 years	652	11.50
(iv) Arrears outstanding for less than 3 years	696	9.76
•	2,306	27.64

No effective steps for recovery of these arrears had been taken by the department.

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

The Deputy Commissioners were requested on 1.6.88 to send the information of total arrears of Stamp Duty and registration fee. They were reminded from time to time and the last demi-official reminder was issued on 12-5-89. But so far only four Deputy Commissioners viz. Bhiwani Kurukshetia Faridabad and Ambala have sent the position of arrears of Stamp Duty and registration fee.

On the basis of information so received from the Deputy Commi-

ssioners the position regarding arrears of stamp duty/registration fee in the Department as on March, 85 and March, 88 is given below :—

		March, 1985		March, 19	88
	-	No. of cases	Amount	No of cases	Amount
1.	Arrears outstanding for more than 10 yea	121 rs	7 0, 785	115	681,42
2.	Arrears outstanding to 10 years.	for 414	3,93,388	391	3,96,810
3.	Arrears outstanding 1 3 to 6 years.	for 379	10,27,670	394	9,35,673
4.	Arrears outstanding for less than 3 years	385	8 ,96, 237	451	9,67,842

The Registrars/sub-Registrars are given directions on every audit report received from the A.G. as well as from the Stamp Auditors of the Deptt. that deficiencies pointed out in the audit and are recoverable under the rules, should be recovered forthwith.

The responsibility for non-recovery of such dues was mainly of the Tahsildars/Naib Tahsildars.

The Committee observed that the arrears on account of stamp duty and registeration fee go on increasing every year. The Committee also note that arrears outstanding for more than 10 years and upto 10 years disclose alarming increase in figures which need to be arrested by adopting such measures as would accelerate the pace of recovery. The results of the efforts made by the department in this direction be intimated to the Committee within six months.

INDUSTRIES

[71] 6.1. Results of Audit

Test check of records in District Industries Centres, conducted in audit during the year 1984-85, revealed unauthorised extraction fbrick earth and other irregularities in 1,581 cases, which broadly fall under the following categories :—

• - • •	_	Number of cases	Amount (In lakhs of rupees)
1, ``	Unauthorisec extraction of brick earth	_ 205	5 37.27
2.	Short realisation/non-realisation of royalty	· 552	16.19
	Non-recovery of contract money in respect of ter- minated contracts	- 10	- 6.02
4.	Non-realisation of dues	102	4.48
<u>5</u> . 4	Other irregularites	712	3.03
	Total -	1,581	66.98

Out of 1,581 cases pointed out in audit, the department had recovered Rs. 3.22 lakhs in 270 cases. In 311 cases involving revenue of Rs. 11.63 lakhs, action had been initiated by the deprartment to recover the amount. In the remaining 1,000 cases, replies are awaited from the department (December 1985).

Some of the important cases are mentioned in the following paragraphs.

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

Before replying to the Questionnaire it is worth while to give the detailed description of the alleged irregularities ** have been devided into five categories. Each category is explained separately as under :--

1. Un authorised extraction of brick earth.

Brick earth is a minor mineral as declared by the Central

Government under Section 3 (e) of Mines and Minerals (R&D) Act-1957 State Govt. has framed Punjab Minor Mineral Concession Rules-1964 for regulation of minor minerals. Every brick kiln owner before he extract brick earth for using it for the manufactur cf bricks is requireed to obtain a mining lease from the Insustries Department. After obtaining the mining lease the brick kiln owner is required to pay rolality @Rs. 3/- per thousand Pucca bricks as prescribed in the first schedule of the State Rules.

According to sub-section 5 of section 21 of above said Central Act, whenever any person raises without any Lawful authority any mineral from any land, the State Govt. may recover from such person the mineral so raised, or where such mineral has already been disposed of, the price thereof, and may also recover from such person, rent royalty or tax as the case may be, for the period during which the land was occupied by such person without any lawful authority.

