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34th Report  
(iii)

## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

### CHAIRMAN

1. Shri Rajinder Singh Bisla

### MEMBERS

2. Shri Azmat Khan
3. Shri Phusa Ram
4. Shri Brij Anand
5. Shri Anand Singh Dangi
6. Shri Pal Singh

7. Shri Hari Singh Nalwa

8. Shri Zakir Hussain

### SECRETARIAT.

1. Shri Sumit Kumar
2. Shri Ram Narain Yadav

Secretary

Deputy Secretary

## INTRODUCTION

I, the Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this Thirty Fourth Report on the report of the Comptroller and Auditor General of India for the year 1986-87 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the year 1986-87 Civil was laid on the Table of the House on 21-2-1989 and Revenue Receipts on 22-8-1988.

3. The Committee during its tenure examined the Reports of Comptroller and Auditor General of India for the year 1986-87 Civil and Revenue Receipts and also conducted the oral examination of the representatives of the concerned Departments.

4. The Committee considered and approved this Report at their sittings held on 14th, 20th, 21st, 27th and 28th January, 1992.

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

6. The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit), Haryana and his officers. The Committee would like to express their thanks to the Secretary to Government, Haryana, Finance Department and the representatives of the various departments who appeared for oral evidence before them for the co-operation in giving information to the Committee.

7. 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

RAJINDER SINGH BISLA,

the 28th January, 1992

Chairman.

## REPORT

### GENERAL

1. The present Public Accounts Committee, was nominated by the Hon'ble Speaker vide Notification No. PAC-14/91/41 dated the 26th July, 1991

2. The Committee held 44 meetings in all at Chandigarh and other places upto 28-1-1992.



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**PART—I (CIVIL)**

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## ANIMAL HUSBANDRY

### [3] 4.4 *Special employment to educated Youngmen/Women in rural areas through Dairy Development*

#### 4.4.1. **Introductory**

With a view to creating opportunities for educated persons for self employment, to raise the socio-economic standards and to develop dairy farming on scientific and commercial lines, the State Government launched the scheme of 'Special employment to educated Youngmen/Women in rural areas through Dairy Development' from the year 1979-80. Under this scheme, matriculates\* from the rural areas, below 40\*\* years of age, possessing one acre\*\*\* land or more were eligible for financial assistance for setting up dairy units of 3 or 5 milch animals. Assistance available under the scheme was as follows :—

- (a) Twenty one days training in dairying at Karnal and Rohtak with Rs. 5 per day as daily allowance, besides to and for actual fare.
- (b) Loan of Rs. 0.23 lakh from banks against State Government guarantee, for setting up a 5 milch cattle unit (Rs. 0.28 lakh from November 1984) and Rs. 0.09 lakh (Rs. 0.12 lakh from November 1984) for a 3 milch cattle unit. In addition, the members of the Scheduled Castes and beneficiaries of Mewat area were eligible to a subsidy of Rs. 1,500\*\*\* for setting up a 3 cattle unit. Cent per cent interest subsidy was also admissible to the beneficiaries of these categories.
- (c) Interest and animal insurance subsidy limited to 6.25 per cent on the amount of loan and 2.5 per cent of the cost of cattle respectively for the first three years.

Dairies were to be so set up as to form a cluster of at least 6 to 10 units on milk routes so that the milk of the cluster units could be lifted by milk plants from focal points. Of the sale proceeds, 50 per cent was to be paid to the beneficiaries and 50 per cent to the banks towards repayment of loan.

#### 4.4.2. **Organisational set up**

At the State level, the Milk Commissioner, Haryana, is in overall charge of the scheme. In the districts, he is assisted by the Assistant Directors in Karnal and Rohtak and by the District Dairy Officers in the remaining 10 districts. At village level, cluster supervisors are the pivotal agencies.

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\* relaxable upto middle class for members of the Scheduled Castes,  
\*\* 50 years for Hindi knowing ex-servicemen  
\*\*\* condition waived from 1981-82 for the members of scheduled Castes  
\*\*\*\* Rs. 500 for construction/repair/renovation of sheds and Rs. 10000 an margin money for Purchase of cattle.

#### 4.4.3. Scope of review

A test-check of the records of the Milk Commissioner, Haryana, Assistant Director (Animal Production), Karnal and the District Dairy Officers, Gurgaon, Ambala and Kurukshetra from 1979-80 to 1986-87 was conducted during November 1986—April 1987.

#### 4.4.4. Highlights

- The scheme was launched in 1979-80 without detailed survey and motivation of unemployed youths; (Paragraph 4.4.7)
- the scheme envisaged setting up of dairies in a cluster of 6 to 10 units in each village. In 3231 villages of Ambala, Karnal, Kurukshetra and Gurgaon districts, the scheme was implemented only in 733 villages of which 608 villages had clusters of only 1 to 5 units; (Paragraph 4.4.8)
- of the 17030 youths trained in dairying at Government expense, 9543 did not take to dairy farming; (Paragraph 4.4.6)
- the number of milch cattle in 7487 dairy units was only 19085 against the required 27717 cattle; (Paragraph 4.4.6)
- the department lost insurance rebate aggregating Rs. 2.58 lakhs and incurred expenditure of Rs. 7.40 lakhs on medicines/veterinary aid not envisaged in the scheme; (Paragraph 4.4.10)
- the department had no data about the amount of loan given by banks to 7487 beneficiaries and increase in milk production; monitoring was lacking. (Paragraph 4.4.10).

These points are discussed in detail in the succeeding paragraphs.

#### 4.4.5. Financial outlay and expenditure

During the period 1979-80 to 1986-87, an expenditure of Rs. 255.34 lakhs was incurred against the budget provision of Rs. 402.05 lakhs, the year/component-wise break-up of which was as below :—

Year	Salaries and contingencies		Subsidy	
	Provision	Expenditure	Provision	Expenditure
1	2	3	4	5
(In lakhs of rupees)				
1979-80	12.46	2.19	23.82	Nil
1980-81	6.36	8.18	28.52	3.71
1981-82	20.74	12.21	22.26	15.27
1982-83	15.47	12.66	35.35	17.85
1983-84	20.59	26.71	35.48	14.24
1984-85	23.55	23.32	36.45	16.42
1985-86	27.72	27.93	20.28	15.56
1986-87	43.00	35.09	30.00	24.00
	169.89	148.29	232.16	107.05

During 1979-80, no subsidy was released. From 1980-81 to 1986-87 the establishment expenditure ranged between 59 to 130 *per cent*, while the expenditure on subsidy ranged between 13 to 80 *per cent* of the budget allotments. Non-grant of loans by the banks to the requisite number of beneficiaries sponsored by the department and erratic repayments of loans by the beneficiaries to banks were attributed as the reasons for the shortfall in release of subsidy.

#### 4.4.6. Targets and achievements

Against the target of 7925 dairy units to be set up during 1979-80 to 1986-87, the units actually set up were 7487 as detailed below :—

	Number of dairy units					
	Targeted			Achieved		
	5 cattle units	3 cattle units	Total	5 cattle units	3 cattle units	Total
1	2	3	4	5	6	7
1979-80			Nil			
1980-81	1500	—	1500	832	Nil	832
1981-82	668	600	1268	342	537	879
1982-83	526	503	1029	222	711	933
1983-84	250	1000	1250	302	824	1126
1984-85	250	778	1028	281	844	1125
1985-86	100	550	650	278	794	1072
1986-87	250	950	1200	371	1149	1520
	3544	4381	7925	2628	4859	7487

For the 7487 units set up, the beneficiaries were required to purchase 27717 heads of cattle against which 19085 were purchased. In established units of 5 and 3 cattle, the average purchase per unit came to 3.30 and 2.10 animals respectively.

All the 2628 units of five cattle each were set up by general category persons. Of the 4859 units of three cattle each, 3176 were set up by members of Scheduled Castes; 552 by the residents of Mewat area; and 1131 by general category persons. Targets were gradually reduced from year to year. Thus the target of 1500 units fixed for 1980-81 kept on dwindling, touching the lowest ebb of barely 650 units in 1985-86.

#### 4.4.7. *Inadequate survey/publicity*

At the time of launching of the scheme in 1979-80, two posts of Assistant Directors were created at Karnal and Rohtak *inter alia* to conduct survey in rural areas of all the 12 districts of the State to identify the potential areas for motivating the unemployed youths to set up small dairy units. However, according to the Milk Commissioner (November 1986) himself, no press publicity was given about the benefits of the scheme; no reasons were given therefor excepting that (a) the field functionaries did collect applications from willing candidates and that (b) for publicity, brochures were distributed. It was, however, obvious that absence of pre-execution survey/adequate press publicity led to all round savings, disproportionate expenditure on salaries and contingencies (Rs. 148.29 lakhs) vis-a-vis that on subsidies (Rs. 107.05 lakhs), erratic targets and shortfalls in setting up of dairy units.

#### 4.4.8. *Wasteful training*

To-date (March 1987), 17030 youths had been imparted 21 days training since the inception of the scheme in 1979-80.

Non-setting up of dairy units by 9543 trained persons and under-strength of cattle in 7487 units affected the programme; the reasons therefor were not investigated by the department (May 1987).

#### 4.4.9. *Failure of cluster approach*

The main plank of the strategy was that dairy units should be so set up on the Milk routes as to form a cluster of at least 6 to 10 units, per village. Of the 3231 villages in Ambala, Karnal, Kurukshetra and Gurgaon districts, the scheme was implemented in only 733 villages. Of them, the strategy completely failed in 608 villages in as much as clusters in each of these villages comprised a far less number of units—one unit (306 villages), two units (142 villages), three units (69 villages), four units (49 villages) and five units (42 villages).

While reasons for the failure of cluster approach have not been intimated by the department (September 1987), the main reasons therefor, as seen in test check, were *inter alia* lack of :

- motivation of educated youths for adopting mini dairy units as an avocation;
- liaison with banks for grant of loan;
- watch on the progress of shed construction and purchase of live stock;
- veterinary aid to live stock; and
- marketing of milk at remunerative price.

These activities were required to be undertaken, at the village level, by cluster supervisors. At the State/District level, no monitoring was done to ensure execution of these activities by the supervisors. Further to ascertain whether the 50 cluster supervisors of the districts covered in test check

continued to keep liaison with the 2798 dairy units established upto 1986-87, units supervised by each of them were called in audit. Of these, 43 supervisors supplied information stating that they were supervising 1536 units (average of 36 units per supervisor). The remaining 7 supervisors from whom information has not been received could not be expected to handle the remaining 1262 units i.e. at an average of 188 units per supervisor. This showed that either the bulk of the units were going unsupervised or were inadequately supervised.

In their written reply the department stated as under :—

Due to some reservations by the banks the scheme was not so popular in the initial stages. Now the scheme of self Employment to educated youngmen/women through Dairy Development has become very popular in rural areas and the department has always exceeded the targets. The Government is satisfied with the performance of the scheme and planning Commission, Government of India has given approval for continuing the scheme in 8th Five year plan.

(i) In the initial stages terms and conditions laid down in the Scheme were bit cumbersome i.e. (i) in 5 milch animals scheme only those youths were eligible who had 1 acre land in their name (ii) Execution of Tripartite Agreement between beneficiary, Bank & H.D.D.C.F. was necessary as compared to bank norms. Hence there was high rate of rejection by the banks. Later on the scheme was well explained to the bankers & conditions were simplified i.e. (i) In 5 Milch animal Scheme a person having land on lease for five years were also eligible. (ii) Department introduced 3 milch animal scheme in General Category and S.C. in which condition of land. (iii) Tripartite condition was waived off. So the rate of rejection by the banks was very low. Sanctioning of the loans is according to the banks own set norms and their decision in this matter is final. However, genuine cases were persued with the banks & loans got sanctioned.

(ii) In the year 1979-80, only two Offices of Asstt. Director, Animal Production, Karnal & Rohtak were sanctioned by the Government under Plan scheme, Later on in the year 1982-83 offices of four Distt. Dairy Officers were sanctioned & finally six more offices of the Distt. Dairy Officers were added in the year 1986-87 to the establishment which were need based due to the gained popularity of the scheme & so the expenditure on establishment was proportionately increased. The entire field staff with Dairy Development is provided in this scheme only and thus has done other Dairy Extension work i.e. organising Milk Yield Competitions at Block level & State level etc.

In the year 1979-80 total target of 1500 Mini Dairy Units were earmarked & scheme was being implemented through the cooperation of the Animal Husbandry Deptt. which has got a huge staff and 832 units were established. Later on the

establishment of Mini Dairy units were taken up by Dairy Development through newly appointed Cluster Supervisors. The year-wise detail is as below :—

Year	Number of cluster supervisor appointed	Total strength at the end of the year
1979-80	95	120
1980-81	33	86
1981-82	24	68
1982-83	51	120
1983-84	50	147
1984-85	24	149

Due to their small number and waivering strength i.e. the V. L. D. A. appointed as Cluster Supervisor on adhoc basis left the Deptt. & Joined the Animal Husbandry Department or other institutions, the targets of the Mini Dairy units were subsequently reduced and achievements were made 100% in the year 1984-85 onwards. The follow up programme of the old units was also taken up by the newly appointed Cluster Supervisors of the Department which was not being carried out by the Animal Husbandry field staff.

Adequate staff in the office of Milk Commissioner, Haryana was not available before implementing the scheme but proper survey was conducted in the rural areas of the State by the Field staff of the Animal Husbandry Department, Haryana & then the unemployed educated rural youths were identified & were given thorough training of 21 days in dairy husbandry practices by the Animal Husbandry Deptt. Later on, their cases were sponsored to various banks for financing under Mini Dairy Scheme so that self employment can be generated in rural areas and the deptt. under took the responsibility to provide interest subsidy, insurance premium and margin money as per scheme norms for three years, it has been raised to 5 years from 1989-90 as per NABARD instructions. The Dairy Dev. Department ensures the first aid & health cover to the animals of the beneficiaries through its field staff (Cluster supervisors).

- (i) The State Training Centre Karnal/Gurgaon were established with a view that they will impart training to the Secretaries of the Milk Procurement Coop-Societies/Dairy farmers So that they can be exposed to latest dairy husbandry practices & to produce neat & clean and hygenic milk for the consumers and to supplement their income by adopting modern dairy techniques. Hence this is an extension activity of the deptt. also and there is no wastage of expenditure on training.

(ii) The main object of imparting dairy training to trainees is (1) to provide rural educated unemployed youth and Dairy Farmer latest knowledge regarding dairy husbandry (2) to make them technically sound & to acquaint them about extension activities of the department. The scheme should be economically viable & Provides loan only to these beneficiaries who are fully fulfilling their bank norms. The trainee will utilise this training for benefit & betterment of milch animals irrespective of the fact that he may get loan from any agency or purchases animals out of his own pocket, the departmental training as extension activity will be of great help to him. Hence no execution of Bond was considered necessary.

(i) In the beginning to provide a well knitted marketing network to the beneficiaries the cluster approach was maintained so that these units could be formulated on the existing/proposed milk routes of H. D. D. C. F. while doing so there used to be a tripartite agreement amongst the beneficiaries, Bank and Haryana Dairy Development Cooperative Federation that the Milk produced by these mini Dairy units will be purchased by H. D. D. C. F. & their 50% of sale proceeds will be deposited regularly to the banks But the H. D. D. C. F. failed to deposit the 50% with Bank regularly & some of the societies are defunct. The Director, Institutional Finance, Haryana was approached to waive off the condition of tripartite agreement, on these basis & thus condition was waived off copy enclose (Annexure 'A'). In order to cover the unemployed youth of the village not covered by the milk routes and waiving of tripartite agreement the cluster approach was relaxed. However, the Departments field staff (Cluster Supervisors) has taken care of each and every unit established. Hence, the Cluster Approach was relaxed.

(ii) It was proposed to implement the scheme in 3231 villages of four districts but only 733 villages were taken up for this scheme because these villages were on specified/proposed milk routes of H. D. D. C. F., to ensure marketing.

(iii) The Cluster Supervisors are posted under the District Dairy officers/ Assistant Directors in the State, their Place of posting are either at block or some important village of block under the close supervision of the Vety. Surgeon of that place. As per their duty roster they identify the beneficiaries, send them on training & after training their applications for loan purpose are completed by the Cluster Supervisor of the Deptt. when the loan is sanctioned by the Bank, the purchase date of the animals is fixed. After the purchase of the animals the Cluster Supervisor are directed to look after the health of the animals & provide first aid treatment/deworming etc. if needed. From time to time they are checked by the concerned District Dairy officer/ Assistant Director, etc. The Check is also maintained by posting them under the Vety. Surgeon. They are also directed to motivate the farmers to repay their instalments regularly so that their subsidy is released in time by the Department.



During the course of oral examination, the departmental representative explained that 3971 dairy units were established during the year 1986-87 to 1988-89 of which 3815 units were running smoothly and 156 units were closed. The reasons of closing down the 156 units were attributed by the Department to adoption of other professions by some persons or due to death.

The Committee feel that the scheme is popular amongst the youths in the rural areas but the department failed to implement the scheme with keen spirit.

The Committee recommend that the object of the scheme should be wide publicity through press and issue of literature amongst the unemployed educated rural youths so that they may come forward for setting up new dairy units. A proper survey should also be conducted in rural areas to identify genuine cases.

The Committee further recommend that the department should have liaison with the banks in granting loans and regular inspections of dairy units established should also be conducted to provide them proper guidance.

The Committee desire that the scheme be implemented both in letter and spirit and all efforts be made to improve the scheme to provide benefits to the people.

#### [4] 4.5 Non-recovery of dues

Four hundred acres of land belonging to the Government Live Stock Farm, Hisar, was licensed (January 1976) for a period of 33 years to the Municipal Committee, Hisar, for construction of sewerage works and for the disposal of sullage water for agricultural purposes at a token rent of Re. 1 per annum per acre. Terms and conditions of the licence deed provided inter alia that after allowing expenses relating to sewerage disposal works etc., the net income derived was to be shared equally between Government and the Municipal Committee within 90 days of the receipt of the amount. The deed also stipulated that the Firm had the option (to be exercised by 31st March each year) to take the entire land or any part thereof for cultivation during the next year beginning with the 16th day of June each year at the rate communicated to it by the Collector of the district.

A test-check of the accounts of the Farm, (December 1986) disclosed that Government dues amounting to Rs. 27.75 lakhs on account of shareable income for the period 1975-76 to 1986-87 had not been realised from the Municipal Committee. The non-recovery was attributed (August 1987) to failure of the Municipal Committee to (i) realise the income from the beneficiaries for the years 1975-76 to 1981-82 and 1984-85 to 1986-87 (Rs. 21.75 lakhs) and (ii) to lease out the land during 1982-83 and 1983-84 (Rs. 6 lakhs). The department approached the Government (August 1986) for obtaining its approval to take back the land from the Municipal Committee and utilise it for some other purposes; further developments have not been intimated (July 1987).

The matter was referred to Government in August 1987; reply has not been received (February 1988).

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

187 Acre of land has been brought under afforestation and the rest of the land is under litigation between the Municipal Committee Hisar and Mujharas. As the lease period of 33 years commencing from January 1976 will expire during December, 2009, the question to take back the said land from M.C. Hisar for utilization by the Deptt. will arise after December, 2009. However, the Municipal Committee Hisar had been depositing the Govt. share even in excess as would be clear in reply of question No. 2. Hence para may kindly be dropped.

According to the agreement deed, the Municipal Committee Hisar was to share the income equally between Municipal Committee Hisar and State Govt. From the year 1975-76 to 1986-87 the Municipal Committee, Hisar was to pay the Govt. share of an amount of Rs. 14,61,166.37p (as detailed below) and not Rs. 27.75 lakhs but the Municipal Committee actually deposited a sum of Rs. 16,25,624.83p. from 1975-76 to 1986-87 (as detailed below) which is Rs. 1,64,458.46p. more than the actual share of the Govt. live stock Farm Hisar.

#### Share of Govt.

Year	Gross Income	Expenditure	Net share- able amount	GLF 50 % share
1	2	3	4	5
1975-76	294630.73	66955.80	227674.93	113837.45
1976-77	359306.66	73317.40	285989.26	142994.63
1977-78	545993.64	82012.12	463991.22	231990.61
1978-79	555177.65	67119.36	488068.92	244034.14
1979-80	110284.42	73160.50	637123.92	318561.96
1980-81	713681.59	78853.34	635028.25	317514.12
1981-82	720865.00	116674.10	604190.90	302095.45
1982-83	535159.77	285813.49	249346.28	124673.14
1983-84	455949.92	383282.58	72667.34	36333.67
1984-85	721847.65	386594.45	335253.00	167626.60
1985-86	721847.65	732539.31	(—)10691.66	(—)5345.83
1986-87	679898.65	1746197.83	(—)1066299.18	(—)533149.59
<b>Total :</b>	<b>7014843.03</b>	<b>4092510.28</b>	<b>2922332.75</b>	<b>1461166.37</b>

The above figures of Govt. share from 1975-76 to 1986-87 comes to Rs. 14,61,166.37 whereas the Municipal Committee Hisar has deposited an amount of Rs. 16,25,624.83 p. as per detail given below :-

S. No.	Amount (Rs.)	Date on which amount deposited
1.	200000.00	12-7-1978
2.	57600.00	28-9-1978
3.	100000.00	27-4-1979
4.	100000.00	8-5-1979
5.	200000.00	21-5-1979
6.	200000.00	25-2-1981
7.	200000.00	5-11-1981
8.	200000.00	21-10-1982
9.	100000.00	15-2-1984
10.	168024.83	4-5-1984
11.	100000.00	23-10-1984
	<u>1625624.83</u>	

As Municipal Committee has already deposited excess amount as share of the Govt.

During the course of oral evidence, the Departmental representative stated that the matter had become serious for the last three/four years as the Municipal Committee discontinued to deposit the Govt. share. They were, however, making sincere efforts to settle the matter and assured that the matter would be solved shortly.

The Committee desire that the outcome of the efforts made by the Department be intimated to them in due course. The department should also reconcile the figure of Govt. share with the A.G. office.

[5] 4.7. Avoidable extra expenditure

In order to finalise the annual rate contract for potassium permanganate for the year 1983-84, tenders were invited by the Director, Supplies and Disposals, Haryana (DSD), in March 1983. Nine tenderers quoted (March-April, 1983) rates between Rs. 34 and Rs. 64 per kg.

These were considered (May 1983) by the Technical Committee of the DSD comprising representatives of the DSD and experts from the Animal Husbandry Department and the Haryana Agricultural University. The rate contract was concluded by the DSD with the lowest tenderer at Rs. 34 per kg. in December 1983.

Even while the tenders were in the process of finalisation, the Director, Animal Husbandry, placed 6 supply orders (June-October 1983) on the Indian Drugs and Pharmaceuticals Limited, Hyderabad (IDPL) for supply of 1,202.5 kg. potassium permanganate at the rate of Rs. 92 per kg. without inviting tenders. The supply of the entire quantity was received during July 1983-February 1984 (Rs. 1.11 lakhs). Compared with the rate of Rs. 34 per kg. of the Rohtak based firm, the purchase at Rs. 72 per kg. was at an avoidable extra cost of Rs. 0.70 lakh. Out of the purchase of 1,202.5 kgs. of potassium permanganate from the IDPL, 400 kgs. were received after the finalisation/issue of rate contract. The unused quantity left in stock on 31st March 1984 was 448 kgs. involving extra cost of Rs. 0.27 lakh.

The Director, Animal Husbandry, stated (April 1985) that the purchase was made from the IDPL as there was no rate contract for potassium permanganate prior to December 1983 and in the past this item was being purchased from the IDPL only. The reply was not tenable as the availability of the cheaper source of the Rohtak based supplier had come to notice of the department in May 1983 and, as such, action in placing orders in June-October 1983 on the IDPL at a rate which was higher by Rs. 58 per kg. was injudicious.

The matter was referred to Government in May 1987; reply has not been received (February 1988).

In reply to the questionnaire of the Committee, the department stated as Under :—

Indian Drugs and Pharmaceutical Limited (Govt. of India Undertaking) has been declared as approved source by Haryana Govt. for the supply of Chemicals/Medicines/instruments.

As potassium Permanganate was not on rate contract till December 1983, the only approved source was I.D.P.L. The Department had to purchase Pottasium Permanganate from the Govt. of India undertaking at the rates fixed by them. There is always threat of epidemics during floods, the medicines had to be made available to meet exigencies. This drug was/is used abundantly during flood both for internal and external use. Govt. has already recommended to drop this para vide their letter No. 2516-AH(4)-86/23797 dated 30-10-1986.

Both in their written reply and during oral evidence the Department informed the Committee that the unit of Indian Drugs and Pharmaceuticals Limited (IDPL) was also existing in the State at Gurgaon. The Committee feel that if the department had obtained supply of drugs from the Gurgaon based firm, it would have been economical and extra

expenditure could have been avoided to some extent. Therefore, the Committee desire that the department should investigate the circumstances under which pottasium permaganate was not purchased from IDPL, Gurgaon a Government of India, undertaking.

The Committee would further like to know whether any purchase Committee was constituted for the purpose and if not, whether the officer who placed the supply orders on the IDPL Hyderabad at Rs. 92 per kg. was competent to do so.

The Committee desire that the outcome of the investigation be intimated to them within three months.

## DEVELOPMENT AND PANCHAYATS DEPARTMENT

### [6] 4.11. Over due recoveries

For proper management of gram panchayats, 435 posts of gram sachivs were created by the Panchayat Department, for the entire State, in August 1972. All these posts were borne on the staff strength of Block Development and Panchayat Officers (BDPOs) who, were to effect recoveries of salaries paid to gram sachivs from the gram panchayats. This system of recoveries was found unworkable due to frequent transfers of gram sachivs and, therefore, in November 1975, the department dispensed with this system and instead decided to recover ten per cent of the annual income of gram panchayats towards this expenditure. Simultaneously (November 1975), specific instructions were issued by the department to all the Deputy Commissioners and the BDPOs for (i) strict enforcement of these orders on the gram panchayats (ii) depositing the amounts, so recovered in the account of the department in the treasuries and (iii) furnishing the particulars of recoveries/deposits to the department.

As on 31st March 1985, there were 5541 gram panchayats in 98 blocks of the State. With a view to ascertaining that recoveries at ten per cent of income were being effected from gram panchayats. Audit enquired from the department (June 1985) the amounts recoverable, actually recovered and in arrears. The department has so far (June 1987) not furnished any reply.

Meanwhile, during a test-check (November, 1985 February 1987) of the accounts of 18 blocks (BDPOs), Rs. 65.22 lakhs were found recoverable from various gram panchayats for the period August 1972 to March 1986. Further, in 4 blocks (Shahabad, Pundri, Pehowa and Radaur), Rs. 4.54 lakhs recovered (1980-81 to 1985-86) from the gram panchayats were found to have been credited by the BDPOs to the accounts of panchayats samitis instead of crediting the same to Government account.

Government stated (August 1987) that the outstanding recoveries (Rs. 65.22 lakhs) could not be effected from the panchayats due to their weak financial position and for wrong crediting of the amount (Rs. 4.54 lakhs) to the accounts of panchayat samitis, instructions had been issued to the concerned BDPOs to deposit the amount in Government Account.

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

- (i) The latest position of the amount recoverable, actually recovered and arrears from various Gram Panchayats upto

year 1985-86 is given as under :—

Year	10% share out of total income of panchayats	The amount recovered from Panchayats	Amount deposited in Government Treasury out of column No. 2
	1	2	3
1972-73 to 1974-75	36,16,624	22,42,694	12,59,720
1975-76 to 1985-86	4,60,90,976	1,59,24,572	90,43,691
	Amount deposited in the account of panchayat Samitis, out of column No. 2		Balance Amount is to be recovered
	4		5
1972-73 to 1974-75	9,82,974		13,73,930
1975-76 to 1985-86	68,80,881		3,01,66,404

(ii) Field Officers viz Block Development & Panchayat Officers have been instructed from time to time for effecting these recoveries. However, keeping in view the reluctance on the part of panchayats to part with 10 per cent of their already meagre resources, recovery has been very poor. Government is still to take a final view on settling this issue.

(iii) No. It was wrong on the part of B.D.P.Os. concerned for not depositing the amount in the Government account in the first instance.

In their written reply and during oral evidence, the Department admitted that the outstanding recoveries were not effected from a large number of Panchayats by the concerned B.D.P.Os. and stated that the number of the officers involved was quite large and strong action in such matters may not be possible. It was also added that the Government was still to take final decision on settling the recovery.

The Committee observe that the department delayed the matter considerably. The Government orders, whatever were in force at that time, should have been implemented properly. The Committee is of the view that there should not be any disparity between Panchayat and Panchayat and the balance amount be recovered from the defaulting Panchayats and in future, the Government orders, whatever these may be, should be followed strictly.

The Committee recommend that the officers, who have defaulted in recovering the amount, should be taken to task and action taken there against be intimated to the Committee within three months.

The Committee further desire that the Department should finalise the whole matter within three months and Committee be informed accordingly.

#### [7] 7.7. Loss of plants

Under the Centrally sponsored Integrated Rural Development Programme, Farm Forestry Scheme was executed by the Forest Department on behalf of the District Rural Development Agencies (DRDA). For this purpose, funds were provided by the DRDA to the Forest Department at 40 paise per plant for raising nursery and 20 paise per plant for maintenance during the subsequent year. The plants so raised were to be sold by the Forest Department to small and marginal farmers at the subsidised rate of 15 paise per plant and to others at 30 paise per plant.

During 1983-84, a sum of Rs. 5.60 lakhs was paid by the DRDA, Jind, to the Divisional Forest Officer (DFO), Jind, for raising 14 lakh plants. For maintenance, another sum of Rs. 2.80 lakhs was also paid to the DFO during 1984-85. All these plants raised in nurseries from July 1983 were due for sale from April 1984 to March 1985. The DFO however, sold only 6.25 lakh plants for Rs. 1.09 lakhs upto March 1985. The remaining 7.75 lakh plants raised/maintained at a cost of Rs. 4.65 lakhs were rendered unfit (March 1985) for transplantation (and, therefore, un-saleable) due to growth of grass in the polythene bags in which the plants were raised and their roots having entered the earth by piercing through the bags. The DFO stated (December 1985) that these 7.75 lakh plants could not be maintained due to non-receipt of maintenance grant for the year 1985-86; the DRDA, Jind held (June 1986) that under the scheme, maintenance charges were payable for one year (1984-85) only.

The Government (Development Department) stated (September 1986) that these plants were meant for sale to 3500 families of farmers (400 plants per family) during 1984-85 and that this target had been fixed realistically after taking into account the number of families covered during 1981-82 (2073), 1982-83 (3832) and 1983-84 (3500). The reply, however, did not explain why there was a surplus of 7.75 lakh plants if the assessment had been made in a realistic manner.

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

The parawise reply of the Implementing Deptt., i.e. Forest Department Haryana is as under :—

#### (I) (a). 1984-85

The duty of the Forest Officer/Employees was to raise the requisite healthy plants in the nurseries as well as to motivate the farmers to come forward for taking plants at the subsidised rates



for plantation in the fields. The Forest Department left no stone unturned to sell the plants during 1984-85 (raised during 1983-84) but only 6.25 lakhs plants could be disposed off by selling to the farmers out of 14 lakhs plants by adopting a large scale motivation as well as by making strenuous efforts.

**(b) 1985-86**

The reasons for non disposal of these balance 7.75 lakh plants during 85-86 is only due to non provision of funds for the year 1985-86 by DRDA Jind in spite of repeated requests in writing as well as verbal. Thus all these plants raised in the nurseries became unfit for sale to the farmers due to growth of grass in the polythene bags and the roots of the plants entered in the earth by piercing through the bags.

(2) The target fixed for raising/sale of plants may be realistic but this also depends on the demands of farmers and other prevailing conditions. However the fact of non-achieving the target stands already narrated in sub-para No. 1 referred to above.

(3) As already stated in sub-para 1, the Forest Deptt. was only responsible for raising the plants in the nurseries and to motivate the farmers to come forward for taking the plants. If the DRDA had spared a little amount for the maintenance of 7.75 lakh plants during 1985-86, there would have been no loss to the Govt. and these plants would have been sold to the farmers, rather than becoming waste. Thus no responsibility lies on the part of any employee of the Forest Department for the loss of plants.

**Comments of the Rural Development Department**

In this connection, it would be seen that the Forest Department has given the reasons

(i) The department could dispose of only 6.25 lakh plants although large scale motivation was done and further the loss of 7.75 lakh plants was due to non-provision of funds by the DRDA, Jind in the year 1985-86.

(ii) The target fixed has been justified and reported to be realistic.

(iii) The failure of the Forest Deptt. for the loss of 7.75 lakh plants has been attributed to the non-provision of funds for the maintenance during the year 1985-86.

The above position given by the Forest Deptt. is not in accordance with the facts as intimated by DRDA, Jind. The facts are :—

(i) The Divisional Forest Officer, Jind never informed the DRDA, Jind that the plants were not being purchased by the farmers on subsidized rates. Had this been done arrangement could have been made to pursue the farmers for the purchase of plants and the loss could have been avoided.

- (ii) The Divisional Forest Officer, Jind demanded the amount for maintenance purposes only in 3/85 vide his letter No. 1974 dated 30-3-85. Consequently, balance sum of Rs. 1.80 lacs was released by the DRDA, Jind on 31-3-85. No other letter was received from DFO, Jind in this regard.
- (iii) The Forest Deptt. was well aware that the scheme of Social Forestry under IRDP was being abolished from the year 1985-86 and as such it was upto the Forest Deptt. to have arranged for the maintenance of plants from their own sources to save the Government. loss.
- (iv) The physical verification of the nursery was carried out by the Addl. General Assistant-cum-Deputy CEO, Jind on 13/14-12-85 and in his report it was informed that no separate nurseries were found to have been raised to show 7.75 lakh plants under IRDP scheme during 1983-84. There was only one nursery of all plants on the spot. Out of 15.09 lakh plants ( $7.7 + 7.34 = 15.09$  lakhs) raised under IRDP and SF/MF schemes. Only 3.50 lakh plants were found by him at the spot.
- (v) A sum of Rs. 4.57 lakhs was paid to Divisional Forest Officer, Jind during 1984-85 to raise 7.34 lakh plants under SF/MF scheme. All these plants were stated to have been sold by Forest Deptt. during 1985-86. When these plants could be purchased by the farmers, there appears no justification under which the remaining plants raised under IRDP scheme could not be purchased by the farmers.

The above points were intimated to the PCCF, Haryana, Chandigarh vide this office letter No. 1450-Accts-90/SOII/5592 dated 20-8-90 to consider these points and prepare the reply of questionnaire of PAC based on facts but a reply in this behalf is still awaited in spite of issue of reminders and personal contracts.

From the above, it therefore, follows that no fault lies on the DRDA, Jind because the discontinuance of the scheme was intimated to the department well before hand and funds to the tune of Rs. 2.80 lakhs were made available to the Forest Department for maintenance as per detail given below :—

8-7-84	1.00 lakhs
31-3-85	1.80 lakhs
Total	<u>2.80</u>

Further, it is important to mention that 7.34 lakh plants under SF/MF scheme were raised and disposed of during the years 1984-85 and 1985-86 and no maintenance cost was asked for by the Forest Deptt. but in this particular case

the failure is being attributed to non-provision of funds for maintenance although the position is otherwise as explained above.

In view of above there appears to be a failure of some technical nature on the part of Forest Department for which the position will be explained by the Line Department i.e. Forest Department before the PAC meeting.

During the course of oral evidence, the Departmental representative informed the Committee that the replies received from the Forest Department and DRDA Jind were itself contradictory as the Forest Department explained the reasons for non disposal of 7.75 lakh plants due to non provision of funds for the year 1985-86 by DRDA Jind whereas, DRDA, Jind stated that the amount was released as and when demand from DFO, Jind was received.

The Committee observe that the Department was not serious about the matter. Even after lapse of over 4 years, the Department could not assess the correct position/reasons of loss of 7.75 lakh plants and no responsibility had been fixed so far for the lapse. The Committee strongly recommend that the matter be re-investigated and suitable disciplinary action taken against the officers/officials found responsible for the lapse be informed the Committee within six months.

✓ [8] 7.9. Irregular and wasteful expenditure on books

The Chief Project Officer, Command Area Development Agency-cum-Chief Executive Officer, District Rural Development Agency (DRDA), Narnaul, purchased books worth Rs. 1.44 lakhs during September 1984 to March 1985 from a Gurgaon based private firm. These books most of which were foreign publications, were purchased from out of funds sanctioned for various developmental schemes being implemented by the DRDA, though these schemes did not provide for any expenditure on purchase of books. It was also noticed in audit (February 1987) that the books had been purchased on a supply order based on a single quotation collected on the spot in September 1984 and charging the firm's bills of consecutive numbers of the same date to different schemes/programmes by splitting up the purchase in order to avoid sanction of higher authorities.

The DRDA maintained (February 1987) that the books purchased were useful and were a source of incentive for preparation of different schemes of rural development and helpful to educate masses for overall development. However, many books purchased were on subjects like stereo, television, animal life, knitting, sewing, stitching, flowers, flying aircrafts, quotations and idioms, broadcasting etc. which were neither connected with any of the rural development schemes nor were these books ever issued to any Project Officer or to any other person since their purchase. Further, all the books being in English were of no use to rural masses. It was also noticed that no other DRDA in Haryana had purchased similar books for implementing the rural development schemes. The expenditure of Rs 1.44 lakhs on the purchase of books was thus wasteful.

The Government stated (November 1987) that books were purchased for formulation of schemes for development by the Chief Executive Officer who was competent to sanction such an expenditure. This justification covered only a few books as most of the books did not in any way relate to development programmes.

In their reply the department stated as under :—

- (i) In the year 1984-85 total 963 nos books were purchased from a Gurgaon based Private Firm M/s. India Book Centre. The books were purchased against single supply order of Rs. 1,76,691.70. Later on the firm's bills were splitted up and charged under administrative expenses provided in various schemes namely IRDP, CADA, DPAP and DWCRA. There are no specific guidelines regarding classification of misc. contingencies provided under Admn. expenses for these schemes. These contingencies are used to meet day to day needs of the Agency. Hence, the then CEO DRDA purchased the books out of the funds available in various schemes.
- (ii) A detailed list of total number of books as well as books under different subject headings alongwith their medium is given below :—

Sr. No.	Subject	Med.	Total No.
1	2	3	4
1.	Universe of knowledge	Eng.	36
2.	Natural Science	Eng.	9
3.	Math	Eng.	9
4	Physics	Eng.	14
5.	Engg.	Eng.	46
6.	Chemistry	Eng.	4
7.	Technology	Eng.	8
7.	Biology	Eng.	26
9.	Geology & Min.	Eng.	10
10.	Botany	Eng.	48
11.	Agriculture	Eng	52
12.	Zology	Eng.	41

1	2	3	4
13.	Animal Husb.	Eng.	32
14.	Mediouné	Eng.	58
15.	Useful arts	Eng.	156
16.	Spiritual Exp.	Eng.	3
17.	Fine arts ]	Eng. ]	94
18.	Literature	Eng.	9
19.	Linguistics	Eng.	10
20.	Philosophy	Eng.	8
21.	Psychology	Eng.	50
22.	Education	Eng.	6
23.	Geography	Eng. ]	14
24.	History	Eng.	8
25.	Pol. Science ]	Eng.	8
26.	Economic	Eng. ]	113
27.	Sociology & Soc. work	Eng.	49
28.	Misc.	Eng.	40

DRDA not only impart training under various schemes to poor but also are actively involved in assisting rural poor to start their own income generating activities. Hence, these books were thought to be a useful source for ready reference.

As per intimation received from DRDA, Narnaul, no record pertaining to the justification of supply order based on a single quotation is available in his office.

As per intimation received from DRDA, Narnaul the firm's bills of consecutive numbers of the same date were charged to different schemes programmes on verbal orders of the then CEO, DRDA. There is no written record in his office.

It depends on the need and choice of each DRDA to purchase books out of the available funds provided under various programmes.

As informed by DRDA, Narnaul all the expenditure incurred on various schemes of IRDP, DPAP & CADA & DWCRA stands approved by Governing Body of respective schemes.

✓ During the course of oral examination, the Departmental representative stated that initially books valuing about Rs. 15,000/- only were selected and every page of the list of selected books was signed by the A.D.C. Narnaul. After his transfer, some body tampered with the record with the connivance of local staff and the supplier and added more books in the list. It was admitted that there was some racket of some persons and not of one or two persons. The departmental representative assured the Committee that they would get the matter investigated for fixing responsibility and taking punitive action.

✓ The Committee find that books were not only in English medium but were also on subjects like stereo, television, animal life, knitting, sewing, stitching, flying aircrafts and were thus not at all helpful to rural masses/farmers as a common man could not understand these books. Thus whole expenditure of Rs. 1.44 lakhs on the purchase of the books was wasteful.

The Committee desire that the department should re-investigate the matter of tampering with the record and responsibility be fixed. The Committee further recommend that strong punitive action be taken against the delinquents and steps taken to effect recovery of the amount from the concerned persons be intimated to the Committee within three months.

## INDUSTRIES

### [9] 7.4. *Development of Khadi and Village industries*

#### 7.4.1. **Introductory**

Khadi and village industries play an important role in sustaining and improving the lives of rural and semiurban population. In Haryana, promotion of these industries is looked after by the Haryana Khadi and Village Industries Board (Board) set up in February 1969 through funds provided by the Khadi and Village Industries Commission (KVIC), except establishment charges which are met by the State Government. The objectives envisaged by Government during the X Sixth Plan period were to bring improvement in the level of production and earning, to create additional employment, to fully utilise the existing installed capacity, to establish wider entrepreneurial base and to expand efforts in export promotion etc.