The brick kiln owners had been representing to the State Govt. that on the pattern of U.P. State, they may be charged royalty at the flat rate per brick kiln and not on the bssis of the bricks sold by them and they may be exempted from obtaining mining lease and its execution on the prescribed proforma on the plea that large number of formalities are required to be observed by them for submitting appplication for the grant of mining lease and its execution. The stand of the department had been that there has to be an agreement between the Brick Kiln Owners and the Govt. on which the brick kiln on owners become liable to pay royalty to the State Govt. In these circumstances, majority of the BKOs were paying royalty at the prescribed rates but did not obtain mining leases with the hope that this formality might be waived off in their favour inspite of insistance by the Department. It may be mentioned here that the application fee for mining lease was Rs. 50/- at the relevant time, now it has been enhanced to Rs. 200/- from June, 1987. In the para, non obtaining of mining lease has been termed as unauthorised extraction by the BKOs and value of the brick earth @ Rs. 3.50 per thousand bricks has been calculated as per section 21(5) of the Central Act. Out of 205 cases, 203 cases relates to non obtaining of mining lease consequently unauthorised extraction of brick earth. It may be pointed out here that for proceeding against persons who indulge in unauthorised extraction, powers have been delegated to the General Manager/Mining Officers of the Distt. concerned under section 21(5) of the Control Act. the Central Act. on detection of any unauthorised extraction, a notice is issued to the defaulter to show cause as to why value and royalty due on the mineral extracted unauthorisedly be not recovered from him and he is given an hearing to explain his case. After hearing the defaulter and pursuing the record the General Manager/Mining Officer as the case may be passes a speaking order calling upon the person concerned to deposit value and royalty within a period of 15 days or may prefer an appeal if so advised, before the Director of Industries. Such appeals are heard by concerned additional Director of Industries. The whole process takes quite some time as the dafaulter some times engaged advocate at the time of audit in some cases, the action has already been taken under section 21 (5) and in other cases it was in process. At present also in some cases recovery certificates have been issued to recover the value as arrears of land revenue and in other cases the appeals are pending before the competent authority. The BKOs

Associations have represented to the State Government that just for non complying with the formality of obtaining mining lease, they should not be penalised so heavily by imposing penality of Rs. 3.50 per thousand Bricks sold particularly when they have regularly paid the royalty to the State Govt. thus causing no pecuniary loss to the Govt. their representation are pending before State Government for final decision. In the mean time, process of recovering the value has also been slowed down in order to know the decision of the State Government. The plea of the brick kiln owners differentiate their cases from the normal cases of unauthorised extraction of other minerals on the ground that they have been paying royalty regularly, thus causing no financial loss to the Government except a fee of Rs. 100/- inclusive of fee for the Certificate of approval per brick kiln. After State Government takes final decision of the representation of the BKOs and in case their request is rejected efforts with vigour will be made to recover the value of the Brick earth amounting to Rs. 34.90 lakhs. A sum of Rs. 4.109 lakhs which was infact, royalty and others but shown as value in the para. A sum of Rs. 1.28 lakhs has been recovered.

2. Short/non-realisation of royalty.

The mineral rights to brick earth according to a High Court Judgement in civil writ No. 1004 of 1970 Amar Singh Modi Versus State of Haryana did not vest with the State Government. Haryana Legislature enacted Haryana Minerals (Vesting of Rights) Act-1973 for acquiring the mineral rights which were not vested in the State Government. This Act was struck down by Honble High Court when challened by certain land owners/contractors. The vires of this Act were upheld by Hon'ble Supreme Court of India in March 1976 and recovery of royalty of brick earth commenced from August, 1976. In October 1976 BKOs 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 alongwith the sales Tax. A High Level meeting was convened on 28-10-1976 to discuss this issue. The following decisions were taken :—

- (i) that it is not feasible to merge the royalty on bricks with the Sales tax as both these elements are recoverable under different Act by different Departments.
- (ii) That the BKOs 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 baiss of annual assessment orders passed by the assessing authorities of the Excise and Taxation Department.
- (iii) In case of regular payment of royalty, the records of the BKOs 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 maintained by the Industries Department.