#### 7.4.2. **Organisational set up**

At the State level, the overall responsibility for administration, co-ordination, monitoring of khadi and village industries rest with the Industries Department. The Board consisting of 15 official and non official members is responsible for sanctioning loans/grants to voluntary organisations against funds provided by the KVIC/State Government, and for implementing the programme and supervising the working of the units.

#### 7.4.3. **Scope of review**

Certain aspects of the khadi and village industries vis-a-vis the working of the Board, were reviewed in paragraph 7.11 of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil) Government of Haryana. The Public Accounts Committee in its 25th report observed that the condition of khadi and village industries in Haryana was very poor and recommended that the department/ Government should ensure that the industries achieved their targets and progress in manufacturing good quality material.

Further results of test-check (April-June 1986 and July 1987) of records for the years 1982-83 to 1986-87 conducted in the office of the Chief Executive Officer of the Board, are embodied in the succeeding paragraphs.

#### 7.4.4. **Highlights**

Out of the 26106 units established till 1986-87, 3542 units, involving financial assistance of Rs. 205.93 lakhs were defunct while another 20 units were adjudged as weak. (Paragraph 7.4.7. (a) ).

Out of Rs. 1533.81 lakhs disbursed as grants/loans to the units from 1978-79 to 1985-86, Rs. 298.35 lakhs were lying un-utilised; utilisation certificates for Rs 363 63 lakhs were not obtained from units. (Paragraph 7.4.7. (b))

Loans aggregating Rs 1441.10 lakhs were outstanding, of this, Rs. 191 lakhs were overdue for recovery. In 29 cases, assistance of Rs. 10 73 lakhs was either not utilised by the units or utilisation certificates were not accepted by the Board. Another 11 units involving assistance of Rs. 9.91 lakhs had not gone into production (Paragraph 74.7. (c)).

Despite investment of Rs 992.99 lakhs (1983-84 to 1986-87), there was no improvement in generation of employment, also there was decline in production in various industries; (Paragraph 7 4.8. (a) )

In handmade paper, khandsari, aluminium and metal industries, out of 120 units, only 18 were in production. (Paragraph 7.4.10).

Out of Rs. 257.37 lakhs allotted by banks, financial assistance availed of by the units aggregated only Rs 48.43 lakhs. (Paragraph 7.4.11.(a)).

The training of prospective entrepreneurs and the monitoring/evaluation of the programme were neglected. (Paragraphs. 7.4.11. (b) & 7.4.12.)

These points are discussed below in detail.

#### 7.4.5. Financial Outlay

The position of funds allotted and received from the KVIC and disbursed by the Board to the KVI units during 1982-83 to 1986-87 was as under —

Year	Funds allotted by the KVIC			Funds released by the KVIC			Funds disbursed by the Board to units		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
(In lakhs of rupees)									
1982-83	17 88	203 11	220.99	15 40	177 07	192.47	10 80	190.59	201.39
1983-84	21 22	236 34	257.56	12 04	213.45	225 49	10.98	205.18	216.16
1984-85	21 06	238.21	259 27	14.52	191 48	206 00	12.01	190.02	202 03
1985-86	14 78	241 37	256 15	10 07	242 26	252.33	8.73	214.33	223.06
1986-87	19 75	421.43	441.18	12.70	313 58	326.28	13.37	338 37	351.74
Total	94.59	1340.46	1435 15	64.73	1137.84	1202.57	55.89	1138 49	1194.38



Funds released by the KVIC (Rs. 1,202.57 lakhs) were less than the funds allotted by it (Rs. 1,435.15 lakhs), reasons for which were awaited.

The State Government is also running two schemes through the Board namely 'rebate on khadi' and the 'weaving and Training Centre, Naraingarh'. Year wise details of funds provided by the State Government for both these schemes as also for the establishment charges the Board and the expenditure incurred there against are given below.

Year	State Schemes (Non Plan)		Establishment Charges of the Board	
	Funds provided	Expenditure	Funds provided	Expenditure
1	2	3	4	5
	(In lakhs of rupees)			
1982—83	5.35	5.57	26.91	29.76
1983—84	9.49	9.51	33.30	33.09
1984—85	11.49	11.65	33.40	35.11
1985—86	16.60	16.56	36.43	40.38
1986—87	20.64	20.70	43.71	43.14
Total :	63.57	63.99	173.75	181.48

Excess under establishment charges (Rs. 7.73 lakhs) during 1982-83 to 1986-87 was met out of unspent balance lying with the Board.

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

The Haryana Khadi & Village Industries Board came into existence in February 1969, that time only 3045 units were financed by the composite Punjab Board in the area which formed Haryana. The annual turn over was merely Rs. 91 lakhs and an amount of Rs. 20.90 lacs were outstanding against those units. With the formation of independent Haryana Khadi Board the activities of the KVI increased many-fold. By the end of the year 1990-91 the number financed units increased to 32876, KVI goods worth Rs. 3938.55 lacs were produced during the year 90-91. More than 47076 persons remained in employment in those activities during that year.

Improved implements such as Ban Making, machines, Bee-boxes,

Honey extractors, Oil ghanies, Potters-wheels, Sugar-Cane Crushers, new model Charkhas etc are also being got manufactured and supplied in order to add efficiency and also to enhance the earning of the workers. New techniques such as cylinder mould device in Hand Made Paper Industry has been adopted. This has brightened the scope of this Industry which was otherwise languishing because of low productivity poor quality-product low earnings of the workers. An honey processing low-plant has been set up in order to process the raw honey being produced by bee-keepers. Agmarking arrangement have also been made. A condensor Plant for manufacturing woollen slivers is also being set up.

Training is also arranged for various schemes. There are training centres for spinning and weaving, oil crushing, aggar-batti making, Training is also arranged in Lime manufacturing Soap manufacturing, Beekeeping etc. Publicity of these activities is also done in exhibitions at various occasions and places. Booklets and pamphlets etc. are also brought out. Advertisements through various dailies and other periodicals are also given highlighting various facilities being extended to KVI programmes. Assistance to set up sale outlets for the marketing of KVI goods is also extended. The Board has been declared an approved source for several KVI goods. Several items by the State Govt. for use in its offices.

With the recent amendment in Khadi & Village Industries Commission's Act, the scope of Village Industries has widened. New Industries are being identified as Village Industries. So far about 100 Industries have been identified as Village Industries. Before this amendment the number of Industries was about 25 only. These are few fields as mentioned about which are taken care of by the Board in order to achieve the objectives as envisaged in the Act of the Board. It will also be relevant to mention here that pattern of financial assistance and technology for the activities are prescribed by the KVIC. Thus the Board has limitations as it can implement that the programmes only according to the scope prescribed by the KVIC. The Govt. is satisfied with these achievements.

Several improvement have been adopted in order to manufacture quality goods. In Hand Made Paper Industries cylinder mould has been introduced. Processing and Ag-Marking for Honey has been arranged. Condensor Plant for Sliver making is being installed at Panipat. All these steps help in boosting up the quality of production.

- (1) Specific reason for less release of funds by KVIC to the Board can be given only by KVIC. However on the basis of out past experience it can be said that financial constraint of KVIC is the main reason. We have been told many a time that they are short of funds as the funds released by Govt. of India to the KVIC were not according to the budget allocations made to the State Boards by the KVIC.

(2) The Precise reasons for excess expenditure under establishment are as follow:

(a) Budget estimates of the establishment of the Board are submitted to the State Govt. some time in August. Budget estimates are prepared on the actual pay and other allowances etc. Many a times increase in D. A. and other allowances are granted by the State Govt. after submission of such estimated resulting in excess expenditure.

(b) The Budget provision are not always sanctioned as per the proposals/requirements of the Board and cut are imposed by the Govt.

In this connection, the Committee would like to invite attention to the recommendations contained in para 29 of 25th report in which, inter-alia, it was stated that the Department/Government should examine at length the causes of sickness of the units and ensure that said industries achieve their targets in manufacturing good quality material.

During oral evidence, the Committee was informed that they had adopted new/modern techniques to promote said industries and enhance the earnings of the workers and they had selected about 100 items for the grant of loans and training is also being arranged for various schemes.

The Committee feel that there is still large scope for improving the Khadi and Village industries further and the Department should investigate all aspects to promote this scheme and remove the snag in promoting the schemes. The Committee desire that steps taken in this regard be intimated within six months.

The Committee would further like to know :—

1. Names of items selected for grant of loan.
2. Total number of units established and number of units closed with reasons therefor.
3. Total number of persons who were imparted specialised training and who provided employment.
4. Latest position of Patti Kalyana unit.

The Committee desire that the wanted information be supplied within three months.

#### [10] 7.4.6. *Targets and achievements*

Year-wise details (1982-83 to 1986-87) of the number of units to be set up by the Board by giving financial assistance and the number of units actually

provided assistance, are given as under —

Year	Targets		Achievements		
	Village industries	Khadi	Village industries	Khadi	Total
(In numbers)					
Period ending 31st March 1982					
1982	—	—	15788	11	15799
1982-83	1813	—	2002	—	2002
1983-84	2480	—	1927	2	1929
1984-85	1939	2	2302	2	2304
1985-86	2840	—	1874	—	1874
1986-87	2297	—	2196	2	2198

Industry-wise details were given in Appendix VII. 4 It will be seen therefrom that out of the 28 approved industries, the Board did not promote the following 11 industries in Haryana.

(a) Khadi silk and khadi muslin, polyvastra, palm gur, shellack, gum and resin and collection of medicinal herbs, at these industries were reported to be having no scope in Haryana.

(b) Lok vastra and rubber goods as the KVIC had not formulated any scheme of financial assistance.

(c) Gobar gas units, as these were not successful.

(d) Katha for which only one unit had been financed but production had not yet started.

Out of the 26106 units financed (10307 units during 1982-83 to 1986-87) from February 1969 to March 1987, 3542 units were defunct while another 20 units were adjudged as week.

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

1. Constraints in not promoting 11 industries are given as under —

(a) Khadi Silk: No raw material is available in this State.

(b) Khadi Muslin: The Khadi Muslin is manufactured with very fine yarn. In Haryana spinning is done on traditional charkhas mostly and with such type of yarn Khadi Muslin can not be manufactured.

- (c) Poly Vastra : Polyvastra was new scheme.

No arrangements were available for the supply of raw material training etc. Moreover this was declared as a Village Industries and no incentives were available for the sale of this cloth

- (d) Palm Gur : There is no raw material in Haryana State

- (e) Shellac

- (f) Gum

- (g) Resin

- (h) Collection of Medicinal Herbs

Non-availability of raw material is main reason for not taking up these industries in Haryana.

- (i) Lok Vastra : The KVIC not formulated any specific Scheme.
- (j) Gobar Gas : This programme is being implemented by the State Govt. instead of Khadi Board.
- (k) Katha : This can be developed in a limited area i.e. Morni Hill (Kalka). One unit has been financed by the Board in Village near Kalka.

2. There are numerous factors which result the units in becoming defunct such as —

- (i) Change in technology—Under this category the units of Oil Ghani may be taken. Earlier ghanies driven by animal power were being given assistance by the KVIC. Later on, the KVIC adopted electric Power driven ghanies. Thus bullock become out dated and gradually closed their working.
- (ii) Change in policy : Under category cottage Match industry may be cited. Units of Match Industry in KVI Sector were given liberal exemption under Central excise. This exemption was later on reduced resulting in closure of many units.
- (iii) Un-foreseen circumstances : Recently many sugar mills have set up in the State. The units of Gur Khandasari working in KVI Sector were forced to closed their working for non-availability of sugar cane.

Poor cane crop was also a factor for the closure of such units. Many persons take up some other work which is comparatively more remunerative than KVIC activities as these activities are mainly of supplementary nature. The units wise percentage of defunct units is about 13 and amount wise it come to 9.74. This is not an alarming percentage keeping in view the various odds and constraints.

However, efforts are being made to review the potential units. Recently the Board has decided to ask its field staff to identify the defunct units which can be revived. The Commission will be approached to provide necessary assistance for the revival and strengthening of such defunct/weak units.

3. Every adequate care is taken to examine the economic viability before financing the units. But on account of reasons given above certain units result in their closure.

During oral examination, the Departmental representative attributed the main reason of not promoting various industries including Khadi Silk due to non-availability of raw material. When asked as to why the raw material was not produced, it was stated that they had provided loan only for the establishment of such industries and the production of raw material was not their function. It was added only Agriculture Department could help to produce the raw material for Khadi Silk industry.

The Committee do not feel satisfied with the reply of the department as there was large scope for promoting the Khadi Silk scheme and silk worms could be grown in this State also which would definitely improve this industry and generation of employment.

The Committee desire that the department/Government should investigate as to what steps could be taken to promote the Khadi Silk Scheme. Results of steps taken be intimated to the Committee in due course.

[11] 7.4.7. *Misutilisation and excess release/blockade of funds*

(a) From February 1969 to 1986-87, loans/grants aggregating Rs. 2113.04 lakhs were given to 26106 units out of which, as per the records of the Board, 3542 units involving Rs 205.93 lakhs were defunct. Comparative position of defunct units at the end of last three years (1984-85 to 1986-87) was as follows —

Category	1984-85			1985-86			1986-87	
	Units	Amount involved (Rupees in lakhs)		Units	Amount involved (Rupees in lakhs)		Units	Amount involved (Rupees in lakhs)
(a) Institutions	133	51	57	188	94	67	205	101.14
(b) Co-operatives	262	36	90	348	39	70	285	28.99
(c) Individuals	1231	56	56	3483	84	08	3052	75.80
<b>Total</b>	<b>1626</b>	<b>145</b>	<b>03</b>	<b>4019</b>	<b>218</b>	<b>45</b>	<b>3542</b>	<b>205.93</b>

While the number of units assisted increased by 65 percent from 15799 (1981-82) to 26106 (1986-87), the number of defunct units increased by 194 percent from 1204 (1981-82) to 3542 (1986-87). The Public Accounts

Committee in its 25th report had recommended regular inspection of defunct units to obviate the misutilisation of financial assistance and to speed up outstanding recoveries, compliance by the Board was awaited (September 1987).

(b) Utilisation certificates for the grants/loans received from the KVIC and disbursed to the units were required to be obtained from the units and furnished by the Board within one year from the date of disbursement but submission of these certificates had been in arrears since 1976-77. It was seen that out of Rs. 15,38.81 lakhs disbursed by the Board to the units from 1978-79 to 1985-86, utilisation certificates for Rs. 8,71.83 lakhs only were furnished to the KVIC (March 1978); Rs. 2,98.35 lakhs were declared by the Board as unutilised for the purpose for which loans/grants was disbursed; utilisation certificates for Rs. 3,63.63 lakhs were not obtained from the units.

Against unutilised amount of Rs. 2,98.35 lakhs, only Rs. 81.54 lakhs were recovered from the units (1979-80 to 1986-87).

(c) Outstanding loan of Rs. 20.90 lakhs was transferred (January 1969) to the Board by Composite Punjab Khadi and Village Industries Board in respect of industries located in Haryana. From February 1969 to March 1987, loans aggregating Rs. 19,44.32 lakhs were disbursed by the Board. Out of the total of Rs. 19,65.22 lakhs, Rs. 14,41.10 lakhs were outstanding against loanees of which Rs. 1,91.00 lakhs were overdue for recovery (March 1987). This did not include interest which had not been worked out by the Board in the loan ledgers. Balances outstanding against loanees were not confirmed by the Board from the loanees annually.

(d) In 29 cases (out of 95 test checked) loans/grants aggregating Rs. 10.73 (March 1977 September 1984) provided for cottage match (9), aluminium utenails (8), khadi (4), polyvastra (1), gur khandasari (4), soap (1) processing of cereals and pulses (1), cane and bamboo (1) had not been utilised (September 1987) for the purpose for which assistance was provided as either the accounts of utilisation had not been submitted by the units or, where submitted, these had not been accepted by the Board.

(e) 11 units (handmade paper-2, fruit preservation-1, agarbati-1, carpentry and blacksmithy-3, fibre-1, soap-2, Khadi-1) had not gone into production (September 1987) and assistance of Rs. 9.91 lakhs granted during the period February 1978 to February 1986 was lying blocked.

(f) Khadi Gram Udyog Samiti, Panipat was paid loan of Rs. 1.65 lakhs (purchase of charkhas :Rs. 0.24 lakh; construction of workshop : Rs. 0.16 lakh; working capital : Rs. 1.25 lakhs) under poly-vastra scheme in March 1982 and February 1983 Charkhas purchased from the KVIC were defective and could not be used. The working capital was utilised on the construction of shed which was let out by Samiti to some other party on rent of Rs. 2,000 per month. The Samiti did not undertake production of poly-vastra and refunded Rs. 0.64 lakh only, while the balance amount of Rs. 1.01 lakhs and interest were still recoverable (March 1987).

(g) Shakti Pottery Co-operative Production Limited Society, Gurgaon, was sanctioned a loan of Rs 6.19 lakhs for building (Rs. 2.19 lakhs-March 1979), machinery (Rs. 2.00 lakhs-March 1980 and February 1981) and working capital (Rs. 2.00 lakhs-March 1981 and June 1981) for setting up a pottery unit. The unit started production during February 1981.

The unit was to repay Rs 6.07 lakhs (principal : Rs 4.68 lakhs; interest : Rs. 1.39 lakhs) by March 1987 but paid only Rs 2.24 lakhs (principal : Rs. 2.08 lakhs, and interest : Rs. 0.16 lakh including Rs. 0.10 lakh adjusted against managerial grant given in March 1986). The unit had been a regular defaulter in payment of interest/penal interest as well as of principal for 3 to 4 years. The District Khadi and Village Industries Officer, Gurgaon, intimated (February 1987) that the Society was reluctant to deposit the amount of interest/penal interest. No action was however, found taken to enforce recovery of interest (Rs 1.23 lakhs) and instalment (Rs. 2.60 lakhs) due till March 1987.

(h) New units were provided financial assistance for capital expenditure for construction work and purchase of machinery. Financial assistance was required to be utilised within six months and only after its utilisation working capital was released. It was seen that 128 units (carpentry and blacksmithy : 123 units; cottage match : 4 units, alluminium industry : 1 unit) were paid loans aggregating Rs. 21.75 lakhs (carpentry and blacksmithy : Rs. 20.62 lakhs, cottage match : Rs. 0.88 lakh; and alluminium Rs. 0.25 lakh) during 1980 to March 1985, but working capital was not released (July 1987) for want of infrastructure, power connections, licence etc. The Board stated (December 1986) that request for grant of working capital would be considered on receipt of utilisation certificates of the loans already paid or otherwise cases would be processed for recovery. Further developments were awaited (February 1988).

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

- (1) The percentage of defunct units comes to 13.56 involving 9.74% of the amount. Moreover the number and amount of defunct unit has decreased in the year 1986-87 as compared to the year 1985-86 (No. from 4019 to 3542 and amount from Rs. 205.93 lacs).

Many units were treated as defunct because of default in non-payment of loan instalments. The units also stopped working due to change in technology and policies in fiscal concessions and poor crop resulting in scarcity of raw material, opening of Mills, shortage of power etc. etc.

2. The Board has asked its field officials to identify such sick/defunct units which can be revived. The Commission will be approached to provide necessary financial and other facilities for the revival of such units. The field staff has also been asked to follow up recovery at their own level and not to remain alone. Demi-official letters were also written to the district collectors to take steps for speedy recoveries.



of Board's funds. They have been approached personally also District officers of the Board have been asked to review recovery position at the monthly meeting with the revenue authorities.

3. Regarding overdue U.Cs worth Rs. 363.63 lakhs to be obtained from beneficiaries and submitted to the Commission, the position as on 31-3-91 was that U.Cs. worth Rs. 78.63 lacs were to be obtained and furnished to the KVIC. U.Cs. in respect of remaining amount have already been obtained and furnished to the KVIC. Efforts are being made to clear this back-log also. Regarding utilisation or recovery of Rs. 216.81 lakhs the details are being collected from the field offices and will be submitted lateron.
4. Details are being collected from the field and will be submitted lateron.
5. Efforts are made to get the balance confirmed from the loanes annually. It may however, be mentioned that the No. of units and also the amount of assistance being extended by the Board is very small. Mostly the traditional artisans are in remote rural areas scattered all over the State. They are generally illiterate. They seldom respond to any communication. Such type of work can be done by visiting every unit which is not physically possible.
6. The position of 29 cases is as under :—
  - (i) Cottage Match (9 cases) Out of 9 cases 2 units have refunded the entire funds. Proceedings in respect of remaining 7 units have been initiated; for recovery as arrears of land revenue.
  - (ii) Alluminum Industry. (8 cases) Out of these 8 cases, one unit has already utilised the money and utilisation certificate stands accepted. Three units have refunded the entire amount. Recovery proceedings against the remaining as arrears of land revenue have been initiated
  - (iii) Khadi : (4 cases) In one case money has been properly utilised and U.C. accepted and in one case entire amount has been refunded. Recovery as arrears of land revenue is being done in third case. Fourth unit has not been financed by the Board
  - (iv) Polyvastra: (One case) Full amount has been recovered.
  - (v) Gur Khandsari (4) cases In all the four cases recovery proceedings have since been started as arrears of land revenue.
  - (vi) P.C.P. I. (One case) The recovery proceedings have since been initiated as arrears of land revenue.
  - (vii) Soap: (One case) The entire amount has been recovered.

(viii) Cane & Bamboo (One case) Though the unit started production but later on it closed down. Now recovery proceedings have been started as arrears of land revenue.

(e) The latest position in respect of 11 cases is as under :—

(i) Hand Made Paper-(2 cases) One unit has already gone into production. In the case of second unit recovery proceedings as arrears of land revenue have been initiated.

(ii) Fruit Preservation: (1 case). The entire amount of loan has since been recovered.

(iii) Aggarbati (1 case) Recovery proceedings for recovery as arrears of land revenue have been initiated.

(iv) C&B : (Three cases) One unit has properly utilised the money and started production. In other two cases proceedings for recovery as arrears of land revenue been initiated.

(v) Fibré (1 unit). Proceedings for recovery as arrears of land revenue have been initiated.

(vi) Soap (2 cases): One unit is in working and started production. Against other unit proceedings for recovery as arrears of land revenue have been initiated.

(vii) Katha-(1 Unit): The unit has started the production work.

(f) Khadi Gram Udyog Samiti Panipat. The loan amount has since been recovered, interest is yet to be recovered.

(g) Shakti Pottery : The Board has recovered the entire capital expenditure loan of Rs. 4,18,500/- and interest to the tune of Rs. 1,37,520/- till July 1990.

As regards working capital loan the case to convert it into working fund, as per policy of the KVIC, under consideration. The unit is working.

(h) C&B : In all these cases notices for recovery of entire funds have been issued.

Cottage Match: (4 cases): Out of these, 4 cases two units have refunded the entire amount whereas in other two cases proceedings for recovery as arrear of land revenue have been initiated.

Aluminium Industry: (one unit): The name of the unit in respect of which the information is desired is not available in the report.

During oral evidence the Departmental representative explained that number and amount of defunct units had decreased in the year 1986-87

as compared to previous year. It was stated that full supervision was not possible due to shortage of staff and vehicles.

The Committee note that the monitoring system was very poor and the supervision system was required to be strengthened so that sickness of units could be avoided to some extent by giving proper guidance for the removal of defects found at the time of checking.

The Committee desire that the supervision system should be strengthened and there should be a regular checking of each unit and inspections should also be carried out by the senior officers of the department/Board and required staff and vehicles should be provided to cover the regular inspections.

The Committee further note that the Department instead of giving specific reply to the audit observations, outstanding utilisation certificates, outstanding/over due loans etc., stated that details were being collected from the field and would be submitted later on. The Committee desire that all the outstanding utilisation certificates and recovery of over due/outstanding loans be cleared/settled expeditiously and a detailed report be furnished to the Committee within three months.

[12] 7.4.10. *Review of the functioning of a few industries revealed the following,*

**(a) Handmade paper industry**

Out of the 14 units financed by the Board, 3 units (including one departmental unit of Patti Kalyana) were working, 1 unit was weak, 6 units were defunct, 2 units stood de-recognised and 2 were in the process of being set up. The following points were seen.

- (i) Sthaniswar Handmade Paper Society, Kurukshetra and Shakti Gram Udyog Sangh, Bahadurgarh, had installed some machines in contravention of the policy of the KVIC and were de-recognised (1983). Despite instructions from the Commission, Rs. 7.11 lakhs outstanding against these units had not been recovered (July 1987).
- (ii) Departmental unit at Patti Kalyana had been running at loss since 1982-83 (except 1985-86) and total loss sustained was Rs. 0.60 lakh (March 1987) after accounting the profits accumulated till March 1982. Rupees 2.72 lakhs were outstanding against sundry debtors (Government Departments/ Industries/Autonomous bodies only) for supplies made; the year-wise breakup of which was not available with the Board.
- (iii) Recovery of Rs. 17.40 lakhs with interest due from the 6 defunct units was still awaited. Cases were reported to be under process of recovery.

**(b) Khandsari**

Out of the 5 hydraulic khandsari units financed by the Board (Rs. 18.10 lakhs), none was producing khandsari. Rupees 1.20 lakhs (out of

Rs. 4 lakhs) could only be recovered from one unit. Recovery proceedings for the balance (Rs. 16.90 lakhs) were stated to be in progress (March 1987).

**(c) Aluminium industry**

Out of the 25 Aluminium industry units financed by the Board (target: 112) during 1982-83 to 1986-87, 6 were in production with capital investment of Rs. 15.35 lakhs. This industry accounted for a total production of Rs. 17.10 lakhs (target: Rs. 63.00 lakhs) by employing 55 persons against 440 envisaged. Reasons for shortfall in achievement and position of recovery against units not gone into production, were awaited (February 1988).

**(d) Match industry**

Out of the 76 cottage match including 21 aggarbati units financed (Rs. 43.42 lakhs) up to March 1987, only 9 units were reportedly working. The production targets for the period 1982-83 to 1986-87 were worth Rs. 113 lakhs against which actual production was worth only Rs. 40.25 lakhs. None of the working units made the expected annual production of Rs. 1.20 lakhs and provided employment to 22 workers. The Board attributed the poor performance to (a) heavy transportation charges in procuring raw material from South India, (b) non-availability of skilled workers, (c) lack of sale outlets, (d) withdrawal of excise concessions on match with card boards by the Government of India and (e) difficulty in procuring potash chlorate licences; these were however common problems which the board did not anticipate.

Out of the 67 units not working, only 39 units (financial assistance: Rs. 11.45 lakhs) were treated by the Board as defunct. Position of recovery against the 28 remaining units was not made known.

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

- (a) (i) The KVIC has since approved the use of cylinder mould system and the installation cylinder mould by Sthaneshwar Hand Made paper unit has been approved and has since been given recognition. The unit has cleared the outstandings. Only an amount of Rs. 53,000/- loan is over due now and efforts are being made to recover this amount.

In respect of Shakti Gramudyog Sangh proceedings for recovery as arrears of land revenue have been initiated.

- (ii) The Centre is having manually operated vat system. Its output is quite low and the end product can not compete in the market. Therefore, the Centre sustained losses in the past. Now the KVIC has approved cylinder mould system and funds for its installation have also been sanctioned during the current year. The performance of the Centre will improve and also earlier losses will be wiped out and the unit will start earning profit.

The latest position of the amount against sundry debtors as on 31-3-1990 is that only Rs. 96 thousand are recoverable. Thus a considerable amount has already been recovered. Efforts are being made to recover this amount also.

- (iii) Out of sum of Rs. 17.40 lacs from six defunct units, an amount of Rs. 2.25 lakhs has been recovered upto March 1990. Efforts are being made to recover the remaining amount.
- (b) Khandsari: In all five cases proceedings for recovery as arrears of land revenue have been initiated.
- (c) Alluminium. The units of this industry could not come up according to expectations. The products have neck to neck competition and the type of utensils which can be manufactured by such tiny unit have limited consumer in this part of country. Efforts are being made to recover the remaining amount.
- (d) 14 units have refunded the entire amount and efforts to make recoveries from the remaining 14 units as arrear of Land Revenue are being made.

**The Committee desire that efforts be made to clear/ settle the recoveries expeditiously. Details of units established, closed, training imparted and the persons employed alongwith latest position of the functioning of the industries listed in this para be intimated to the Committee within six months.**

## **BUILDINGS AND ROADS DEPARTMENT**

### **[13] 5.1. State highways, district and village roads**

#### **5.1.1. Introductory**

At the time of formation of Haryana in November 1966 with an area of 44,222 square kms, the total length of roads in the State (except National Highways) was 4,336 kms. which progressively increased to 13,204 kms in March 1974, 19,290 kms in March 1985 and 20,064 kms in March 1987. Steep rise was marked in village roads which increased from a mere 1,348 kms. in November 1966 to 15,346 kms. in March 1987.

#### **5.1.2. Scope of review**

A test-check of the records of the office of the Engineer-in-Chief and the divisional offices of 4 districts of Gurgaon, Karnal, Ambala and kurukshetra for the period from 1980-81 to 1986-87 was conducted during April-July 1987.

#### **5.1.3. Highlights**

Expenditure of Rs. 14,316.97 lakhs incurred during the Fifth & Sixth Plan and the first two years of the Seventh Plan fell short of the Plan outlays of Rs 17,077 lakhs. (Paragraph 5.1.4.)

The shortfall in achievements of physical targets in some years in respect of State highways and major district roads ranged between 10 and 100 Percent (paragraph 5.1.5.).

Against the requirement of Rs 0.29 lakh per km for the maintenance of roads, the actual annual allocation of funds and expenditure ranged between Rs. 5,000 and Rs. 6,800 per km. during 1980-87. (Paragraph 5.1.6.).

In respect of 11 bridges, the cost of material increased resulting in additional cost of Rs. 14.80 lakhs due to delay in completion of works. (Paragraph 5.1.7.).

The delay in completion of 46 schemes ranged from 1 to 12 years. Eighty-eight schemes were incomplete though started as far back as 15 years (Paragraph 5.1.8.).

Completion reports of 707 works completed during 1980-81 to 1986-87 were not prepared, leading to non-closure of works accounts. (Paragraph 5.1.8.).

A road completed in 1981-82 at a cost of Rs. 12.20 lakhs could not be fully made use of for want of a bridge. (Paragraph 5.1.8.1.).

The work on 2 roads started prior to the finalisation of land acquisition proceedings, resulted in suspension of work. (Paragraphs 5.1.8.4. and 5.1.8.5.).

An inter-State road started during 1970-71 was incomplete after an expenditure of Rs. 99.31 lakhs due to a land dispute on a portion of the road. (Paragraph 5.1.8.6.).

A link road started in July 1984 without acquisition of land was lying incomplete after an expenditure of Rs. 2.19 lakhs as the road alignment passed through the fields and a graveyard. (Paragraph 5.1.8.7.).

A temporary bridge constructed without survey, sanction and approval of design was washed away resulting in an infructuous expenditure of Rs. 1.48 lakhs. (Paragraph 5.1.9.).

These points are discussed in detail in the succeeding paragraphs.

#### 5.1.4. Financial outlay and expenditure

From 1974-75 to 1986-87, total expenditure on construction of roads was Rs. 14,316.97 lakhs against the Plan outlays of Rs. 17,077 lakhs as under :—

	Five Year plan outlays	Budget provision	Expendi- diture
(Rupees in lakhs)			
(i) Fifth Plan (1974-75 to 1978-79)	2257.00	3049.32	1866.21
(ii) Annual Plan 1979-80	1120.00	1187.90	1283.93
(iii) Sixth Plan (1980-81 to 1984-85)	11000.00	6516.57	7101.75
(iv) 1985-86	1330.00	1791.90	1771.08
(v) 1986-87	1370.00	2268.32	2294.00
	17077.00	14814.01	14316.97

Although there was a marginal shortfall in the expenditure as compared to the budget provision, there were wide variations as compared to the plan outlays.

#### 5.1.5. Physical targets(T) and achievements (A)

The position of roads targeted for and actually constructed during the

period 1974-75 to 1986-87 is tabulated below:—

	State highways		Major districts roads		Other district and village roads		Total	
	T	A	T	A	T	A	T	A
1	2	3	4	5	6	7	8	9
(In kilometres)								
(i) Fifth Plan	40	36	48	32	1912	2625	2000	2693
(ii) 1979-80	—	5	5	10	542	793	547	808
(iii) Sixth Plan	30	3	13	2	3019	2580	3062	2585
(iv) 1985-86 } 1986-87 }	9	Nil	4	Nil	530	774	543	774
	79	44	70	44	6003	6772	6152	6860

Although there was a shortfall ranging between 10 and 100 per cent in State highways and major district roads, the achievement in other district and village roads was in excess of the target ((12 80 per cent)

#### 5.1.6. Maintenance of roads

For maintenance of roads in the State, Government had not evolved any system for the allocation of funds a based on traffic volume, width of roads and cost of material and labour. However, according to the Engineer-in-Chief, (B&R) as per recommendations of the Committee of Chief Engineers set up in 1978 by the Government of India for various States, a sum of Rs. 18,530 per km. was required on the average for maintaining a road of single lane and double lane combined), and that on the basis of recommendations (1984-85) of the Eighth Finance Commission, the requirement per km. (average) was Rs 28,960. Against this, both the annual allocation and expenditure on maintenance of roads ranged between Rs 5,000 and Rs. 6,800 per km. during 1980-87

The Engineer-in-Chief stated (June 1987) that the State Government lacked adequate resources and that only adhoc funds were allotted for maintenance without any fixed criteria

In their reply, the Department stated that total length of state roads



was 21139 kms. as on 1st April, 1991 and the maintenance of roads was undertaken with as per funds available. There was generally a resource crunch. Hence actual expenditure was less than the normative figures.

During oral evidence, it was also stated that renewal coating was done on 2249 Kms in 1987-88, 2601 Kms, in 1988-89, 2674 Kms in 1989-90 and 2690 Kms. length of roads in the year 1990-91. The Committee desired to have circle wise details of these figures

The Committee feel that the formula of Rs. 0.29 lac per Km. (average) fixed by the Finance Commission or other authorities for the maintenance of roads should not be made applicable to Haryana because there were not much floods as in other seven States of the country. The Committee desired to know whether the department had tried to find out the expenditure formula on the requirement of repairs of roads in Haryana.

The Committee desire that department should prepare a data regarding total number/length of roads in Haryana together with particulars of roads requiring repairs, indicating nature of repairs required and likely expenditure to be incurred thereon. Suitable norms should be fixed for carrying out different types of road work.

The Committee further desire that steps taken and also the wanted information be furnished to them within three months.

#### [14] 5.1.7. *Cost overrun*

(a) It was noticed that in 8 divisions, the work of construction of 11 bridges during 1980-81 to 1986-87 was delayed by 9 to 38 months beyond the scheduled period of completion due to increase in the scope of work after allotment, delay in approval of drawings, disputes in alignment, change in design, shortage of cement and paucity of funds. During the period of delay, the cost of material increased with the result that additional cost of Rs. 14.80 lakhs (40 per cent) had to be borne by the department.

(b) In respect of 167 schemes for the construction of roads test checked in 14 divisions, against the sanctioned estimated cost of Rs. 624.57 lakhs, the total expenditure upto 1986-87 was Rs. 854.50 lakhs resulting in an increase of 36.81 per cent. The excess on individual works varied from 10 to 223 per cent. The excess over estimates was attributed to increase in the rate of labour, material, land compensation and increase in the scope of work. No action had been taken (Juns 1987) by the department to regularise the excess.

(c) In 113 maintenance works of roads test checked in 10 divisions, against the estimated cost of Rs. 65.18 lakhs, an expenditure of Rs. 107.63 lakhs was incurred during the period 1980-81 to 1986-87 which constituted an increase of 65 per cent. The excess in individual works ranged from 11 to 655 per cent. The excess over sanctioned amount in 68 cases was attributed by the divisions to increase in the rates of daily labour, damage to roads by floods etc. The reasons for increase in 45 remaining cases had not been investigated/intimated (July 1987). No action had been taken to regularise the excess expenditure.

In their reply the department stated is under.—

There is a constant increase in price index and increase in estimated cost is inevitable. The works have to continue in Public interest. Any excess expenditure over permissible, excess on estimates is got regularised by the field staff from time to time. However, instructions have been issued to the field staff vide EIC letter No. 1165-AC-87/SOIV/5658-66 dated 4-6-91 to get excess expenditure regularised by obtaining revised approval, if already not done by them so far.

The Committee do not feel satisfied with the reply of the Department. The Committee observe that before starting the works all factors should be judged before-hand and the work should be completed within the scheduled period to avoid unnecessary expenditure and delay in the works and the head of the Department particularly the Engineer-in-Chief should be careful in such matters.

The Committee desired to have a definite reply about the regularisation of excess expenditure over permissible cost within a month.

[15] 5.1.8. *Delay in execution*

The number of works taken up, completed and those remaining incomplete in 14 divisions during the period from 1980-81 to 1986-87 are shown in the table below:—

Period	No. of Works taken up	Estimated cost	Works completed as on 31st March 1987		Works remaining incomplete as on 31st March 1987	
			Number	Expenditure	Number	Expenditure
1	2	3	4	5	6	
		(In lakhs of rupees)		(In lakhs of rupees)		(In lakhs of rupees)
Prior to 1980-81	274	1012 05	257	887.31	17	124.49
1980-81 to 1984-85	472	1760 27	398	1158.49	74	294.08
1985-86 to 1986-87	171	637.48	52	74.37	119	188.24
Total :	917	3409 80	707	2120.17	210	606.81

It was noticed that out of 707 works completed as on 31st March 1987, 46 were taken up at an estimated cost of Rs. 223.05 lakhs and completed at a cost of Rs. 288.67 lakhs 1 to 12 years after the scheduled dates of their completion. The delay in completion of works was mainly

due to delay in acquisition of land, shortage of material and machinery and paucity of funds. The scrutiny of these 707 works further disclosed that no completion reports giving comparison and explanation of the differences between quantities, rates and cost of various items of works executed, were prepared/submitted as required under rules. This was attributed by the department to non-clearance of liabilities on account of land compensation and contractors' payments and non-sanction of technical estimates.

Out of the 210 incomplete works, 860 were under execution beyond the scheduled period of construction. Delay in construction of 88 such works test checked, ranged upto 15 years due to land disputes (25), non-construction of bridges and approach roads (13), paucity of funds (13), non-availability of machinery and equipment (6), late issuance of land acquisition notification (8) and contractual disputes (9). In the remaining 14 works, reasons for completion asked for in April 1987 were awaited (October 1987).

Cases of delay in respect of a few works under execution are described in the following paragraphs:

5.1.8.1. In the Provincial Division No. 1, Karnal the work of construction of a link road from village Salwan to Kurlan (6.30 Kms.) was commenced in February 1980 at an estimated cost of Rs. 12.26 lakhs excluding cost of bridge (Rs. 2.70 lakhs) over the drain at RD 3 210 of the road. On completion of road, the bridge was to be designed after obtaining the hydraulic data. The link road excepting the bridge portion was constructed in 1981-82 at a cost of Rs. 12 20 lakhs. After designing the bridge, the revised rough cost estimate for Rs. 24.13 lakhs including cost of bridge (Rs. 10.06 lakhs) submitted (March 1985) by the department, was not approved (August 1986) by Government stating that the work be kept suspended till further instructions. The work of construction of the bridge had yet to be commenced (July 1987). The road completed during 1981-82 at a cost of Rs. 12 20 lakhs thus remained incomplete for want of a bridge.

5.1.8.2. The work of constructing a link road (830 metres) at Barara was taken up by the Provincial Division No. II, Ambala, in June 1981, at an estimated cost of Rs 1.73 lakhs without getting the estimate technically sanctioned. An expenditure of Rs. 1.43 lakhs was incurred on 750 metres portion of the road upto 1982-83. Further work on 80 metres portion had not been taken up (July 1987) as pucca structures like shops and buildings of the panchayat department came within the existing alignment. The road which was originally scheduled to be completed in October 1981 was lying incomplete (October 1987) due to lack of planning before the commencement of the work.

5.1.8.3. In the Provincial Division No. 1, Karnal, administrative approval for the construction of second link road from village Munak to village Khora Kheri (6 kms) and a high level bridge on Indri drain crossing the road at km 2, was accorded by Government in February 1980 for Rs. 17.04 lakhs including cost of bridge (Rs. 4 lakhs.) The work on the road was started during 1980-81 and completed in 1984-85 (scheduled to be completed in 3 years) at a cost of Rs. 14.93 lakhs against the technical sanction of Rs. 9.66 lakhs. The expenditure exceeded the sanctioned amount due to increase in length of the road from 6 kms. to 6.60 kms. increase in land compensation and cost escalation. The work on the construction of the bridge could not

be started for want of field investigation, design and inadequate provision of funds in the sanction. On the basis of investigation, design and cost escalation, the revised estimate of the bridge was technically sanctioned for Rs. 15.45 lakhs in November 1984; the work had, however, not yet been started (July 1987) and the road had been lying incomplete since 1984-85.

5.1.8.4. The work of construction of a link road (0.8 km.) from Ambala—Hisar Road to Jambu Majra was taken up in October 1980 by the Provincial Division No. 1, Ambala, at an estimated cost of Rs. 1.25 lakhs without acquisition of land. After an expenditure of Rs. 0.14 lakh had been incurred on earth work and material in a length of 0.3 km, the land owners protested against the further execution of work on their land due to non-payment of compensation. Notification under Section 4 of the Land Acquisition Act was issued in March 1981 but it lapsed as it could not be published in the official Gazette within the prescribed period of 7 days. Fresh notification issued in October 1986 had also not been published so far (June 1987). The link road started in October 1980 and scheduled to be completed by October 1981 was thus still incomplete (June 1987) due to delay in finalisation of the land acquisition proceedings. The reasons for taking up the work without going through legal formalities, are not on record.