In view of the above decisions of the State Government, no seperate accounts are maintained by the Industries Department, the BKOs deposit quarterly royalty on self assessment basis. The final calculation of annyal royalty 1s made on the basis of assessment orders of Sales Tax passed by the Sales Tax Department or on the basis of the figure sale of bricks submitted to the Food and Supplies Department by the BKOs whichever is readily available. In view of this only after, the expiry of financial year, the clear picture as to how much royalty was actually due and how much of it has been paid by the Brick Kiln owner on the self assessment basis, emerges. In the instant case when the audit was made, the different field officers of the Industries Department were in the process of finalising the figures of final royalty payable by the BKOs for the financial year 1983-84. Audit parties after collecting the figures from the Food and Supplies Department pointed out the short realisation of royalty of Rs 16.19 lakhs in 552 cases. This short realisation would have been detected by the Department in normal course on reconciliation with the record of Food and Supplies/ Excise and Taxation Department It may be mentioned here that in fact out of total sum of Rs. 16.19 lakhs, a sum of Rs. 14.43 lakhs relates to the value of brick earth which should have formed part of first category. Out of balance of Rs. 14.43 lakhs, a sum of Rs. 1.50 lakhs in respect of 92 parties of District Rohtak, Gurgaon and Bhiwani has been worked out on the basis of the stocks lying at the brick kilns and not sold yet. The royalty is chargeable only when the sale is effected by the concerned BKOs. When during year 1983-84, the sale was not affected by 92 parties, the royalty did not become due to the State Govt. As and when sale was effected during, 1984-85, the royalty became payable and recovered during that year at the time of audit and in later years In this way a sum of Rs. 1.50 lakhs was not due as royalty. When this position was explained to the audit party in the later years, they dropped the para of district Bhiwani pertaining to 11 parties. The para was dropped vide their letter No. RAW(S) OR/M-53/ MNM/85-86/1413-16 dated 11-4-1986. ed 11-4-1986. On this anology the royalty for other two districts also did not fell due calculated on stocks and the amount of Rs. 1.50 lakhs need to be deducted from the total royalty due of Rs. 14.43 lakhs leaving a balance of Rs. 12.93 lakhs. Out of this amount a sum of Rs 12.35 lakhs has already been recovered by the different district authorities, leaving an arrear of only Rs. 58,000 which shall also be liquidated at the earliest.

3. Non-recovery of contract money in respect of terminated contracts.

Minor Mineral quarties like stone, sand are given on contract for a period of five years through public auctions, At the time of auction, a highest bidder is required to deposit 25% of the bid amount as security and 100 % of the bid amount for a period of one year in case the bid is upto Rs. 1000/- 25% of the bid amount in case the bid is upto Rs. 5 lakhs or 1/12 th of the bid amount in case the bid is more than Rs. 5 lakhs as advance contract money.

In the same manner, they are required to deposit yearly/quarterly/ monthly instalment depending upon the value of contract amount. The instalment is required to be deposited in advance failing which a notice is issued to the contractor by the General Manager, District Industries centre of the concerned District. If instalment is still not deposited a statutory notice is issued from the head office under clause-16 of the contract agreement calling upon the contractor to deposit the instalment within a period of 30 days failing which the contract will be terminated and security forfeited. An interest @ 15% (12% at the time of audit) per annum is charged on the delayed payments. In the instant case a sum of Rs. 6.02 lakhs has been shown to be recoverable from 10 contractors whose contracts were terminated alongwith forfeiture of securit for non payment of contract money. In actual this amount is recoverable from 31 and not 10 parties of district Faridabed (7 cases), Narnaul (22 cases) and Ambala (2 cases). Out of this a sum of Rs. 1.53 lakhs has been recovered. Out of the balance of Rs. 4.48 lakhs a sum of Rs. 78,000 did not fell due as the mineral rights of revenue estate of Khudana Panchayat challenged by the Gram Mohindergarh were District Khudana and it obtained stay from the Sub Judge Mohindergarh and Gram Panchayat did not allow the Govt. contractos to work the quarry for the periods for which the amount has been shown recoverable from them. In this way an amount of Rs. 78,000 is not to be recovered. These cases have also been pointed out in para 6.3 (a) (1) which is to follow, where this amount has not been included in the amount to be recovered from different parties of district Mohindergarh realising that this amount cannot be recovered because of stay of Court. Another case of district Ambala involving an amount of Rs. 8612/- there is stay of recovery from the court of Sub-Judge Jagadhri. For balance amount of Rs. 3.63 lakhs recovery certificates have been issued against 18 parties. It may be pointed out that some of parties are staying out of Haryana where the Collectors of district concerned ara regularly being remineded to effect the recoveries expeditiously.

4. Non-realisation of dues.

This relates to recovery of Rs. 4.48 lakhs from 102 parties in the form of contract money and interest on delayed payments. Regarding charging of interest, it may be pointed out that the parties deposit the contract money in form of Bank Drafts or Treasury Challans without depositing interest on the delayed payments. The demand for the delayed payments are raised subsequently on detection. In this way some interest always fall in arrears. Naturally, at the time of audit in certain cases the interest on delayed payments were yet to be recovered which was pointed out by the audit. Out of total sum of Rs. 4.48 lakhs, a sum of Rs. 2.02 lakhs have already been recovered. A sum of Rs. 4,746/- as dead rent which has been shown recoverable from one Sh. Ram Kumar Khopar who held the mining lease of calcite in village Rasulour district Mohindergarh is actually not recoverable as during the period his lease was not renewed, he did not work the mine. On filling his revision application, the mining lease was renewed by the Central Govt. subsequently. During the period, the lease was not renewed the lease did not work the mine and thus was not liable to pay any royalty/dead rent. M/s. Haryana Minerls Ltd. a public sector undertaking is working marble mines of Antri Biharipur as agents of State Govt. because regular mining could not be given to them as previous lessee had challenged the termination of his mining lease and the matter was subjudice. In the agency agreement, there is no interest clause. The from Haryana Minerals Ltd. an interest of Rs. 5145/- was not recoverable. Similarly, a sum of Rs. 2509 as interest is not recoverable at present because of stay of recovery of contract money in case of minor mineral quarry of Malikpur Khaddar of district Ambala. as referred to in para-3 also. For recovering balance amount of Rs. 2.33 lakhs, recovery certificates have been issued against the defaulting parties.