5.1.8.5. In Jagadhari Provincial Division, Yamunanagar construction of link road from village Bhambaul to Akalgarh Ka Majra (1.80 kms) was commenced in May 1984. The gazette notification under Section 4 to acquire the land was published in August 1984. Despite resistance from the land owners in respect of the land in km 0.700 to 1.400, the work in reaches 0 to 0.700 km and 1.400 to 1.800 km was completed (November 1986) by the department at a cost of Rs. 2.10 lakhs. The work in km 0.700 to 1.400 had not yet been started (June 1987) due to a land dispute. The expenditure thus incurred without finalisation of the proceedings for land acquisition had been rendered unfruitful.

5.1.8.6. Government accorded administrative approval in March, 1971 for the construction of an inter-State road (13.40 kms) from Pinjore to village Barun. The work on 10.55 kms portion of the road from Pinjore to Kidarpur started during 1970-71 in the Provincial Division, Naraingarh, was completed in 1979-80 (scheduled to be completed within one year) at a cost of Rs. 9.04 lakhs. A high level bridge over Kaushlya Nadi at km 1 on this portion of the road was also completed in July 1985 at a cost of Rs. 87.91 lakhs. The work of constructing the remaining part of the road from Kidarpur to Barun (2.85 kms) including the high level bridge over a nullah taken up in March 1984 without first acquiring land had to be suspended in March 1987 after incurring an expenditure of Rs. 2.36 lakhs due to a land dispute. Thus the inter-State road started during 1970-71 remained incomplete (July 1987) even after incurring an expenditure of Rs. 99.31 lakhs.

5.1.8.7. The construction of a link road from village Mohri to Tejan (1.50 kms) at an estimated cost of Rs. 3.10 lakhs was started in July 1984 in the Provincial Division No. 1, Ambala, without acquisition of land. The road was completed in a length of 1.20 kms in June 1987 at a cost of Rs. 2.19 lakhs. The construction of the part road from km 1.20 to 1.50

was disputed by the villagers as the road alignment passed through the fields and a grave yard. Change in alignment was yet (July 1987) to be approved by the Engineer-in-Chief.

5.1.8.8. In the Provincial Division, Naraingarh, a link road excepting a bridge in between, from Bassi Barwala road to village Hangola (8.98 kms) was completed in June 1982 at a cost of Rs. 8.16 lakhs. The detailed estimate for the construction of the bridge was technically sanctioned in April 1984 for Rs. 3.42 lakhs in anticipation of the administrative approval accorded by Government in August 1984. After conducting soil test in May 1983, the design of the bridge based on open foundation was approved by the Engineer-in-Chief in November 1984 and the work was allotted to an agency (July 1985) for completion within a period of 6 months. As the construction of the bridge with open foundation was not considered workable by the Executive Engineer the soil being slushy and unreliable, fresh tests of the soil were taken. On the basis of these test results, the Executive Engineer reported to the Superintending Engineer in April 1986 that shallow well sinking design may be adopted. The proposal was yet to be approved (July 1987). The road completed in June 1982 at a cost of Rs. 8.50 lakhs could not be put to full use for want of a bridge.

#### 5.1.9. *Unfruitful/infructuous expenditure*

A link road from Gurgaon-Faridabad road to village Bandhwari (Gurgaon District) was completed in March 1981 at a cost of Rs. 2.46 lakhs without providing a bridge on the nullah crossing the road at RD 1300. On representation from the villagers to make it an all weathered road, the Construction Division, Gurgaon, provided a temporary bridge of hume pipes in May 1981 at a cost of Rs. 1.48 lakhs without obtaining administrative approval or technical sanction and also without conducting hydraulic investigations. As the hume pipes could not withstand the discharge of water in the nullah, the temporary bridge was washed away during July/August 1981. Rough cost estimate (Rs. 14.41 lakhs) for the construction of the high level bridge was sanctioned by the Government in October 1984 but the design of the bridge was yet to be approved by the Chief Engineer (June 1987). Meanwhile, the expenditure of Rs. 2.46 lakhs incurred on the construction of the road (upto March 1981) had been rendered unfruitful besides the infructuous expenditure of Rs. 1.48 lakhs on the construction of the temporary bridge.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

In their reply the Department stated that delay in completion was due to paucity of funds; land disputes pending in courts and disputes in the contracts pertaining to execution of works. Necessary instructions had been issued to the field staff for avoiding delay in the execution of works and for preparation of completion reports of all works pending with them.

The Committee do not feel satisfied with the reply of the department and observe that the departmental authorities should be serious in completion of the works within the scheduled time in public interest and to avoid unnecessary expenditure.

The Committee is surprised to note that the completion reports of 707 works completed during 1980-81 to 1986-87 had not been prepared which was a serious matter. The accounts should be closed with completion of works. The Committee recommend that the department should take strict action against the officers/officials who were responsible for non-closing the accounts after the completion of works and action taken by the Department should be intimated to it within 30 days. The whole process should be completed within 3 months.

The Committee desired to know the total length of roads sanctioned for construction together with scheduled dates for their completion and amount allotted for constructions of these roads. The Committee would also like to know the details of 46 sanctioned roads, indicating therein the dates of their sanction, length, number of roads actually constructed/not constructed, reasons for their non-construction. The Committee desired to have the information within a month's time.

[16] 5.5. *Over payment due to inflated measurements of earth-work*

In the Provincial Division No. III, Karnal, the work of four laning of National Highway No. 1 in kms. 178.500 to 180.725 (earth work and construction of culverts) was allotted to a contractor on 5th October 1984 at an estimated cost of Rs. 2.10 lakhs. The agreement stipulated (a) completion of work by 4th March 1985 (b) levy of compensation for delay and (c) completion of incomplete work, if any, at the risk and cost of the contractor. The detailed estimate sanctioned by the Engineer-in-Chief in July 1986 contained the provision for execution of 13,600 cum of earthwork.

The work was started in October 1984 and a payment of Rs. 1.52 lakhs for 13,535.50 cum of earthwork was made to the contractor in May 1985 on the basis of measurements recorded (November 1984 to May 1985) by the Junior Engineers concerned which were check measured (November 1984 to May 1985) by the Sub-Divisional Engineer without taking the cross sections. The concerned Sub-Divisional Engineer in whose incumbency the earthwork was executed, was transferred in August 1986 and his successor reported to the Executive Engineer (September 1986) that there were some appreciable variations between the quantities of earthwork paid to the contractor and that at site. On the instructions from the Executive Engineer, the work was finally measured (September 1986) by the Sub-Divisional Engineer after taking the finished level and it was found that the quantity of earthwork actually executed up to May 1985 was only 7,643 cum against 13,535.50 cum recorded and paid for the contractor resulting in overpayment of Rs. 0.65 lakh for 5,892.50 cum of earthwork. Since the contractor had failed to complete the balance work by the stipulated date, compensation of Rs. 0.21 lakh was levied by the department (January 1986). The balance work (5,892.50 cum) not executed, was allotted (December 1986) to another contractor on work order basis at the risk and cost of the original contractor in terms of the agreement involving an extra liability of Rs. 0.51 lakh. The contractor went in for arbitration (April 1987) against the reduction of quantity of earth work executed. Meanwhile, the concerned Junior Engineer/Sub-Divisional Engineer were charge sheeted (May 1987) by the Superintending Engineer. Further developments were awaited.

Against the recoverable amount of Rs. 1.45 lakhs on account of

excess measurements (Rs. 0.65 lakh), compensation (Rs. 0.21 lakh) extra liability (Rs. 0.51 lakh) and miscellaneous recoveries (Rs. 0.08 lakh), only security deposit of Rs. 0.22 lakh was available with the department.

The matter was referred to Government in July 1987; reply has not been received (February 1988).

In their reply the department stated as under:—

- (1) In this case the following officers/officials were found responsible for inflated measurements of earth work on four lane of National Highway No. I in KM 178.500 to 180.725 in Provl. Divn. No. III Karnal :—

1. Sh. I. S. Goel, Executive Engineer, -
2. Sh. A. K. Sethi, SDE
3. Sh. S. C. Singla, SDE
4. Sh. D. D. Gupta, JE
5. Sh. J. S. Cheema, SDE (now J. E.)
6. Sh. R. C. Satia, J. E.
7. Sh. S. K. Chawla, J. E.
8. Sh. T. K. Jain, Head Clerk.

Accordingly Draft charge sheets under rule 7 of P&A Rules/1952 against S/Shri I. S. Goel, EE, A. K. Sethi, SDE, S. C. Singla, SDE were sent to Govt. vide EIC memo No. 2799/IC-I dated 16-6-88 for approval. The Govt. vide their memo No. 8/83-B&R (Estt)-3-87 dated 29-6-88 asked the EIC to call for the explanations of the above officers and send the same to Govt. with comments of EIC. Explanations of these officers have been called for. Reply to the explanations have also been received.

Final action is pending for want of some information from the field and final Punishment against the officers/officials will be decided very shortly.

S/Shri D. D. Gupta, J. E. J. S. Cheema, SDE (now J. E.) R. C. Satia J. E. R. K. Chawla, J. E. and T. K. Jain, Head Clerk were also charge sheets under rule 7 of the P&A rules by EIC on 15-6-88 for recording inflated measurements of earthwork. The cases of the above Junior Engineers have been kept pending till the decision is taken by the Govt. in the case of the above Xen/SDEs

- (ii) The executive Engineer has already filed a claim of Rs. 1,08,182/- on account of over payment compensation and interest. As

regards the amount of work done at the risk and cost of the contractor the same shall be recovered from the pending dues which is to the tune of Rs. 22,000/-. The case is still pending before the Arbitrator.

In view of the position explained above, action has already been initiated in respect of queries 1 and 2 as desired by the PAC. Accordingly it is requested that the para may kindly be dropped.

The Committee is not satisfied with the reply of the department. The department should go through the case, especially its legal aspect. The Committee feel that the entire responsibility falls on the officer who has collaborated with the contractor as he gave the false certificate regarding the completion of work whereas it was in pendency.

The Committee desire that the matter should be finalised within a period of 3 months and Committee be informed accordingly.



## MEDICAL AND HEALTH

### [17] 4.12. Eradication of leprosy

The National Leprosy Control Programme introduced by the Government of India in the year 1955, renamed in March 1982, as the 'National Leprosy Eradication Programme' aims at complete eradication of leprosy from the country by 2000 A. D. In Haryana, the incidence of leprosy is estimated at only 0.08 per 1000 population which, compared with the all India incidence of 5/1000, is very low. The State Government, however, had no data about the total number of lepers in Haryana. The Director of Health Services (DHS) is in overall charge of the programme.

From 1976-77 to 1986-87, against an allotment of Rs. 23.85 lakhs, expenditure of Rs. 21.39 lakhs was incurred of which Central financial assistance received aggregated Rs. 9.80 lakhs (cash) and Rs. 1.91 lakhs (medicines).

A test-check (June 1987) of records of the Civil Hospitals Karnal, Ambala, Rohtak, Medical College, Rohtak and the Director, Health Services, Haryana, for the period 1976-77 to 1986-87 disclosed the following:

- (i) For effective implementation of leprosy eradication programme, the State Government, in terms of the Government of India directives, was to set up (a) two survey, education and treatment centres (b) one temporary hospitalisation ward (c) 150 voluntary leprosy beds (d) one sample survey and assessment unit (e) one monitoring and assessment cell (f) three urban leprosy centres and appoint one district leprosy officer.

The Government, however, only

- set up two survey, education and treatment centres at Nilokheri and Rohtak (1971-72);
- provided grant-in-aid of Rs. 0.37 lakh to the Hind Kust Nivaran Sangh Chandigarh, for maintenance of 103 leprosy beds (1983-84 and 1984-85); and
- established one urban leprosy centre at Ambala in March, 1987.

Achievement in the remaining fields was nil.

- (ii) According to the DHS (December 1986), there were 4 authorised and 12 unauthorised leper colonies in the State. The number of lepers treated upto 1981-82 was not known for want of records. From 1982-83 to 1986-87

however, 5,209 cases were medically treated of which only 155 were cured, 700 left the treatment and the condition/ whereabouts of 4,354 lepers were not known to the department.

- (iii) Out of the allotments made for the programme, grants aggregating Rs. 11.62 lakhs were paid to the Panchayat Samiti, Pundri, for holding 'Falgoo fair' in 1978-79 (Rs. 10.50 lakhs) and to the Haryana Society for Welfare of Deaf and Dumb during 1980-81 to 1985-86 (Rs. 1.12 lakhs). Neither of these activities were, in any way, connected with the programme for eradication of leprosy.
- (iv) To detect the leprosy infected cases, 2 centres were set up at Nilokheri and Rohtak in 1971-72 with a staff of only one non-medical assistant, at each centre. These centres were required to conduct survey in 634 villages (population 13.22 lakhs) of Karnal district and 458 villages (population : 13.41 lakhs) of Rohtak district. While the Nilokheri centre surveyed only 21 villages (6 villages once; 5 villages twice; 8 villages thrice and 2 villages four times), the Rohtak centre covered only 36 villages (1971-72 to 1986-87) detecting only 9 leprosy cases. The reasons for not surveying the remaining 611 villages of Karnal and 422 villages of Rohtak were not known. Bulk of the expenditure (Rs. 2.31 lakhs) on the establishment of these centres was thus unfruitful.
- (v) From 1982-83 to 1986-87, the DHS received free supply of 13.57 lakh tablets of 'Depsons' from the Government of India/ World Health Organisation. During the same period, 5.07 lakh tablets were issued to various hospitals. In the stock registers, however, the closing balance, as on 31st March, 1987, was shown as 4.38 lakh tablets instead of 8.50 lakh tablets. The discrepancy of 4.12 lakh tablets (market value : Rs. 0.18 lakh) had not been reconciled by the DHS so far July 1987).

The DHS also received from the Government of India 0.79 lakh capsules of 'Refampicine' (1982-83 to 1985-86); 0.08 lakh capsules of 'Lemprine' (1982-83), 0.05 lakh capsules of 'Tjbamycine' (1982-83) and 0.45 lakh capsules of 'Clafazimine' (1984-85 and 1985-86). There were, however, no stock entries of receipt and issue of these medicines. The use of these Medicines by the department could not therefore be vouchsafed in audit.

The matter was referred to Government in August 1987 reply has not been received (February 1988).

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

**National Leprosy Control programme renamed in March, 1982**

as the National leprosy Eradication programme aims at complete eradication of leprosy from the country by 2000 A.D. In Haryana, incidence of leprosy is 0.08 per thousand of population which compares favourably with all India incidence of 5 per thousand. The total number of the leprosy cases in Haryana as on 31-3-1990 was 888. The figures for the previous years were as follows :—

31-3-1987	1162
31-3-1988	1109
31-3-1989	1052

From 1976-77 to 1986-87, an expenditure of Rs. 21.39 lakhs was incurred for this programme. Out of this, central financial assistance received aggregated Rs. 9.80 lakhs in cash and Rs. 1.91 lakhs in kind in the form of medicines. The total expenditure was incurred for the effective implementation of N.L.E.P. The progress achieved in the period mentioned above was as follows :—

(i) (a) *To set up two Survey Education and treatment Centres.*

The Govt. set up two city centres at Nilokheri and Rohtak during 1971-72 and both are in operation since then.

(i) (b) *One temporary hospitalisation ward*

For the construction of temporary hospitalisation ward, the Govt. of India allotted a sum of Rs. 1.50 lakhs. As per the estimate of State PWD, a sum of Rs. 6.5 lakhs was required for this purpose and therefore, the Govt. of India was requested to revise the sanction upward. The Govt. of India revised it to Rs. 5.5 lakhs during January, 1985. The State Govt. requested the Govt. of India again on 3-2-89 to raise the sanction to Rs. 6.56 lakhs. The reply is awaited. This ward is to be constructed in Medical College, Rohtak.

(i) (c) *Aid to 150 voluntary leprosy beds*

As per the guidelines, Rs. 30/- per bed per month was to be given as grant-in-aid to the voluntary organisations maintaining beds for leprosy patients. As Hind Kusht Nivarn Sangh only was maintaining such beds, hence this aid was given to this organisation. In 1983-84, Rs. 1080/- was given for maintaining 3 beds at Karnal. Then 1984-85, Rs. 36.00 were given for maintaining 100 beds to this organisation. This organisation had informed vide its letter dated 6-12-85 that they were maintaining 290 beds for leprosy patients in the State.

(i) (d) *One sample, survey and assessment Unit*

For the establishment of above unit, a sum of Rs. 1,67,370 was sanctioned by the State Govt. in 1986-87. But this could not be established because sum required was Rs. 4,50,540. On 31-3-88, Govt. sanctioned Rs. 5,22,830 for the above purpose but again it could not be implemented as the sanction was received on the last day of the year

i.e. on 31-3-1988. In 1988-89, sanction of Rs. 4,87,800 was received on 22-9-88. During this year i.e. 1988-89, post of S.M O and M.O. was filled in. During 1989-90, two posts of the Drivers have also been filled in. Efforts are on to fill in the remaining vacancies i.e. :—

Statistical Assistant	1
Sanitary Inspector	1
Senior Lab Technician	1
Health Supervisors	8
Computer	1
Clerks	2
Class-IV	3

(i) (e) *One monitoring and Assessment Cell*

The sanction for filling in the staff in the above scheme was received on 5-3-1986. The staff comprises of one Deputy Superintendent, two Assistants, two Clerks and one peon. Due to the ban on fresh recruitments, the vacancies have not been filled in so far. Efforts, are now on to get the exemption from the ban.

(i) (f) *Three Urban leprosy Centres*

These centres are functioning at Ambala, Karnal and Faridabad.

There are 4 authorised and 13 unauthorised colonies of leprosy patients in the State. The average number of leprosy patients during the 5 years (1982-83 to 1986-87) is 1,005 in any given year. It is not correct to say that we have 5209 cases during 1982-83 to 1986-87. They are the same patients carried over every year on rolls barring a few who have left on their own, or cured, and new entrants. Out of this average of 1000 patients every year, 155 so far have been declared cured. 700 patients have left on their own. Rest of the patients are still under treatment.

A sum of Rs. 10.5 lakhs was paid to Panchayat Samiti, Pundri for Falgu Fair in 1978-79 under the Head "282-Public Health-Sanitation and Water Supply. A-Prevention of disease-A(II) (C)-Public Health Sanitation-Grant in aid (Non-Plan). This sanction was not under the National Leprosy Programme. During 1980-81 to 1985-86, Rs. 1,12,500 were incurred as grant-in-aid to deaf and dumb under the non-plan side of NLEP. This expenditure was borne entirely by the State Govt.

Only one post each for each SET was sanctioned at Nilokheri and Rohtak. They have done the following work. :—

Year	No. of villages surveyed	No of patients detected
1981-82 to	Rohtak 90	23
1986-87	Nilokheri-48	Nil

Now they have accelerated the survey work. Till now SET Rohtak has detected 61 cases and 60 cases are under its treatment. Nilokheri at present is now treating 219 cases.

In 1981-82 to 1986-87, a total of 13.57 lakhs tablets of Depsone were received. Out of this 5.07 lakhs tablets were issued to the various hospitals and 4 lakhs tablets were issued to Hind Kushat Nivaran Sangh for distribution among leprosy patients. Copy of acknowledgement of Hind Kusht Nivaran Sangh is enclosed. Due to over-sight the entry of these 4 lakhs tablets issued to Hind Kusht Nivaran Sangh was not made in the stock register which is regretted. The discrepancy pointed out stands cleared.

The discrepancy pointed out about the capsule Rephampicine, 0.79 lakhs capsules, lampri 0.08 lakhs capsules, Tibamycine 0.05 lakhs capsules is being investigated.

The Committee observe that the department should accelerate the survey work to detect the leprosy infected cases and posts sanctioned for the programme be filled up as early as possible for effective implementation of leprosy eradication programme.

The Committee further observe that proper records of stock of medicines purchased/supplied by Government of India be maintained to avoid any discrepancy in further and the investigation report on the discrepancies pointed out in audit para alongwith compliance report be furnished to the Committee within three months.

#### [18] 6.6. *Idle machinery*

(a) Three X-Ray plants valuing Rs. 2.79 lakhs had been lying idle with a hospital and two dispensaries since the date of purchase (April 1986) for want of accessories (all the three units), dark room (Pinjore dispensary) and due to non-posting of a radiographer (Hisar dispensary).

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

After purchase and installation of the X-Ray plant at the ESI Dispensary, Hisar viz., 21-4-86 and 8-7-86 respectively, the work of construction of dark room and purchase of accessories was completed by 6/87 and 9/87 respectively. As the posting of Radiographer was to take some time, temporary arrangement were made that Radiographer posted in the Civil Hospital, Hisar, would operate this plant also once a week. Regular Radiographer was posted on 24-4-89 who pointed out certain defects in the machinery on 13-6-89. Radiographer so posted unfortunately expired on 10-10-89. The orders for repair of the plant were given to the S.M.O. ESI Dispensary, Hisar on 8-11-89 but the plant is not under operation yet. Disciplinary proceeding against the defaulting officers/officials responsible for not putting the plant in operation in time are being initiated. X-Ray plants installed at ESI Dispensary, Pinjore and Sanjipat (except

Hisar) are in operative condition since 9-2-89 and September, 1987.

(i) It is stated that the purchase of accessories in all the three ESI Dispensaries took a period of three months after the construction of dark rooms.

(ii) Non-posting of Radiographer in time was due to non-availability of Radiographers in the State.

During oral evidence, the departmental representative attributed the main reasons for non-operation of plant to non-availability of Radiographers and resultant 31 vacant posts of Radiographers.

The Committee observe that the department should impress upon the authorities of the Medical College, Rohtak to increase the number of trainee Radiographers in the College to meet the requirement in the State.

The Committee desire that a compliance report be furnished to them within six months.

## TRANSPORT

### [19] 8.2. *Inventory control in Haryana Roadways*

(A) Haryana Roadways has 15 depots and each depot has a workshop and a store of its own. As per the norms, each depot should hold inventory of Rs. 0.10 lakh, per bus, for repair maintenance of its fleet. The inventory actually held by the depots was, however, on an average, in excess of the norm (between 11 and 22 per cent) as may be seen from the following table.

Year	Number of buses held	Quantum of inventory		
		due as per the norm	actually held	Excess
(in lakhs of rupees)				
1984-85	2910	291.00	337.31	46.31
1985-86	3077	307.70	340.34	32.64
1986-87	3130	313.00	382.56	69.56

(B) There were wide variations in the stocks held in each depot. Thus, per bus :

In 1984-85, while Chandigarh and Faridabad depots held inventory valuing Rs. 0.16 lakh and Rs. 0.15 lakh respectively, the Sonipat and Rohtak depots had inventory valuing only Rs. 0.08 lakh and Rs. 0.09 lakh respectively :

In 1985-86, Faridabad and Hisar depots held inventory of Rs. 0.15 lakh and Rs. 0.14 lakh whereas Sonipat and Jind depots held inventory of Rs. 0.07 lakh and Rs. 0.08 lakh only ; and

In 1986-87, the highest inventory was with the Delhi depot (Rs. 0.18 lakh) and the lowest with the Ambala, Jind and Sonipat (Rs. 0.09 lakh each).

The department had analysed neither the reasons for these variations for the effect of inadequate inventories held by the depots on the maintenance of fleet. The department had no system of periodical review of stock holding to ascertain the extent of surplus, non-moving, slow-moving items of stores. The minimum, maximum and reordering levels

of inventory holdings of various items of stores and spares had also not been fixed (July 1987). Thus while, on the one hand 5 depots tested (Jind, Chandigarh, Faridabad, Karnal and Gurgaon) had non-moving/slow-moving stores valuing Rs. 12.89 lakhs (March 1987), on the other hand these depots lost 1179 vehicle days involving revenue of Rs. 9.68 lakhs (1986-87) due to non repairs of vehicle for want of the required spare parts.

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

- (1) It was somewhere in 1974 that department fixed a limit of Rs 10,000 per vehicle. Though there has been repeated increase in prices of spare parts, tyres, tubes, batteries etc. (as on today the prices of such parts can very easily be said to be 2-3 times compared to those available in the year 1974) and accordingly limit for stores inventory should have been raised to about Rs 30,000 per vehicle. It is, however to mention here that during this period of about 16 years, availability of certain parts has become easy with the result that the stock holdings have been reduced. However, in the year 1986, again Planning Commission fixed limit of stores inventory at the rate of Rs 10,000 per vehicle. From the study of rate-contract of ASRTU issued during the period 1986 to 1990, there has been 10 percent increase in prices of majority of parts every year and accordingly limit for stores inventory even if compared with the limit fixed by the Planning Commission in the year 1986 should now be about 14,000 per vehicle. With a view to ensure inventory at lower level department has once again decided to fix the limit of store inventory for depots other than Chandigarh at the rate of Rs. 12,000 per vehicle. Chandigarh depot is operating a composite fleet of TATA & LEYLAND buses apart from buses for city a services, deluxe bus service and A/C bus service, therefore, limit of store inventory at the rate of Rs 12,000 per vehicle can not be made applicable in respect of Haryana Roadways, Chandigarh and it has been decided to allow margin of Rs. 3000 per bus to Haryana Roadways, Chandigarh, thus allowing them to keep inventory within limit of Rs. 15,000 per vehicle.

Store Inventory means stock of stores with least investment to ensure availability of spare-parts for all depots of all the items to avoid any detention. Therefore, some reasonable inventory has to be maintained. Store Inventory of all the depots is reviewed every quarter. Figures of inventory of all the depots are called for from the depots and analysed and after preparing the summary of the same, it is circulated to all the depots for exercising check on excessive stores inventory, if any.

Detention of vehicles is not directly linked only with the reduction in the level of inventory maintained. It can



be due to non-availability of certain critical parts like piston/piston-rings, Ball Roller Bearing etc. Manufacturers of these items are called in the office of the Transport Commissioner from time to time, and persuaded to release supplies of such parts so that the vehicles are not allowed to be detained.

From the above it would be observed that sufficient efforts are being made to cut down the stores inventory at lower level, in light of which, this para may be dropped

- (ii) The main reasons for variation in store inventory between depots is attributable to the type of operation being undertaken by various depots. For example, Chandigarh depot which is operating a composite fleet has to store inventory of parts of AC Units installed in the AC Coaches and accordingly depots operating Air-Conditioned Coaches/Deluxe Coaches have to keep inventory of these items also. Also those depots who are operating longer inter-State routes have to ensure fitment of quality parts rather than repaired parts in these buses and, therefore, the requirement of stores inventory of parts has certainly to be on the higher side.
- (iii) As explained in the foregoing paras, store inventory of all the depots is analysed every quarter and necessary guidelines/instructions are issued to the depots, whose inventory is on the higher side. A meeting of Chief Store Keepers/Store Purchase Officers is held from time to time and necessary transfer of excess stores held in the depots to the other needy depots is made with a view to cut-down the store inventory.
- (iv) Position has been explained in paras 1 to 3.
- (v) Annual orders for the supply of vital parts of proprietary nature are placed on M/s. Telco./Leyland while other parts are purchased from the firms on rate contract of ASRTU. Though all efforts are made to procure the parts from M/s. Telco./Leyland in time but at times due to certain constraints of commitments to other State Transport Undertakings, also, they are not in a position to release supply of material as per the delivery schedule given by the department and, therefore, the purchase of such parts have to be made from other sources also in between M/s. Telco./Leyland release the supply of these parts, temporarily, this adds to the inventory but in due course, once again these items are consumed and inventory gets reduced. Though all efforts are made to ensure holdings of inventory at uniform level but as explained above, at times, due to untimely supply of parts by M/s. Telco./Leyland there are periodical variations which are beyond the control of the department. As regards detention is concerned it has already been explained above; though it is not necessarily due to holding of less or excess inventory but most of the times, this happens due to non-availability of certain crucial parts and when these parts are made available, the vehicles are out-shedded.

The Committee find that the variations in the stocks held in depots was due to lack of periodical check on the stores. The Committee further note that the Department did not take action against the officers/officials responsible for the lapse in not keeping the inventory according to the prescribed norms.

The Committee desire that the Department should investigate the reasons for not adhering to the norms of inventory fixed for each vehicle by the depots and fix responsibility for the lapse. Suitable disciplinary action may be taken against the officers/officials who failed to adhere to the norms and the report be furnished to the Committee within six months.

The Committee further desire that the Internal Audit Cell of the Department should also examine the stocks/stores of all depots periodically to minimise such irregularities.

[20] 8.2 (C) *The following points were further noticed*

(i) A record of old parts replaced in the vehicles is required to be maintained at each depot to keep control on the issue of new parts. In 3 depots (Jind, Chandigarh and Gurgaon) test check of record of November 1986 revealed that old parts replaced by new parts valuing Rs. 1.66 lakhs were not accounted for in the old parts register.

In evidence the department stated that :

Items like Nut, Bolts, Stud, Washers, Nails, Paints, Tyre Patches Diesel Tank, Cup, Insulation Tape, Old Dhoti, Mobil Oil, Kerosene Oil, C.oil, Grease, All kind of Glasses, Rubbier Channels, Soldering Rods, Cutting Oil, Crank Shafts, Grinding, Emery paper, charcoal, oxygen cylinder, Electric Welding Rods etc., Which are of simple nature and practically old parts cannot be retrieved & cannot be accounted for in the old parts register. Similarly when the bus bodies get damaged portion of aluminium sheets, angleiron gets broken and parts of that is wasted out and cannot be accounted in the old parts register. Similarly wooden samples on receipt from the stores are sawn into pieces of required size and fitted in the buses, as and when these are taken out from the damaged/repairable bus bodies, these get broken into small pieces and these really cannot be accounted for.

The Committee desire that strict instructions be issued to ensure that complete record of old items/parts replaced in the vehicles especially involving major value are maintained in each depots and action should be taken against the officers/officials found responsible for the lapse in future.

The Committee would also like to have the details of old parts replaced by new parts valuing Rs. 1.66 lakhs. During oral evidence, the Departmental representative promised to supply the details but the same were awaited till the drafting of the report.

[21] 8.2. C(ii) In 4 depots (Jind, Karnal, Gurgaon and Faridabad), new spring leaves weighing 412 tonnes were issued (1985-86 and 1986-87)

from stock to replace used spring leaves of equal weight. The used spring leaves weighing only 218 tonnes were auctioned during 1985-86 and 1986-87 as against 412 tonnes spring leaves issued from stores. Non-accountal of the balance, 194 tonnes valuing Rs. 7.21 lakhs, was not explained (July 1987).

In their written reply the department stated that :

Purchase of spring leaves is made from the firms on rate contract of ASRTU, however, at the time of purchase, due consideration is given to the firms, which are OE Suppliers to M/s. Telco./Leyland. Being OE Suppliers to M/s. Telco./Leyland means that their product is fitted in the chassis being produced by M/s Telco/Leyland. The major reason for being OE Supplier is that these firms produce product of quality.

Purchase of Spring Leaves is made in quantities as per the rate contract of ASRTU. There is, however, a table with each supply order indicating the quantity to be supplied by the particular firm. It may be the oratically argued that the weight of old spring leaves auctioned should be equal to the weight of spring leaves issued. However, when the vehicle is moving on the roadside and any spring leaf gets broken portion of the broken spring leaf might fall on the road side without being noticed by its driver/conductor and thus the spring leaf will loose the weight.

There are 13 spring leaves in the rear spring leaf assembly and 11 spring leaves in the front spring leaf assembly of TATA vehicles but since there are no limitations in the overloading in the buses, therefore, in the depots, right from the beginning the No. of spring leaves has increased to 15 at the rear 13 at the front. Though there are originally 13 spring leaves at the rear and 11 at the front, department as a matter of policy purchases spring leaves from Main leaf to 5th Leaf while remaining 6-7<sup>th</sup> i.e., 6 to 13th and from 6-12th are made by cutting broken spring leaves. From this it would be observed that when a portion of Main to 5th Leaf is cut and middle portion of the same is utilized for converting the same into 6-13th leaf and, therefore, broken spring leaves are further canablised and used in the manner explained above. There may be variation in one depot to another in the use of broken spring leaves but it certainly true that about 40% of the spring leaves are utilized by way of canablising as mentioned above. By doing so, the department saves lacs of rupees by not purchasing the 6-13th spring leaf for rear and 6-11th for front. In case Spring Leaf gets broken, and is replaced by a new assembly the requirement will become two fold, and expenditure on spring leaves will also increase enormously, which is not be advisable in the interest of Govt. therefore, the variation in weight of broken spring leaves as compared to the weight of spring leaves issued, is bound to a unavoidable.

The Committee desire that loading of auctioned spring leaves/other material should be made in the presence of General Manager or Works Manager of the depots to avoid short measurements.

The Committee would also like to have a detailed report of the non-accounted of 194 tonnes spring leaves valuing Rs. 7.21 lakhs. Responsibility be fixed for the loss and steps taken to effect recovery from the concerned officials/officers. Detailed information in this regard may be sent to the Committee within two months.

## PUBLIC HEALTH

### [22] 5.25. *Non-Commissioning of water/sewerage scheme*

In the Mandi Public Health Division, Yamunanagar, Certain works of a tube-well based water supply and sewerage scheme in grain market, Barara, were executed, as deposit works, from September 1981 to August 1983 on behalf of the Haryana State Agricultural Marketing Board. An expenditure of Rs. 9.35 lakhs was incurred by the division up to August 1983 on water supply works (Rs. 3.77 lakhs) and sewerage (Rs. 5.58 lakhs). Payments were made after having the works duly certified to be as per the P.W. specifications by the concerned Junior Engineer/Sub Divisional Engineer. The scheme has however, not been commissioned so far (July 1987) due to non-completion of the pump chamber, poor discharge capacity of the existing tubewell and defects in the sewerage system. The following points were seen :—

- (i) At the time of entrusting of works to the division a pump chamber was under construction by the Board. In April 1982, the Board asked the division to complete the pump chamber and instal the pumping machinery. For this, another estimate for Rs. 0.95 lakh was prepared by the division in January 1983 but, so far (July 1987), neither the pump chamber has been completed nor the machinery installed.
- (ii) For supply of water, a tubewell was got drilled by the Board through the Agriculture Department. As the discharge capacity (3000 litres per hour) of the tube-well was short of requirement (6,500 litres per hour) due to defects in its drilling, the Board decided in March 1983 to get another tubewell drilled through the Public Health Department at a cost of Rs. 2.11 lakhs. The drilling of the new tube-well had, however, not yet commenced (July 1987).
- (iii) There were major defects in the sewerage system. According to the Sub Divisional Engineer (July 1986), huge expenditure would be involved in cleaning the sewer and rectifying the defects to make the system functional. The repair estimates, however, had not so far been framed (July 1987). The contractor who had executed the defective works refused (August 1986) to rectify the defects at this belated stage. No action was taken by the department (October 1987) to investigate the causes leading to defects, for fixation of responsibility and to make the scheme workable.

Thus due to inordinate delay in making water supply arrangements and the absence of co-ordinate planning between the public health authorities and the Board, the entire expenditure of Rs. 9.35 lakhs incurred against the scheme remained unfruitful and the work already executed and completed (August 1983) had defects

The matter was referred to Government in August 1987; reply has not been received (February 1988)

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

The work under two estimates i.e. Providing W/s and sewerage scheme in Grain Market Braia for Rs 10.30 lakhs were Administratively approved by the Haryana State Agriculture Marketing Board vide letter dated 7th May 1981 (Water supply 4.45 lakhs & sewerage 5.85 lakhs). So far a sum of Rs. 9.94 lakhs (water supply 3.90 lakhs & sewerage 6.04 lakhs) have been deposited by the client department for completion of the work. Water supply pipe line, overhead service reservoir 75000 litres capacity have been completed. There is no source of water supply i.e. Tubewell. The yield of the existing tubewell drilled by Marketing Board through a private agency is inadequate to cater for the need of Mandi. No funds have been deposited against the estimate of Rs 2.11 lakhs for drilling of new tubewell although this estimate was Administratively approved by the Board in 5/83. All the work as proposed in the estimates of sewerage scheme has been completed, except fixation of machinery at disposal.

- (i) The tubewell was drilled by the Haryana State Agriculture Marketing Board through the Agriculture Department. The pump chamber was also constructed by the Haryana State Agriculture Marketing Board without the following work. The Executive Engineer, Haryana State Agriculture Department requested during 1982-83 to the Public Health Department to complete the following works :—

- (i) Balance work of pump chamber
- (ii) Installation of Pumping machinery

As the yield of tubewell was only 3000 gallons per hour, the estimate for installation of pumping machinery was not processed on the plea that it was not technically advisable to spend more expenditure on this tubewell, but instead of another estimate for drilling a new tubewell including the cost of pump chamber and pumping machinery amounting to Rs. 2.11 lakhs was processed during May, 1982. The Administrative approval was issued by the Haryana State Agriculture Marketing Board vide letter No 23400 dated 23rd March 1983.

- (ii) The estimate of the new tubewell duly prepared during 5/82 was Administratively approved in 3/83 by the Haryana State Agriculture Marketing Board. However no funds were deposited by the HSAMB for execution of this work. The work therefore could not be taken in hand.
- (iii) The concerned contractor was persuaded by the Department to clear the sewerage and remove the defects in the sewer.

The site had also been inspected by the Executive Engineer & reported that all defects have been removed. In view of above the expenditure incurred on this scheme cannot be said to be unfruitful as the scheme is likely to function after the installation of new tubewell in case funds amounting to Rs. 2 11 lakhs are made available by the Board

The entire expenditure of Rs. 9.35 lakhs cannot be considered a wasteful expenditure. The work has been executed by this department as per funds deposited by the HSAMB and the services can be utilised on the installation of new tubewell. As the existing tubewell was installed by the HSAMB, the reply on this point is to be given by the HSAMB.

The Committee find that there was a considerable delay in making water supply arrangements and regret to note that no responsibility was fixed for the lapse by the department. However, during oral evidence the departmental representatives assured the Committee that all the work would be completed within four months.

The Committee desire that the matter be investigated and action should be taken against the officer/official found responsible for non-completion of the scheme for such a long period. The Committee further desire that progress made in completion of work and action taken against delinquent officer/official be intimated to the Committee expeditiously.

[23] 65 *Stores and stock*

As on 31st March 1987, there were 36 Public Health divisions in Haryana, out of which 32 were handling stores

The receipts and issues of stores in respect of 30 divisions during the year 1986-87 were as under —

	(In lakhs of rupees)
Opening Balance	181.59
Receipts	2221 01
Total	2402.60
Issues	2214.79
Closing Balance	187.81

The following points were noticed :

- (a) Reserve stock limit of each division handling stores had been fixed at Rs. 20 lakhs. In the Public Health Division No. 1, Bhiwani, the stock held exceeded the reserve stock limit by Rs 4.97 lakhs.

(b) At the end of March 1987, there were minus balances amounting to Rs 55.76 lakhs under the Suspense head "Stock" in 5 Public Health divisions—Sirsa (Rs. 5.07 lakhs), Hisar (Rs. 13.94 lakhs), Kurukshetra (Rs. 14.02 lakhs), Nuh (Rs. 14.07 lakhs) and Panipat (Rs. 8.66 lakhs). The minus balances were due mainly to non-accountal of the value of stores received through the Director General of Supplies and Disposals and non-adjustment since March 1986 of the profit on "Stock" due to higher issue rates. Delays in adjustment of transactions and non-clearance of minus balances were indicative of the fact that the store accounts did not reflect the true position of stock.

(c) Rules provide that stores should not be held in excess of requirement and stores remaining in stock for more than one year should be considered surplus unless there are sufficient reasons to the contrary. Information received from 6 divisions revealed that material valuing Rs. 6.68 lakhs was lying surplus in the Public Health divisions, Sonapat (Rs. 0.26 lakh), Hisar (Rs. 1.59 lakhs), Sirsa (Rs. 0.95 lakh), Rewari (Rs. 2.33 lakhs), Yamunanagar (Rs. 0.29 lakh) and the World Bank Project, Public Health Division, Sirsa (Rs. 1.26 lakhs). In the Public Health Division No. I, Hisar material worth Rs. 0.10 lakh was un-serviceable.

(d) There was obsolete material worth Rs. 1.22 lakhs in the Public Health Division No. 2, Gurgaon, since April 1973. No action to dispose it of has so far been taken (July 1987).

(e) In the Public Health Division No. I, Rohtak material worth Rs. 0.61 lakh had been lying unused for over 10 years since the date of purchase prior to 1976.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

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

- (a) The stock limit for Bhiwani is Rs. 40.00 lakhs instead of Rs. 20.00 lakhs as sanctioned by the Haryana Government vide their letter No. 40/6/82-PH(3) dated the 29th July 1985 because in Bhiwani there are two Public Health Divisions and both the divisions have a common store attached with Public Health Division No. I, Bhiwani. Hence the stock held did not exceed the Reserve stock limit.
- (b) All the minus balances have been cleared and now the balance are in plus.
- (c) Out of surplus store of Rs 6.68 lakhs material worth Rs. 2.87 lakhs have since been consumed. Regarding balance surplus store of Rs. 3.81 lakhs all the Executive Engineers have been requested to meet their requirement of articles from the surplus stores. Division wise break up of balance sur-



plus stores of Rs. 3.81 lakhs is given below :—

Name of Division	Amount (Rs. in lakhs)
Public Health Division Sonipat	0.26
Public Health Division, Hisar	0.76
Public Health Division, Sirsa	0.82
Public Health Division, Rewari	1.18
WBP P.H. Division, Sirsa	0.79
Public Health Division, Yamunanagar	Nil
	<hr/> 3.81 <hr/>

Regarding un-serviceable material of Rs. 0.10 lakh action is being taken by the Executive Engineer, Public Health Division No. I, Hisar.