5. Other irregularities

A sum of Rs. 3.03 lakhs is shown to be recoverable in 712 cases. These cases mainly relate to the loss of revenue in form of application fee for the certificate of approval, application fee for obtaining mining lease and in form of security to be deposited at the time of execution of the mining lease. All the three items i.e. fee for certificate of approval, fee for grant of mining lease and amount of security, which would have been deposited in case BKOs have obtained mining leases from the Department relates to 205 cases of unauthorised extraction as referred in category-I above. In case we treat the extraction in these cases as unauthorised, then there is no question of recovery for fee for certificate of approval, fee for grant of mining lease and amount of security, because these amounts are recovered only in cases of regular grants and not in the cases of unauthorised extraction. Only one alternative i.e. either unauthorised extraction or charging of these fees is sustainable. Keeping in view this position, subsequently large number of paras were dropped by the Accountant General (Audit) Haiyana. The details of which are given below:—

Kurukeshtra

- (1) Two paras relating to 119 cases of fee for certificate of approval/mining leases were dropped vide letter No. RAW/M.73/ State/1615-19 dated 11-3-1987 involving a sum of Rs. 5,950.
- (ii) One para relating to 88 cases pertaining to security to be deposited at the time of execution of mining lease was dropped vide letter No. RAW/N. 73 /State/1515-19 dated 11-3-1987 involving a sum of Rs. 88,000.

Sirsa

(11i) Two paras relating to 38 cases each of fee for certificate of approval/mining lease were dropped vide letter No. RAW/ Sales-Tax/M-64/1050-54 dated 12-12-1986 involving a sum of Rs. 3,800/-

Jind.

(iv) One para relating to 16 cases of fee for the certificate of approval was dropped vide letter No. RAW(s) /OR/M-50/1073-77 dated 18-3-1986 involving a sum of Rs. 800.

Gurgaon. (Cases for minerals other than brick earth).

(v) One para relating to 3 cases pertaining to likely accrual of royalty in case the mines had been worked by the lessee

involving a sum of Rs. 1.5 lakhs was dropped vide A.G. No. RAW (s) OR/M-56/M&M/85-86/1421-24 dated NIL.

- (vi) One para relating to 7 cases involving difference in weight per truck of mineral despatched involving Rs. 31,806. was dropped vide A.G. No. RAW (S) OR /M-56/M&M/85-86/1421-24 dated NIL.
- (vii) One para relating to 13 cases relating to the charging of interest on delayed payments and involving Rs. 1273/- was dropped vide A.G. No. RAW/State OR/M-83/86-87/1959-63 dated NIL.

In this way 322 cases involving a sum of Rs. 2,81,62 already stands settled/dropped by the Accountant General, Haryana. Remaining 390 cases involving in amount of Rs. 21,200 are absolutely identical to that of cases of district Kurukshetra, Jind and Sirsa at serial No. (1), (ii), (iii) and (iv). All these cases relate to fee for the certificate of approval and mining lease for districts of Hisar, Rohtak, Panipat and Gurgaon and deserve to be dropped/settled on the same anology.

As has been made amply clear in the proceeding paras, the steps were taken for effecting the recovery of the amounts involved. The question of recovery of a sum of Rs. 34.90 lakhs relating to value of the brick earth said to have been extracted unauthorisedly in absence of the mining lease is under consideration of State Govt. In case it is decided to recover this amount then efforts will be made to liquidate this arrears as early as possible as clarified in para-1 above. Out of the the remaining amount of Rs. 32.08 lakhs, a sum of Rs. 20.18 lakhs has already been recovered or paras relating to the sum has been settled/ dropped by Accountant General (Audit) Haryana.

(ii) In view of the facts explained in the proceeding paras, collection of royalty/contract money is done at district level Mining Officer posted in the district is assisted by mining Clerk, mining Accountant and Mining Inspector in this work. In view of the clarification given in the proceeding paras, there is no malafide or intentional lapse on the part of any and in not taking action for the recovery of the amount at appropriate time. A major sum of Rs. 34.90 lakhs relates to value of mineral to be recovered from the BKOs. Action to recover this amount would be vigorously taken once decision on the representation of BKOs for waiving of the value is taken. Out of the remaining amount of Rs. 32.08 lakhs. A sum of Rs. 20.18 lakhs has either been recovered-settled/ dropped by A.G. Haryana leaving the balance of Rs. 11.00 lakhs for which vigorous steps are being taken to liquidate the same. As has been explained in para an amount of Rs. 2.54 lakhs is not recoverable leaving a balance only Rs. 8.46 lakhs which is only about 2% of the annual income of Rs. 4.04 crores for the year 1983-84 from minerals. Recovery certificate for recovering this amount as arrears of land revenue has

In reply to para (iii), it is submitted that correct figures are 342 instead of 311 cases (as ascertained from the record of A. G. Haryana).

Involving the revenue of Rs. 11.63 lakhs where according to this para, action had already been initiated by the Department. Out of the total amount of Rs. 11.63 lakhs, a sum of Rs. 8.28 lakhs relates to the recovery of value of brick earth in 59 cases, position of which has already been explained in proceeding paras. Action to recover this amount shall be taken after the decision on the representations of BKOs. Out of remaining amount of Rs. 3.35 lakhs, a sum of Rs. 1.35 lakhs has already been recovered. Paras involving a sum of Rs. 71,675 have either been settled/dropped by A.G (Audit). There are stays from the courts for recovering Rs. 11,121 leaving a balance of Rs. 1.40 lakhs for which full efforts, are being made to recover, the same.

In reply to para iv, it it submitted that in view of para (iii) above, the remaining cases are 968 and not 1000 involving a sum of Rs. 52.12 lakhs. Out of these 968 cases, 144 relates to the recovery of value of brick, earth, for unauthorised extraction, in absence of mining, lease. These cases, involve a sum of Rs. 26,62 lakhs. Out of the remaining amount of Rs. 25.50 lakhs, a sum of Rs. 13.93; lakhs has already been recovered or concerned paras are settled. A sum of Rs. 2.11 lakhs is not recoverable. as has been, explained, under the categories, of non recovery of contract money in respect of terminated and, non realisation of dues respectively (paras 6.1 (2) 6.1 (3) and 6.1 (4). A sum of Rs. 9.46 lakhs is still recoverable for which recovery, certificates, have already, been, issued to recover it as arrears of land revnue,

In reply to para-v, it is stated that it not being a test check was a complete audit of the district Industries Centres of the State, thus there is no chance of remaining any similar case undetected:

The Committee note that out of total recoverable amount of 66.98; lakhs in 1581; cases, a sum of Rs. 37.26; lakhs in 205; cases, relate to recoveries from Brick-kiln owners for un-authorised extraction of brickearth. When asked to explain the reasons for non-recovery of this amount; the departmental representatives informed the Committee that the brickkiln owners; had gone to Supreme Court for stay, and that it, was in February, 1989; that the Government and the Brick Kiln Owners had agreed, to settle the case outside the courts and accordingly a notification, was also issued by the Government for depositing the amount of royalty in lump-sum.

The Departmental representative further informed the Committee that out of the total amount of Rs. 37.26 lakhs, an amount of Rs. 1.60 lakh had been recovered and for the balance amount recovery would be effected soon.

The Committee desire that recovery of the balance amount may be made expeditionsly, and progress, of, recovery be reported to the Committee in due course.

Of late, the Committee has been observing that cases of irregularities as highlighted in the paragraphs are still persisting despite the Committee s recommendations in earlier reports to avoid recurrence of these irregularities.

The Committee, therefore, desire that vigorous efforts should be made to reduce the number of irregularities, to the minimum. [72] 6.2 Non-realisonati/short realisation of royalty

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(ii) Thirteen kiln owners in Gurgaon closed down their business during the years 1979-80 to 1983-84. The department had not maintained any account of bricks sold by these kiln owners. As per records of the District Food and Supplies Controller, the kiln owners had a closing stock of 56.35 lakh bricks and 9 61 lakh brickbats on which royalty amounting to Rs. 17,866 was recoverable Even this amount was not recovered from the kiln owners. Security amounting to Rs. 13,000, deposited by the kiln owners with District Food and Supplies Controller, was also refunded to them.

On the irregularity being pointed out in audit (March 1985), the department recovered (June 1985) a sum of Rs. 2,787 and initiated action for recovery of the balance amount. Report on recovery of the balance amount \cdot is awaited (December 1985).