- (d) Regarding obsolete material of Rs. 1.22 lakhs, action is being taken by the Executive Engineer, Public Health Division No. II, Gurgaon to dispose of the material.
- (e) Regarding unused material of Rs. 0.61 lakh Executive Engineer Public Health Division No. 1, Rohtak has circulated a list of such items to all the Executive Engineers where these items can be utilised/consumed.

The Committee find that the matter was not taken up seriously by the department and stores remained surplus without any valid reasons.

The Committee desire that a senior officer of the department be deputed to check the surplus/unutilised material on the spot and to fix its reserve price. A detailed report may be supplied to the Committee within three-months.

## HOME

### [24] 4.1. *Modernisation of States Police Force*

#### 4.1.1. *Introductory*

To supplement the efforts of the State Government for improving the functional efficiency of the State police organisation, the scheme of 'modernisation of State police force' was introduced by the Government of India from the year 1969-70 for 10 years on all India basis. Under this scheme, the Government of India gave Central assistance (loan/grant in the ratio of 75:25, revised from 1974-75 to 50:50) to the State Governments for the purchase of basic infrastructural equipment. In Haryana, the scheme remained in operation throughout the period of 10 years ended 1978-79; an expenditure of Rs. 373.54 lakhs was incurred of which Rs. 137.05 lakhs were received as Central assistance.

The scheme was revived by the Government of India from the year 1980-81 for a further period of ten years ending 1989-90 and its area of operation was restricted (October 1980) to the activities which, with relative priorities were :

- (a) strengthening of communication facilities in the police force by installing teleprinters and wireless sets.
- (b) improving mobility of police by providing each police station with a jeep,
- (c) supplying equipment to :
  - forensic science laboratory (FSL) ;
  - police training college (PTC);
  - finger print bureau (FPB);
  - examiner of questioned documents; and
  - data processing units for crime records, statistics and accounts.

Pattern of Central financial assistance during the extended period (1980-81 to 1989-90) was the same as in the first phase (1969-70 to 1978-79), viz, 50 per cent loan and 50 per cent grant on non-recurring nature of specified items.

#### 4.1.2. *Organisational set up*

The responsibility for the execution of the scheme in the State rested with the Director General of Police, Haryana. He was assisted by the Deputy Inspectors General of Police (CID/Railways), Directors (FSL/PTC) and Superintendent of Police (Wireless).

#### 4.1.3. Scope of review

The implementation of the scheme (1980-81 to 1986-87) was reviewed, in audit (May-June 1987) by reference to the records of the Director General of Police, the Deputy Inspectors General of Police (CID/Railway) and the Superintendent of Police, Wireless, at the State level and the Director (FSL/PTC/FPB) at Madhuban and the Superintendents of Police at Faridabad, Rohtak and Karnal districts

#### 4.1.4. Highlights

The scheme introduced from 1969-70 entailed an expenditure of Rs. 776.09 lakhs upto 1986-87 of which Rs. 312.86 lakhs were received as Central assistance. Proforma accounts for this expenditure were not prepared and Central assistance was obtained by the State Government from the Government of India without obtaining audit certificates from the Accountant General. (Paragraph 4.1.5 and 4.1.9.)

The scheme was executed without approved plan and area/project approach. (Paragraph 4.1.7)

There was lack of proper communication system. Out of 640 police posts/stations/battalions in the State, 261 were without wireless sets and out of 512 walkie-talkie sets, 153 sets valuing Rs 15.50 lakhs were out of order. Nineteen police stations were without a jeep (paragraphs 4.1.11 and 4.1.12.)

Communication equipments worth Rs. 251.99 lakhs were not properly used for want of manpower. (Paragraph 4.1.11.)

Equipments worth Rs. 88.58 lakhs were purchased though not included in the perspective plan (Paragraph 4.1.10.)

Equipments, vehicles etc. value Rs. 10.01 lakhs remained idle for want of accessories, repairs etc. (Paragraph 4.1.9.)

Central assistance of Rs. 34.51 lakhs was obtained from the Government of India for equipments not purchased and Rs. 13.04 lakhs were obtained in excess by inflating the cost of equipments. (Paragraph 4.1.9.)

Mini forensic science laboratories were not set up in any district. (Paragraph 4.1.13)

93,865 finger prints certified by the Finger Print Bureau had not been stored in the 'Direct data entry device'. (Paragraph 4.1.14)

A computer, though sanctioned in July 1985, had not been purchased for want of decision about its capacity. (Paragraph 4.1.16)

The number of cognizable crimes, per year, more than doubled from 18935 in the year 1969 to 38341 in the year 1986. (Paragraph 4.1.17)

These points are discussed in detail in the succeeding paragraphs.

#### 4 1.5. Financial outlay and expenditure

The Action Plan for the years 1980-81 to 1986-87 provided an outlay of Rs. 399.29 lakhs against which an expenditure of Rs. 402.55 lakhs was incurred on purchase of vehicles, wireless sets and other equipments. Central assistance aggregated Rs. 175 81 lakhs. Yearwise details are as follows :—

Year	Outlay as per Action Plan	Funds provided by			Expenditure out of		
		Govern- ment of India (Central assis- tance	State Govern- ment	Total	Central assis- tance	State funds	Total
(In lakhs of rupees)							
1980-81	27 29	20.39	6 90	27.29	20 39	6.90	27.29
1981-82	60 50	27 19	25 46	52 65	27.19	25 49	52 68
1982-83	60 01	27.19	70.11	97 30	26 09	70.11	96.20
1983-84	64 35	27.19	56.16	83 35	27 48	56 16	83.64
1984-85	67.06	20 39	33 24	53 63	20 52	33.24	53.76
1985-86	65 57	27 19	46 19	73.38	1 56	46.19	47.75
1986-87	54.51	26 27	26.20	52 47	(Not available upto November 1987)		41.23
	399 29	175.81	264.26	440.07			402.55

Of Rs. 175 81 lakhs received as Central assistance, 50 per cent (Rs. 87 905 lakhs) were as grant and the balance as loan bearing 8 per cent annual interest.

#### 4 1.6. Targets and achievements

Vehicles, wireless sets and number of different kinds of equipments for railway and traffic police (R&T), forensic science laboratory (FSL), Finger Print Bureau (FPB), Police Training College (PTC) targeted to be purchased as per the perspective plan and achievements reported by the

department to the Government of India are given in the table below :—

Year	Vehicles		Wireless sets		R&T police equipments		FSL equipments		FPB/CID equipments		PTC equipments	
	T	A	T	A	T	A	T	A	T	A	T	A
(In numbers)												
1980-81	2	2	174		—Nil—							
1981-82	21	1	8	64	36	Nil	1	1	48	5	13	1
1982-83	23	4	51	40	36	Nil	15	15	28	1	14	Nil
1983-84	17	60	52	Nil	19	Nil	16	16	19	2	1	1
1984-85	14	63	53	140	19	Nil	3	3	5	1	2	2
1985-86	15	80	72	6	18	1	1	Nil	19	Nil	Nil	3
1986-87	9	4	59	53	2	1	2	Nil	7	15	1	Nil
	101	214	469	303	130	2	38	35	126	24	31	7

(T : targets; A : achievements)

While the number of vehicles purchased was 116 per cent more, the achievements in equipping the R&T Police, FSL, the FPB, and the PTC and in purchase of wireless sets were short by 8 to 98 per cent. This shows that the targets fixed were not realistic and that the acquisition of equipments did not match the requirement.

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

The grant amounting to Rs. 137.00 lacs released by Government of India as Central Assistance-cum-loan from 1969-70 to 1978-79) was fully utilised by this deptt. Reg : achievements Govt. of India as well as State Government had been informed accordingly. From the year, 1980-81 for a further period of ten years, ending 1989-90 funds allotted under Modernisation Schemes have been utilised and reviewed by Government of India.

Necessary comments have been given against relevant paras concerning the State of Haryana.

Under this scheme, expenditure spent during 1986-87

and onward is given as under :—

	Central assistance	Grant from State Govt.	Total	Total Exp. of Central Assistance	Out State funds	Total
1986-87	26.27	26.20	52.47	29.98	11.15	41.13
1987-88	27.19	27.19	54.38	27.29	25.22	52.51
1988-89	50.00	30.00	80.00	49.20	30.51	79.71
1989-90	25.83	30.00	55.83	25.61	1.00	26.61
	129.29	113.39	242.68	132.08	67.88	199.96

(Due to late receipt of grant equipments, could not be purchased and grant also not utilised in full during the year 1989-90).

1. Keeping in view the maintenance of law & orders in the State, it was essential to purchase the vehicles more for patrolling purposes instead of purchase of other equipments for our units.

2. -do-

The Committee do not feel satisfied with the reply of the department. During oral examination, the Departmental representative also admitted that planning was not done properly and assured that they would look into it and fix the responsibility.

The Committee desire that responsibility may be fixed for the non-utilization of the amount and also for the purchases made in an improper manner. Action taken be intimated to Committee within three months.

[25] 4.1.8. *Absence of area/Project approach*

Considering that the Central financial assistance provided during the first phase (1969-70 to 1978-79) had not been properly utilised and equipment had been purchased without assessment by some State Governments, the Government of India (Ministry of Home Affairs) had asked the State Government (February 1979) to initiate an area/project approach for the second phase of the scheme (1980-81 to 1989-90).

Under this approach, the State Government was to identify areas which were prone to :

- communal ;
- communal violence ;

- atrocities on harijans;
- disaster;
- labour/student unrest; and
- backwardness, etc.

After identification of problem areas, the State Government was to formulate projects to provide necessary infrastructure to improve policing in such areas. The projects duly formulated, were to be submitted to the Ministry indicating also the then existing system of police working in these areas. No such identification of problem areas was made by the State Government and no such projects were formulated.

In their reply, the department stated as under :—

These areas do not exist so far as this State is concerned for the period ending upto 1979. As regards general labour problems, Industrial complex and students' trouble, we have adequate police force to control over the situation.

During oral evidence the Committee observed that number of cases of atrocities on women especially on Harijan and Backward Classes were increasing day by day. The Departmental representatives admitted that they had not adequate lady police force to investigate and control such cases.

The Committee recommend that the lady police force be strengthened by providing additional manpower to deal with the problems of women in the State and a compliance report be furnished to the Committee within six months. Special police cells should be set up at district level to ensure speedy justice to Harijans and Backward Classes.

The Committee also desire to know the policing system to check students unrest in the Universities.

[26] 4.1.12. *Police stations without vehicles*

After communication system, second priority in the scheme was improvement in mobility by providing each police station with a jeep.

Out of the 142 police stations in the State, 19 as on 31st March 1987, were without jeeps from 1980-81 (one), 1981-82 (eight), 1982-83 (fourteen) and 1983-84 onwards (nineteen). To provide jeeps to 10 of these stations, the Government of India earmarked Rs. 3.14 lakhs for 4 jeeps in 1982-83 and Rs. 5.09 lakhs for 6 jeeps in 1985-86. Out of these funds, the State Government, however, purchased 32 motor cycles (Rs. 5.09 lakhs), one chassis for mini-bus (Rs. 1.50 lakhs) and two jeeps for CID/FPB (Rs. 1.64 lakhs) without prior approval of the Government of India; the expenditure had not been got regularised so far (August 1987).

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

1. According to fixed norms for light vehicles/jeeps by this deptt. light vehicles/jeeps is provided to every Addl. S.P. DSP Incharge CIS (Inspr) and incharge police station. However, in some districts, there is a shortage of light vehicles. As such keeping inview the rank/status and their duties of arduous nature some light vehicles meant for police stations are given to Add. S.P. or D.S.P. in this way very few police stations are without jeeps. Efforts are being made to provide jeeps to all police stations subject to availability of funds.
2. During 1985-86, best efforts were made to purchase six jeeps for newly created police stations but due to non receipt of Govt. sanction six jeeps. could not be purchased during 1985-86 as per approved plan. However as per Govt. decision/sanction other types of vehicles were purchased under the Modernisation scheme.

**The Committee observe that the Department should take immediate steps to provide each police station with vehicles/jeeps to improve mobility of police and a compliance report be furnished to the Committee within six months.**



## EDUCATION

### [27] 4.14. *Outstanding Inspection Reports*

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the heads of offices and to the next higher departmental authorities through the inspection reports. The more important irregularities are also reported to the Heads of departments and Government for initiating immediate corrective action. According to the existing instructions of Government, first reply to an inspection report should be furnished to the Audit office within 4 weeks from date of issue of the report.

A review of the outstanding inspection reports relating to offices under the Education Department revealed that at the end of September 1987, 972 inspection reports issued upto March 1987, contained 3641 unsettled paragraphs as indicated below :—

Year	Inspection Reports	Paragraphs
1980-81	70	236
1981-82	105	310
1982-83	99	382
1983-84	138	602
1984-85	78	291
1985-86	116	374
1986-87	366	1446
Total	972	3641

This included, 635 inspection reports (2672 paragraphs) pertaining to the period 1980-81 to 1986-87 for which even first replies had not been received (September 1987).

An analysis of the inspection reports in which first replies were not received within the prescribed period disclosed that out of 1051 such cases pertaining to the period 1980-81 to 1986-87, delay ranged between six months to one year (34 cases), one to two years (41 cases) and exceeding two years (52 cases).

The important types of irregularities noticed during inspection and

local audit are summarised below :—

Serial number	Nature of irregularity	Number of cases	Money value (In lakhs of rupees)
1.	Non-observance of rules relating to custody and handling of cash, posting and maintenance of cash books, reconciliation of departmental receipts and remittances with the Treasury records etc.	527	28.99
2.	Irregularities connected with purchase of stores	342	41.77
3.	Irregularities in the account of stores	123	2.96
4.	Irregular, excess and wasteful expenditure due to appointment of staff etc.	487	18.10
5.	Losses/defalcations/thefts	58	0.98
6.	Non-disposal of unserviceable articles	321	9.96
7.	Infructuous expenditure	2	0.60
		1860	103.36

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

Position of pending inspection report/paragraphs are as under :

	Reports	Paragraphs
1980-81 to 1986-87	449	761

It is stated that out of 972 Inspection Reports and 3641 paragraphs, 523 Inspection Reports and 2680 paragraphs have since been settled leaving a balance of 449 Inspection reports and 761 paragraphs pending with the Deptt. Out of this 141 Inspection reports pertaining to the periods 1980-81 to 1985-86 which are of ordinary nature and disclosing minor Departmental procedural irregularities have been transferred to Government by the Accountant General Haryana for settlement. Efforts are being made to clear the remaining paragraphs.

2. Initial reply to the Inspection Reports are sent by the DDOs direct to the Accountant General Haryana. Some time

the reply is delayed, as the relevant record, rules and instructions have to be consulted by them and in some cases they have to seek clarifications/sanctions etc. from the higher authorities which takes sufficient time. However, all the DDOs have been instructed to submit the initial reply to the Accountant General Haryana well in time.

DDOs are being imparted accounts training in the Haryana State Accounts Training Institute at the cost of Government.

From the reply to question No. 1 it will be observed that substantial progress has been made and the number of pending paras dropped down from 3641 to 761. To accelerate the pace of settlement of outstanding reports/paragraphs, the Deptt. arranges meetings in collaboration with the A.G. Haryana with DDOs to settle the outstanding paras.

During oral evidence the departmental representative attributed delay in settling of outstanding inspection reports/paragraphs to heavy work load and shortage of clerical and supervisory staff. The Committee find that the irregularities mainly occur due to non-trained staff posted to deal with the accounts matters especially in the schools.

The Committee recommend that all the clerical staff dealing with the accounts work especially in the schools should be imparted accounts training organised by the Finance Department and steps taken in this direction be intimated to the Committee within six months.

The Committee further desire that all the remaining outstanding paragraphs be settled within six months and in future the delay in settling of audit paragraphs be avoided.

[28] 7.12. *Un-occupied holiday home*

In July 1980, Maharishi Dayanand University, Rohtak, mooted a proposal to set up a holiday home at some easily accessible hill resort in or around Simla hills. While modalities for provision of funds, selection of site etc. were being finalised, and advertisement for the sale of a private bungalow at Panch Rukhi (district Kangra, Himachal Pradesh) appeared in a newspaper in September 1982. After approval of the Executive Council in October 1982, the said bungalow was purchased by the University in January 1983 at a cost of Rs. 3.13 lakhs (cost of bungalow : Rs. 2.83 lakhs; registration fee : Rs. 0.30 lakh).

The holiday home was meant for the students, teachers and staff of the University and, according to the holiday home allotment rules framed by the University, each allottee was to be charged between Rs. 3 and 5, per day, to meet its maintenance cost. From January 1983 to date (April 1987), the holiday home failed to attract any visitor except a lone teacher for only 11 days from 25th May to 4th June, 1985. The

University attributed (January 1987) negligible occupancy to disturbances in Punjab. The fact of the matter, however, was that the site of the bungalow about 500 Km. from Rohtak and 10 Kms away from the nearest town of Palampur, was neither easily accessible nor was the location a popular holiday resort; the University rushed through the purchase on the ground that purchase/construction of holiday home at a popular resort would cost more. Injudicious decision thus resulted in blockade of funds of Rs. 3.13 lakhs besides unfruitful expenditure of Rs. 1 lakh on maintenance upto June 1987; details of further maintenance expenses from July 1987 were awaited (October 1987).

The matter was referred to Government in May 1987; reply has not been received (February 1988).

In evidence, the department stated that

There was general requirement of students and teachers for setting up a Holiday Home at any hill station. It is not a blockade of the funds. It was required to set up a Holiday Home. Moreover, other Universities also have their Holiday Home at Panch-Rukhi. The maintenance expenditure on this Holiday Home is appended below from July, 1987 to August, 1991.

Salary Charges	79,000.00
Electricity Charges	2,976.45
Water Charges	950.00
Total :	<hr/> 82,926.45 <hr/>

The occupancy of Holiday Home is very little for which the main reason is the continuous uneasy situation in Punjab. If one goes to this Holiday Home he shall have to cross half of Punjab and the students and staff feel reluctant to travel through Punjab.

There is a full justification of a Holiday Home and we have been booking the Holiday Home for the students and the Teachers. It is separate thing that they did not go to stay in this Holiday Home due to the reasons explained above. The selection of a place in a hilly area is important from the Tourist point of view. After the improvement of situation in Punjab the Holiday Home will certainly be used by the students and the teachers. Now this town is being developed and very soon it is likely to be a popular hill resort.

It can be utilized after the normal situation in Punjab. However, to sort out the matter, the Vice-Chancellor has

constituted the Committee consisting of Dean Student Welfare, President Teachers' Association, Estate Officer, Chief Accounts Officer, A.R. (Legal) and A.R. (Genl.) for examining the feasibility for the disposal of the Holiday Home, Punch Rukhi and proposed site to be selected for a new Holiday Home.

The said Committee met on 25-2-91 and observed that Holiday Home, Punch-Rukhi may be expeditiously disposed off. Further the Vice-Chancellor has constituted a Sub Committee consisting of Dean Student Welfare, Estate Officer and Brig. Raghubir Singh (member of Executive Council) for exploring the possibility of disposal of Holiday Home. The Sub-Committee has already submitted the report and the issue regarding sale of Holiday Home is under active consideration and early decision is expected to be taken.

The Committee desire that the decision taken in regard to sale/disposal of Holiday Home at Punch Rukhi be intimated to them within six months. It may also be examined whether, after sale this Holiday Home can be set up at Mussoorie or Shimla.

## REVENUE

### [29] 4.9. *Land Reforms*

#### 4.9.1. **Introductory**

Land is the primary resource on which agriculture is based. To remove impediments in agricultural development and to ensure equality of tenurial status, legislative measures in regard to land were taken in the composite State of Punjab during 1953 and 1955. After the formation of the State of Haryana in November 1966, a comprehensive programme for land reforms was launched in the State with the enactment of "The Haryana Ceiling on Land Holdings Act, 1972" (herein-after referred to as 'Act') and the execution from 1976-77 of 'The Haryana utilisation of surplus land and other areas Scheme 1976'. The Government of India also introduced in August 1975 the scheme of 'Financial Assistance to new assignees of land on imposition of ceiling on agricultural holdings' to enable the new assignees to take to efficient cultivation of the assigned land. The main objectives of the Act and the schemes were (a) to impose ceiling on land holdings (b) distribution of surplus land amongst tenants, landless labourers, small/marginal farmers and conferment of ownership rights on them by 1982-83 (c) compilation and updating of land records by 1984-85 and (d) consolidation of holdings by the year 1989-90.

\* \* \* \* \*

#### 4.9.6. **Distribution of surplus land**

The Act permits a landowner having a family of five members (self, wife and upto three minor children) to own (a) 7.25 hectares of land capable of growing atleast two crops in a year (b) 10.9 hectares of land capable of growing at least one crop in a year and (c) 21.8 hectares of other types of land. The permissible area was subject to increase for each additional unit of the family limited, however, to twice the size of the permissible area. Under the Act, every land owner was required to file within three months to Government a declaration supported by an affidavit giving particulars of all his land. The area, over and above the ceiling, was to be acquired by Government against compensation at the per acre rate of Rs. 2,000 (irrigated land), Rs. 1,875 (unirrigated land), Rs. 1,125 (barren land) and Rs. 575 (other types of land). The surplus land thus acquired by Government was to be distributed at the same rates amongst the needy tenants, landless labourers, small/marginal farmers, ex-servicemen etc. All this exercise of acquisition and distribution was required to be completed by the end of 1982-83; the work had however, not been completed so far (April, 1987) as may be seen from the following :—

- (a) The State had 38.39 lakh hectares cultivable land (1980-81);

no survey was however conducted to find out the area owned by landowners in excess of ceiling nor did Government ensure that all the landowners had filed declarations about their land holdings. Total number of landowners in the State was also not known to the department; however, only 31514 landowners had filed declarations (upto March 1987) declaring 1.53 lakh hectares land as surplus of which 0.44 lakh hectares had been distributed amongst 37008 beneficiaries so far (August 1987).

- (b) In the three districts of Ambala, Karnal and Kurukshetra test checked, out of 7.14 lakh landowners in possession of 7.25 lakh hectares land, only 0.09 lakh landowners had so far (March 1987) filed declarations. As a result, 0.33 lakh hectares were found surplus of which only 0.13 lakh hectares were distributed amongst 0.13 lakh beneficiaries

The department had not taken steps to ensure that the beneficiaries continued to be in actual possession of land allotted to them. Spot verification conducted by the Agriculture Department in October 1986 in Ambala, Karnal and Kurukshetra districts revealed that out of 0.13 lakh hectares land distributed amongst 0.13 lakh beneficiaries, only 0.03 lakh beneficiaries were in actual physical possession of 0.04 lakh hectares land. Shortfalls in distribution of surplus land and physical possession were due mainly to :

- litigation launched by 940 landowners against taking over of their surplus land; these cases were pending in the courts for periods ranging between 6 months and 7 years;
- non-mutation of land allotted to beneficiaries in 9123 cases; and
- failure of the allotment authorities to monitor allotment to eligible applicants. Allotment registers were required to be maintained by Naib-Tehsildars for every village showing particulars of eligible persons, land applied for by them and details of area/land allotted. No such register was found to have been maintained in the districts of Ambala, Karnal and Kurukshetra covered in test-check.

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

Process of acquisition and distribution of land could not be completed by 1982-83 due to stay orders obtained by the landowners. The present position of the land declared surplus and allotted to the beneficiaries as on 31-1-91 is as under :—

(i) Land declared surplus	: 1,21,303 acres
(ii) Land locked in litigation	: 8,108 acres
(iii) Land available for allotment	: 1,13,195 acres

- (iv) Land distributed : 1,12,984 acres
- (v) No. of beneficiaries to whom land allotted : 37,950
- (vi) Actual physical possession of land delivered to the allottees : 1,01,364 acres
- (vii) No. of beneficiaries to whom physical possession of the land has been delivered : 34,519

As reported by the DLR, the State had 35.18 lakh hectares of cultivable land and 10.11 lakh landowners (1980-81) and not 38.39 lakh hectares of land as pointed out by Audit. The Deputy Commissioners Ambala, Karnal, Rohtak, Sirsa, Hisar, Gurgaon, Sonapat, and Kurukshetra got the survey regarding filing of declarations by the landowners conducted but found no such landowner who had not filed the declaration. The D.Cs. Bhiwani, Faridabad, Narnaul could not conduct the survey due to shortage of staff. The D.C. Jind has reported that he conducted a survey and found 545 landowners in the district who had not filed their declarations. These defaulting landowners had been issued notices to file their declarations. However, according to section 9 of the Haryana Ceiling on Land Holdings Act, 1972, every person, who on the appointed day i.e. 24-1-71, or at any time thereafter holds land exceeding the permissible area shall furnish a declaration. Since the number of landowners having small land holdings in the State is quite large, only the big landowners, less in numbers, having land exceeding the permissible area filed their declarations.

2(b) Regarding the position upto 31-3-87 on the basis of available record in respect of area declared as surplus, allotted and the number of beneficiaries is as under :—

(Area in Hects )				
	Ambala	Karnal	Kurukshetra	Total
(i) Area declared surplus	4280	17545	12335	34160
(ii) Area available for allotment	2894	9072	9637	21603



	Ambala	Karnal	Kurukshetra	Total
(iii) Area allotted	2894	9000	9228	21122
(iv) No. of beneficiaries	2426	9167	2894	14487
(v) Area under litigation/ exemption	721 665	220 8253+72 (Reserved for public purposes)	409 —	1350 8918+72

As per the information available with the Government, the D.C. Ambala, Karnal and Kurukshetra allotted 21122 hectares of land to 14487 beneficiaries (March, 1987) and not an area of 0.33 lakh hectares to 0.13 lakh beneficiaries, as pointed out by audit.

The reasons for not taking the area in possession for allotment declared surplus are that most of the landowners went to the Courts and obtained stay orders. Moreover, under section 9 of the Haryana Ceiling on Land Holdings Act, 1972, every person, who on the appointed day i.e. 24-1-71 or at any time thereafter holds land exceeding the permissible area shall furnish a declaration. Since the number of landowners having small land holdings in the State is quite large, only the big landowners less in numbers having land exceeding the permissible area filed their declarations.

To ensure that the beneficiaries continued in actual possession of the land allotted to them, a Monitoring Cell consisting of two Tehsildars has been created at the State headquarter. These Tehsildars inspect the allotment and actual physical possession of the allottees on the spot. Strict necessary instructions are issued from time to time to the field officers to ensure that physical possession of the surplus land allotted to the eligible person is delivered to them. If any such case comes to the notice of District Collector, action under section 22 of the Ceiling Act, 1972 is initiated for restoring possession to the allottee.

The State Government has been issuing instructions from time to time to the Revenue Authorities to ensure the allotment of available surplus area and its actual physical possession to the allottees. Tehsildars of the Monitoring Cell from the State Headquarter also visit the Sub Divisions to ensure that the allotted surplus area is in actual physical possession of the allottees. The latest position of the area declared as surplus, possession taken by the Government, allotted and the number of the beneficiaries

as stood on 31-1-91 is as under :—

(Area in acres)	
(i) Area declared surplus	: 1,21,303
(ii) Area under litigation	: 8,108
(iii) Area available for allotment	: 1,13,195
(iv) Area distributed	: 1,12,984
(v) No. of beneficiaries	: 37,950
(vi) Actual physical possession	: 1,01,364
(vii) No. of beneficiaries in actual possession	: 34,519

The above information would show that all the available surplus area except the area of 31 acres has been allotted.

The Committee desire that the cases pending in the Courts be pursued to their logical conclusion and final outcome intimated to the Committee in due course.

The Committee further desire that district wise details of land (1,12,984 acres) to be distributed and beneficiaries (34,519) who were given physical possession of land may be intimated within a month.

#### [30] 4.9.6. (B) *Compensation to landowners*

For acquiring the surplus land, Government was to pay compensation to landowners, in 10 yearly instalments alongwith 5 per cent interest, at the per acre rate of Rs. 2,000, Rs. 1,875, Rs. 1,125 and Rs. 575 for irrigated, un-irrigated, barren and other land respectively. Simultaneously, the instalments of compensation, so paid, were to be recovered from the beneficiaries together with 5 per cent interest thereon. It was seen that :—

- (i) At the State level, no record was maintained to show the amount of compensation due to landowners. At the district level, the Deputy Commissioners were required to estimate compensation due to landowners during the year and seek allotment of funds. In the three districts test checked, total requirement of funds on this account upto 1986-87 was Rs. 124.75 lakhs against which only Rs. 76.28 lakhs were sanctioned by Government. The amount actually disbursed to landowners was, however, still less only Rs. 68.55 lakhs. Inadequate provision of funds/disbursement, reasons for which have not been intimated affected the programme.

- (ii) Accounts of instalments recoverable from the beneficiaries were not maintained by the department. In the three districts test checked, it was, however, noticed that total amount recoverable to the end of 1986-87 aggregated Rs. 295.64 lakhs out of which only Rs. 74.23 lakhs had actually been recovered. Under rules, beneficiaries were required to pay their dues to Government within 30 days after the instalment had fallen due failing which Government was required to initiate legal action through courts for recovery as arrears of land revenue. No such legal action was, however, taken for the balance recovery of Rs. 221.41 lakhs.

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

The record of compensation due to the landowners is not maintained at State level, because the number of landowners in the State is in thousands and it is not possible to maintain such record at the State level. The work regarding allotment of surplus land is done by the Prescribed Authority-Cum-Allotment Authority, which is the Sub-Divisional Officer (Civil). The amount of compensation due to the landowners is calculated and paid by him. As such this record is maintained at Sub-Divisional level. Under the Haryana Ceiling on Land Holdings Act, 1972, surplus land is allotted to the eligible persons under the Haryana Utilisation of Surplus and Other Areas Scheme, 1976. Under this scheme, allotment of land was made in the year 1976-77 and onwards. Hence instalments of compensation payable to the landowners became due from the year 1977-78. No payments were made in 1977-78 because procedure for payment and the budget head etc. were decided late. Provision for payment of compensation was made for the first time in the budget of 1978-79. Since then amount is provided in the budget for the purpose every year regularly. Demand is made by the Deputy Commissioners of the respective districts and the State Finance Department are approached for provision of requisite funds every year. The Deputy Commissioners estimate their requirements on the basis of the instalments falling due in the year in question and also the fresh allotments expected to be made during the year. Instalment of compensation becomes due on first of February in the case of area allotted and delivered to the allottees, between August and January, and on 1st of August in the case of area delivered to allottees between February and July. Estimates of compensation for land expected to be delivered to allottee, during the year cannot be accurate because landowners may dispute the allotment/delivery of their land to the allottees and obtain stay against their dispossession, in which case neither the possession is delivered to the allottees nor payment of compensation to the landowner becomes due. Starting from the year 1978-79 a budget provision of Rs. 307.50 lakhs was made and expen-

diture of Rs. 261.05 lakhs was incurred in the State as per details given below :—

Sr. No.	Year	Requirement	Revised	Actual Expenditure
1.	1978-79	N.A.	31,44,000	Nil
2.	1979-80	N.A.	29,16,000	11,64,917
3.	1980-81	42,21,000	24,00,000	23,22,666
4.	1981-82	N.A.	9,75,000	25,53,404
5.	1982-83	N.A.	12,00,000	13,08,220
6.	1983-84	41,87,382	13,00,000	14,41,564
7.	1984-85	32,13,849	20,00,000	20,66,537
8.	1985-86	96,98,548	96,98,548	92,52,292
9.	1986-87	1,01,28,640	71,12,500	59,95,818
Total			3,07,50,048	2,61,05,418

So far as the position in respect of three districts (Ambala, Kurukshetra, Karnal) is concerned, a budget provision of Rs. 76 28 lakhs was made in the budget. Out of this amount the expenditure of Rs. 68 55 lakhs was incurred. As already stated above, the total amount provided for in the budget could not be utilised in full because many landowners got stay orders from various Courts against owners who did not come forward for receiving compensation with the apprehension that by doing so their pending court case will be weakened. However, the tables shown above and in Annexure-I made it clear that more than 80% of the amount provided for in the Budget has been spent.

The record of instalments recoverable and recovered from the beneficiaries is maintained by the Prescribed Authority-cum-Allotment Authority at Sub-Divisional level because he has to calculate the same and recover the amount from the beneficiaries. No such record can possibly be maintained at the State level as the number of beneficiaries is in thousands. However, all the Deputy Commissioners in the State have been directed to comply with Government instructions in this regard meticulously.

With regard to the present position of the balance recovery of the instalment from the allottees necessary

audited figures have been obtained from the office of Accountant General, Haryana (Audit) which is as under :—

(Amount in Rupees)

S. No.	Year	Ambala	Karnal	Kurukshetra	Total
1.	1987-88	8,52,765.06	3,10,821.61	1,85,308.86	13,48,895.53
2.	1988-89	8,60,933.11	2,52,983.16	3,35,378.41	14,49,294.68
3.	1989-90	6,87,382.89	2,90,753.54	3,70,880.17	13,49,016.60
4.	1990-91 (upto 31-12-90)	3,92,222.32 ...	1,71,988.21	3,16,898.36	8,81,108.89
Total		27,93,303.38	10,26,546.52	12,08,465.80	50,28,315.70

A perusal of the above information would reveal that an amount of Rs. 50,28,315.70 has been recovered upto 31 st December 1990 against the total balance of recovery of Rs. 221.41 lacs. As reported by the Deputy Commissioners, notices to recover this amount as arrear of land revenue have been issued to the allottees and strenuous efforts are being made by the Collectors of the Districts to recover the balance amount.

The Committee observe that the balance recovery be effected as quickly as possible from the beneficiaries under intimation to the Committee.

[31] 4.9.6. (D) *Consolidation of holdings*

An area of 6.12 lakh acres in 201 villages was to be consolidated upto the end of 1989-90. Target upto 1986-87 was 4.20 lakh acres against which the area actually consolidated was 2.82 lakh acres. The department attributed (April 1986) slow progress to non-co-operation from the landowners.

Consolidation fee was levied on the landowners at the rate of Rs. 5 per acre. Out of the total demand of Rs. 11 40 lakhs on this account, only Rs. 6.43 lakhs had been recovered (1980-81 to 1986-87). Recovery of the balance Rs. 4 97 lakhs was awaited as on 30th June, 1987.

The achievement of Consolidation of Holdings in the past 2—3 years has been rather a bit slow due to the following reasons :—

- (i) Non-cooperation of the rightholders.
- (ii) Illegal possessions of the rightholders on the shamlat and Panchayat land.
- (iii) Political interference.
- (iv) Stay granted by the various Courts.
- (v) Shortage of staff.

- (vi) Revocation of schemes in the old villages by one reason or the other.

Now the work which still remains to be completed is as under :—

No. of villages with area	Plan	Non-Plan
102/2.89	51/1.46	51/1.43

Efforts are being made to complete the remaining work as soon as the shortage of staff is made good. The year-wise figures of progress is however as under :—

Year	Villages with area
1986-87	4/2237
1987-88	5/10932
1988-89	3/3226
1989-90	4/3237

As regard the arrear of Consolidation fee out of the outstanding amount of Rs. 4.97 lakhs, Rs. 0 80 lakh has so far been recovered. Efforts are being made to recover the balance arrears as early as possible.

The Committee observe that the required posts be filled up expeditiously and remaining work be completed without further delay.

The Committee further observe that arrears on account of consolidation fee be recovered from the land owners as early as possible under intimation to the Committee.

## IRRIGATION

### [32] 5.9. *Payment for works not measured*

In August 1986, the Superintending Engineer, Canal Lining Circle No. 4, Rohtak, issued instructions to the Executive Engineer, Canal Lining Division No. 13, Rohtak, that the compaction of earth work in channels may be got done mechanically and if required, manual compaction may be got done through the regular work-charged establishment of the Mechanical Division No. 14, Rohtak. While issuing these instructions, the Superintending Engineer specifically asked the Executive Engineer not to employ any other labour for this purpose.

Despite this, in two of its sub-divisions, Sub-Divisions No. 7, Rohtak and No. 3 Gohana, compaction of earth work in certain channels, was executed (September 1986– March 1987) by employing daily paid casual labour and payments aggregating Rs. 1.22 lakhs were made on muster rolls. Apart from the expenditure being avoidable and contrary to the instructions of the Superintending Engineer, even the correctness of payments made to labourers could not be voucher-safed in audit (May 1987) as the quantity of earth work actually compacted and curing done was not known. In the certificates recorded on the muster rolls, it was stated that the work done by labour was not susceptible of measurement. This certificate of the Sub-Divisional Officer not only ran counter to the provisions of the departmental financial rules which stipulate that progress of work by daily labour employed on muster rolls should be recorded in measurement books and also in part III of the muster rolls but was also contrary to the Haryana Schedule of Rates, 1974, wherein rates to assess the value of compaction and curing do exist. Further, attendance of labour was never checked by the Sub-Divisional Officer (Canal Lining Sub-Division No. 7, Rohtak), daily reports of labour engaged were not initialled daily and, in most of the cases, the initials were without date.

The Engineer-in-Chief stated (October 1987) that the certificates recorded on the muster rolls to the effect that the work not susceptible to measurement was not correct and that explanation of the concerned Sub-Divisional Officer for not checking the labour had been called for. Further developments were awaited.

The matter was referred to Government in June 1987; reply has not been received (February 1988).

In their written reply, the department stated that the Mech. Staff was deputed for compaction of Earth Work and curing of lining but they refused to do Kassi Work on the plea that they have been engaged for specific Mech. jobs. The lining of the existing channels was to be done within the closure period and labour for curing/compaction had to be engaged at various segments of works. As such, for ensuring

safety of lining work already done, labour on Muster roll was engaged for compaction of earth and curing of lining by the Civil Division.

The compaction was done manually and section of compaction Zone varied from one segment to other. Moreover, compaction Zone was mixed with loose and existing bank etc. It was difficult to segregate compaction portion. The quantity of earth work executed /compacted is recorded in Measurement Book for each work and lining is only possible when earth is properly compacted. The works of Earth work and lining were certified by the concerned Sub Divisional Officer. However, Test Check were carried out, on some works and it has been found that the expenditure was within the provision of the estimate. The measurement of earth work have been recorded and work was according to P.W. specification. The payment to the labour engaged on muster rolls was fully vouched

As explained in Para 1 above the Mech. staff had refused to do Kassi jobs and the Civil Divisions had no alternative except to employ labour on muster-rolls, the concerned Sub-Divisional Officer has been warned to be more careful in future.

The Committee are not satisfied with the reply of the Department and the punishment awarded to the S.D.O. The Committee desire that the whole matter be reinvestigated and report be submitted to the Committee within three months.

Action taken on the following points may specially be indicated :—

- (i) Whether the S.D.O. concerned sought fresh orders of S.E. for getting compaction work done through daily paid casual labour in contravention of his earlier orders ?
- (ii) Whether Government was satisfied with the punishment of simple warning issued to the S.D.O. ?
- (iii) Whether the proper/prescribed procedure of measurement was adopted ?
- (iv) Steps taken to effect recovery.

[33] 5.12. *Substandard work*

In the Canal Lining Division No. 25, Rohtak, single layer tile lining of Dulhera distributory in RD 45-51 (estimated cost Rs. 7.42 lakhs) was allotted to 3 contractors in January 1982 and February, 1983. When work valuing Rs. 4 39 lakhs had been executed (cost of tiles : Rs. 3 07 lakhs; payment to contractors : Rs. 1 32 lakhs), the Chief Engineer inspected the site on 21st March 1984 and in his inspection report observed (April 1984) that the specifications had been disregarded in all the items of work, coping was poor or missing, lining was done without proper compaction etc. The Chief Engineer directed the Superintending Engineer to take action and fix

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responsibility against the officers at fault. Further work was stopped and the cement-sand mortar used by the contractors was got tested (May-June 1984) in the Haryana Irrigation Research Laboratory, Karnal. The test results revealed that the ratio of cement-sand mortar was 1:5 against the prescribed ratio of 1:3 for a 3/4 inches thick plaster.

The entire work was lying incomplete and the sub-standard work already done had not been rectified/re-executed (July 1987). No action was taken against the contractors. The Executive Engineer stated (August 1987) that :

- the matter had been under investigation by the Superintending Engineer, Chakbandi Circle, Panchkula, since September 1984;
- the entire expenditure on sub-standard work (Rs. 4.39 lakhs) had been shown as recoverable advance against the Executive Engineer, Sub Divisional Officer and the Junior Engineer concerned and that contractor's security of Rs. 0.06 lakh only was available with the division.

Further developments were awaited.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

In their written reply the department stated that—

(the Superintending Engineer/Vigilance has given his report but had not apportioned the responsibility of each officers. To find out the responsibility, a Committee of 2 Superintending Engineers was constituted in 8/89, report of which is yet awaited.

Rectification, if any, will be carried out after the findings of the Committee. However, no expenditure has yet been incurred.

Action against the contractors and the responsible officers will be decided after identification of defects /responsibility on the basis of the findings of the committee.

The Committee are unhappy to note that there was considerable delay in taking action against the officers responsible for substandard work as well as against the contractor.

The Committee recommend that the entire work lying incomplete and the sub-standard work already done should be rectified/re-executed as quickly as possible and progress made in this regard be intimated to the Committee.

The Committee strongly recommend that drastic action against the delinquent officers/officials must be finalised within six months and the whole amount be recovered, under intimation to the Committee.