The cases were reported to Government between February 1985 and May 1985; their reply is awaited (December 1985).

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

The rovalty is chargeable on the bricks sold and not on the bricks lying in the stock. In this para, it is mentioned that 56.35 lakhs of bricks and 9.61 lacks of bricks bats were lying in the stock of 13 brick kiln owners who closed down their business. The rayalty becomes ecoverable only when BKO_3 effect the sale. In this way, no royalty is aliviable on the bricks which are lying in stock. Out of a total sum of Rs. 17,866/-, a sum Rs 3,669/- has been recovered when the sale of brick were effected and on remaining stock also, the royalty will be recovered as and when the royalty will be recovered as and when the bricks are sold from the premises of the BKOs. Similar para of district Bhiwani was dropped by A.G. (Audit) vide their letter No. RAW/OR/SIR/M-53/ MM/85-86/1413-16 dated 11-4-1986 with this background, the questionnaire

> (a) As has been stated earlier in the preceding paras after the end of financial year, reconciliation of figures of royalty deposited on self assessment basis during the year by BKOs is made with the assessment order of the Sales Tax/returns submitted by the BKOs with the Food and Supplies Department. If any difference is found, then demand is raised against that particular BKOs.

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- (b) In view of the facts explained in the preceding paras, royalty is only charged on the sale of bricks and not on the bricks lying in the stock. As and when the sale will be effected by the concerned BKOs, the royalty will be charged from them.
- (c) The security was released by the Food and Supplies Deptt. and not by the Industries Deptt. Even the Security could not have beem with-held by the Food and Supplies Department because in absence of sales of bricks lying in the stock, no royalty become due of the Industries Deptt.

(d) A sum of Rs. 3669/- has been recovered, the remaining amount shall be recovered as and when sale of bricks/roras are effected by the concerned BKOs.

Both during oral evidence and in their written reply, the departmental representatives stated that royalty was chargeable on the bricks sold and not on the bricks lying in the stock. They further mentioned that 26 35 lakhs bricks and 9.61 lakhs brick bats on which royalty amounting to Rs. 17,866 was recoverable were lying in the stock of 13 brick kiln owners, who closed down their business. The Commttee did not feel satisfied with the reply of the department in as-much-as in cases where kiln owners have closed down their business, there is no monitoring of disposal of bricks after the closure of the kilns.

The Committee would, therefore, like to know the procedure through which the department recovers the royalty in such cases.

The Committee desire that a detailed report bringing out the procedure to cover such cases may be furnished to the Committee expeditiously.

The Committee may also be apprised of the fate of the disposal of the remaining bricks and recovery of royalty in respect of those 13 bricks kiln the owners of which had closed down their business as mentioned in the audit para.

[73] 6.3. Non-recovery of contract money and royalty and interest on belated payments.

(a) Under the Punjab Minor Mineral Concession Rules, 1964, as applicable to Haryana, a mining lease for quarrying is granted by auction or by inviting tenders. The lease is required to deposit 25 percent of the annual bid money as security and another 25 per cent as advance payment immediately on the allotment of the contract. The balance of the contract money is payable in advance in quartely instalments. In the event of default in payment, the competent authority may, by giving a notice, terminate the contract and forfit the security and the instalment, if any. Interest at the rate of twelve per cent per annum is also recoverable for the period of default in payment.

(i) In Ambala and Narnaul, the lessees of 33 quarries failed to pay the contrct money due from them during the years 1980-81 to 1983-84. The department terminated the contracts between October 1981 and September 1984, but did not recover the contract money amounting to Rs. 3.32 lakhs, which was due from the lessees up to the date of taking over possession of the quarries. Interest for delay in payment of contract money was also chargeable.

On the omission being pointed out in audit (May 1983 and January 1985), the department recovered (between April 1983 and August 1985) Rs. 1.72 lakhs from the contractors. Report on recovery of the balance of contract money and interest is awaited (December 1985).