[34] 5.13. *Injudicious purchase*

In 1969 and 1971, the Mohindergarh Canal Mechanical Division, Rohtak and the Suttlej Yamuna Link Mechanical Division, Ambala, purchased a crawler tractor (Rs. 0.94 lakh) and dozer (Rs. 3.69 lakhs) for heavy earth work. As per the norms prescribed by Central Water and Power Commission (CWPC) and adopted by the State Government, the tractor was required to operate for a total 9000 hours and the dozer for 12000 hours. In the Rohtak and Ambala Divisions, these machines worked for only 1500 hours (tractor) and 4690 hours (dozer) whereafter both of them were transferred to the Canal Lining Division No. III, Sirsa, in January/November 1979 alongwith the spare parts valuing Rs. 0.05 lakh (tractor) and Rs. 0.46 lakh (dozer). At Sirsa, upto February 1981, a further stock of spare parts was purchased at a cost of Rs. 2.22 lakhs for tractor (Rs. 1.87 lakhs) and dozer (Rs. 0.35 lakh).

At Sirsa, the tractor worked for 229 hours upto February 1981 and the dozer for 38 hours upto June 1980 whereafter these went out of order. Repairs/overhauling were not carried out although spare parts were available. In February 1986, the division recommended condemnation of tractor (book value : Rs. 0.72 lakh), dozer (book value : Rs. 2.12 lakhs) and all the spare parts (cost : Rs. 2.73 lakhs) to the Superintending Engineer, Central Workshop, Karnal; further developments were awaited (July 1987).

The tractor, thus, worked for only 1729 hours against the prescribed life span of 9000 hours and the dozer for 4728 hours against the prescribed 12000 hours.

Further, as per the norms fixed by the CWPC, the permissible limit of keeping spare parts in stock was only 16 per cent of the book value of the machinery. At this norm, the division was required to have the stock of spare parts to the extent of only Rs. 0.46 lakh (tractor : 0.12 lakh, dozer : Rs. 0.34 lakh) and not for Rs. 2.73 lakhs as actually kept (tractor : Rs. 1.92 lakhs; dozer : Rs. 0.81 lakh). Purchase of spare parts in 1979-80/1980-81 at a cost of Rs. 2.22 lakhs was thus irregular. The Executive Engineer stated (October 1987) that no major overhauling earned by both the machines was left and thus, the repair was considered un-economical.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

In evidence the department stated that—

the Tractor and Dozers were got transferred for use on compaction work. But on their actual use, there were frequent break down, which was found un-economical.

The spare parts worth Rs. 2.12 lakhs and not 2.22 lakhs were purchased not exclusively for a Dozer and a Tractor. In fact, these spare parts were purchased /transferred for 2 No. Dozers and 9 No. Crawler Tractors, the book value of which comes to Rs. 19.82 lakhs. According to the norms of C.W.C. prescribed the Divn. could have stocked spare parts worth

Rs. 3.31 lakhs for machinery costing so much. Thus there was no excess purchase of spare parts.

The Committee are not satisfied with the reply of the Department. The machinery and all the spare parts were proposed for condemnation while the machinery did not complete the prescribed working hours/life. The repairs/overhauling of the machinery were not carried out although spare parts were available. The Committee find that the purchase of spare parts of a such huge value was also irregular and injudicious.

The Committee desire that the whole matter be investigated de-novo and responsibility of the concerned officer/official for this injudicious purchases be fixed and a detailed report sent to the Committee within three months, indicating therein the details of amount spent on the spare parts.

The Committee would also like to have the information as to whether the officer who ordered the purchase of machinery and other spare parts was competent or fully empowered to place such orders. The wanted information be supplied to the Committee within three months.

[35] 5.16. *Idle/Under-utilised draglines*

In March 1978, the Irrigation Department had 63 draglines costing Rs. 652.67 lakhs. Of these, 16 draglines (Cost : Rs. 57.99 lakhs) were acquired by transfer from the erstwhile Punjab Government in November 1966 and the remaining 47 were purchased (cost : Rs. 594.68 lakhs) from 1967-68 to 1983-84 for excavation of earth.

A test-check by Audit (July 1987) of the working of 52 draglines valuing Rs. 547.89 lakhs disclosed the following :—

- (i) Two draglines (cost : Rs. 3.72 lakhs) taken from Punjab in November 1966 were out of use and though condemned had not been auctioned.
- (ii) Thirteen draglines (cost Rs. 85.89 lakhs) were out of order awaiting repairs/condemnation for 2 to 8 years. Of these, 6 (cost Rs. 22.22 lakhs) were taken on transfer from Punjab, 4 (cost Rs. 35.87 lakhs) were purchased in 1971-72 and 3 (cost Rs. 27.80 lakhs) were purchased in 1977-78. Nine of these 13 draglines had not even completed their prescribed life span of 15,000 hours each.
- (iii) Thirty-seven draglines (cost Rs. 458.28 lakhs) were in working order but against the optimum working capacity of 1200 hours per dragline, per year, the work taken from them was much less and shortfalls in terms of working hours varied from 39.87 (1984-85) to 77.45 per cent (1986-87). Under-utilisation, as noticed in test check, was mainly due to paucity of heavy earth work in the State which showed that draglines were not purchased under a well conceived plan.
- (iv) Two draglines (T-1018 and J—3035) were purchased prior to November 1966. After they had run their working life span

of 15,000 hours, these were transferred from the SYL Division, Kurukshetra and the Gurgaon Feeder Mechanical Division, Faridabad, to the Mechanical Drainage Division, Jind, in April 1979. In the Mechanical Drainage Division, Jind, dragline No. T-1018 worked for 1626 hours upto 1981-82 and No. J-3035 for 655 hours up to 1982-83. During 1983-84 both the draglines were repaired at a cost of Rs. 3.44 lakhs (T-1018 : Rs. 2.09 lakhs and J-3035 : Rs. 1.35 lakhs). After repairs while dragline No. T-1018 worked for 300 hours, dragline NO. J-3035 remained out of order and did not work at all. Repairs costing Rs. 3.44 lakhs thus became fruitless. In October 1985, the Executive Engineer recommended to the Superintending Engineer condemnation of both the draglines; approval was awaited (July 1987).

- (v) Another dragline No. HM-149 was purchased by the SYL (Mech.) Division, Ambala, from the BSL Project, Sunder Nagar, at a cost of Rs. 5.61 lakhs in October 1977 after it had worked for 8528 hours. In the SYL Division, the dragline worked for only 315.18 hours up to March 1979 where-after it was repaired at a cost of Rs. 0.60 lakh (January 1981 to March 1985). The dragline, however, did not function even after the special repairs and was lying idle. The Executive Engineer SYL Mechanical Division, Ambala, stated (March 1987) that the dragline had been declared surplus.
- (vi) An order for supply of spare parts (cost Rs. 13.28 lakhs) required for the repairs of an old dragline (1961 model) was placed by the Superintending Engineer, Drainage Circle, Rohtak, on a New Delhi based firm in September 1979. Supplies were received in December 1979 (Rs. 2.98 lakhs), September 1980 (Rs. 1.27 lakhs), October 1980 (Rs. 6.06 lakhs) and July 1981 (Rs. 2.97 lakhs). The dragline was repaired during December 1982 to June 1984 at a cost of Rs. 7.43 lakhs which included spares valuing Rs. 1.59 lakhs purchased as above and valuing Rs. 5.09 lakhs already in stock. Of the remaining spare parts of the fresh stock purchased during December 1979 to July 1981, spares valuing Rs. 1.38 lakhs were issued to other divisions (1982-83) and the balance quantity valuing Rs. 10.31 lakhs was lying un-used (July 1987). Reasons for purchasing huge stock of spares valuing Rs. 13.28 lakhs without immediate need, were not made known.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

In their written reply the department stated as under :—

Briefly, the position of each Audit point is given as under :—

- (i) Out of 2 draglines, one has been auctioned for Rs. 2.38 lakhs in 5/85 while the other has been repaired and is in working order.
- (ii) One dragline has since been condemned but could not be disposed

off due to less receipt of bid. In 5 cases approval for condemnation has been sought from the competent authority. 2 draglines has been got repaired and are in working order. The remaining draglines are out of order and require major repairs for which huge funds are required. These machines can be put to use if funds are made available.

- (iii) The draglines could not be put to use due to paucity of sufficient work/funds. These machines were purchased when heavy earth work was involved during the construction of SYL Project, JLN Schemes, UDD and Massani Barrage Projects. The machines have been put to use to the maximum extent and are likely to be used on the construction of Hathinikund Barrage/New Works.
- (iv) It was not a new purchase but the machine were actually got transferred from one division to another. These machines could not work despite special repairs being old machines. Now the machines are being disposed off by public auction.
- (v) This dragline was purchased when the execution of SYL Project was in peak stage and worked there upto 1979. During execution, the dragline came under break-down. This machine was standing on the road-side and creating hinderance in the traffic. The machine was not in a position to crawl unless repaired. Thus repair was un-avoidable.
- (vi) The supply order for spares of an old dragline R B.-38 was placed on M/S Greaves Cotton and Company, the sole distributor in India for the replacement of old parts of the foreign made machine. The rate contract for imported parts did not contain any rates and as such the value of Supply order was not known at the time of placement of order. On receipt of 3rd consignment, the supplier was asked to stop further supply but the supplier pleaded that this machine is no longer manufactured and is out-dated. The department have to release further consignments to avoid wharfage/damurrage charges and stored the parts to meet any eventuality in the proceeding years.

However, the Audit has also taken up this point under draft para titled Injudicious purchases of spare parts worth Rs. 13.28 lakhs where in the concerned officers have been asked to explain their position.

The draglines are being put to use where heavy work is involved and likely to be used during the execution of Hathinikund Barrage.

Both in their written reply and during oral evidence the departmental representative informed the Committee that the spare parts valuing Rs. 13.28 lakhs were purchased during July, 1981, of which spare parts valuing Rs. 1.59 lakhs were used and remaining parts were still lying unused. The department stated that draglines were beyond economic repair. However, a sum of Rs. 19 lakhs was sanctioned for the repair of these machines and the order was placed for the purchase of spare parts.

The Committee do not feel satisfied with the reply of the Department. During the last ten years, the department has simply called for an explanation and no other action has been taken so far. It seems that the department did not take the matter seriously.

The Committee desire that suitable action should be taken against the delinquent officers who delayed the matter for a long period of ten years.

The Committee further desire that the whole matter be investigated *de novo* and responsibility be fixed. The Committee would also like to have the report of enquiry and action taken thereafter within a period of three months.

[36] 5.17 *Defective lining*

In the Canal Lining Division No. 11, Narwana, lining in RD O—62000 of Sancha Khara minor was completed during 1982-83 and 1983-84 at a cost of Rs. 27.52 lakhs. The bed levels and top of lining were, however, at variance with the approved design in RD O—22000 due to which the channel started overflowing. To overcome this problem, the Superintending Engineer sanctioned in January 1985, an estimate of Rs. 0.85 lakh for construction of 6 inches high and 4 1/2 inches thick masonry wall on both sides of the channel to create free board. Upto April 1985, an expenditure of Rs. 0.25 lakh was incurred. While the works were still in progress, the Chief Engineer inspected the site in April 1985 and, on noticing that masonry work on the wall was substandard, ordered stoppage of further work. He also ordered that, instead of constructing the wall, the earthen banks of the channel be raised by 2 feet. Rupees 0.25 lakh, spent on substandard masonry wall, were shown as outstanding advance against the Executive Engineer, Sub Divisional Officer and the Junior Engineers concerned in August 1986; show cause notices against them were awaiting approval of the Superintending Engineer/Chief Engineer (July 1987).

For raising the earthen banks and lining of the channel by 2 feet, an estimate for Rs. 1.41 lakhs was sanctioned by the Superintending Engineer in October 1985. It was revised to Rs. 2 lakhs in December 1985 and submitted to the Chief Engineer in July 1986; approval was awaited (July 1987). In anticipation of the approval, an expenditure of Rs. 1.03 lakhs had already been incurred upto June 1987.

Thus, due to defective works initially executed in 1982-83 and 1983-84 for which no responsibility had been fixed, the department had to incur extra expenditure of Rs. 1.28 lakhs, which was likely to increase when the work relating to raising the earthen banks and lining of the channel was completed, further developments were awaited.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

In their written reply the department stated as under —

1. S/Shri S.P. Goyal, S.C. Gupta and S.S. Goyal Sub Divisional Officers and Sat Pal Singh, Junior Engineer have been held responsible for defective work. Disciplinary action under the rules against them is under way and will be decided shortly.

2. The works relating to raising the earthen banks and lining of the channels have since been completed by incurring an expenditure of Rs. 1,21,523/-.
3. S/Shri A.C. Gupta, SDO and Sat Pal Singh Junior Engineer are being held responsible. Show Cause Notices under Rule 8 against the Junior Engineer has been served upon him and similar show Cause Notice is under action against the Sub-Divisional Officer. The matter will be decided after examining their replies. The amount of Rs. 0.25 lac has not been recovered yet.

The Committee are not satisfied with the reply of the department. The Committee find that the defective work has rectified/re-executed at an extra cost of Rs. 1.41 lakhs.

The Committee observe that the action against the delinquent officer/officials be decided without further delay and amount spent, as an extra expenditure be also recovered as quickly as possible.

The Committee further observe that suitable action should also be taken against the officers who delayed the matter.

The Committee desire that the action taken in the matter be intimated to them within one month.

[37] 5.19. *Extra liability due to re-tendering*

In the Canal Lining Division No 17, Karnal tenders for earth-work and lining of Habri Sub Branch in reach K.M. 11.49 to 13.96 were invited in March 1985, the 3 tenders received were opened in May 1985. The lowest tender (Rs. 6.45 lakhs) worked out to 30.47 per cent above departmental through rates (DTRs) and was recommended (June 1985) by the Executive Engineer as well as by the Superintending Engineer to the Chief Engineer for approval. The Chief Engineer, however, rejected the tenders (July 1985) without recording any reason and asked the Executive Engineer to invite fresh tenders.

Accordingly, fresh tenders were invited by the Executive Engineer in October, 1985. The lowest tender received (87.8 per cent above the DTR) was considered to be very high and was therefore, rejected by the Superintending Engineer after having discussion with the Chief Engineer in November 1985. Fresh tenders were again invited in December 1985 and opened in January 1986. After negotiations with the lowest tenderer, the negotiated tender at Rs. 7.55 lakhs (52.8 per cent above the DTRs) were approved by the Chief Engineer (Project) and works were allotted in April 1986 involving an extra liability of Rs. 1.10 lakhs in comparison to the rates received in May 1985. The work was in progress (May 1987).

According to the Chief Engineer (July 1987), the tenders of May 1985 contained cuttings/over-writings and were not competitive. Rejection of tenders on insignificant grounds of cuttings/over-writings was injudicious.

His reply that tenders were not competitive, was not tenable as tenders had been invited through wide publicity and every time the work was re-tendered, the quoted amount was higher than the earlier one.

The matter was referred to Government in June 1987; reply has not been received (February 1988).

In their written reply the department stated as under :—

The tenders for earth work and lining of Habri Sub Br. KM 11.49 to 13.96 were opened in May 1985 on L.C.B. system. These rates, in consultation with the World Bank authorities, were considered non-competitive and non responsive.

The execution of works under I.B.R.D./I.D.A. loans are carried out strictly under the guidelines for procurement prescribed by the World Bank. Any deviation/infringement of the laid policy is taken seriously by the World Bank and the reimbursement of the claim becomes a problem.

The work from KM 11.49 to 26.52 was divided in various slices, resulting in economy of Rs. 11.70 lacs in the entire reach, though there was extra liability of Rs. 1.10 lac in the particular reach from KM 11.49 to 13.96 due to re-tendering.

The works are still incomplete

During oral evidence, the departmental representative explained that the tenders were not approved due to the following grounds :—

- (i) The tenders had been invited without the technical sanction of estimate.
- (ii) These were not as per tender documents approved by the Government.
- (iii) The blanks left in all the tenders had not been filled in as per World Bank's instructions.

Further, there were some unattested cuttings and overwritings in the tender documents. It was further explained that these tenders were invited by the Xen, canal lining division No. 17, Karnal on 20th March 1985 to be opened on 20th May 1985 but these tenders were published in the 'Akali Patrica' on 20th March 1985, reasons were not known.

The Committee observe that the officer concerned, while inviting tenders, did not follow the prescribed procedure. Further if there was any cuttings in the tenders, the Xen incharge was supposed to encircle the rate had to initial the cuttings but he failed to do so. The Committee feel that due to this failure the State had to suffer a loss of Rs. 1.10 lacs which was a very serious matter.

The Committee recommend that necessary action should be taken against the Xen, the concerned officer, who did not follow the prescribed procedure and



also leaked out the news in the 'Akali Patrika'. The Committee strongly recommend that the action should also be taken against the officer-in-charge who failed to initiate disciplinary action against the delinquent.

The Committee desire that the final action taken in the matter be intimated to them within six months.

[38] 5.20 *Injudicious purchase of air compressor*

For dismantling old structures of bridges, syphons, falls etc, a diesel air compressor costing Rs. 0.87 lakh was purchased in March 1979 by the Canal Lining Division No. III, Sirsa, in anticipation of the technical sanction accorded by the Chief Engineer (Projects) in December 1981.

Later (October 1981), due to change in plan and a adoption of a fresh scheme of constructing new parallel channels, the work of dismantling of the old structures was dispensed with. The diesel air compressor, thus, could not be put to use since its purchase and had been lying idle. The compressor also could not be sent on job order basis as a pavement breaker, (an essential part) worth Rs. 0.02 lakh had neither been procured in the first instance nor purchased later on and it was declared surplus (September 1985) by the Executive Engineer. The Superintending Engineer, Circle No. 1 Sirsa, approached the Chief Engineer (Projects) in February 1986 for its disposal; further developments were awaited (September 1987).

The purchase of diesel air compressor thus resulted in avoidable blockade of Government funds of Rs. 0.87 lakh

The matter was referred to Government in July 1987; reply has not been received (February 1988).

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

- (i) The Air Compressor has since been transferred to Haryana Agro Industries Corp. Ltd. Sirsa, against his indent No. 042/294 dated 7-5-91 at the cost of Rs. 95166.95.
- (ii) The Compressor was purchased, as per projected provisions, for dismantling of old structures of bridges, Syphons & falls etc. This proposal was later on changed, which resulted into non-utilisation of the machine.

The Committee observe that there was no necessity/justification for the purchase of air compressor. The Committee desire that action be taken against the officer who ordered the purchase and list of bridges, which were to be dismantled with its help together with the proposal prepared at that time necessitating its purchase, be furnished to the Committee expeditiously.

[39] 5.21. *Recovery due from contractor*

For the manufacture and supply of 3 lakh bricks and 15 lakh tiles, an agreement was executed by the Canal Lining Division No. 26, Bhiwani, with a brick kiln contractor in February 1983. The agreement, *inter alia*, provided that :

- (i) The supply of bricks/tiles would be made at fixed monthly schedule and completed during the period November 1982 to June 1983.
- (ii) For burning of bricks and tiles, the department would supply slack coal (E and F grades) at the scale of 35 tonnes per lakh for accepted bricks and 45 tonnes per lakh for accepted tiles.
- (iii) For coal consumed within the prescribed norms, recovery would be made at the rate of Rs. 350 per tonne. For higher consumption of coal upto and beyond 10 per cent above the prescribed limit, the recovery would be effected at a rate higher by 50 per cent and 100 per cent respectively.

The contractor supplied 1.46 lakh bricks and 5.87 lakh tiles upto May 1983 and stopped further supply without assigning any reason. Slack coal (F grade) required to be issued as per norms for the supplies actually made worked out to 297.892 tonnes against 445.866 tonnes supplied.

However, the divisional office effected recovery (May 1983) for 276.466 tonnes only resulting non-recovery of the cost of 169.400 tonnes. After adjusting an amount of Rs. 0.56 lakh due to the contractor (Rs. 0.48 lakh for supply of bricks/tiles and Rs. 0.08 lakh security deposit), recovery for the balance coal issued together with the amount of compensation recoverable for leaving the work incomplete (Rs. 0.10 lakh) and earth/water charges (Rs. 0.11 lakh) worked out to Rs. 0.76 lakh.

The Chief Engineer (Project) held (July 1986) the Divisional Officer/Sub Divisional Officer responsible for non-recovery and, on his instructions, the amount of Rs. 0.76 lakh was placed (March 1987) under the head 'Miscellaneous P.W. Advances against both the officers in equal shares; recoveries were awaited.

The matter was referred to Government in June 1987; reply has not been received (February 1988).

In their written reply the department stated that :

For the alleged recovery of Rs 75,861 on account of coal and other charges, the concerned Executive Engineer/Sub Divisional Officer were asked to explain their position. Simultaneously, the Brick Kiln owner has taken up the matter into arbitration. The Hon'ble Arbitrator has awarded

Rs. 59,434 in favour of the contractor on the following grounds :—

(a) Rs. 9,000 on account of penalty charges, delay in execution of work.

(b) Rs. 20,300 on account of cost of 29 M.T. coal which was not physically supplied to the Brick Kiln Owner.

(c) Rs. 30,134 difference in the recovery of water charges.

The balance amount of Rs. 16,427 has since been recovered from the Brick Kiln Owners.

The cost of 29 M.T. coal viz Rs. 20,300 has to be written off subsequently due to transit losses, as none can be held responsible on this account.

The Committee desire that the whole matter be investigated de-novo and detailed report sent to the Committee within 15 days.

#### [40] 5.22. Defective works

Construction of two sub-minors taking off at the tail end of Basra sub-minor, administratively approved by the State Government in October 1979, was completed by the Executive Engineer, Irrigation Construction Division, Hisar, in October 1985 at a cost of Rs. 15.58 lakhs. Water in both these sub-minors was to be released from Basra (off taking from Balsmand sub-minors) by increasing their full supply level from 25 cusecs to 40 cusecs. To accommodate the flow of additional water, vertical walls were constructed on the entire length of Basra (RD 0-13818) and Balsmand (RD 0-20750) sub-minors during July 1981 to March 1982 at a cost of Rs. 8.74 lakhs.

Increased water was released in the Basra and Balsmand sub-minors during 2nd-9th November 1985 but the water leaked out through the joints of vertical walls of both the minors. The Sub Divisional officer, after inspecting the site, reported (November 1985) to the Executive Engineer that the vertical walls had weak joints because the foundations of the walls were resting on soil and not on the coping of the old lining. The Sub Divisional Officer also reported that in the absence of proper foundations, the vertical walls got tilted inside the minors due to settlement of soil and that the scheme as executed appeared to be a flop.

So far (July 1987) neither the defects had been removed nor any responsibility for substandard execution of works fixed. According to the Executive Engineer, Bhakra Canal Division, Hisar (July 1987), the entire matter was under investigation of the Vigilance Department.

The following lapses on the part of the department were noticed in test check (February 1987) :—

- (a) While approving the estimates for constructing vertical walls, the department had presumed that coping of the old lining would serve as the foundation of the raised walls. However, at the site, no coping was available and the vertical walls had to be rested on soil. Thus, the work was taken up without field survey.
- (b) The field staff failed to notice the absence of coping during actual execution of the work.
- (c) The contractor's bills were finalised for payment in March 1982 on the wrong certificates of the Junior Engineer that the works executed were as per the approved specifications; no trial runs of Basra and Balsmand sub-minors with full discharge were conducted.

The entire expenditure of Rs. 8.74 lakhs on raising of vertical walls had thus proved unfruitful and the two sub-minors construction of which was completed in October, 1985 at a cost of Rs. 15.58 lakhs continued to be without water.

The matter was referred to Government in August 1987, reply has not been received (February 1988).

In their written reply the department stated as under :—

Itemwise position for the lapses listed vide (a) to (c) is given as under :—

- (a) Specifications for the work and provisions in the approved estimates provide for replenishing the old coping and laying cement masonry to form vertical lined section on regular concrete foundation. Thus, no field surveys were required because the work involved only the raising of the lining. Wherever old coping was damaged and required replenishment, fresh cement concrete was laid to make the foundation for the vertical section as provided in approved estimate.
- (b) During execution of work vertical wall was constructed on cement concrete laid for this work.
- (c) The work was completed as per work orders and specifications, thus the payment was released to the contracting agencies. Indented full supply discharge has been running in the renovated, augmented Balsmand Sub-Minor from RD 0 to 20750 and Basra sub-minor from RD 0 to 13818 since its completion during 7/81 to 3/82 till this date.

The work has been done in accordance with the specifications. Thus responsibility for this lapse can not be fixed.

Both the sub minors have since been commissioned on completion of the work constructing vertical wall and are running with indented full supply discharge. Water has been made available for the sub minors through Barwala Branch, Balasmand sub branch system by accommodating the additional requirement of the area in rotational programme and saving from lining of channel.

No Vigilance enquiry was ordered in this case. The Vigilance enquiry referred to pertains to constructing Basra minor No. 1 & 2. This enquiry has also been filed.

The Committee are not satisfied with the reply of the department and desire that the matter be investigated de-novo and a detailed report furnished to them within 15 days.

[41] 5.23. *Defective/fictitious earthwork*

Bichpari minor (RD 0-51) was constructed by the Executive Engineer, Western Jamuna Canal Division, Rohtak, through 5 contractors in 1979-80 at a cost of Rs. 3.04 lakhs. Payments were made to the contractors by the Sub Divisional Officer without pre-check by the Divisional Office and the works executed in reaches 2.5—6 and 46-51 were not even check measured by the Sub Divisional Officer. Pre-check/checkmeasurements were necessary under the rules. The successor Executive Engineer inspected the site in July 1981 and noticed defects in earth work executed in the bed and on the banks of the earthen channel due to which the full supply discharge was only 5 cusecs instead of the designed 24.6 cusecs. The earth work was check measured by the Vigilance Cell of the Irrigation Department in August 1981 which found that out of the 25.83 lakh cft earth work (value : Rs. 1.45 lakhs) shown to have been executed and paid for 8.55 lakh cft valuing Rs. 0.48 lakh had actually not been executed. The defects in the bed/banks of the channel were repaired at a cost of Rs. 0.44 lakh between November 1981 and May 1982. The balance earth work of 8.55 lakh cft was, however, yet (July 1987) to be executed.

The then Executive Engineer and the Sub Divisional Officer were charge-sheeted by the Chief Engineer in November, 1986; further developments were awaited (July 1987).

The matter was referred to Government in August 1987; reply has not been received (February 1988).

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

- (i) Detailed comments/recommendations on the replies to the Chargesheets served upon the delinquent Officers stand submitted to Govt. Final decision on the issue is awaited.
- (ii) After detailed examination, it has been observed that total quantity of earthwork for which payment has been made comes out to 21,24,398 cft. against the estimated quantity of 19,54,377 cft. Overall percent of excess quantity is only 8.80, for which action against the delinquents is under way.

The Committee are not satisfied with the reply of the Department. The Committee feel that mere stopping of increments of the concerned official is no punishment. The Committee desire that the case be re-opened, punishment awarded as suggested in the vigilance report and steps taken to effect recovery of the amount involved (Rs. 0.92 lakh).

The Committee desire that a detailed report be sent to them within 15 days.

[42] 6.1. *Shortages*

23-12-05  
In January 1983, the Executive Engineer, Procurement Division No. IV, Sirsa, executed an agreement with a brick kiln contractor for the supply of 10 lakh tiles. Two more agreements with 2 other contractors for supply of 5 lakh tiles each, were executed in the same division in March 1983. Tenders were not invited in any of these cases and works were allotted after obtaining approval of the Superintending Engineer, Canal Lining Circle No. 1, Sirsa, in January 1983.

According to entries in the bin cards, the contractors supplied 18.98 lakh tiles up to November 1983 which they were paid for. Of these, 12.18 lakh tiles were used on works leaving a balance of 6.80 lakh tiles up to June 1984. Physical verification of these tiles was not conducted from November 1983 to February 1985. The physical verification conducted by a Sub-Divisional Officer (SDO) in March 1985, however, did not disclose any shortage. In July 1985, the Junior Engineer (JE) incharge of these stores was transferred. At the time of handing over charge, he did not handover 6.80 lakh tiles (Rs. 3.13 lakhs) and other store items (Rs. 0.47 lakh). The shortage of stores of Rs. 0.47 lakh was shown outstanding against the JE in August 1985. For the shortage of tiles, the Executive Engineer (Xen) conducted an enquiry and according to his report (February 1986), the contractor in connivance with the JE, had not supplied some of the quantities taken on stock (b) quality of tiles was substandard (c) shortage had come to the notice of the then Xen in December 1983 but he did not take any remedial action and (d) the physical verification conducted by the SDO in March 1985 showing no shortage, was perfunctory. On instructions of the Superintending Engineer (July 1986), the shortage of tiles (Rs. 3.13 lakhs) was shown outstanding against the SE, Xen, 2 SDOs and 3 JEs. The matter was separately under investigation of the Vigilance Department also and on receipt of its report (October 1986), all these officers/officials were charge-sheeted in November-December 1986; further developments were awaited (July 1987).

The matter was referred to Government in August 1987; reply has not been received. (February 1988).

In their written reply the department stated that :

Final decision on the chargesheet served upon the officer/officials could not be taken so far because the Government appointed an Enquiry Officer during 12/87 to hold enquiry as provided under the Rules. The report of the Enquiry Officer is still awaited.

Strict instructions have been issued to all the Field Officers for conducting physical verification of stores regularly.

The Committee desire that the case be reopened and final action taken against the delinquent as per rules intimated to them within one month.

The Committee further desire that action may also be taken against those officers, who delayed action against the delinquents in this matter and steps taken to effect recovery from the concerned officers/officials.

[43] 6.2. *Shortage of material*

In April 1982, the Canal Lining Division No. 12, Kurukshetra, purchased 1721.80 tonnes of 'F' grade slack coal from Coal India Limited and acquired in November 1982 by transfer from another division, another quantity of 51 tonnes. Of this accumulated stock (1772.80 tonnes), 598 tonnes were utilised on different works upto March 1984. The balance 1174.80 tonnes of coal could not be utilised and the division arranged (October 1985) its disposal through the Directorate of Supplies and Disposals. On weighing, however, coal was found to be only 836 tonnes. The shortage of 338.80 tonnes valuing Rs. 1.43 lakhs was placed under the Head 'Miscellaneous Public Works Advances' in May 1986, against the Junior Engineer concerned.

Physical verification of coal was never found to have been done at any stage. Departmental enquiry was ordered by the Chief Engineer (Projects) in June 1986; results of enquiry and position of recovery were awaited (August 1987).

The matter was referred to Government in June 1987, reply has not been received (February 1988).

In their written reply the department stated that :

For this lapse S/Sh. J.S. Bhuttar, Sub Divisional Officer has been held responsible. He is being charge-sheeted under the rules and final decision will be taken after completing the required formalities.

In light of enquiry, S/Sh. J.S. Bhuttar, Sub Divisional Officer and K.N. Kaushik, Junior Engineer have been held responsible. Final position of recovery will be decided after completing the required formalities.

The Committee note that the matter has been delayed considerably at the level of departmental officers.

The Committee desire that action against the officer/officials held responsible for the lapse be finalised without further delay and action taken against the delinquents together with the recovery in this case be intimated to the Committee within three months.

44] 7.11. *Wasteful expenditure*

In March 1984, the Government of India released to State Government, a grant of Rs. 25 lakhs for construction of field channels under the command area development programme. The entire grant was advanced (March 1984) by the Command Area Development Authority, Narnaul (CADA), to 8 irrigation divisions for Construction of 152 Katcha water courses to provide irrigation to 2526 hectares of land in the command of Jawahar Lal Nehru (JLN) canal. In May 1984, the Superintending Engineer, JLN Circle, Rohtak, and in January 1985, the Chief Engineer, JLN Project, informed CADA that the water courses had been completed and advance of Rs. 25 lakhs utilised. The number of water courses excavated, the length there of and the expenditure on each channel was, neither intimated by the Superintending Engineer/Chief Engineer nor was it enquired by the CADA. Later, following a decision taken by the Governing Body of CADA (January 1985), the Chief Project Officer (CPO) inspected the sites and, in his report (August 1985), observed that the number of water courses actually excavated was 70 and not 152 for which Rs. 25 lakhs were provided. Even then the reasons for not excavating all the 152 water courses and spending all the funds on 70 water courses alone were not enquired by the CADA.

Of the 70 water courses excavated, the CPO inspected 48 and, according to his report (August 1985), 18 water courses excavated at a cost of Rs. 7.81 lakhs did not bring out any increase in the irrigated area and 24 water courses excavated at a cost of Rs. 4.70 lakhs provided irrigation to only 0.5 to 20.25 per cent of the area envisaged. All this was attributed by the CPO to the absence of regular flow of water in the JLN system. The CPO also stated that, in the absence of water the water courses had not got damaged or filled with sand or had been ploughed over by the farmers. Considering the futility of the expenditure of Rs. 25 lakhs, the governing Body of CADA, in its meetings held in February and October 1986, decided that no further investment should be made on excavation of katcha water courses till such time as the availability of water in the JLN system became sufficient, more assured and perennial from the Ravi Beas waters.

The fact that the JLN system was non-perennial due to non-availability of the Ravi Beas waters/non-construction of SYL carrier channel in Punjab territory was already within the knowledge of the department in disregard of which it incurred expenditure of Rs. 25 lakhs which proved largely wasteful.

The matter was referred to Government in July 1987; reply has not been received (February 1987)

In their written reply the department stated as under :—

In terms of the 1981 Agreement, SYL Canal in Punjab portion was to be completed by 31-12-83 which would facilitate Haryana to carry its full share of surplus Ravi-Beas waters. The work on this channel was in progress during 1983-84. Full share of water was expected to be received for the project after completion of SYL Canal.



The topography of the area is undulating and soil light textured. Proper irrigation without water courses was not possible. No doubt the JLN system is non-perennial but the system has been running since the year 1979-80 by getting excess water from Yamuna Canal System during Kharif and part share of Ravi Beas water being carried through the spare capacity available at the existing Bhakra channel.

The construction of water courses was also considered beneficial, by the CADA who deposited money with this Department. The Chief Project Officer in his inspection note has also brought out that water courses should be completed upto tail so that the benefits could be passed on to villagers immediately.

The liability for the maintenance of water courses rests with the beneficiaries.

The Committee are not satisfied with the reply of the department. The Committee desire that details of total number of Katcha Water Courses constructed, their dimensions (length, breadth and depth), and amount spent on the construction of each courses be intimated to the Committee within fifteen days. Responsibility for the wastage may also be fixed under advice to the Committee.

## FOOD AND SUPPLIES

### [45] . 8.4. *Avoidable payment of interest*

For procuring foodgrains for their subsequent supply to Food Corporation of India (FCI) for Central Pool, the Food and Supplies Department is permitted by the Reserve Bank of India to obtain cash credit from the State Bank of India on interest. Amounts realised from the FCI by the circle offices of the department against the deliveries of foodgrains are credited to Government account at the stations of the respective circle offices and simultaneously telegraphic intimation about the amounts realised from the FCI is sent to the head office of the department at Chandigarh, which, in turn, deposits in the State Bank of India an equivalent amount in the Cash Credit Account in order to reduce the burden of interest.

Sonipat Circle realised Rs. 168.26 lakhs during August-September 1985 from the FCI, but informed Head office of this late by 14 to 73 days. The delay in sending the intimation thus resulted in avoidable payment of interest of Rs. 2.13 lakhs. The District Food and Supplies Controller, Sonipat, admitted the lapse and attributed (January 1986) the delay to heavy despatches of wheat and pre-occupation of staff in preparing bills for realising more dues from the FCI. No responsibility for belated intimations was fixed by the department.

The matter was referred to Government in June 1987; reply has not been received (February 1988)

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

- (i) Section Officer, Accountant and Clerk of Sonipat Circle are responsible for delay in sending intimation to Hqrs regarding realisation from FCI, which resulted in non-return of loan to S.B.I. causing un-necessary payment of interest. The amount realised from FCI was, however, deposited in the Govt. Treasury by the Circle Officer.
- (ii) The responsibility is being fixed against the defaulters.
- (iii) The circle officers have been instructed time & again to ensure submission of daily figures of realisation to Hqrs. telegraphically.

The Committee desire that responsibility be fixed for delay in sending intimation to the Head Office that resulted in avoidable payment of interest of Rs. 2.13 lakhs and action taken against the officers/officials responsible for the belated intimation be intimated to the Committee within six months.

[46] 8.5. *Uneconomical transportation of wheat*

In May 1984 the department transported, at a cost of Rs. 2.15 lakhs; 0.21 lakh quintals of wheat from Bhainswal to Gohana (Rs. 0.76 lakh) and 0.28 lakh quintals of wheat from Gohana to Sonipat (Rs. 1.39 lakhs). Wheat was being procured during this period both at Bhainswal and Gohana and was being transported from these places simultaneously to Gohana and Sonipat. While transporting the wheat, the department overlooked the fact that these inter-station transfer of wheat could be effected economically at a total cost of Rs. 1.42 lakhs only, by transporting.

— all of the 0.21 lakh quintals direct from Bhainswal to Sonipat at a cost of Rs. 1.06 lakhs; and only 0.07 lakh quintals from Gohana to Sonipat at a cost of Rs. 0.36 lakh only.

Thus, the department due to ill planning incurred an extra expenditure of Rs. 0.73 lakh for which no responsibility had been fixed.

The matter was referred to Government in July, 1987; reply has not been received (February 1988).

In their written reply the department stated that:

(i) During the year 1984-85 there was very heavy procurement of wheat at Gohana centre. The total procurement during 1984-85 at Gohana was 1.12 lakh bags, as against 90,625 bags during 1983-84. There was an increase of about 25 percent procurement in this mandi. This created an alarming situation and attracted hue and cry from agriculturists as well as farmers because of un-loading of fresh stocks of the farmers in the mandi. Efforts were made to hire private godown at Gohana but no private godown was available for the storage of procured wheat. Thus to help solve the problem there was no other alternative with the Deptt. but to hire suitable accommodation at some other place. Accordingly a private godown having the capacity of 22,000 bags was hired at Sonipat on 16-5-1984 for the storage of procured stocks of Gohana Centre. Had this arrangements not been quickly made at Sonipat, the stocks would have been damaged due to rains etc.

(ii) As regards the transfer to Bhainswal wheat stocks to Gohana it is stated that Bhainswal is a small seasonal mandi. There was procurement of 16568 bags wheat during 1984-85 upto 15-5-1984. From 16-5-84 on ward, 5183 bags were purchased at this Centre. Bhainswal mandi was linked for storage of wheat during 1984-85 and delivery purpose with Gohana because the transport rate from Bhainswal to Sonipat was Rs. 5.13 per quintal. The linking of Bhainswal mandi with Gohana was therefore, economical and safer for all purpose.

From the above it is clear that due to unexpected rush of wheat arrival in Gohana mandi the department was forced to hire a godown at Sonipat from 16-5-84 to clear the mandi and also to store the stocks safely. The capacity of godown at Sonipat was 22,000 bags. This godown was entirely at the disposal of Inspector Food & Supplies Gohana. The purchase at Bhainswal was only 5183 bags after 16-5-84 and these bags could not be stored at Sonipat because the purchase of this centre have already been stored at Gohana and the storage of these stocks at Sonipat could not be economical and correct from storage point of view. It is necessary that stocks of one centre should be stored at one place under proper watch and ward arrangements and secondly it was difficult to keep the stocks of Bhainswal stock at Sonipat under the custody of Inspector Food & Supplies Gohana. The rate of transport from Bhainswal to Gohana during 1984-85 was 3.69 per quintals and from Bhainswal to Sonipat 5.13 per quintal. In this case, only about extra expenditure of about 17,000 is involved and such expenses are reimbursed by Govt. of India in the shape of incidental charges.

- (iii) At the end of 3/85 there was a vacant space of 10,000 bags in hired private godown at Sonipat. As per rules the department is bound to pay full rate of the capacity of the godown till the clearance of stocks. In order to utilise this vacant capacity of private hired godown at Sonipat, 9904 bags of Gohana Centre were stored in this godown. In this godown the stocks of Siwanamal centre could not be stored because this godown was under the charge of the Inspector Food & Supplies Gohana and also the rate of transport from Siwanamal to Gohana was Rs. 4.15 per quintal and from Siwanamal to Sonipat Rs. 7.50 per quintal during the year 1985-86. In this case also, the stocks of Siwanamal have been properly stored at Gohana instead of Sonipat and such storage arrangements were properly in accordance with the working of the Department.

The wheat procurement operations involve gigantic and massive task, therefore, some arrangements have to be made at the very short notice to ensure the safety of the stocks and to avoid loss to the State Government. The action was taken in public interest and with the objective to save the stocks from natural calamities.

In view of the position explained in para (1) above no responsibility was fixed in the matter.

The Committee desire whether tenders were called to lift the wheat. If so, name of the truck union to which the work was allotted may be intimated to the Committee.

[47] 8.7. Undue storage of wheat

8/9/82  
In May 1983, the department issued instructions to all the District Food and Supplies Controller (DFSCs) that while the stocks of wheat lying in the open or in polythene covered stacks should be delivered to the Food Corporation in India (FCI) straightaway, the stocks kept in godowns should not be delivered without prior permission of the Directorate of Food and Supplies.

On 20th July 1983, the FCI asked the DFSC, Kurukshetra, to deliver the entire wheat, lying in godowns, by 31st July 1983. On 25th/26th July 1983, the DFSC sought the permission of the directorate. The directorate withdrew its instructions of May 1983 in September 1983 and directed all the DFSCs to deliver maximum stocks to the FCI.

The DFSC, Kurukshetra, offered its wheat stocks, procured from mandis in 1983-84 and stored in godowns, to the FCI for inspection in February, March and June 1984. The FCI rejected 758 tonnes wheat due to infestation and atta formation caused by long storage. The entire quantity of 758 tonnes wheat valuing Rs. 15.72 lakhs (including incidentals, transportation, storage charges etc.) was, therefore, sold to flour mills (April—September 1985) for Rs. 11.75 lakhs. The department thus suffered a loss of Rs. 3.97 lakhs due to injudicious instructions of May 1983.

The matter was referred to Government in August 1987; reply has not been received (February 1988)

In reply to the questionnaire of the committee, the department stated as under —

- (i) Office instructions dated 19-5-83 (Not to issue wheat to FCI out of stocks stored in godowns) were issued mainly for saving the newly purchased wheat lying in mandi phars from unseasonal rains and other vagueries of weather. As soon as procurement season was over, the said instructions were withdrawn in Sept. 1983.

As per reports, received from DFSC, Kurukshetra the purchase of wheat in Kurukshetra was started in April, 1983 and direct delivery of purchased wheat from mandi to FCI was started with effect from 29-4-83. From the very beginning the pace of delivery was very slow due to the reason that FCI had then change its previous policy of taking the delivery of wheat after 10 per cent weightment they had started taking delivery of wheat after 100 percent weightment on 10-5-1983, there had been 27771 bags of purchased wheat which was lying undelivered at various mandi 'phars' as a result of slow pace of lifting by FCI. All of a sudden unseasonal rains started and the 27771 bags of wheat were badly effected by rains

The vacant capacity of P.R. Godowns was already full with the storage of 28896 bags wheat. On 12-5-83 the staff

of FCI went on strike and taking of delivery of wheat by them was totally stopped. The day to day purchased wheat started accumuloting on the mandi platforms. (phars of Kacha arthies) Deputy Commissioner, Kurukshetra ordered to clear the mandi phars everyday. Our staff on purchase duty was left with no alternative but to store 21159 bags after drying 18550 bags out of 27771 bags plus 2609 bags out of 13208 bags purchased on 12-5-83 and which were lying scattered in the mandi in hired private sheller godowns having tin roofs, and no ventilations. Had these 21159 bags of wheat not been stored in the rice sheller godowns the stocks would have been adversely affected deteriorated by rains.

Just after the movement of wheat stocks stored in godowns was allowed, the stocks were offered to FCI for delivery. They took delivery of only 1177 bags in October, 1983, because they had simultaneously started taking delivery of rice too in their local godowns and had little space for storage of wheat the labour arrangements with them was also not sufficient. They, therefore, stopped taking deliveries of wheat after 12-10-83. Many verbal requests were made to them by our staff in this respect. Then they started taking delivery of wheat on 26-12-83 and thus the following quantity of wheat was lifted before the next year procurement of wheat was started.

Month	Bags lifted	From where lifted
December, 1983	567 bags	From P. R. Godowns
January, 1984	11561 bags	From P. R. Godowns
February, 1984	13287 bags	From P. R. Godowns/ Sheller godowns.
March, 1984	5750 bags 710 bags	From sheller From P.R. godowns.
April, 1984	4500 bags	From P.R. Godowns.

Because procurement of new crop of wheat of Rabi 1984 had begun and direct despatched thereof from the mandis had started the delivery of 1983-84 old wheat could be resumed only on 10-7-1984. 590 tonnes of that wheat stored in sheller Godowns was then rejected by FCI staff due to infestation and atta formation. The rice sheller godowns wherein 21159 bags of rain affected wheat including 590 tonnes, rejected by FCI stored were not well ventilated being in roofed, having only one door no ventilator. These godowns were notfit for giving proper treatment with insecticides to the stocks stored. Even cooling process could not be applied to check infestation and further breeding of post in such godowns. Repeated treatment with insecti-

cides could not check infestation and deterioration in the health of the stocks.

168 tonnes of damaged wheat rejected by FCI at Ismailabad was stored there in the godown of Haryana Warehousing Corporation. Reimbursement was claimed by DFSC Kurukshetra from H.W.C. but was rejected by them. Nothing more was done by DFSC Kurukshetra. They are, therefore, responsible for quality and quantity of stocks, stored in their godowns at the time of delivery.

2. During the rabi 1983-84 the weather was very inclement and there was rains during these days and the pace of deliveries to FCI was very slow. In order to avoid damage to stocks from rain it was decided by the Govt. that the stocks lying in mandis or in 'CAP' should be delivered to FCI for storage in their godowns or for despatch in specials. Had these instructions not been issued the damage to stocks would have been much more on account of heavy rain and inclement weather.

It is also intimate that the joint para No. 1 of accountant General audit and inspection note on the accounts of DFSC (Hqrs) for the period from 4/84 to 3/85 includes this quantity of wheat of Kurukshetra circle and loss thereby which was dropped by Resident Audit Officer, Food and 31-11-1987. This para needs to be dropped on this account also.

The Committee observe that the whole matter be investigated de-novo and responsibility be fixed for the lapse under intimation to the Committee within three months.

[48]. 8.8. *Excess cartage payment*

The Ambala Circle of the Department paid cartage for Ambala Centre for the years 1983-84 and 1984-85 at 66 per cent and 78 percent above the basic rates fixed in March 1983, without the approval of the competent authority. On this being pointed out by Audit in August 1984, the Directorate approved (September 1984) the action of the Circle subject, however, to the condition that the rates paid should not be more than the prevailing market rates. It was noticed that even at the prevailing market rates, the Circle had overpaid Rs. 0.84 lakh (due : Rs. 1.56 lakhs; actually paid : Rs. 2.40 lakhs).

The Directorate admitted (June, 1987) the over payment of Rs. 0.26 lakh and stated that recoveries will be made. However, it was noticed in audit that the amount of over payment worked out by the department was not correct as unloading charges, which were not paid by them, were not excluded from calculation. The correct amount overpaid worked out to Rs. 0.84 lakh.

The matter was referred to Government in August 1987; reply has not been received (February 1988).

In reply, the Department stated as under .—

1. Excess payment has been made due to the negligence of the officials who have since been charge sheeted.
2. Cartage rates for the year 1983-84 and 1984-85 were approved by the Department on the condition that the payment shall not exceed the prevailing market rates. But while making the payment this aspect was not kept in view which resulted in excess payment.
3. The defaulting officials have been charge sheeted and the enquiry is in progress. The action will be taken by the competent authority against the officials on the basis of enquiry report. In view of the action initiated by the Department, para may kindly be dropped

**The Committee desire that final outcome of the enquiry conducted and action taken against the defaulting officer/officials together with the recovery of over payment be intimated to the Committee within six months.**



## LOCAL GOVERNMENT

### [49] 7.6. *Slum clearance and economically weaker sections housing programme*

#### 7.6.1. Introductory

The scheme of environmental improvement of urban slums, started by the Government of India in 1972, envisaged provision of basic amenities like supplying of drinking water, paving of streets, providing community latrines, baths, drainage, street lights etc. in the slum areas. A housing programme was also launched for providing houses to the economically weaker sections (EWS) with the income level of Rs. 350 per month upto 1982-83, Rs. 600 per month from 1983-84 to 1985-86 and Rs. 700 from 1986-87.

#### 7.6.2. Organisational Set up

At the State level, overall responsibility for administration, co-ordination monitoring and implementation of the slum clearance programme was vested with the Local Government Department while its execution was done through the municipal committees and the Faridabad Complex Administration. The EWS housing programme was implemented by the Housing Department through the Haryana Housing Board and the Haryana Urban Development Authority.

#### 7.6.3. Scope of review

The audit of municipal committees and Faridabad Complex Administration is conducted by the Examiner, Local Fund Accounts. The audit of the Haryana Housing Board was entrusted to the Comptroller and Auditor General of India upto 1983-84 whereafter it was entrusted to the Chartered Accountants. In respect of these bodies, therefore, the comments contained in the succeeding paragraphs are based on the information/data supplied (May-July 1987) by these bodies and the information collected by Audit from 14 Municipal Committees, Faridabad Complex Administration and the Haryana Housing Board.

#### 7.6.4. Highlights

##### Slum clearance programme

Rupees 87.51 lakhs were spent on slum areas not notified under the Act and Rs. 13.76 lakhs were spent on unidentified areas. (Paragraph 7.6.6.A(iv)).

Grant of Rs. 0.60 lakh meant for slum clearance was utilised by the Municipal Committee, Kalanaur (Rohtak) for disbursement of pay and allowances of staff. Similarly, grant of Rs. 0.48 lakh for slum clearance was spent by the Municipal Committee, Hathin without having any slum area in its jurisdiction. (Paragraph 7.6.6.A(v) & (vi)).

After completion, the works were not maintained by the municipal committees. (Paragraph 7.6.6.A (viii)).

Account of advance of Rs. 21 66 lakhs given by the municipal committees was not obtained from the Public Health Department. (Paragraph 7.6.6.A(ix)).

Against basic amenities actually provided to 19761 slum dwellers, inflated figures of 36190 were shown in the achievement report sent to the Government of India by 4 municipal committees. (Paragraphs 7.6.6.A(x)).

### EWS Housing Programme

Against the Sixth Plan target of 3472 EWS houses, only 2356 EWS houses were completed by the Housing Board during 1981-82 to 1982-83, which too were a spill-over of the Fifth Plan period (1974-75 to 1979-80); no scheme of EWS houses was planned during the Sixth Plan period 1980-81 to 1984-85 and also during 1985-86. (Paragraph 7.6.6.B(i)).

The Housing Board mixed up the progress in the construction of the EWS and the LIG categories of houses and reported to Government combined achievement in the construction of LIG and EWS houses. (Paragraph 7.6.6.-B(i)).

Loans of Rs. 201 lakhs sanctioned by the State Government to the Housing Board during 1980-81 to 1985-86 for the construction of EWS houses were utilised towards the LIG and other categories of houses. Subsidy of Rs. 54 lakhs sanctioned during 1985-86 and 1986-87 for subsidising the cost of EWS houses at the rate of Rs. 3000 per house remained unutilised with the Housing Board. (Paragraph 7.6.6.B(i)).

The Faridabad Complex Administration entailed an extra cost of Rs. 0.83 lakh on construction of EWS houses due to non-allotment of work to the lowest tenderer within the validity period of 60 days. (Paragraph 7.6.6.B(ix)).

In 94 cases, EWS houses were allotted to persons having income of more than the ceiling limit of Rs. 600 per month. (Paragraph 7.6.6.B(v)).

These points are discussed in detail in the subsequent paragraphs.

### 7.6.5. Budget provision and expenditure

For slum clearance, budget provision from 1980-81 to 1985-86 was Rs. 718 lakhs against which grants aggregating Rs. 632.96 lakhs were released to the municipalities/Faridabad Complex Administration. These include incentive grant of Rs. 170 lakhs received from the Government of India in 1983-84 and 1984-85.

Under the EWS housing programme, loans aggregating Rs. 201 lakhs from 1980-81 to 1985-86 and subsidy of Rs. 54 lakhs during 1985-86 and 1986-87 were given to the Housing Board. Besides, during 1980-81 to 1985-86, loans aggregating Rs. 116.15 lakhs were also paid by the Housing and Urban Development Corporation (HUDCO) to the Housing Board (Rs. 6.25 lakhs) and the Faridabad Complex Administration (Rs. 109.90 lakhs).

### 7.6.6. Targets and achievements

The slum dwellers covered against the total, estimated slum dwellers in the State were as under :—

Year	Total slum dwellers (number in lakhs)	Slum dwellers		Percentage
		Targets to be covered (number in lakhs)	Actually benefited (number in lakhs)	
1980-81	—	0.29	Nil.	—
1981-82	—	0.66	0.28	—
1982-83	—	0.60	0.60	—
1983-84	5.12	0.60	1.00	19.5
1984-85	4.12	0.35	1.04	25.2
1985-86	7.96	0.40	1.00	12.05
(Fresh survey)		2.90	3.92	

As per records of the Local Government Department, a population of 3.92 lakhs was provided with basic amenities in the slum areas against the targeted 2.90 lakhs from 1980-81 to 1985-86. Although the achievements in providing the basic amenities to slum dwellers were shown as more than the targets, the slum population increased from 4.12 lakhs in 1984-85 to 7.96 lakhs in 1985-86.

Under the EWS housing programme, the Housing Board was stated to have constructed 2356 houses against the target of 3472; HUDA built 403 houses out of the targeted 3600 and the Faridabad Complex Administration built 1640 houses without fixing any target.

#### A—Slum clearance

(i) The slum population in the State assessed by the State Government in December, 1983 at 5.12 lakhs increased to 7.96 lakhs by December, 1985.

(ii) In the 14 Municipal Committees and the Faridabad Complex Administration covered in test check, slum area-wise records of slum dwellers, expenditure incurred and amenities provided, were not maintained.

(iii) In the progress reports submitted by the Jhajjar, Meham and Hodel Municipal Committees the number of slum dwellers was shown as 1490, 1170 and 3870 as against the identified slum population of 1450, 729 and 1955.

(iv) In 13 Municipal Committees and the complex at Faridabad, certain areas were covered under the programme at a cost of Rs. 87.51 lakhs during 1980-81 to 1985-86 although these areas had not been declared as slum areas under the Punjab Slum Areas (improvement and clearance) Act, 1961, as adopted by the State of Haryana. In 6 Municipal Committees, Rs. 13.76 lakhs were spent on 61 un-identified areas.

(v) Rupees 0.60 lakh granted to the Municipal Committee, Kalanaur, during 1982-83 under the scheme were utilised by it towards pay and allowances of its staff for December 1982 and January 1983 instead of on slum clearance works.

(vi) Rupees 0.48 lakh were shown utilised on pavement of streets and construction of drains by the Municipal Committee, Hathin, although according to the report sent by the Municipal Committee to the Deputy Commissioner in June 1982, there was no slum area in the town.

(vii) Ceiling cost for undertaking improvement in slum areas (providing water supply, open sewer, storm water drainage, community bath, community latrines, widening and paving of existing lanes, street lights) per slum dweller was Rs. 150 upto 1983-84, Rs. 250 in 1984-85 and Rs. 300 from 1985-86. Eight Municipal Committees and the Faridabad Complex Administration covered population of 0.95 lakh slum dwellers by incurring an expenditure of Rs. 116.08 lakhs during 1980-81 to 1985-86 by providing the amenities only partially; with this amount only 0.57 lakh slum dwellers could be covered as per norms. Reasons for not providing all the amenities were not on record. Similarly, 4 municipal committees spent Rs. 10.35 lakhs over and above the norms prescribed in the scheme.

(viii) None of the Municipal Committees had incurred any expenditure on maintenance of completed works. There was also nothing on record to indicate that the assets created out of the grants were efficiently maintained.

(ix) Two municipal committees advanced Rs. 21.66 lakhs (Sonapat Rs. 15 lakhs and Rohtak : Rs. 6.66 lakhs) during 1980-81 to 1985-86 to the Public Health Department for under-taking sewerage and water supply works in slum areas. Accounts of advance and report on the progress of work were however, not obtained (July 1987).

(x) The Government of India had given incentive grants amounting to Rs. 170 lakhs during 1983-84 to 1984-85. For drawing these grants, achievements had to be reported by the State Government to the Government of India. It was, however, noticed during test-check in 4 (out of 15) municipal committees that, against the 19761 dwellers actually provided with basic amenities, 36190 were shown in the achievement report sent to the Government of India. Reasons for inflated achievements have not been intimated. (February, 1988).

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

#### 7.6.1

The objectives of scheme of environmental improvement of Urban Slum Areas started by Government of India was

achieved in Faridabad Complex Administration, Faridabad for basic amenities like supply of drinking water, paving of street, street light etc. The Faridabad Complex Administration constructed 1624 Nos. of E.W.S. houses, in N.I.T. zone, 184 in 2C Block N.I.T. Zone, 128 in Harijan Colony, Old Faridabad and 104 in Bapu Nagar, Ballabgarh zone of the Complex Area making a total of 2040. Now the Complex Administration has submitted the scheme for construction of 1068 E.W.S. houses with the loan of HUDCO. To augment the water supply in this area a water supply Scheme is under active consideration of the State Government. However drinking water is being supplied in slum areas by providing public stand posts and India Mark-II Deep Hand Pumps.

The accounts of Faridabad Complex Administration is being pre-audited by the office of the Examiner, Local Fund Accounts, Haryana, Chandigarh. The Resident Assistant Examiner is the Incharge of this scheme.

The entailment of an extra cost of Rs. 0.88 lakh was due to the reasons that the tenders for the construction of E.W.S. houses were invited through Press and tenders were received on 30-6-80. The rates quoted were higher than that of the estimated cost and thus negotiations were initiated with the contractors. The contractor, who quoted the lowest rates further reduced his rates vide undertaking dated 14-4-80. However, the reduced rates were still higher than that of the estimated cost and the same were not accepted. Later on, the negotiation was made with the second lowest Contractor to reduce further rates vide separate undertaking dated 24-7-80, which were still higher than that of the estimated cost. The situation was reviewed by the Administration in the meeting of the Works Committee and a committee was constituted to negotiate further with the contractors for reviewing the rates and the terms and conditions of the contracts. The committee met on 30-7-80 and again on 1-8-80 on the request of the contractors. This Committee recommended to recall the tenders on 1-8-80. The case was submitted to the Chief Administrator for decision in this regard on 6-8-80 which was referred back by him for discussion on 8-8-80. Meanwhile the Chief Administrator was transferred and the new Chief Administrator took over the charge on 12-8-80. This matter was put up to the new Chief Administrator on 14-8-80, who after going through this case desired to discuss it on 22-8-80 but no decision was arrived at uptill 30-12-80. Ultimately the Committee headed by the Chief Administrator decided that the cost of different building materials were going up in the market and C.S.R. premium had also been raised by nearly 10%; it would not be in the public interest to recall the tenders. It was felt that there was every likelihood of higher rates in case the tenders were recalled. It was decided that the tenders should

not be recalled and efforts should be made to get the rates and terms and conditions reduced by the Contractors so as to reduce the cost of the EWS houses. For this purpose, a Sub-Committee was constituted and the works were allotted as per recommendations of this committee on 5-1-1981. The validity period of 60 days was to expire on 21-9-80 but the delay occurred due to the circumstances mentioned above which were beyond control.

The Faridabad Complex Administration formulated the policy to get the parks vacated. These parks were in occupation of residential Khokha dwellers who have been squatting in these parks for the last 30-35 years and were reluctant to shift to EWS houses. The then Local Government Minister Shri A.C. Chaudhary, who was also Local M.L.A. persuaded these Khokha dwellers to shift en-mass to the E.W.S. Colony so that the parks could be vacated and the environment of the town could be improved. The condition of monthly ceiling income of Rs. 600 per month was not imposed by the Local Government since there were not enough applicants to shift to these houses in view of stringent conditions. This is clear from the D.O. letter No. CLG-86/197, dated 28-2-86, written by Dr. M. Kuttappan, I.A.S., the then Commissioner and Secretary, Government of Haryana, Local Government Department (copy of letter enclosed). The Administration further allotted E.W.S. houses to all the slum dwellers who were residing in the khokha/Jhuggies in the various Parks of N.I.T. Faridabad irrespective of their family income.

However, the Faridabad Complex Administration had received the following grant-in-aid from 1980-81 to 1985-86 :—

Sr. No.	Year	Amount of grant-in-aid
1	1980-81	—
2.	1981-82	2,00,000
3.	1982-83	9,50,000
4.	1983-84	6,00,000
5.	1984-85	11,95,000
6.	1985-86	5,00,000
		<hr/> 34,45,000 <hr/>

The construction of EWS houses programme has been implemented in this Administration by taking loan of Rs. 109.90 lakhs from HUDCO during the years 1980-81 to 1985-86.

The total slum population as per Survey conducted by FCA in the year 1980 and the slum population covered during each year from 1980-81 to 1985-86 is as under :—

Year	Total slum popu- lation	Slum dwellers to be covered	Actual benefitted	Percen- tage
1980-81	0.704	—	—	—
1981-82	0.704	—	—	—
1982-83	0.704	0.07	0.021	30 %
1983-84	0.682	0.05	0.228	456 %
1984-85	0.454	0.10	0.105	105 %
1985-86	0.631	0.02	0.038	100 %

From the perusal of the above statement, it is clear that the slum population has been covered more against the assigned target. In fact the achievement figures were reported by this administration on the basis of services provided in different slum clusters under E.I.U.S. Programme, without considering a package of services such as water supply, community toilets, brick paving drains, street lights etc. Therefore, after provision even a single amenity such as hand pump, brick paving drains, street light etc., the population of that pocket/slum cluster was treated as benefitted under E.I.U.S. Programme whereas as per E.I.U.S. programme, the benefitted population figures should be counted only after providing groups of services in the particular slum clusters.

Regarding increase in slum population, it is reported that there is a tendency in migration of labour force from neighbouring states and Bihar towards Faridabad Complex being an industrial town. Another aspect for the increase in slum population is that of natural growth.

The Faridabad Complex Administration constructed 1624 Nos. of E.W.S. houses, in N.I.T. zone, 184 in 2C Block N.I.T. Zone, 128 in Harijan Colony, Old Faridabad and 104 in Bapu Nagar, Ballabgarh Zone of the Complex Area making a total of 2040.

It is intimated that 10 clusters out of 64 identified clusters as per Survey conducted by the Faridabad Complex Administration in 1980 and as per Slum Clusters enumerated in 1981 Census, were declared as Slum Areas under the Punjab Slum

Areas (Improvement and Clearance) Act, 1961, in the year 1985 as adopted by the State of Haryana. These ten clusters in the parks were located in the heart of N.I.T. Faridabad and those parks formed lungs of the town. In view of this importance and for providing environmental improvement to the various residents of NIT, Faridabad, these ten clusters were declared as slum area under the said Act. Slum dwellers of these ten clusters were proposed to be shifted to the Janta Colony (EWS) near Hitkari Potteries on the land of Rehabilitation Department which was transferred to this Administration for this purpose and these were also shifted.

However, remaining slum clusters through identified were not declared as slum areas under the provision of said Act because land require for shifting of residents of those slum clusters was not available with the Faridabad Complex Administration for which the Faridabad Complex Administration has been requesting the Rehabilitation Department to give land near F.C.I. Godown in N.I.T., Faridabad as well as 80 acres of land near Village Gaunchi for this purpose for which a scheme of 17 crores for rehabilitating the slum dwellers has been formulated in joint Action Plan by the FCA & HUDA and sent to the State Govt. for financial assistance. The clearance of these slum areas could not be made due to paucity of funds. But as mentioned above, all these clusters were identified as per survey conducted by the Faridabad Complex Administration in the year 1980 and the report of which was sent to the Government from time to time and some slum clusters were enumerated/identified in 1981

- (vii) The basic services such as drinking water supply, drains, community toilet, paving of streets, street lights were provided by FCA in different slum clusters, on the basis of priorities of services required by each slum clusters. The priority demanded that the essential services required to be provided were made as per site condition and also the Group of Services were not provided in each cluster due to the financial constraint

In their written reply the Town and Country Planning department also stated that it was decided in the meeting held on 21-1-83 to construct the EWS Houses in HUDA as follows :—

1982-83	400	Nos. houses
1983-84*	1200	Do
1984-85	2000	Do

It was also proposed to build these houses with the financial assistance from Financial Institutions like HUDCO, LIC, and Banking Institutions. Accordingly the project of cons-



struction of 400 houses was taken in hand during March 1983 and loan application was filed with HUDCO. However, in response to the advertisement of 3250 Houses only 550 applications were received.

HUDCO agreed to provide financial assistance subject to certain conditions which inter-alia include the following two conditions :—

- (i) Details of result of demand survey.
- (ii) State Government permission to borrow this amount and to undertake the scheme.

The State Government did not accord its sanction to borrow the amount since it was felt that HUDA should confine itself to land development and construction of houses should be left to the Housing Board, Haryana to avoid duplication of activities. Therefore, HUDA completed the construction of 403 houses out of its own resources.

The Committee observe that the slum population is increasing in the industrial town of Faridabad Complex due to migration of labour force from neighbouring states. Steps need to be taken to ensure that area under slum does not increase further.

The Committee desire that the Government should take effective steps to cover all such population under the scheme and the Committee feel that the industrialists can also help in providing residential facilities to some extent to their workmen/labourers.

The Committee further desire that the Government should ensure that all the slum dwellers residing in the Khokha/Jhuggies etc. are provided basic civic amenities and steps taken in this behalf be intimated to the Committee. The Committee direct that grants given to Municipal Committees for slum clearance may not be spent on purpose other than slum clearance.

The Committee also desire that complete details of amounts provided for slum clearance and spent thereon during the last three years be furnished to the Committee expeditiously.

## BUILDINGS AND ROADS/IRRIGATION/ PUBLIC HEALTH DEPARTMENTS

### [50] 5.7. *Arbitration and compensation cases*

#### 5.7.1. **Introductory**

Under clause 25 (A) of the standard contract agreements applicable in Buildings and Roads and Public Health Divisions and clause 5 of the standard work orders applicable in Irrigation Divisions, any dispute arising between the Engineer-in-Chief and the executing agencies is to be referred to an arbitrator. A Superintending Engineer is appointed as arbitrator by the Engineer-in-Chief/Government/Court on a reference from either of the parties and his decision is final and binding on both the parties.

Clause 2 of the standard contract agreements applicable in Buildings and Roads/Public Health Departments stipulates that the work should be completed within the time allotment agreed to, failing which compensation equal to one *per cent* subject to a maximum of ten *per cent* of the estimated cost of the work will be levied on the contractor. The clause also provides that the Superintending Engineer, on representation from the contractors, may reduce the amount of compensation and that his decision shall be final.

#### 5 7.2. **Scope of Review**

This review embodies a study of arbitration/compensation cases decided by the arbitrators/Superintending Engineers during the years 1985-86 and 1986-87 in respect of Buildings and Roads, Public Health and Irrigation Branches of the Public Works Department. The review was conducted during April 1987 to June 1987.

#### 5 7.3. **Highlights**

##### **Arbitration**

Out of the 172 cases decided during the period 1985-86 and 1986-87 in arbitration, 141 cases (82 *per cent*) involving payment of Rs. 49.91 lakhs were decided against Government due mainly to :—

- (i) Delay in (a) supply of material/drawings to the contractor  
(b) finalisation of tenders and issue of letters of acceptance.
- (ii) Allotment of works in anticipation of approval of rates and subsequent reduction of rates by higher authorities.
- (iii) Inflated/fictitious recording of measurements of works by subordinate staff. (Paragraph 5 7.4.A.)

Out of the 68 cases where payments of Rs. 20.35 lakhs were released to the agencies against awards, sanctions applied for in 26 cases were awaited and in 24 cases sanctions had not even been applied for (Paragraph 5.7.4.A.)

Due to allotment of work without layout plans/drawings non-supply of material in time and change in specifications during the work in progress an award of Rs. 5 lakhs was given in favour of a contractor. (Paragraph 5.7.4.A(i).)

The borrow pit/tape measurements recorded by a Junior Engineer (April/May 1983) were found (June 1983) to be on high side as a result of check measurements based on cross sections by higher authorities resulting in excess payment. An award of Rs. 0.59 lakh was given in favour of the contractor taking the measurements recorded by the Junior Engineer as correct. (Paragraph 5.7.4.A(ii))

An award of Rs. 0.60 lakh was made to a kiln contractor because of supply by the department of inferior grade coal stored in the open and exposed to rain resulting in loss of its calorific value and consequent higher consumption. (Paragraph 5.7.4.A(iii).)

For allotting the work without approval of tendered rates and for delaying the submission of tenders to the Chief Engineer, an award of Rs. 0.46 lakh was given in favour of a contractor due to approval of reduced rates by the Chief Engineer. (Paragraph 5.7.4.A(iv).)

Due to non-finalisation of tenders by the department within the validity period, earnest money deposit of Rs. 0.34 lakh previously forfeited by the department due to non-commencement of work by the tenderer, had to be released alongwith interest of Rs. 0.31 lakh. (Paragraph 5.7.4.A(v).)

A contractor was allowed to start work at the negotiated rates in September 1979 without approval from the competent authority. The Chief Engineer accorded approval for reduced rates which were not acceptable to the contractor. As a result of award, payment of Rs. 0.45 lakh was allowed to the contractor on account of difference in rates. (Paragraph 5.7.4.A(vi).)

### Compensation

Out of the 181 cases, involving levy of compensation of Rs. 28.14 lakhs, only 3 cases involving Rs. 0.61 lakh were upheld by the Superintending Engineers in 178 cases (98 per cent) compensation of Rs. 27.53 lakhs levied by the Executive Engineers was reduced by the Superintending Engineers to Rs. 1.15 lakhs without assigning any reasons.

The above points are discussed in detail in the succeeding paragraphs.

In their written reply, the departments stated that the existing procedure is sufficient to cope with the arbitration and compensation cases and it requires no amendment.

Position about arbitration cases was stated as under :—

### **Irrigation**

Out of 165 cases, 86 cases were decided upto 1986-87 66 more cases have been decided and balance 13 cases are being pursued vigorously.

### **P.W.D. (B&R)**

Out of 183 cases, 65 cases have been decided as per report of audit. 40 more cases have been decided after 31-3-87 and only 76 cases are yet to be decided. Position of 2 cases has not been mentioned correctly by the Audit. There is a regular return which is sent by all the EES every month to the Head Office

### **Public Health**

Out of 82 pending Arbitration cases of Public Health department upto 1986-87, 59 cases have been decided and remaining 23 cases are pending either in the Court or in the Arbitration

It was also stated that all efforts are made to follow the codal rules and procedure. Strict instructions have been issued to all the field officers for observing codal requirements and procedure before execution of works, in future. Some times, the delay in execution of work, do occur due to unavoidable circumstances of delay in procuring the material or late receipt of funds.

The Committee note that mainly the dispute cases arise due to negligence/lapses on the part of the departmental officers in not observing the codal requirements and procedure. The Government should ensure that the codal requirements and procedure are observed to avoid disputes in future

The Committee also feel that while deciding the arbitration/compensation cases by the arbitrator/Superintending Engineer, the order should be self speaking, indicating therein reasons in support of the order.

The Committee further observe that in avoiding delay in arbitration cases, the Government should ensure that the arbitration/compensation cases are decided within the time limit of four months prescribed in the Arbitration Act. Reasons for extension should be justified in writing. Extension should not be given more than three times.

The Committee desire that in respect of cases involving huge amounts of over fifty thousand, two arbitrators should be appointed. Arbitrator should also not belong to the area to which the case relates.

The Committee desire that while making appointment of arbitrators the efficiency and reputation etc. of the officer should be kept in view.

The Committee also desire that steps taken in this direction be intimated to the Committee within three months.

## SOCIAL WELFARE DEPARTMENT

### [51] 7.5. *Haryana State Social Welfare Advisory Board*

#### 7.5.1. **Introductory**

The Central Social Welfare Board was set up in August 1953 to promote social welfare activities for the welfare of the family, women, children and the handicapped. Under the Articles of Association of the Central Board, the Haryana State Social Welfare Board was set up in November 1966 to (a) act as media for exchange of information between the field agencies and the Central Board and *vice versa* (b) supervise and report on the working of the aided voluntary institutions and of projects implementation committees established for implementation of various programmes of the Central Board, and (c) to coordinate the welfare activities of the State Government and the Central Board so as to avoid duplication.

#### 7.5.2. **Organisational set up**

The Board consisting of 15 (11 Non-officials and 4 officials) members has the responsibility of monitoring and supervising the following programmes executed by voluntary institutions in the State.

- (i) Centralised programmes like creches and socio-economic programmes for which Central Board sanctions grants and releases funds direct to the institutions.
- (ii) Decentralised programmes like Mahila Mandals and Holiday Camps, for which funds are released to the Board by the Central Board, and which in turn releases funds to the institutions.
- (iii) Partially decentralised programmes, like condensed courses, vocational courses and socio-economic programmes (dairy units) for which grants are sanctioned by the Central Board but funds are released by the State Board.

The Commissioner and Secretary to Government Haryana Social Welfare Department, assisted by the Director, Social Welfare Haryana Chandigarh, is overall incharge of the working of the Board.

#### 7.5.3. **Scope of review**

Review of the performance of the Board for the years 1980-81 to 1986-87, was conducted (April to June 1987) in the office of the Board at Chandigarh and in 22 institutions spread over in 6 districts (Ambala, Kurukshetra, Karnal, Gurgaon, Rohtak and Faridabad).

#### 7 5 4. Highlights

The Board did not conduct any survey to assess the financial requirement of voluntary social welfare institutions implementing various social welfare programmes. (Paragraph 7 5.6.).

In 30 centres, fee and parents'/Panchayat contributions amounting to Rs. 3 46 lakhs collected by the institutions were not taken into account while releasing the grants. (Paragraph 7 5 7.(ii)).

Seven units misutilised grants aggregating Rs. 5.43 lakhs; 3 institutions received grants of Rs. 1 65 lakhs from the State Government for the same purpose for which they had already received grants from the Board (Paragraph 7 5 8.).

In 2 institutions test checked, the pass percentage under condensed course of passing Matriculation examination ranged between 18 and 40. The Board did not ensure the women who had passed the Matriculation examinations secured employment. (Paragraph 7 5 10.).

Rupees 2 34 lakhs were due for recovery against dairy units; 9.56 lakhs repaid by the beneficiaries were not utilised to cover more eligible beneficiaries as envisaged in the programme (Paragraph 7 5 11(ii)).

The Board did not fix any physical targets nor did it monitor a achievements under the various schemes. (Paragraph 7 5 6.).

These points are discussed in detail in the succeeding paragraphs.

#### 7 5 5. Financial outlay

The Central Board provided to the Board Rs 183 23 lakhs as grants (including Rs 85 13 lakhs released direct to the institutions for Centralised Programmes) during 1980-81 to 1986-87. The Board utilised Rs 177 05 lakhs (including Rs 85 13 lakhs released directly by the Central Board to the institutions) leaving an unspent balance of Rs. 5 32 lakhs (March 1987). In addition, Rs. 9.56 lakhs repaid by the beneficiaries out of the loans for dairy units, were not utilised.

The State Government released during the same period Rs. 74.26 lakhs for State programmes against which the expenditure was Rs. 74.33 lakhs.

Fifty *per cent* of the administrative expenditure of the State Board is met out of the grant from the Government of India and the balance 50 *per cent* out of the grant by the Haryana Government.

#### 7.5.6. Physical targets and achievements

The Board did not fix any physical targets nor did it monitor the achievements. It also did not conduct any survey to study the needs and requirements of voluntary social welfare organisations implementing various social welfare programmes in the State.

### 7.5 7. Creches for children of working and ailing mothers

The scheme initially started in 1974-75<sup>4</sup> provides for day care services to children upto 5 years of age of working and ailing mothers from low income groups and also to children of migrant labour. Under the scheme, which is sanctioned on year to year basis, each creche (25 children) is required to provide children with sleeping facilities, health care, supplementary nutrition, immunisation etc. The per child/per day value of supplementary nutrition was paise 20, revised to paise 30 from March 1982 and paise 50 from January 1986.

A sum of Rs. 73.73 lakhs was released to 6 institutions for running creches during 1980-81 to 1985-86 (details for 1986-87 not available). Test check of record of 4 institutions, namely, the District Council of Child Welfare Rohtak, Vocational Training Institute, Beri, Saraswati Sishu Mandir and the Bhartiya Gramin Mahila Sangh, Faridabad disclosed the following —

- (i) These 4 units were running 358 creches and had incurred and expenditure of Rs. 24.01 lakhs to the end of 1986-87. No survey to assess the requirement of setting up creches was conducted. In most of the centres, records showing the income/status of the parents were not maintained. Nor did the admission registers showing the number of children enrolled contain information with respect to occupation of the mother. Fourteen of the centres at Faridabad stated that admission register provided column for occupation of the father and not of the mother.
- (ii) Fee was charged from the children at varying monthly rates from Rs. 2 to Rs. 5 in rural centres and Rs. 10 to Rs. 40 in urban centres without any authority or permission from the Central Board. In 5 creches run by the Saraswati Sishu Mandir, Faridabad, donations to the extent of Rs. 0.25 lakh were collected during 1983-84 to 1986-87. Similarly in another 2 centres run by the Haryana Council of Child Welfare, Rohtak, Rs. 2.18 lakhs, and in 23 centres of the Bhartiya Gramin Mahila Sangh, Rs. 0.27 lakh were collected from parents of the beneficiaries as parents' contribution and Rs. 0.76 lakh as Panchayat contribution during 1980-81 to 1985-86. These were, however, not taken into account by the Central Board while releasing the grant to these institutions.
- (iii) In the Vocational Training Institute, Beri, although medicines valuing Rs. 0.18 lakh were purchased from a chemist during 1984-85 to 1986-87, no regular bill was obtained. Nor were the medicines entered in any register either by the institutions or by the creches. In the absence of any uniform procedure being followed, it could not be vouchsafed in audit whether the medicines were actually supplied to the centres in the rural areas.

- (iv) The visits of doctors for periodical check-up of the children kept in creches, were not regular. Eleven creches run by the Bhartiya Gramin Mahila Sangh were not visited by doctors even once during 1983-84 (9) and 1984-85 (2). In another 15 centres (1983-84 : 5; 1984-85 : 4 and 1985-86 : 6). Visits were between 2 and 7 as against 48 in a year. Reasons for short visits were attributed by the Sangh to doctors' reluctance to visit rural centres due to nominal payment of Rs. 25 per visit and non-availability of free conveyance.
- (v) The Bhartiya Gramin Mahila Sangh was paid grants by the Central Board aggregating Rs. 8.03 lakhs (1981-82 to 1985-86). The Sangh, however, accounted for only Rs. 7.85 lakhs. The difference of Rs. 0.18 lakh had not been reconciled (July 1987).

### 7.5.8. Socio economic (production units) programme

The programme was designed in the year 1958 to secure economic rehabilitation of the needy women such as destitutes, widows, deserted/divorced etc., as also the physically handicapped. The programme enables the women to earn a wage or to supplement their income while working at their own homes without disturbing their domestic life, as far as possible. A sum of Rs. 9.21 lakhs was released during 1980-81 to 1986-87 by the Central Board to 12 small scale industrial units (10) and handloom units (2) for employing 362 beneficiaries. The State Board was responsible for inspecting the units regularly for their efficient running and apprising the Central Board about the programme of the units from time to time. A test check of records in the State Board and of 7 units in the field disclosed the following :—

- (i) The Board did not maintain any consolidated record showing the employment generated and the number of units functioning or closed down.
- (ii) Out of Rs. 0.86 lakh paid as grant to the Family Planning Association, Chandigarh, during 1981-82 for manufacture of readymade garments, only Rs. 0.11 lakh were utilised by the Association to the end of September 1981 and the institution manufactured only 206 petty garments valuing Rs. 0.02 lakh whereafter it was closed (September 1982) leaving an unutilised balance of Rs. 0.75 lakh as un-refunded.
- (iii) Three institutions (Navjyoti, Bahadurgarh, Lok Priya Vikas Kendra, Gurgaon and Karma Chaitnya Kendra, Kurukshetra) were paid grant of Rs. 3.51 lakhs during 1980-81 to 1985-86 for manufacture of laundry soap, tat patti, darri and knitting wool. The institutions did not furnish to the State Board any utilisation certificate and account of manufacture and sale. All the three units were found closed.
- (iv) The Indian Red Cross Society, Rohtak, was sanctioned grant of Rs. 0.39 lakh in March 1986 for setting up units for



cutting, tailoring and embroidery. The society did not set up any new unit as it already had a unit functioning since November 1985 and had purchased machinery and equipment from out of the grant of Rs. 0.36 lakh received from the Royal Norway Embassy. Out of the grant of Rs. 0.39 lakh released by the Board in March 1986, the unit purchased only one embroidery machine (Rs. 0.04 lakh) and raw material (Rs. 0.01 lakh) but in its progress report furnished to the Board, it also included the expenditure out of the grant received from the Government of Norway, though neither any new unit was established nor was the existing one strengthened or any additional beneficiary employed.

(v) The Mahila Welfare Society, Rohtak which was sanctioned and paid Rs. 0.30 lakh (1981-82) for manufacture of ready-made garments, did not furnish account of production/sale and employment of beneficiaries. The unit was found closed in March 1983. The matter for claiming refund from the institution had been under correspondence since October 1985.

(vi) The Haryana Social Welfare Centre, Khorl (Mohindergarh) was sanctioned grant of Rs. 0.37 lakh in January 1982 for setting up a chalk making unit. Out of this grant, the Centre spent Rs. 0.19 lakh and manufactured 38,757 boxes of chalk. During November 1983 to April 1985, the centre did not do any work except selling the existing stock, the sale proceeds of which (Rs. 0.22 lakh) were not utilised for further production. Consequently, the working of the institution was adjudged as unsatisfactory by the Board and the centre was asked to refund the grant; further outcome was awaited (February 1988).

The Board has not investigated the reasons for failure/closing down of the institutions referred to in the foregoing paragraphs.

#### 7.5.9. General grant in-aid programme

7.5.9.1. Under this programme, annual grant of Rs. 5,000 subject to a maximum of Rs. 10,000 for the entire Sixth Plan period was admissible to voluntary organisations for welfare services for women, children, handicapped etc. to strengthen and improve the existing services and also to take up new services where they already did not exist. The recipient institutions had to make a matching contribution from their own sources.

7.5.9.2. The Board released Rs. 4.65 lakhs to 18 institutions during 1980-81 to 1986-87 under this programme, against which an expenditure of Rs. 3.87 lakhs had so far been adjusted in the Board's account; the balance amount of Rs. 0.78 lakh was awaiting adjustment. The test-check of records of 5 institutions disclosed as under :—

(i) Three institutions received grants of Rs. 1.65 lakhs (S.S. Junior Model School, Ambala Cantt : Rs. 0.37 lakh; S.D.

Institute of Blind, Ambala Cantt : Rs. 0.63 lakh; Women League, Yamunanagar : Rs. 0.65 lakh), from the Haryana Government for the very purpose for which grants were received by them from the Board in contravention of Government sanction.

- (ii) The Board sanctioned to 12 institutions grants for the entire Plan period (1980-81 to 1984-85) on year to year basis in excess of the ceiling of Rs. 10,000 laid down in the scheme (excess amount : Rs. 1.17 lakhs). Reasons for deviation from the procedure and steps taken to recover the excess payments were awaited (July 1987).