In their within reply, the department stated as under :---

6.3 (a) (i) (a) As for as cases of Narnaul is concerned, this para forms part of para 6.1 (3) dealt above where position has been explained

under category of 'Non recovery of contract money in respect of terminated contracts'. As'explined earlier contractors are required to 'pay instalment of contract money in advance. When the instalment is not paid, a notice a issued by the Department/concerned GM/DIC to the contractor to deposit the instalment. In case the instalment is not deposited the matter is reported to the 'Head office from where a statutory notice is issued under clause-16 of the contract 'agreement to the contractors to deposit this amount with a period of 30 days failing which his contract is terminated and security forfited. A copy of the notice is sent to the GM/DIC concerned to send 'his report'after the period of 40 days about 'deposit/no deposit of contract 'money. If inspite of this notice, contractor does not deposit the contract money the case is processed and put up to the Director of Industries for termination of the contract. In this way a minimum period of three months is taken from the issue of notice and final termination of the contract. Thus at least one instalment and sometime two instalments fall in Out of a total amount of Rs. 3.32 lakhs, sum of Rs 1.95 lakhs arrears. has already been recovered leaving a balance amount of Rs. 1.36 lakhs. The main difficulty in expeditious recovery df this amount is that the main defaulter is of Rs 1.02 lakhs staying out of Haryana and recovery is being made through the concerned Distt. Collector who is being reminded frequently to effect the recovery as early as possible.

Both during oral evidence and in their written reply the departmental representative stated that out of total amount of Rs. 3.32 lakh. a sum of Rs. 1.95 lakh had already been recovered leaving a balance of Rs. 1 37 lakh. For recovering this amount, the departmental representative stated that delay in recovery was mainly because the main defaulter from whom the recovery of Rs. 1.2 lakh due was residing outside the State and the matter had to be persued with the concerned collector.

The Cammittee desire that concerted efforts should be made to persue the matter with the collector concerned vigorously to accelerate the pace of recovery and the progress made in this case be intimated to them within a period of six months

The Committee further desire that efforts should also be made to effect the recovery of interest from the defaulters.

BUILDINGS AND ROADS

[74] 6.6. Non-recovery of rent for fans

Under the Punjab Civil Services Rules and the departmental instructions, as applicable to Haryana, rent at prescribed rates is recoverable in respect of fans installed in residential buildings and maintained at the cost of Government.

In Kurukshetra and Jind Divisions, rent for fans installed in 79 residential buildings during the period January 1971 to December 1980 was either not recovered or was recovered short from the occupants. Rent not realised amounted to Rs. 23,929.

On the omission being pointed out in audit (between February 1979 and March 1981), the department stated (June and July 1985) that recovery of a sum of Rs. 3,590 had since been made. Report on recovery of the balance amount is awaited (December 1985).

The case was reported to Government in February 1979 and June 1981; their reply is awaited (December 1985)

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

- Though the rules specifically provided that rent for fans installed in the Govt. residential houses should be recovered from the allottee/ 'occupatns of the houses in addition to the house rent payable by them yet the amount of outstanding Fan Rent remained uncovered in full for the following reasons :---
 - All the Govt. residential buildings were kept only theoratically on the books of P.W.D. B&R whereas their administrative control was exercised by different departments such as Distt. Administration, Police, Health Deptt. etc. These departments did not intimate to the concern P.W.D. B&R Divisions full particulars of the allotment of houses to their various employees i.e. (i) Date of allotment (ii) occupation 'period (iii) Name with Designation of the allottee (iv) Latest pay of the allottee etc.
 - The P.W.D. Divisions were to issue the Rent Rolls only whereas the actual recovery of Fan Rent was to be effected by the concerned D.D.O.'s of the occupying Department in accordance with the rent Roll issued by the P W.D. B&R & then to send its intimation to the concerned Divisional Officer; which was, however not done by the 'D.D:Os of the occupying departments. Besides, the recovery of Fan Rent was disputed by such of the officers/officials who were 'entitled to rent free accommodation on the plea that when they were 'entitled to rent free accommodation, the charging of Fan Rent was not

justified The matter was referred to Govt. & the Govt. vide their memo No. 44/5/83-I (B&R) dated 4-6-85 had decided that "All the officers should pay charges for Fans. P.W.D. may book such charges with effect from 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" 4. 8

- The above decision of the Govt. was however, mis-interpretted by those who were otherwise entitled to rent free accommodation & did not pay the Fan Rent. The E-in-C vide his letter No 564-AC-81/3032-45, dated 1-4-86 and again vide No. 564-AC-81/SOI/964-75, dated 30-1-87 directed the S.E.'s to issue Rent Rolls for the period prior to 1-4-85 also in all such cases in which they were not so earlier issued for recovery of the Fan Rent.
- The matter of outstanding recovery of Fan rent had continnously been pursued by this deptt. at all its levels but no tengible results were achieved due to non co-operative attitude of the occupying departsments In view of the practical difficulties faced by PWD (B&R) in realisation of the whole outstanding Fan Rent the E-in-C. Vide his memo No. 835-AC-86/14348/AC dated 8-10-87 again submitted a proposal to the Govt. that :
 - (1) The PWD Department. may be permitted to include the cost of the ceiling fan in the capital cost of the building so that the rent for fans may not separately be recovered in future and the old outstanding arrears be written of.
 - (ii) In case the above proposal is not acceptable then alternatively the DDO's of the occupying departments should be made responsible for recovery as well as their direct accountability to A,G, and the Govt.