#### **7.5.10. Condensed courses of education for adult women and vocational training courses**

##### **(a) Condensed courses of education**

Under this scheme, financial assistance in the shape of maintenance charges, per head (Rs. 60 per month), pocket money (Rs. 15 per month), teachers salaries (Rs. 1000 per month) etc. is given to voluntary institutions for organising two year's courses for adult women in the age group of 18 to 30 years for preparing them to take middle/matriculation examination. During the period from 1980-81 to 1986-87, Rs. 9.38 lakhs were sanctioned as grant to 17 institutions of which the amount actually released was Rs. 3.93 lakhs to 10 institutions. The balance grant was not released as the institutions were unable to run the courses. A test-check of records of 2 institutions (District Red Cross Society, Rohtak and Vocational Training Institute, Beri) disclosed the following :—

- (i) In Rohtak, the pass percentage was only upto 18 and in Beri upto 40 during 1980—82 to 1984—86 sessions of the course. The low pass percentage was attributed by the institutions to unqualified staff and selection of candidates of low calibre.
- (ii) Both in Rohtak and Beri, as against the 38 women who completed the course during 1980-81 to 1986-87, only 2 women (Rohtak) and 3 women (Beri) had taken employment in balwaris, nursing, anganwaris, etc. The Board did not ensure that the women who had passed the Matriculation examination secured employment.

##### **(b) Vocational Training Programme for Adult Women**

For Vocational Training to Adult Women, the courses were (a) cutting and tailoring (b) embroidery and needle work (c) teachers training in tailoring (d) Hindi and English stenography (e) fruit preservation. Each course was of one year duration and each trainee was eligible to a stipend of Rs. 15 per month. For this programme, grants of Rs. 5.59 lakhs were released to 14 institutions during 1980-81 to 1986-87. A test-check of records of 4 institutions (Women League, Yamunanagar, Red Cross Society, Rohtak, Vocational Training Institute, Beri and Ladies Industrial Home, Karnal) disclosed the following :—

- (i) Neither any physical target under the programme was fixed nor were the achievements monitored at the State level. Strength

under each programme was fixed as 25 beneficiaries per course per institution in a year.

- (ii) For various courses, the number of drop-outs was very high; cutting and tailoring : enrolled 218, drop-outs 73; embroidery and needle work : enrolled 178, drop-outs 58; teachers training in tailoring : enrolled 237, drop-outs 16 in respect of two institutions, and English stenography : enrolled 246 drop-outs 46 in respect of one institution. The number of drop-outs in respect of the Women League, Yamunanagar, relating to teachers training in tailoring course and the Ladies Industrial Home, Karnal, relating to English stenography course, was not made available.
- (iii) The pass percentage in 'embroidery and needle work' and 'English stenography' was from 45 to 50 and 49 to 60 respectively.
- (iv) None of the institutions maintained complete record about employment of candidates after completion of the course, nor did they set up any employment information bureau for securing jobs to the women. The non-maintenance of the records was attributed to non-turning up of the women after completion of the course.
- (v) The programme envisaged provision of two full time (or one full time and two part time) teachers for which salary at the rate of Rs. 600 per month was provided to the institutions by the Board. In Rohtak, only one full time and in Beri one full time and only one part time teachers were employed (1980-81 to 1986-87). Grant released was, however, for full strength of two full time teachers/one full time and two part time teachers. This resulted in extra payment of grant of Rs. 0.43 lakh (Rohtak : Rs. 0.07 lakh and Beri : Rs. 0.36 lakh).

#### 7.5.11. Socio-economic dairy units

The programme, started from 1976, aims at rehabilitation of the wives of jawans either killed or completely disabled as also the destitute and needy women in the country-side by providing them a source of income without their being uprooted from their homes and helping them in improving nutritional status of their children. Under the scheme, grants/loans (interest free) are given by the Central Board to Voluntary institutions for further disbursement to prospective beneficiaries for purchase of milch cattle (loan : Rs. 3,000) feeding utensils (loan : Rs. 200) and working capital (grant : Rs. 350). The loan was recoverable in 42 equal monthly instalments.

Each institution taking up the scheme was required to constitute a managing committee for selection of beneficiaries, collection and marketing of milk and to watch repayment of instalments of loan. During 1980-81 to 1986-87, Rs. 34.43 lakhs were released as grant (Rs. 7.63 lakhs) and loan (Rs. 26.80 lakhs) to 58 institutions covering 771 beneficiaries. A test-check of records in the office of the Board and 4 institutions (Bhartiya Gramin

Mahila Samiti, Karnal, Red Cross Society, Rohtak, District Child Welfare Centres, Rohtak and Gurgaon) disclosed the following :—

- (i) Survey was not conducted to find out the number of war widows, destitute and needy women in rural areas to be covered under the programme. Implementation was left to the voluntary institutions.
- (ii) The amount of grant remaining un-utilised for 6 months due to less coverage was required to be refunded to the Board with interest. Rupees 0.09 lakh (Red Cross, Rohtak : Rs. 0.04 lakh; District Council of Child Welfare : Rohtak Rs. 0.05 lakh) were, however, not refunded.
- (iii) Rupees 9.56 lakhs recovered from beneficiaries as repayment of loan were kept as part of cash balance by the Board and were not utilised for coverage of more eligible beneficiaries, as envisaged in the programme.
- (iv) Against the outstanding recoverable loan of Rs. 6.66 lakhs (1980-81 to 1982-83), Rs. 2.34 lakhs were still due for recovery (July 1987). Further, while the Gram Vikas Bal Kalyan Parishad, Ganaur, did not repay the loan of Rs. 0.22 lakh recovered by it from the beneficiaries, the National Council of Development Communication, Karnal, ceased to be in existence from 1984 and loan of Rs. 0.31 lakh was outstanding against it.
- (v) Separate managing committees were not constituted by any of the institutions. The Board was not aware whether the dairy units of 771 beneficiaries covered were running efficiently or otherwise.

The matter was reported to Government in August 1987; reply has not been received (February 1988).

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

#### Introductory

The objectives of the Board have been achieved as per justification given below :—

- (a) On the basis of suggestions received from Field agencies (voluntary organisations). The Haryana State Social Welfare Advisory Board, as a follow up measure, takes up the matter with Central Social Welfare Board for proper guidance. In this connection it may be added here that the Haryana State Board follows the programmes policies procedures accordingly as laid by the Central Social Welfare Board, from time to time.
- (b) For supervision, counselling and monitoring the programmes of Board the CSWB has posted their field staff to Haryana

State Board. They regularly visits the added institution and projects to see their programmes are implemented according to the norms of the CSWB. In this connection the inspection report, performas for each programme have been devised by CSWB, for their field staff.

- (c) To avoid duplication of the programme of the CSWB representatives of the State Govt. (Deptt. of Social Welfare, Haryana) attends the Board meeting where the question of sanction of grants to the institutions is considered in view of the position explained above. The State Govt. is fully satisfied with the working of the Board.

Further it may be added here that the programmes wise financial position/achievements/expenditure is given as Annexure

1. Grant in aid	Annexure I
2. Mahila Mandal	Annexure II
3. Holiday Home	Annexure III
4. Condensed course	Annexure IV
5. Vocational Training courses	Annexure V
6. Socio Economic Programme	Annexure VI
7. Special Nutrition Programme	Annexure VII

The administrative control of the State Board is with the Central Social Welfare Board, New Delhi.

The amount released by the Central Board/State Board directly or indirectly have been utilised by institution for adjusted to next year grant. The refunds if any, received from institution are sent to C.S.W.B. However, the accounts of these institutions have since been settled.

Position of unspent balance of Rs. 5,36,986.17 as on 31st March, 1987 scheme wise is as under :—

Grant-in-aid	1,536.87
Mahila Mandal	55,930.22
Holiday Home	34,143.38
Condensed course/	1,16,503.13
V.T.	55,227.32
Dairy unit	2,55,270.00
Special Nutrition P.	13,562.30
Family Welfare Camps	811.50
Vol. Action Bureau (Salary)	4,001.45
	<hr/> 5,36,986.17 <hr/>

It is pointed out that cent percent grants are not released to the concerned institutions during the sanctioning period. Some portion of grant i.e 10 to 20% is kept which are released to the institution only after finalising the accounts i.e. during the next financial year and that portion of grant is kept by the State Board. However this amount is adjusted by the Central Social Welfare Board while releasing the grant for the next financial year. It can be verified from the enclosed Annexure from 8 to 25. As regards Rs. 9.56 lacs repaid by the beneficiaries out of loan for Dairy unit. This represents as Revolving Fund, as per directions issued by CSWB. This Revolving Fund can be utilised only for sanctioning of grants to voluntary organisations for 2nd unit after settling their accounts of the previous unit. Directions of C.S.W.B. circulated vide letter No. F. 5. 1/77/SE Vol. II dated 5th December, 1980 is enclosed as Annexure 26. This amount is still with the State Board under Dairy unit Revolving Fund. Amount of Rs. 9.56 could not be utilised as there was not demand from voluntary organisations for 2nd unit

The Central Social Welfare Board review the programme for physical targets and achievements schemewise and accordingly made the allocation to State Board for its implementation. It can be verified from Annexure 27 to 33.

As regards achievements are concerned the details has already been given in para 7.5.1. Annexure I to VII.

Besides this the Field Officers of C.S.W.B./State Board members assure the needs and requirements of voluntary social welfare organisation implementing various social welfare programmes and accordingly they recommend their cases for sanction of grant.

- (i) The survey of location and to assess the requirements is initially made by the institutions and thereafter a inspection for assessing the final position etc. is made by field staff of C.S.W.B. In addition to this members of State Board also submit their recommendations reports of the respective areas. The record is maintained at institution level and shortcomings are pointed out from time to time and suggestions and guidelines are also given on the spot by field officers. Now the institution are maintaining the records as per norms and procedure of the C.S.W.B. However the instruction have been issued to all concerned inst. vide this office letter No. HSSWAB/1711-29 dated 16-12-91 for maintaining the required records upto date as per observations of the audit party. Annexure 34.
- (ii) As per the records available with the State Board no fee is charged from beneficiaries. However, there is no restriction to have donation for development of their programmes. In this connection it is further made clear that

from the audited accounts of Saraswati Shishu Mandir, Faridabad. for the period ending 31st March 1986 there is not mention of any receipt of fees as pointed out in the audit note. A copy of said audit note is at Annexure 35.

- (iii) The clarification from the institutions is still awaited and has been remained against to clarify. The matter has been brought in notice of the Central Social Welfare Board for their final decision. In this connection copy of Board letter No. 3429 dated 13th February, 1991 and reminder no. F. 25-3-GA/R/87-88/284 dated 25th April, 1991 addressed to the Secretary, Rural Vocational Training Institute, Beri are enclosed at Annexures 36-37.
- (iv) The latest position is that the accounts of the institutions have now been settled by the Central Social Welfare Board being a centralised programme. These visits by doctor are now regular as would be clear from the enclosed inspection report of dated 7-8-87 of Welfare Officer in which it has been mentioned that visits of doctors are once in a week. Likewise the report of the welfare officer dated 23rd October, 1987 are enclosed for ready reference at Annexure 38-39.
- (v) In this connection it is also stated that when the funds for a particular year for any institution are released by Central Social Welfare Board. The amount of grant sanctioned/ released during the previous period are spent or unspent is taken into account. In this connection a copy of grant released to Bhartiya Grameen Mahila Sangh for the year 1988-89 it has been clearly mentioned in the sanction letter that accounts have been accepted for the year 1987-88 (copy enclosed) Annexure 40
- (vi) The records are maintained by the institution/State Board respectively. A consolidated record of employment generated is being maintained now and a copy of the same is enclosed for ready reference. Likewise record about the functioning or closing of units is also now being maintained and a copy of such units is also enclosed at Annexures 41-42.
- (vii) The case of Family Planning Association, Chandigarh has already been sent to Central Social Welfare Board for finalising the accounts which is still under consideration. However, reminder to this effect are sent from time to time, a copy of letter addressed to Central Social Welfare Board bearing no. F.14.7 PU/FPA/80-1709 dated 9th September, 1987 are enclosed at Annexure 43.
- (viii) The Asstt. Project Officer visited those institutions and suggested either to restart the units or refund the amount of grant. The information has already been sent to the CSWB for their final decision. Decisions are still awaited. In this connection copies of letters sent to Central Social Welfare Board is enclosed at Annexure 44-46.

- (ix) The point raised by Audit party has been clarified from the institution but no satisfactory reply has since been received. However, Asstt. Project Officer, visited the institution has pointed out the same and the matters has been referred to CSWB for further action which is still under consideration with the Central Social Welfare Board. Copy of letter No. F. 14.7/PU/RCS/Rohtak/85-86/4003—5 dated the 6th March, 1991 is enclosed as Annexure 47.
- (x) The institution has again been persuaded to refund the amount and settle the accounts vide letter No. 3993—95 dated the 18th February, 1988 is enclosed. The institution was again visited by field officers and they have also suggested in their report to take legal action against the institution and the same has been sent to CSWB for their final decision which is still awaited. (Annexure 48)
- (xi) The institution was visited by CSWB/State Board Officers to ensure the smooth working of unit. Now as reported the working is found according to the norms and procedures of CSWB.

A copy of instructions for closing down is enclosed showing the reasons for closure as Annexure 41.

No grant was given by the State Government to Women League, Yamuna Nagar, during the year 1986-87. Similarly only a sum of Rs. 8,000/- was given by the Government to S.S. Junior Model School, Ambala Cantt. as against Rs. 37,000/- indicated in the Para. However, S. D. Institute for Blind, Ambala Cantt. was released Rs. 63,000/- by the Government. The purpose of grants given by the State Government to these Institutions were quite different as compared to the Grants released by the Board as per details given below :—

#### Grants by State Government

S. No.	Name of Institution	Grant given by Govt.	Purpose
1.	S. S. Junior Model School, Ambala Cantt	8,000	For running Nursery Classes.
2.	S. D. Institute for the Blind, Ambala Cantt.	63,000	Purchase of Braille Books, equipments, rent of building & Salary of Staff



## Grant Released by Board

S.No.	Name of Institution	Grant given by Govt.	Purpose
1.	S. S. Junior Model School, Ambala Cantt.	(i) 22,124	For running the Crech.
		(ii) 8,000	Under Special Nutrition Programme.
		(iii) 5,000	Purchase of equipment & Salary of staff
2.	S. D. Institute for the Blind, Ambala Cantt.	5,000	Maintenance of Institution.

The grant to 12 institutions, were sanctioned on year to year basis with a maximum ceiling of Rs. 5,000 under Non-Plan. As per the scheme the maximum grant admissible to the aided institutions was Rs. 5,000/- per year not for the entire plan period as stated by Audit party. In this connection also a copy of abstracts of rules relating the General grant-in-aid programme sponsored by CSWB, New Delhi is as under:—Grant upto Rs. 10,000 is admissible for welfare activities under plan period and grant of Rs. 5000 is admissible for welfare activities under one year grant for various welfare activities. The grant is mean for one complete financial year for providing welfare services to the interded beneficiaries

Further to above a copy of letter No. F. 8-5/85/G dated 9-5-89 received from CSWB is also attached. A reference to this letter would clearly indicates that the release of grant was on annual basis not for full five year plan period as stated by the Audit. From the above it is clear that the question of recovery does not arise Annexure-49.

After receiving the application from the institution for sanctioning the grant to run condensed course of education, the applications are fully scrutinised at the State Board and field survey was made by the field officers. After completing the procedure, the applications were forwarded to the CSWB for sanctioning the grant. After receiving the sanction of grant if the institution find itself unable to run the course due to their own problems, the State Board could not compile them to run the course. Hence the releases were not made.

Only trained staff for these courses are appointed by the institution. As per scheme the candidates from poor and low income group family are selected. The scheme is meant to persuade those candidates who left their studies due to

some financial hardships or other unavoidable circumstances. The pass percentage is low as the candidates selected to these courses are either have left the studies for a long period or not have full environments for regular study. Hence the pass percentage cannot be compared with the regular candidates.

Those candidates who pass the exams under condensed course scheme are admitted under Vocational Training Programme of the Board.

The main purpose of these courses is to help the poor candidates.

- (i) Physical targets is fixed by the Central Social Welfare Board and accordingly the courses are sanctioned.
- (ii) The institutions take the guarantee from the candidates that they will not leave the course in between. The candidate who get married become ill or due to other domestic circumstance left the courses which is beyond the control of the State Board. However, the expenditure incurred on the drop outs candidates is deducted from the grant.
- (iii) The pass percentage is around 60-70 which is within the key.

Record is kept by the institution.

Generally one full time and two part time teachers are appointed for the purpose, but keeping in view the ceiling of Rs 600 as salary (P.M.). The institutions made some minor charges at their own level which is ignorable. It is also mentioned here that trained teachers at the rate of Rs. 300 are not availed.

Application submitted by the institution for grant under Dairy unit programme are scrutinised at State Board level thereafter recommended to the Central Board for sanction. So far is eligibility is concerned, the eligibility certificate duly verified by B.D.O./Tehsildar re-submitted by the institution on the basis of which the grant to the beneficiaries is given.

No grant was sanctioned to Distt. Council for Child Welfare Rohtak. The Distt. Red Cross Society, Rohtak has already refunded the whole amount of loan. In case of BGWS Rohtak is concerned one of the beneficiary has died for which the CSWB is being asked to waive off the loan.

As regards 9.56 the Dairy Unit recovery amount is only for old beneficiaries. New grants are sanctioned only on the demand of the institution for 2nd unit.

A recovery of Rs. 44458.20 has since been made from National Council for Development Communication Karnal and efforts are being made to recover the amount from Gram Vikas Bal Parishad, Ganaur.

The grant is released to the institution only when the managing committee is constituted. A periodical check up is made by the field officers.

Efforts have since been made by Central Social Welfare Board through the field officers as well as office to ensure that no further grants are sanctioned to defaulted institution viz., National Council for Development Communication, Karnal, Navjoti Bahadurgarh, Gram Vikas Bal Kalyan Parishad Gannaur, Lok Priya Vikas Mandal, Gurgaon, Karan Chaitanya Kendra Kurukshetra and Distt. Red Cross Society, Rohtak.

The Committee do not feel satisfied with the reply of the department. The Commissioner and Secretary to Government, Haryana, Social Welfare Department, assisted by the Director of Social Welfare Department, Haryana is overall incharge of the working of the Haryana State Social Welfare Advisory Board. During oral evidence, the Committee observe that State Social Welfare Board do not co-operate with the Social Welfare Department.

The Committee, therefore, recommend that the Government should take effective steps to ensure that there is close co-ordination between the two authorities to implement various programmes for the promotion of social welfare activities.

The Committee further observe that the observations made in Audit Paragraphs 7.5.1 to 7.5.11 should be attended to and final action taken in this regard intimated to the Committee within three months.

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Further to above a copy of letter No. F.8-5/85/G dated 9-5-89 received from CSWB is also attached. A reference to this letter would clearly indicates that the release of grant was on annual basis not for full five year plan period as stated by the Audit. From the above it is clear that the question of recovery does not arise. Annexure-49.

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The Committee do not feel satisfied with the reply of the department. The Commissioner and Secretary to Government, Haryana, Social Welfare Department, assisted by the Director of Social Welfare Department, Haryana is overall incharge of the working of the Haryana State Social Welfare Advisory Board. During oral evidence, the Committee observe that State Social Welfare Board do not co-operate with the Social Welfare Department.

The Committee, therefore, recommend that the Government should take effective steps to ensure that there is close co-ordination between the two authorities to implement various programmes for the promotion of social welfare activities.

The Committee further observe that the observations made in Audit Paragraphs 7.5.1 to 7.5.11 should be attended to and final action taken in this regard intimated to the Committee within three months.

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**PART-II**  
**REVENUE RECEIPTS**

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## MEDICAL AND HEALTH

### [52] 2.5. *Uncollected revenue*

As on 31st March 1987, arrears of revenue pending collection under principal heads of revenue, as reported by the Departments, were as under :—

Heads of revenue	Total arrears	Arrears outstanding for more than 5 years
	(In crores of rupees)	
Medical		
	0.88	0.66

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

Due to the provincialisation of Local Bodies/Panchayat Samities some buildings of Hospitals Dispensaries were taken over by Govt. since 1963-64. As per terms and condations these bodies had to hand over the buildings in a satisfactory condition failing which they would pay to Govt. contribution for repair of said buildings equal to the average expenditure incurred by them for the last two years.

A sum of Rs 0.88 crore had become due from them upto 31-3-87 which has further increased to Rs 0.96 crore as on 31-3-89.

The Government have decided on 13-8-75 not to recover this contribution from local Bodies/Panchayat Samities onward. Accountant General was also informed accordingly. Accountant General, Haryana has pointed out vide his letter dated 28-11-78 that inspite of intimating the decision of Government not to reover this amount from Local Bodies Department is adding Rs. 4.94 lakh each year as recoverable revenue from Local Bodies. On referring the matter to Govt. the opinion of Legal Remembrancer was sought which is reproduced below .—

“In the opinion of this department the local bodies whose Hospitals/Dispensaries have been taken over by the Govt. can certainly ask for compensation from Govt in respect of movable/immovable properties The Government would be well advised to ask the local bodies to make a gift deed ”

The local bodies have been requested to supply gift deed in respect of the buildings handed over by them to the Govt. so that further action to write off this amount could be taken.

The case is under process for obtaining gift deed from Municipalities.

The department also stated that the efforts to obtain the Gift deeds from Panchayat Samities, Municipal Committees, Zila Parishads

etc. were made by the department time and again and after making special efforts gift deeds from the two institutions were obtained but these gift deeds were received incomplete. It was stated that at this stage to obtain the gift deeds from the Gram Panchayats, Municipal Committees and Zila Parisads is an up-hill task and there was no alternative left with the department than to get the amount written off.

Under the circumstances explained by the department, the Committee observed that the department should take necessary steps to write off this amount as the matter related to the period 1963-64 and huge amount of arrears accumulated. The Committee further desired that the matter should be finalised expeditiously and a report be furnished to the Committee within six months.

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**PART-II**  
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## MEDICAL AND HEALTH

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	0.88	0.66

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

Due to the provincialisation of Local Bodies/Panchayat Samities some buildings of Hospitals Dispensaries were taken over by Govt. since 1963-64. As per terms and condations these bodies had to hand over the buildings in a satisfactory condition failing which they would pay to Govt. contribution for repair of said buildings equal to the average expenditure incurred by them for the last two years.

A sum of Rs 0.88 crore had become due from them upto 31-3-87 which has further increased to Rs. 0.96 crore as on 31-3-89.

The Government have decided on 13-8-75 not to recover this contribution from local Bodies/Panchayat Samities onward. Accountant General was also informed accordingly Accountant General, Haryana has pointed out vide his letter dated 28-11-78 that inspite of intimating the decision of Government not to reover this amount from Local Bodies Department is adding Rs 4.94 lakh each year as recoverable revenue from Local Bodies On referring the matter to Govt the opinion of Legal Remembrancer was sought which is reproduced below :—

“In the opinion of this department the local bodies whose Hospitals/Dispensaries have been taken over by the Govt. can certainly ask for compensation from Govt. in respect of movable/immovable properties The Government would be well advised to ask the local bodies to make a gift deed ”

The local bodies have been requested to supply gift deed in respect of the buildings handed over by them to the Govt. so that further action to write off this amount could be taken.

The case is under process for obtaining gift deed from Municipalities.

The department also stated that the efforts to obtain the Gift deeds from Panchayat Samities, Municipal Committees, Zila Parishads

etc. were made by the department time and again and after making special efforts gift deeds from the two institutions were obtained but these gift deeds were received incomplete. It was stated that at this stage to obtain the gift deeds from the Gram Panchayats, Municipal Committees and Zila Parisads is an up-hill task and there was no alternative left with the department than to get the amount written off.

Under the circumstances explained by the department, the Committee observed that the department should take necessary steps to write off this amount as the matter related to the period 1963-64 and huge amount of arrears accumulated. The Committee further desired that the matter should be finalised expeditiously and a report be furnished to the Committee within six months.

[53] 6.19 *Embezzlement of fees and other dues*

The Punjab Financial Rules, as applicable to Haryana, provide that Government dues collected by an officer should be paid in to the treasury either on the same day or on the morning of the following day. It further provides that while signing the cash book at the close of each day, the head of the office should ensure that the amounts shown as remitted into treasury through challans have been duly acknowledged by the treasury officer. In order to ensure proper remittance of the sums into treasury, a consolidated receipt for remittances made during the month should be obtained from the treasury officer and amounts already entered in the cash book should be reconciled with the information received as per treasury records.

(a) In Civil Hospital, Hisar, various types of fees and other charges amounting to Rs. 3,70,329 collected by the cashier were embezzled between January 1983 and October 1986. Although collections amounting to Rs. 4,08,024 were shown on the receipt side of the cash book, deposits of Rs. 2,85,329 shown to have been made into the treasury through 26 challans were not actually so deposited as the receipted challans kept on record were not genuine; in 13 other challans showing deposits of Rs. 1,22,695, the actual amount deposited was Rs. 37,695 only, the figures of deposits in the challan having been tampered with.

The embezzlement was facilitated due to

- (i) non-observance of the prescribed procedure of obtaining from the treasury, a consolidated receipt for the amounts deposited during each month and its comparison with entries in the cash book.
- (ii) blank space having been left in the challans, before the entry of the amount both in figures and words leaving scope for tampering and interpolation of the amounts.

On the embezzlement being pointed out in audit (November 1986), the department admitted the facts and initiated proceedings against the defaulting official. First information Report was lodged with the Police on the 14th November, 1986. Further progress is awaited (November 1987).

In written reply to the questionnaire of the Committee, the department explained as under :—

It is admitted that in Civil Hospital, Hisar various types of fees and other charges amounting to Rs. 3,70,329.00 collected

by the cashier were embezzled between Jan. 1983 and October 1986. Although collection amounting to Rs. 4,08,024.00 were shown on the receipt side of the cash book, deposits of Rs. 2,85,829.00 shown to have made into the treasury through 26 challans were not actually so deposited as the receipted challans kept on record were not genuine, in 13 other challans showing deposits of Rs. 1,22,695/- the actual amount deposited was Rs. 37,695/- only, the figures of deposits in the challan having been tempered with.

The embezzlement was pointed out by the Audit Party on 13-11-86. An FIR was lodged against the cashier on 14-11-86 and the official was placed under suspension on 24-11-86. A detailed audit was ordered into the affairs of Shri Ram Phal Singh. The Accounts Officer, Hisar, submitted his reply on 29-12-86 in which he showed the following additional embezzlement :—

- |   |           |
|---|-----------|
| 1. The Govt. money received by him from various sections of the Hospitals but not taken in the cash book and hence embezzled by him.            | 19,975.50 |
| 2. Amount shown in the cash book as paid/disbursed by him which was actually not paid/disbursed to the concerned claimants and hence embezzled. | 16,080.00 |
| 3. Cash found short in the chest and hence embezzled by him.  | 455.07    |
| 4. The pay of the Officers/Officials embezzled by him   | 2977.95   |

Hence the total embezzlement is Rs. 4,09,817.77 paise.

- (i) Reasons for not checking the Cash book properly is that the Drawing and Disbursing Officer were not properly aware of the procedure nor was any internal audit system enforced. The embezzlement was detected only when the A.G. Party scrutinized the accounts. Punitive action will be taken when the decision of the Court is received.
- (ii) The case is now at the Charge framing stage and the next date of hearing is 23-7-90. The embezzled amount has not been recovered because this can be effected only after the Court Order is received.

Detailed instructions regarding the prevention of embezzlement were issued on 27-9-85 and 16-1-86. Further and internal audit system was introduced vide D.H.S. letter No. 11907-18, dated 27-10-89 where the Accounts Officer have been made responsible to do the internal audit quarterly in the office of Civil Surgeon and the offices working under them.

Prior to this embezzlement case, there was no internal audit system.



The Committee find that the amount of fee and other charges collected was required to be deposited in the treasury immediately and in this case the amount was shown as deposited in the treasury but was not actually deposited in the treasury which was a serious matter. The Committee desired that being a heavy embezzlement a committee of the departmental officers be constituted to reinvestigate the matter and initiate action against other officers/officials found responsible for the lapse.

The department informed the Committee that a committee of the departmental officers was constituted to investigate the matter and as per their findings there was no involvement of other officers who worked as D.D.O's during the period of embezzlement. It was also stated that these officers have worked either as Medical Superintendents or as Disbursing Officers, during the period of audit in question and the embezzlement was manipulated by Shri Ram Phal Singh, Cashier, for which the case is under trial in the Court.

The Committee desire that the case pending in the Court be pursued to its logical conclusion and efforts be made to effect the recovery from the officials responsible for embezzlement and the Committee be apprised of its outcome in due course.

## INDUSTRIES

### [54] 6.8. *Interest not charged*

Industries Department allotted industrial plots measuring tentatively between 500 sq. yards and 2000 sq. yards in the industrial area/ development colony, Ambala City. According to the terms and conditions of allotment besides the cost of land, the allottees were liable to pay development charges, fixed according to the size of plot, for the construction of roads, drainage etc. within 5 years from the date of allotment, in ten equated half yearly instalments (first instalment to be paid within 6 months of the date of issue of allotment letter). Interest at the rate of 7 per cent per annum on the development charges was also payable from the date of grant of possession of the plot. In the event of allottee's failure to pay any instalment by the due date, interest at the rate of 9 per cent per annum was chargeable on the defaulted amount for the entire period of default.

11 allottees (plots allotted between April 1972 and September 1978, possession of plots taken between July 1976 and January 1982) had not paid the instalments of development charges by the prescribed dates. The department did not demand interest on the defaulted amount for the period of default. The interest chargeable worked out (upto December 1986) to Rs. 50,345.

On the omission being pointed out in audit (March 1987), the department intimated (May 1987) that interest amounting to Rs. 2,568 (upto May 1987) relating to one allottee had been recovered and efforts were being made to recover the balance amount from the other ten allottees.

The case was reported to Government in May 1987; their reply has not been received (November 1987).

The department stated in evidence that as per terms of the allotment letter the interest was chargeable on the developmental charges from the date of possession at the rate of 7%. Accordingly, there is some difference of opinion in the calculations worked out by the office of the General Manager, Distt. Industries Centre, Ambala. The amount of developmental charges alongwith interest has been recovered in some cases. However, to settle this point Accountant General Audit is being requested to review this issue so that the balance recovery is made accordingly.

It was also stated that the opinion of the L.R. on the point of interpretation is to be taken and the matter will be sorted out.

The Committee would like to invite attention to condition No. 3 (b) of allotment letter in which it is mentioned that for the defaulted

period the interest will be charged from the date of allotment. In the event of allottees failure to pay any instalment by the due date, interest at the rate of nine per cent per annum was chargeable on the defaulted amount for the entire period of default.

The Committee observe that there was some ambiguity in the terms and conditions prepared by the department and recommend that it should be re-examined in detail and the matter be sorted out within six months under intimation to the Committee.

## MINES AND GEOLOGY

### [55] 2.5. *Uncollected revenue*

As on 31st March 1987, arrears of revenue pending collection under principal heads of revenue, as reported by the Departments, were as under :—

Heads of revenue	Total arrears	Arrears out- standing for more than 5 years
	(In crores of rupees)	
Mines and Minerals	1.35	0.43

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

- (1) The arrears of Rs. 1.347 crores pertains to the period right from the inception of this Deptt. Out of Rs. 1.347 crores, a sum of Rs. 58.20 lacs has since been recovered. Out of balance of Rs. 76.53 lacs a sum of Rs. 2.56 lacs has been held to the not recoverable by the Distt. Judge, Faridabad. The recovery of a sum of Rs. 8.14 lacs has been stayed by courts. A sum of Rs. 27 lacs is to be recovered from the parties who are residing outside the state. The efforts are being to made to effect the recovery of balance amount expeditiously.
- (2) As has been mentioned in para (1) above, a sum of Rs. 58.20 lacs has since been recovered or where the amount is not recoverable.

The Committee desire that the department should look into the matter afresh and streamline the procedure to adopt the system by which the amount should not come in default. The Committee further desire that the position of contractors and surities should properly be verified through the Tehsildars concerned so that revenue can be collected in the event of default.

The Committee also desire that efforts be made to effect the recovery of balance amount and a compliance report be furnished to them within six months.

[56] 6.2. *Non-recovery/short recovery of royalty*

Under the Punjab Minor Mineral Concession Rules, 1964, as applicable to Haryana, a brick-kiln owner is required to pay royalty at the rate of rupee one per tonne of brick earth extracted from the leased area or rupees three per thousand of *pucca* brick sold by him. He is also required to submit to the department, quarterly returns showing quantities of minor minerals (brick earth) extracted by him from the leased area or the number of bricks sold by him.

(i) In District Industries Centres, Panipat, Bhiwani, Kurukshetra, Jind, Hisar, Sirsa and Ambala, returns of bricks sold during the year 1984-85 were not submitted by 213 brick-kiln owners to the department nor were these returns called for by the department. The department, however, did not verify correctness of royalty paid by the brick-kiln owners. A scrutiny in audit of records in the concerned offices of the District Food and Supplies Controllers revealed that 2178.44 lakh bricks and 63.19 lakh brick-bats were reported as sold by the brick-kiln owners on which royalty amounting to Rs. 6.60 lakhs was recoverable against this only Rs. 2.40 lakhs had been paid by the brick kiln owners. Royalty, thus, realised short amounted to Rs 4.20 lakhs.

On the omission being pointed out in audit (between February and May 1986), the department recovered Rs. 1,01,029 between February and November 1986. Report on recovery of the balance amount is awaited (November 1987).

(ii) In District Industries Centre at Gurgaon, returns of brick earth extracted or bricks sold during the year 1985-86 were not submitted by 20 brick-kiln owners to the department nor were these returns called for by the department. Two brick-kiln owners had *suo moto* paid royalty amounting to Rs. 2,128. A scrutiny in audit of the records in the office of the District Food and Supplies Controller, Gurgaon showed that during 1985-86, 311.35 lakh bricks and 3.41 lakh brick-bats had been sold by the 20 brick-kiln owners, on which royalty amounting to Rs. 93,748 was recoverable. The brick-kiln owners had, therefore, not paid or short paid royalty by Rs. 91,620.

On this being pointed out in audit (March 1987), the department recovered (March 1987) Rs. 52,165. Report on recovery of the balance amount is awaited (November 1987).

The above cases were reported to Government between April 1986 and March 1987, their reply has not been received (November 1987).

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

- 6.2 (i) & (ii) As has been clarified in the paras under the category of short/non realisation of royalty, brick kiln owners in view of the decision taken by the State Government in October 1976 pay royalty on brick earth every quarter on self assessment basis and final calculation of the royalty is made on the basis of their assessment order of

sales tax by Excise and Taxation Department or on the basis of figure of sale submitted by them with the Food and Supplies Department. The final calculations are made at the end of the financial year when these reconciliation were being made the audits were conducted. Because of this reason, some amount of royalty not paid by the brick kiln owners remained undetected which would have been detected when reconciliation were made with the assessment order of sales tax/figures submitted to the Food & Supplies Department. In the report of C.A.G. for the year 1986-87 in para 6.2 (ii) a sum of Rs. 93,748 has been shown as recoverable from 20 brick kiln owners of district Gurgaon. This pertains to para No. I of the inspection note of the office of G.M.D.I.C. Gurgaon for the year 1985-86 wherein a sum of Rs. 7920 has been mentioned as recoverable from 20 brick kiln owners. Thus correct figure is Rs. 7920 with this background questionnaires replied as under —

During the course of oral examination the departmental representative intimated that an amount of Rs. 83408 is remained as balance to be recovered from the brick kiln owners.

The Committee desire that the balance amount be recovered as quickly as possible and inform the Committee within six months.

[57] 6.3. *Non-recovery of royalty*

Under Rule 54(1) of the Punjab Minor Mineral Concession Rules, 1964, as applicable to Haryana, no person shall undertake any mining operations in any area, except under and in accordance with the terms and conditions of the mining lease obtainable from the department. Any contravention of Rule 54(1) shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to Rs. 1,000 or with both and in case of continuing contravention with an additional fine upto Rs. 100 per day for the duration of contravention, after conviction for the first such contravention. A brick-kiln owner is required to pay royalty at the rate of rupee one per tonne of brick earth extracted or rupees three per thousand of pucca bricks sold.

In Faridabad, four brick-kiln owners were extracting minor minerals (brick earth) during the year 1985-86, without obtaining mining lease from the department. The department had also failed to detect the illegal extraction of the minor minerals which resulted in non-realisation of royalty amounting to Rs. 21,175 on the sale of 68.14 lakh bricks and 7.33 lakh brick-bats by the kiln owners. While price of the mineral was also recoverable for illegal extraction and removal of minor minerals, penal proceedings were to be initiated for undertaking mining operations without a mining lease.

On the irregularity being pointed out in audit (January 1987), the department recovered (February 1987) Rs. 5,858. Report on recovery

of the balance amount of the price of the mineral, besides penal proceedings, is awaited (November 1987).

The case was reported to Government in March 1987 and July 1987; their reply has not been received (November 1987)

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

The procedure of assessment of royalty from the Brick Kiln Owners is the same as mentioned in the replied to para 6.2 above. With that background the questionnaire are replied as under :—

- (i) The sale figures of the brick kiln owners whose list is not available in the Deptt. come to notice of the Department at the time of reconciliation with the figures of Food and Supplies Deptt. & the Excise & Taxation Department at the district level. The names of such brick kiln owners would not have gone undetected, have the reconciliation would been done by that time, the Audit party conducted the inspection. Thus, there is no chance of any case being undetected.
- (ii) A sum of Rs. 9935/- has been recovered leaving a balance amount of Rs. 5383/- in respect of two cases.
- (iii) Field Officers of the Deptt. have initiated the action against the defaulter Brick Kiln Owner under section 21(5) of Mines & Minerals (R&D) Act for the recovery of royalty and price of the brick earth

Rs. 95107 00 and Rs. 12487.00 respectively

As has been explained above, the department of Mines and Geology does not make any independent assessment but relies on the assessment orders of the sale tax department or returns submitted with the Food & Supplies Department in view of the decision taken by the State Government in October, 1976. In view of this no one can be held responsible for short realisation which would have been detected on reconciliation of figures with the sale tax assessment orders/returns submitted with the Food and Supplies Department Now, lumpsum royalty is being charged per brick kiln as per category of kiln depending upon its size thus, assessment of number of brick sold by brick kiln owners is no longer relevant or needed. Even sale tax from brick kiln owners is being charged on lumpsum basis.

- (iii) The Punjab Minor Minerals Concession Rules 1964 have been amended with effect from 11-6-1987 and an interest @15% per annum is charged on the delayed payments. Hence forth on delayed payments, this interest is chargeable Out of balance amount of Rs. 319044.00 and original a

amount of Rs. 79201.00 as mentioned in para No. 6.2(i) and 6.2(ii) of Comptroller and Auditor General of India for the year 1986-87 sums of Rs. 223937 and 66714 have been recovered leaving balance amounts of Rs. 95107 and Rs. 12487 respectively.

The facts stated in reply to questionnaire (iii) are reiterated. Now interest @ 15% per annum is being charged on delayed payment of royalty. Thus, the assessment of number of bricks sold by brick kiln owners is no longer relevant or needed. Even sale tax from brick kiln owners is being charged on lumpsum basis.

- (i) As has been clarified above at the end of the financial year, reconciliations of the figures are made with the assessment order of sales tax department and with the figures of sale of bricks submitted by the brick kiln owners with the Food & Supplies Department. After reconciliations, if any difference is found with the royalty deposited by the brick kiln owners on self assessment basis, then demands are raised against them. Out of balance amount of Rs. 3190.44 and original amount of Rs. 79201 as mentioned in para No. 6.2(i) and 6.2(ii) of the report of Comptroller and Auditor General of India for the year 1986-87, a sum of Rs. 223937 and Rs. 66714 have been recovered leaving balance amount.

It was stated that a sum of Rs. 9935 has been recovered leaving a balance amount of Rs. 5383 in respect of two cases. Field Officers of the Department have initiated the action against the defaulter brick kiln owners under section 21(5) of Mines & Minerals (R&D) Act for the recovery of royalty and price of the brick earth.

The Committee observe that the Department should take steps to ensure that such cases do not remain un-detected in future and efforts be made to effect the recovery of balance amount.

The Committee desire that a compliance report be furnished to them within three months.

[58] 6.4. *Short assessment of royalty*

Under the Punjab Minor Mineral Concession Rules, 1964, as applicable to Haryana, a lessee to whom the mining lease is granted, shall pay royalty on minor minerals despatched from the leased area at specified rates. Lease deeds executed for this purpose may also stipulate extraction of a minimum quantity of mineral so that even if the lessee extracts lower quantity, he will be obliged to pay royalty on the basis of this minimum quantity.

In Faridabad, mining lease for extraction of sand from an area of 59.38 hectares was granted to a lessee for a period from 8th



November 1985 to 17th July, 1986. According to the lease deed dated 8th November 1985, the lessee was under obligation to extract minimum 300 tonnes of sand per hectare per annum. Minimum royalty payable, at the rate of Rs. 2.50 per tonne for the period and area leased, worked out to Rs. 30,807 against which the department had raised demand of Rs. 10,751.

On the mistake being pointed out in audit (January 1987), the department raised (January 1987) further demand of Rs. 20,056. Report on recovery is awaited (November 1987).

The case was reported to Government in March 1987; their reply has not been received (November 1987).