The Govt. vide their letter No 8/120/86-PWD 4(5) dated 30-3-88 informed this department that Finance Department has agreed with the proposal of the Administrative Department that it would be the responsibility of the concerned DDO of the occupying department to effect the recovery. Accordingly necessary instructions have been issued to all the SEs/Xens vide E-in-C memo No. 2526-97/W-II dated 26-4-88 to supply the complete/uptodate details of outstanding arrears & issue the rent Roll to the concerned D.D.Os of the occupying departments.

In this connection, it is further submitted that a similar para No. 6.3 of the CAG's report for the year 1983-84 was orally examined by the Public Accounts Committee in their meeting held on 13-10-87 with the conclusion that the total outstanding arrears of House Rent & Fan Rent as on 31-3-87 be consolidated and submitted to Govt. These details were sent to Govt. and a meeting was held on 28-4-88 under the Chairmanship of the Chief Secretary to Govt. Haryana to review the existing recovery procedure, Ultimately, it has been decided to hold the DDO's of the occupying department responsible for effecting the recovery and rendering their accounts to A.G. Haryana & the Govt. Further action is being taken accordingly.

The DDO's of the cccurant departments as explained in reply of question. No. 1.

The details of out-standing amount of Rs. 23929/- for the period 1971-80 pointed by the audit in respect of Kurukshetra and Jind Divisions is as under :--

Sr. Name of the Divn. No.	\	Amount
 Provl. Divn 1 Kurukshetra Provl. Divn. Jind 	Rs. Rs.	12,966.00 10,963.Ò0
	Total Rs.	23,929.00

The Divisionwise latest recovery position reported as under

(i) Provl Divn. I PWD B&R Kurukshetra -----

As per latest report of S.E. Ambala dated 9 6 89 out of the total outstanding recovery of Rs. 12966/- a sum of Rs. 6164/- has been recovered from the concerned employees. A sum of Rs. 2682/- is actually not recoverable because of the fact that no fan was provided in the residence enlisted by the Audit as per report of the SDE (Elect) and thus this amount has been wrongly shown. A sum of 3630/- is still outstanding in respect of fan went the department wise details of which are given as under :---

T7			
		Rs.	3630.00
6.	PWD B&R	Rs.	960.00
5.	Health Department	Rs.	660.00
_	General Administration	Rs.	681.00
A		1(3,	223.00
3.	Resenue Deptt.	Rs.	225.00
2.	Police Deptt.	Rs.	323.00
1.		Rs.	781.00
1.	D.C. Kurukshetra	-	

Further a sum of Rs 490/- outstanding against Sh. B.S La'har, I.A.S. and Shri B.C. Mandhok, Divisional Accountant (Rs. 398/- and Rs. 92/- respectively is to be written off for which the case is under process.

(II) Provl. Divn. Jind :

As per report of $S_{0}E$. Jind dated 6.4.89, out of total recovery of Rs. 13963/- a sum of Rs. 2091/- has been recovered. The details of outstanding amount departmentwise are given as under:

Judicial Department		Rs.	173·90
General Administration		Rs.	1870.10
Health Department		Rs.	6827.00
,	•	Total Rs.	8871.00

The rent rolls in respect of the outstanding amount as shown above have been issued to the concerned DDO's of the occupying departments, but their recovery report is still awaited.

The Committee note that in Kurukshetra and Jind divisions rent for, fans installed in residential building during the period January, 1971 to December, 1980 was either not recovered or was recovered short from the occupants. Out of the total recoverable amount of Rs. 23,929, only, a sum of Rs. 8255 had recovered so for. The departmental representatives stated during the course of oral evidence that it was a lapse on the part of the department to have allowed the recoveries to pend for a long time.

As already observed in their 28th Report, the Committee feel dis-satistied with the efforts made by the department in accelerating the pace of recovery. As per information supplied by the department arrears of recovery of house rent and fan rent has touched the alarming figure of Rs. 16.22 lakhs, and 2.27 lakhs respectively. The department does not appear to be serious in recovering the amount which had accumulated due to gross violation on the part of the departmental functionaries.

The Committee, therefore, strongly recommend: that vigorous efforts should be made to effect the recoveries in all cases and a detailed compliance report furnished to the Committee within six months.

The Committee further desire that action taken against the officials held responsible for non recovering may also be intimated to them.

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