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

- o A mining lease for the extraction of ordinary sand from Manger plot No. 6 quarry was granted to Sh. Chabil Dass for a period of 3 years from 8-11-85 to 7-11-88, over an area of 59,3875 hectares. According to lease deed the lessee was under an obligation to extract minimum quantity of 300 tonnes of mineral per hectare and pay royalty @ Rs. 2.50 per tonne. The lessee represented on 4-7-86 that no mineral is available in 31,8875 hectare and he is not liable to pay the minimum royalty of such an the lessee to deposit Rs. 21327.26 as balance amount on 14-1-87 for the period 8-11-85 to 17-7-86 and the R.C. was issued to affect the recovery as arrear of land revenue and was sent to Collector Hisar for affecting the recovery as the address recorded in the lease deed was that of Hisar district. The mining lease was terminated on 14-7-86 and possession was taken on 17-7-86. The lessee filed a suit in the court of Sr. Sub Judge, Faridabad against the aforesaid recovery which was dismissed on 14-10-89. The defaulter filed an appeal against the aforesaid orders and the Addl. District Judge, Faridabad in his judgement dated 30-7-90 has restrained the defendant/respondent state of Haryana from recovering the royalty for the period from 10-4-86 to 17-7-86 for the area measuring 31,8875 hectares. With the aforesaid background the questionnaires are replied as under :—

- (i) Due to the miscalculation on the part of the office of Mining Officer, Faridabad, a notice for deposit of Rs. 1271 on account of dead rent/minimum guarantee was issued to Shri Chhabil Dass, ex-lessee on 31-12-1986. The audit party pointed out this mistake on 12-1-1987. Accordingly, revised notice for Rs. 21327.26 p. was issued on 14-1-1987. A recovery certificate for the same amount was got issued from the Collector Faridabad to Collector, Hisar on 24-4-1987 to effect the recovery of this amount as arrears of land revenue.

The above details show that the mistake was rectified at the very early stage. Had it not been pointed out by audit on 12-1-87, there was a likelihood of this mistake being detected at the stage of final calculation and issue of recovery certificate by the Collector.

As has been explained above the ex-lessee filed a suit in the court of Sub Judge, Faridabad challenging that he is not liable to pay the dead rent/minimum guarantee upto 14-7-86 on the total area leased out to him because he had surrendered an area of 31.8875 hectares on 10-4-1986. His suit was dismissed by Sub Judge, but on an appeal, before Additional District Judge, Faridabad, it was held that state cannot claim dead rent/minimum guarantee on 31.8875 hectares for the period from 10-4-86 to 17-7-86, as the lessee had surrendered this area with effect from 10-4-86. The remaining claim of Rs. 15,719 has been held to be valid and state Government is competent to recover the same. Further, action to recover this amount is being taken.

In view of the position explained in (i) the mistake on the part of Mining Officer, Faridabad seems to be bonafide. However, they have been asked to explain their position.

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

**P.W.D. (B. & R.)**

**[59] 2.9 Outstanding inspection reports**

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit and not settled on the spot, are communicated to the Heads of Offices and to next higher departmental authorities through local audit inspection reports. The more important irregularities are also reported to the Heads of departments and to Government. Government have directed that first replies to inspection reports should be sent within six weeks. Half-yearly-reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) As at the end of August 1987, 1,869 inspection reports (issued upto March 1987) containing 8,481 audit objections, remained to be settled. Figures for the two preceding years are also given below :—

	As at the end of		
	November 1985	November 1986	August 1987
Number of outstanding reports	1,679	1,716	1,869
Number of unsettled audit objections	10,361	8,544	8,481

Out of above, 804 inspection reports with 3,197 objections were outstanding for more than 5 years, of which 150 inspection reports (382 audit objections) were more than 10 years old.

(ii) Relatively large number of audit objections were outstanding under the following major heads :—

	Year	Number of inspection reports	Number of audit objections
7. Building and Roads Upto	1982-83	86	378
	1983-84	13	37
	1984-85	12	34
	1985-86	26	93
	1986-87	22	76
	Total	159	618

It was stated that out of 618 audit paras, 532 paras have been got settled leaving a balance of 86 paragraphs and all out efforts are being made to get them settled.

It was also stated that most of these pending paragraphs relate to recovery of rent.

The Committee desire that all the remaining paragraphs be settled expeditiously and the progress made be intimated to the Committee within six months.

[60] 6.1. *Results of Audit*

Test check of records of departmental offices dealing with assessment, collection and realisation of non-tax receipts, conducted in audit during the year 1986-87 revealed under-assessments or losses of revenue amounting to Rs. 149.77 lakhs in 5,268 cases as indicated below :—

Name of department	Number of cases	Amount (In lakhs of rupees)
(A) Industries	1,563	107.38
(B) Public Works	225	1 55
(C) Agriculture	122	0 99
(D) Co-operation	183	4 02
(E) Rehabilitation and Public Health	3,078	10.64
(F) Finance	1	0.13
(G) Medical	96	25.06
Total	5,268	149.77

Out of 5,268 cases pointed out in audit, the department had recovered Rs. 4.42 lakhs in 161 cases. In 76 cases involving revenue of Rs. 3.94 lakhs, action had been initiated by the department to recover the amount. In the remaining 5,031 cases, replies are awaited from the departments (November 1987).

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

6.1

(I) In this case the audit has pointed out of the following

types of recoveries :—

Sl. No.	Brief particulars	No. of cases	Amount
1.	Non recovery of rent of residential buildings	186	1,46,128.00
2.	Non realisation of ceiling Fans charges in respect of Govt. residences	32	6,182.00
3.	Non recovery of lease money in respect of petrol pumps	7	2,812.00

In connection with the non recovery of rent of residential buildings and ceiling fans charges amounting to Rs. 1,46,128 and Rs. 6182, it is stated that "the arrears of House rent/Fan rent accumulated" because the competent allotting authority of the department other than the B&R failed to intimate the particulars of occupants of Govt. accommodation and their DDOs did not cooperate in making recovery of House rent/Fan rent from the salary bills of occupying Govt. servants. Further the Government employees generally do not vacate the Government accommodation after their transfer/retirement within the prescribed time which caused accumulation of huge arrears of rent. After careful consideration the Government have issued detailed instructions streamlining the procedure for the recovery of rent of Government Buildings vide memo No. 2354-2FICW-89, dated 5-2-90.

These instructions *inter-alia* lay down that the DDOs will be responsible for effecting regular recoveries of rent of Government houses, fan rent should be abolished, market rent should be charged for overstay after the expiry of first three months and 21 days and the position of rent of recovery be reviewed with the D.C.s Quarterly.

2. The Divisions wise outstanding recovery pointed out by the audit is given as under:—

**Provl. Divn. I Rohtak :**

(i)	Rent of residential buildings.	Rs.	31,905.00
(ii)	Do (Rest-Houses)	Rs.	311.00
(iii)	Do Fan charges	Rs.	3,029.00
(iv)	Do Lease money	Rs.	900.00
Total		Rs.	36,145.00

**Provl. Divn. Hisar**

(i) Rent of residential buildings	Rs.	1,13,912.00
(ii) Fan charges	Rs.	3,153.00
Total	Rs.	<u>1,17,065.00</u>

**Provl. Divn. Narwana**

(i) Lease money	Rs.	1,912.00
G. Total	Rs.	<u>1,55,122 00</u>

Division wise latest position of recovery is as under .—

**Provl. Divn. I Rohtak**

- (i) *House Rent* : Out of 64 cases involving an amount of Rs. 31905 a sum of Rs. 13247.00 in 33 cases has been recovered leaving a balance of Rs. 18658 00 in 31 cases.
- (ii) *Rest House Charges* : The present whereabouts of the incumbants is not known to the department. The total amount on account of rest house charges is Rs. 311 in 15 cases. The amount of recovery is very nominal and the cost of recovery would be much more and thus it would be advisable to write off the same. The matter regarding write off the loss of Rs. 311 is under consideration of the department
- (iii) *Fan Rent* . Out of 15 cases involving an amount of Rs. 3029 a sum of Rs. 132 has been recovered leaving a balance of Rs. 2897 in 14 cases.
- (iv) *Lease Money* : Actually a sum of Rs. 896 instead of Rs. 900 (pointed out by the audit) was outstanding on account of lease money of Petrol Pumps in I case The entire recovery of Rs. 896 has been made.

**Provl. Divn. I Hisar** : Out of the total recovery of Rs. 1,13,912 on account of House rent, a sum of Rs. 38,279 has been recovered leaving a balance of Rs. 75633. Similarly out of the total recovery of Rs. 3153 on account of fan rent; a sum of Rs. 2499 25 has since been recovered leaving a balance of Rs. 653.75 only.

**Provl. Divn. Narwana** : As per report of S.E., Jind only a sum of Rs. 1462 (not Rs. 1912) was recoverable which has since been realised.

As per report of S.E. Rohtak, fresh notices have been issued to all the concerned officers/officials from whom the recovery in question is outstanding. Moreover, a list of defaulters has been sent to Try. Officers/Dy. Commissioner, Rohtak for affecting the recovery in compliance with the instructions of the F.D. issued vide letter dated 5-2-90 & the balance amount will be realised very soon.

During the course of oral examination the departmental representative informed the latest position of the recovery that Rs. 80,655 as rent of residential buildings and Rs. 3550 as ceiling fans charges are still outstanding for the present. It was further informed that lease money in respect of petrol pumps amounting to Rs. 2812 has fully been recovered.

The Committee desire that the procedure for the recovery of rent of Government Buildings as contained in Government letter dated 5-2-1990 be followed strictly by the authorities concerned to arrest the accumulation of arrears.

The Committee further desire that the recovery of balance amount of Rs. 80655 and Rs. 3550 as stated above be effected expeditiously and intimated to the Committee within six months.

[61] 6.10. *Short recovery of rent*

As per Government instructions issued in September 1976, the corporations and other autonomous bodies were to pay rent at market rates in respect of Government residential buildings allotted to the State Government employees on deputation with them. For this purpose the concerned Public Works Division was required to send rent rolls by way of demand notice.

In respect of Government accommodation at Karnal, Gurgaon and Panchkula allotted to thirty State Government employees on deputation to Municipal Committees, Corporations and autonomous bodies, rent for various periods between May 1979 and December 1985 recovered at rates ranging from 5 per cent to 10 per cent of the emoluments of the employees was remitted to Government account. Payment at market rent in respect of these buildings was not demanded. This resulted in rent amounting to Rs. 4.34 lakhs being realised short.

On the omission being pointed out in audit, (between October 1981 and March 1986), the Government intimated (August 1987) that amount of Rs. 1.84 lakhs had been recovered. Report on recovery of the balance amount is awaited (November 1987).

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

Intimation about the transfer of the Government employees on foreign service to the various Corporations/Nigams/Autonomous

bodies is not received from the concerned departments with the result that the rent rolls continue to be issued at normal rates instead of market rates.

On being pointed out by the Audit the regular rent rolls/revised rent rolls at market rate were sent to the concerned Corporations and Municipal Committees Gurgaon and Karnal. As reported by S.E., Gurgaon, the Corporations and other organisations have deposited the dues on account of market rates but the Municipal Committee, Gurgaon has refused to make the payment on the ground that the instructions of the State Government for charging of market rent from the Boards/Municipal Committees, Corporations and other autonomous bodies in respect of Government residential accommodation occupied by the Government employees on deputation actually related to Chandigarh and Panchkula only and not to other station in Haryana. The Administrator, Municipal Committee, Gurgaon did not make the payment despite the clarification issued by the Government dated 4-4-89 and persuasion by this department. Similarly as per report of S.E., Karnal, the Addl. Deputy Commissioner cum-Chief Executive Engineer, DRDA, Karnal has not deposited the dues on account of market rent on the plea that the instructions/clarifications dated 4-4-89 has been issued by the PWD (B&R) Deptt. and not by the Finance Deptt. and, therefore, he has desired that the matter be referred to Govt. in the Finance Department for decision. The proposal received from the E-i-C vide memo No. 1252-AC-88/1273/SOIV, dated 4-12-89 for issuing suitable instructions to the Administrator Municipal Committee Gurgaon and the Addl. Deputy Commissioner cum-Chief-Executive Officer DRDA, Karnal at Govt. level is under the consideration of Govt.

In view of the position explained above the officers/officials of the concerned department who did not intimate the names and other particulars of the officers/officials sent on deputation are responsible for non recovery of Govt. dues at the market rate.

3. The whole issue of recovery of Govt. dues on account of house rent/Fan rent has been examined by Govt. in the Finance Deptt. and detailed instructions to streamline the procedure have been issued vide F. D. letter No. 2354-2FICW-89, dated 5-2-90. These instructions inter-alia lay down that the DDOs of the concerned departments will be responsible for effecting regular recovery of Govt. dues.
4. The latest position of outstanding amount is given as under:—
  1. *Provl. divn. Karnal*:-Out of the total recovery of Rs. 1,52,381.55 on account of market rent in respect of P.D IPWD (B&R) Karnal pointed out by the audit, a sum of Rs. 61,021.95 has been recovered leaving a balance of Rs. 91,359.60. The balance Rs. 91359.60 is recoverable from Municipal Committee/HUDA,



Karnal. Despite issue of Nos. of letters to the Municipal Committee HUDA Karnal by the DC/S.E./Executive Engineer, Karnal, the outstanding amount has not been deposited by them so far.

2. *Provl. Divn. I Gurgaon:* Out of the total outstanding recovery of Rs. 71,436.00 against the P.D.I. Gurgaon as pointed out by the audit, a sum of Rs. 45,209.75 has since been recovered leaving a balance of Rs. 26,226.25. This amount is outstanding against the Municipal Committee, Gurgaon.

3. *Provl. Divn. PWD B&R CD-8 Chandigarh:* As per report of S. E., Chandigarh, the entire recovery of Rs. 2,09,928.55, pointed out by the audit has since been made from the concerned Organisations.

The Finance Deptt. have now issued the instructions vide memo No. 2354-2 FICW-89, dated 5-2-90 addressed to all Heads of departments vide which it has been inter-alia laid down that the DDOs of the respective deptts. will be responsible for effecting regular recovery of rent of Govt. Houses.

During the course of oral examination, the departmental representatives stated that recovery of Rs. 1.06 lakhs is remained outstanding i. e. Rs. 26,226 against Municipal Committee, Gurgaon, Rs. 55,000 against Municipal Committee, Karnal and Rs. 25,000 against HUDA. The departmental representatives also assured the Committee that they will ask the Local Government Department to adjust the recoveries of said amount in the grant to be given to Municipal Committees concerned.

**The Committee desire that the progress made in the matter be intimated to them within six months.**

## EXCISE AND TAXATION

### [62] 2.4. Assessments in arrears

The number of assessment cases finalised during the year 1986-87 and those pending at the end of 1986-87, alongside figures for the preceding year, are given below:—

	Sales Tax		Passengers and Goods Tax	
	1985-86	1986-87	1985-86	1986-87
1.	2	3	4	5
(i) Number of assessments due for completion during the year				
(a) Arrear cases	42,617	41,420	136	128
(b) Current cases	1,04,605	1,12,698	292	139
(c) Remand cases	524	281	2	—
(ii) Number of assessments completed during the year				
(a) Arrear cases	33,111	29,790	82	59
(b) Current cases	72,691	78,624	219	67
(c) Remand cases	310	109	1	—
(iii) Number of assessments pending finalisation at the end of the year				
(a) Arrear cases	9,506	11,630	54	69
(b) Current cases	31,914	34,074	73	72
(c) Remand cases	214	172	1	—

Year-wise break-up of the pending assessments at as the end of 1986-87 is given below:—

Year	Number of cases	
	Sales Tax	Passengers and Goods Tax
1	2	3
Upto 1982—83	170	9
1983—84	1,561	15
1984—85	10,071	33
1985—86	34,074	84
Total	45,876	141

(i) Sales tax assessment in one case of Karnal District relating to the year 1976-77 was not initiated within the prescribed time limit of five years. The assessment was finalised in November 1985 and an additional demand of Rs. one crore was raised, recovery of which is awaited (November 1987)

(ii) Assessments of a dealer of Larshali (District Sonapat) relating to the years 1978-79 to 1983—84 were finalised between March 1984 and February 1986 creating an additional demand of Rs 52 lakhs. The dealer had closed down his business in October 1984. The department filed a claim with the District Judge Sonapat in December 1985 for recovery of the arrears. Further report is awaited (November 1987)

(iii) Assessments of a dealer of Ambala for the years 1978-79 to 1980-81 were finalised ex-parte between March 1985 and August 1985 creating additional demand of Rs 2.02 lakhs. The dealer had closed down business in April 1982. He expired in September 1983 and had left no immovable property. The amount was declared as bad debts and matter regarding its write off was under consideration of the Excise and Taxation Commissioner, Haryana, Chandigarh (July 1987).

(iv) Assessments of a dealer of Gurgaon relating to the years 1977-78 to 1980-81 were finalised between November 1983 to March 1984, and an additional demand of Rs. 2.79 lakhs was raised. The dealer had closed down his business in 1979-80 and did not pay the tax. The Department also failed to recover the amount from the sureties as they were not traceable. A recovery certificate was issued to the Assistant Collector, Delhi in March 1986, but no recovery could be made (October 1987).

(v) In the case of a dealer of Rohtak, assessments relating to the year 1977-78 was finalised in March 1985 with an additional demand of Rs 1.55

lakhs. Recovery has not been made since the dealer had expired before the finalisation of the assessment.

(vi) In the case of a dealer of Karnal, assessment relating to the years 1978-79 and 1979-80 were finalised only in December 1986 when an additional demand of Rs. 1 19 lakhs was raised. The dealer had, however, closed down his business in 1984 and after disposing his property had left the State. No steps to recover the amount had been taken (October 1987).

The inordinate delay in finalisation of the assessments in the above cases resulted in the demands remaining unrealised.

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

The assessment cases were pending because of the fact that there was shortage of A.As. Besides, some of the firms have closed down their business in the State and the proprietors/partners were residing outside the State due to which services of statutory notices could not be effected upon the dealers. Some firms have gone under liquidation and in some cases proceedings are in progress with the official liquidator

Out of 45876 cases shown as pending under sales tax on 31st March, 1987, 45352 cases has since been disposed off and 524 cases both under H.G.S.T. Act and C.S.T. Act are pending as on 28th February, 1991. As regards 141 cases of P.G.T. 96 cases have since been disposed off leaving a balance of 45. The details of cases are as under :—

Sales Tax Upto	H.G.S.T.	C.S.T.	P.G.T.
1982-83	5	5	15
1983-84	8	8	8
1984-85	27	27	8
1985-86	223	221	14
	263	261	45

All the dealers are not in existence. However, a list of dealers whose whereabouts are not known is enclosed herewith for your kind information.

Yearwise break-up of the pending assessments at the end

of 1986-87 is given below :—

Year	Number of cases	
	Sales Tax	Passengers and Goods Tax
Upto 1982-83	170	9
1983-84	1561	15
1984-85	10071	33
1985-86	34074	84
Total	45876	141

(i) The detailed position in respect of 6 cases desired is given as under :—

(1) *The F.C.I. Karnal A.Y. 1976-77*

The apprehension of the audit is not tenable in view of the fact that no time limit is prescribed U/s 28(2) of the HGST Act, 1973 for issuing notices or the finalisation of the assessment U/s 28(3). In this case the assessments has been finalised U/s 28(3) of the Act after taking into consideration the quarterly returns and information supplied by the dealer. The limit of 5 years is for assessment U/s 28(4) on best judgement basis when the dealers fails to appear or fails to produce the record required by the A.A. in term of notice issued to him U/s 28(2) of the Act. The assessment framed by the Assessing Authority was up held in Appeal by Jt. E.T.C. (Appeal) on 28th May 1988. The additional demand of Rs. 9914739/- created for year 1976-77 as since been recovered.

As regards remaining assessment for 1977-78, these have been finalised upto 1988-89. These assessments have been challenged in the Punjab & Haryana High Court, Chandigarh through various C.W.Ps. on the point of levy of tax especially on incidental charges. The Hon'ble Court has stayed the recovery of the disputed additional demand.

This case relates to M/s Haryana Electro Steel Ltd., Larsauli, District Sonipat. In this case now execution application filed by Haryana Financial Corporation was decided on 24th May, 1986 and the execution adjourned sine die by the District Judge vide his order dated 24th May, 1986. When the objection was filed by Excise & Taxation Department on 5th September, 1986, the District Judge ordered that it could only be taken up as and when the file got reviewed by the decree holder i.e. Haryana Financial Corporation so there is no change in the position of the case.

This case relates to M/s Shanti Sarup & Sons. The amount has not been written off so far. It is in the process of writing off. Prop. of the firm died in 1983.

This para relates to M/s Gold Field Mfg. Co., Gurgaon for the year 1978-79 to 1980-81. There is no arrear against M/s Gold Field Mfg. Co., Gurgaon for the year 1977-78. However, the dealer filed an appeal against the orders before Joint Excise & Taxation Commissioner(A), Faridabad with a request to stay recovery of the arrears, which is still pending with the appellate authority. It is understood that some payment have been made by dealer to Collector, Delhi which is being pursued.

The date of death of Sh. Maman Chand (Prop.) M/s Gopi Ram, Tara Chand Rohtak is not known to Deptt. the exact date can not be found out because his son and wife had moved to some unknown place.

Whereabout of the dealer were not known and hence the assessment for the year 1977-78 was finalised late. The total due recoverable amount is Rs. 1,55,079 under the H GST Act, 1973.

Since the whereabouts of the dealer is not known the recovery of the dealers is not possible. Hence the case has been moved for writing off the arrear.

No business of purchase or sale by M/s Naresh Kumar and Bros., Karnal during 1980-81 to 1983-84 had been conducted. The registration certificate of the firm also stands cancelled w.e.f 31-3-84 vide assessing authority order dated 18-12-87. So, no additional demand on this account is due towards the dealer.

The additional demand created for the assessment year 1978-79 and 1979-80 has since been quashed by the Jt. Excise & Taxation Commissioner(A), Ambala in Appeal. At present, no demand is recoverable from the dealer on this account also.

More Assessing Authorities have been appointed to clear the pending cases. Moreover, the performance in this respect is being watched by the Excise and Taxation Commissioner, Haryana in the departmental meetings and Dy. Excise & Taxation Commissioners have been directed to clear the arrear up to 1987-88 by the end of March, 1991.

During oral evidence the departmental representatives informed the committee that 212 cases were pending on 30-6-91 and assured that the same will be cleared as early as possible.

The Committee observe that the department should take effective steps to arrest the arrear in assessment. The assessment cases should be decided within one year and the officer concerned who causes any delay in future should be taken into account.

The Committee desire that progress made in this regard be informed to them within three months.

[63] 2.5. Uncollected revenue

As on 31st March, 1987, arrears of revenue pending collection under principal heads of revenue, as reported by the Departments, were as under:—

Heads of revenue	Total arrears	Arrears outstanding for more than 5 years
<i>2-6/12 Amariject Singh &amp; Co. Paridabad</i> <i>Wing Spinning &amp; weaving mills</i>	(In crores of rupees)	
1. Sales Tax	34.58	8.38
2. State Excise	4.04	1.19
3. Taxes on Goods and Passengers	0.86	0.14
4. Entertainment Duty and Show Tax	0.06	—

The main reasons for accumulation of arrears was stated that some of the assessee had gone to the various courts against the additional demand and these Courts granted stay for the recovery of the amount. In some cases firms had gone under liquidation and the cases are to be finalised by the official liquidator. In some of the cases the dealer had closed down their business and shifted to some unknown places. As such it was very difficult to recover the amount immediately in such cases. It was also stated that out of 39.54 crores arrears as on 31-3-87, 11.46 crores have been recovered upto 31-7-90 leaving a balance of Rs. 28.08 crores and all out efforts are being made by the department to recover the amount of outstanding arrears.

The Committee noted that the departmental officers were not serious to take action at the initial stage with the result the arrears got accumulated in crores of rupees. The departmental officers should check all the cases on the submission of quarterly returns by the dealers and non deposit/payment of taxes be detected at the initial stage to avoid such huge arrears of revenue pending collection.

The Committee directed that ETC to look into certain cases and fix the responsibility of the delinquent officials.

The Committee also recommend that the position of dealers and surities should properly be examined while issuing registration certificates to the dealers without harrassing them so that revenue can be collected in the event of default.

The Committee also observed that in order to improve the performance of departmental activities the internal audit cell of the Excise and Taxation Department should be strengthened to undertake internal audit of all the cases in general for examining in detail the short levy of Sales Tax/Purchase Taxes, penalty, interest, irregular exemptions, delay in assessment cases and other assignments matters in the safeguard of Government revenue.

The Committee further desire that steps taken in this direction together with the progress made in effecting the recovery of balance amount be intimated to them within six months.

[64] 2.10. *Internal control and internal audit*

An internal audit system exists in the Excise and Taxation Department and Revenue Department which administer the Acts relating to Sales Tax, State Excise Duty, Taxes on Goods and Passengers, Entertainment Duty and Show Tax, Taxes on Immovable Property and Stamp Duty and Registration Fees. Internal audit in Transport Department is, however, yet to be introduced.

No systematic record depicting the number of objections raised in internal audit and their subsequent clearance had been maintained by the departments. However, as per information supplied by two departments, the year-wise break-up of objections raised during the year 1981-82 to 1986-87 in respect of some of the revenue heads was as under:—

Year		Number of objections raised	Amount (In lakhs of rupees)
1	2	3	4
1. Sales Tax	1984—85	366	3.46
	1985—86	422	32.77
	1986—87	1455	144.26
Total		2243	180.49

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

In the Excise and Taxation Department the Internal Audit has proved effective. With the establishment of Inspection Wing the assessment cases are examined by DETCs (Inspections)/ETO (Ins.) and Suo-moto action is taken in the cases in which under-assessment is detected for safeguarding the interest of the Govt. Revenue. The Department is fully satisfied with the working of Internal Audit Organisation.

The internal Audit Organisation is headed by Jt. Excise and Taxation Commissioner (I/E) at Hqrs. With 13 DETCs (Inspections) in the field alongwith Excise and Taxation Officer's (Inspections). As per information received from the field officers from the year 1983-84 to 1990-91 4376 cases were detected involving under-assessments out of which 2990 cases have been decided involving tax and penalty amounting to Rs. 668.62 lacs. Out of demand of Rs. 668.62 lacs Rs. 122.06 lacs have been recovered.



The Committee would like to invite attention to the observation contained in para 63 of this report and if possible the work of Internal Audit particularly assessment cases be entrusted to Finance Department Audit comprising of Accounts Officers/Section Officers etc.

The Committee desire that the decision taken in the matter be informed to them within six months.

[65] 3 2. *Working of sales tax check barriers in Haryana*

### Highlights

With a view to preventing or checking evasion of sales tax, the Government established sales tax check barriers at strategic points along the borders of the neighbouring States. On 31st March 1987, there were 62 sales tax check barriers in the State, each manned by Assistant Excise and Taxation Officer(s), Inspectors of sales tax and other staff.

719 vehicles coming from places outside the State and bound for places outside the State obtained transit slips during 1984-85 and 1985-86 from 11 sales tax check barriers. The transit slips were to be delivered at the concerned exit barriers to denote that the goods had only transitted through the State, but these slips were not so delivered. Assuming that the goods carried by the vehicles had been sold within the State, penal proceedings required to be taken under the Sales Tax Act, against the persons incharge of the vehicles had not been initiated. The value of taxable goods carried by these vehicles worked out to Rs. 748.30 lakhs involving leviable penalty of Rs. 149.66 lakhs. (Para 3.2.3.)

During 1984-85 and 1985-86, 5,016 bills of lading received in district sales tax offices from the sales tax check barriers had neither been entered in the receipt register nor passed on to the assessing authorities concerned for verification. Value of goods involved in 499 cases test checked worked out to Rs. 254.55 lakhs. (Para 3.2.4(i))

396 bills of lading involving goods valuing Rs. 105.33 lakhs received from check barriers and entered in receipt register in district sales tax offices had not been passed on to the assessing authorities for check. 8,734 bills of lading involving goods valuing Rs. 151.81 lakhs passed on to the assessing authorities had not been verified by them. The cases of these dealers were assessed to tax without verification of bills of lading. (Para 3.2.4. (ii) to (iv))

188 un-registered dealers imported/exported goods worth Rs. 92.07 lakhs against 245 bills of lading. No enquiry was made to find out the subsequent disposal of these goods and to register the dealers under the Act. (Para 3.2.5.)

### 3.2.1. Introductory

Sales tax is levied in Haryana under the Haryana General Sales Tax Act, 1973 (effective from 5th May 1973) and the rules made there-

under. Prior to this, the Punjab General Sales Tax Act, 1948 was applicable in the State of Haryana. Sales tax could be evaded by importing goods, taxable in the hands of an importer from other States and effecting sale of these goods in the State without making due entries of their purchase and sale in the account books. Similarly, the dealer may sell goods outside the State without accounting for those in the books to evade payment of tax on such sales in the course of inter-State trade or commerce under the Central Sales Tax Act, 1956. To prevent and detect evasion of the sales tax in such cases, section 37 of the Act, 1973 empowers the Government to establish sales tax check barriers at strategic points along the borders of the neighbouring States and at such other places as considered necessary.

After the establishment of sales tax check barriers, no person shall transport within the State across or beyond the notified areas of the sales tax check barriers, any consignment of goods exceeding such quantity or value, as may be prescribed, by any vehicle, unless he is in possession of (a) either a bill of sale or delivery note or way-bill or certificate of ownership containing such particulars as may be prescribed and (b) a declaration in such form and containing such particulars, as may be prescribed, when the vehicle enters or leaves the State limits.

At present there are 62 sales tax check barriers in the State.

### 3.2.2. Administrative set up

Subject to the overall control of the Excise and Taxation Commissioner, the control and superintendence of the sales tax check barriers are vested in the Deputy Excise and Taxation Commissioner of the district in which the sales tax check barrier is located. The sales tax check barriers and mobile squads are manned by Assistant Excise and Taxation Officers/Excise and Taxation Officers, Inspectors of sales tax and other staff.

### 3.2.3. Transit of goods by road through the State and issue of transit slips (*Rahdaries*)

The driver or the person incharge of the vehicle coming from any place outside the State and bound for any other place outside the State passing through the State, shall obtain in the prescribed form, a transit slip (*i. e. Rahdari* in form ST-39) in duplicate from the officer-in-charge of the first sales tax check barrier after his entry into the State and deliver it to the officer-in-charge of the exit sales tax check barrier before his exit from the State. The officer-in-charge of the check barrier at the exit point shall, after quoting the time, date and number of movement register on the duplicate copy of the transit slip return the same to the officer-in-charge of the entry barrier. On receipt of the duly verified transit slip, the entry barrier staff will make note of it against the original entry and will take necessary followup action in respect of unverified transit slips. If the driver or person incharge of a vehicle passing through the State fails to obtain a transit slip or to deliver it at the exit check post or sales tax check barrier, he shall be liable to pay a penalty not exceeding two thousand rupees or 20 per cent of the value of goods whichever is greater.

719 vehicles coming from places outside the State and bound for places outside the State obtained transit slips during the years 1984-85 and 1985-86 from the sales tax check barriers at G.T Road Ambala, Dhulkote, Tohana, Data Singh Wala, Narnaul, Faridabad, Hodel, Jhumpa, Jai Singh Pur Khera, Dundaheera and Bahadurgarh. These vehicles had not delivered their transit passes at the concerned exit barriers. Since no transit slips were received back by the entry barrier, the officers-in-charge of the entry barriers should have presumed that the goods carried by the vehicles had been sold within the State and therefore they should have initiated assessment and penal proceedings against the drivers or persons in-charge of those vehicles which was not done. The value of taxable goods carried by the aforesaid 719 vehicles worked out approximately to Rs. 748 30 lakhs involving a penalty of Rs. 149 66 lakhs (20 per cent of the value of the goods).

### 3.2.4. Non-utilisation of check-post declarations/bills of lading

Under the Haryana General Sales Tax Act, 1973, a person transporting any consignment of goods by any vehicle should be in possession of a declaration (bill of lading) in form ST-38, besides a bill of sale and way-bill etc., when the vehicle enters or leaves the State limits. According to administrative instructions issued in October 1982, the officer-in-charge of the sales tax check barrier should collect the declarations and send them to the District office or sub-office concerned. Declarations and bills of lading exceeding Rs 50,000 are required to be sent to the concerned Deputy Excise and Taxation Commissioner by name for immediate verification. On receipt of declaration forms from the sales tax check barriers, these should be entered in the prescribed receipt register, sorted out and entered in the dealerwise ledgers to be maintained in alphabetical order.

(i) A test check in audit of the records of sales tax offices at Hisar, Karnal, Rewari, Gurgaon and Bhiwani revealed that 5,016 bills of lading received from Jhumpa, Data Singh Wala, G.T. Road Ambala City, Dhulkote, Jai Singh Pur Khera and Tohana sales tax check barriers during the years 1984-85 and 1985-86, had neither been entered in the receipt registers nor passed on to the various assessing authorities for verification. In a test check of 499 such cases, the value of goods involved worked out to Rs. 254.55 lakhs.

(ii) In sales tax offices at Karnal, Jind, Hisar, Bhiwani, Charkhi Dadri, Ambala City, Yamunanagar and Bahadurgarh, 396 bills of lading received from the check barriers at G.T Road Ambala City, Dhulkote, Data Singh Wala, Jhumpa, Tohana Narnaul, Yamuna Bridge and Bahadurgarh during the years 1984-85 and 1985-86 though entered in the receipt registers were not passed on to the assessing authorities for verification. The cases of these dealers were assessed to tax without verification of these bills of lading. The value of taxable goods covered by these bills worked out to Rs. 105 33 lakhs.

(iii) In the cases of 136 dealers, 8,342 bills of lading covering goods valuing Rs. 95.13 lakhs received by the assessing authorities during 1984-85 and 1985-86 were not placed in the files of dealers and as such purchases sales remained un-verified at the time of assessment.

(iv) Test check of assessment files maintained at the sales tax offices at Ambala City, Karnal, Hisar, Sirsa and Yamunanagar, brought out that in the assessment files for the years 1984-85 and 1985-86 of 39 dealers, 392 bills of lading had been misfiled by either being placed in files of assessees not concerned or in files of earlier period and were thus not verified at the time of assessment. The taxable goods covered in the above 392 bills of lading amounted to Rs. 56.68 lakhs.

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

The department is fully satisfied that there is no evasion of tax after the establishment of sales tax check barriers in the State.

The requisite information has been sought from all DETCs vide this office memo. No. 1189/AA. I, dated 24-5-91. The same shall be consolidated and submitted to PAC as and when the required information is received from field.

The A.G. has pointed out that 719 vehicles coming from places outside the State and bound for places outside the State obtained transit slip from the STCB during the year 1984-85 & 1985-86. Those vehicles have not delivered their transit slips at the exit barriers and the officer-in-charge of the entry barrier should have presumed that the goods were sold within the State.

The information have been called from field officers & observed that there are 729 vehicles i.e. 232 during the year 1984-85 & 497 during the year 1985-86. There is a practice at the barriers that transit slips are generally received from the exit barriers and for those transit slips which are not received, one Taxation Inspector is to be deputed for the verification of pending transit slips and in these cases it is possible that some vehicle cross Haryana territory from other than those barrier for which transit slips were issued. Out of 729 transit slips for the year 1984-85 & 1 slip for the year 1985-86 in respect of STCB, Bahadurgarh could not be verified. However, all out-efforts are being made by the deptts. to verify these slips. In most of the cases, the notices were issued & penalty imposed where required. In most of the STCB after getting the transit slip verified the paras have been dropped by the A.G.

Since most of the transit slips have been verified. It is requested that the para may be dropped.

The audit has pointed out that 5016 bills of lading received from various STCBs during the year 1984-85 and 1985-86 had neither been entered in the receipt register nor passed on to the various assessing authorities for verifica-

tion. Necessary investigations have been made from the Field officers and observed that 2176 bill of lading for the year 1985-86 received from the various STCB have been verified by the concerned assessing authorities and no such bill of lading is pending at this stage.

It has been observed that all these bills of lading were investigated & found to be accounted from the dealers.

This case pertains to non-utilisation of check post declaration/bill of lading. The audit had pointed out that in some of the office of sales Tax 396 bills of lading received from various sales tax check barriers during 1984-85 and 1985-86 although entered in the receipt register but not passed on to assessing authority for verification. The para-wise comments are as under :—

The necessary verification have been made from all the DETCs offices and observed that 245 bills of lading for the year 1984-85 and 1511 bills of lading for the year 1985-86 exceeding value of Rs. 50,000/- as received from the respective barriers have been got entered in the ledger and these were sent to the concerned assessing authority for verification. In all the cases ST.38 form have been got verified from the account book and have been entered therein.

(b) Since all the bills of lading have been got entered in the ledger and no variation on of tax come to the notice none of the officer/official can be held responsible for the same.

Keeping in view the above facts it is requested that the para may please be dropped

This para pertains to non-utilisation of check post declaration/bill of lading. In this para the audit has pointed out that in the case 136 dealers 8342 bill of lading received by the assessing authority during the year 1984-85 and 1985-86 were not placed on the files of dealers and as such purchases/sales remained un-verified at the time of assessment. The parawise comments is as under :—

Necessary verification from the concerned DETC have been made and observed that in respect of 114 dealers for the year 1984-85, 8004 bill of lading and in respect of 22 dealers for the year 1985-86, 338 bills of lading have been got tallied with the account books of the respective dealers after verification from the account books of these dealers. The DETCs have also intimated that no variation came to the notice since all the bills of lading as pointed out in the audit have been verified and placed in the files after verification. The para may please be dropped.

In this para the audit has pointed out that in the assessment files for the year 1984-85, 1985-86 of 39 dealers, 392 bills of lading has been misfiled by either being placed in files of assessee not concerned or in files of earlier period and were thus not verified at the time of assessment. The record of all the concerned DETCs offices have been got verified and observed that in respect of 18 dealers for the year 1984-85, 214 bills of lading and in respect of 24 dealers, 178 bills of lading for the year 1985-86 have been placed on proper file and verified. The DETCs concerned intimated that no variation came to the notice in respect of these bills of ladings. Since all the bill of lading as pointed out by the audit have been verified and placed on the relevant file, the para may please be dropped.

The Committee are not satisfied either with the written reply or the oral evidence placed before it by the department. The Committee note that there was a lack of surprise checking by the higher authorities of the department at the check posts.

The Committee desire that checking at the barriers should also be carried out by the headquarters officers periodically and necessary action should be taken against the defaulting officials at the barriers.

The Committee further desire that steps taken in this direction be intimated to them within three months.

#### [66] 3.3. *Short levy/non-levy of purchase tax*

As per provisions of the Haryana General Sales Tax Act, 1973, a dealer, on the strength of his certificate of registration and by furnishing a declaration in prescribed form ST-15, can purchase, without payment of tax, goods (other than those on which tax is leviable at the first stage) for resale in the State or sale in the course of inter-State trade or commerce or for use in the manufacture of other goods (such other goods not being free of tax on sale) meant for resale in the State or for sale in the course of inter-State trade or commerce or for sale in the course of export out of the territory of India within the meaning of Section 5(1) of Central Sales Tax Act, 1956. If a dealer, who has purchased goods without payment of tax, fails to use the goods, so purchased, for the specified purposes, he is liable to pay tax on the purchase value of such goods at the rates notified under Section 15 of the Act.

(i) Two dealers of Ladwa purchased, by furnishing declaration in Form-15, without payment of tax, goods valuing Rs 89.84 lakhs within the State and exported those out of India, through another agency during the years 1979-80 to 1983-84. Such exports did not fall within the ambit of Section 5(1) of the Central Sales Tax Act and hence the use of Form-15 for purchasing the goods for such purposes was not admissible and purchase tax was leviable. While finalising the assessment (between March 1985 and March 1986), the assessing authority, however, levied tax on purchases amounting to Rs 4.08 lakhs only and omitted to levy tax on remaining purchases valuing Rs. 85.76 lakhs. The mistake resulted in

short assessment of purchase tax by Rs. 6.39 lakhs. Besides, interest amounting to Rs. 3.39 lakhs for non-payment of tax alongwith returns was chargeable.

On the omissions being pointed out in audit (August 1986), the department called for (March 1987) the assessment records. Further developments are awaited (November 1987).

(ii) A dealer of Pinjore purchased, on the basis of declarations in Form-15, without payment of tax, goods valuing Rs. 18.48 crores within the State and used them in the manufacturing of other goods. Manufactured goods, valuing Rs. 31.38 crores and Rs. 3.69 crores were transferred to its branches outside the State and exported out of India through another party respectively during 1983-84. While levying purchase tax (November 1985), the assessing authority erroneously worked out the proportionate value of goods consumed in the manufacture of goods transferred to its branches outside the State and exported out of India as Rs. 5.96 crores and Rs. 0.70 crore instead of Rs. 6.12 crores and Rs. 0.72 crore respectively. This resulted in short levy of purchase tax amounting to Rs. 0.77 lakh. Besides, interest for non-payment of tax alongwith quarterly returns was also chargeable.

On the omission being pointed out in audit (February 1987), the department accepted (May 1987) the error in calculating the proportionate purchase value. Report on the rectification is awaited (November 1987).

(iii) A dealer of Taraori (District: Karnal) purchased, without payment of tax, *bardana* (packing material like gunny bag, tins) valuing Rs. 4.13 lakhs from within the State and used it in the packing of rice, bran oil and rice bran oil cakes exported outside the State otherwise by way of sale during the year 1982-83.

The assessing authority, while framing assessment (November 1983), levied purchase tax on the proportionate purchase value of rice bran and rice husk consumed in the manufacture of rice bran oil/cake exported out of the State, but omitted to levy purchase tax on *bardana* used in packing which resulted in tax being levied short by Rs. 29,556. Besides, interest for non-payment of tax alongwith quarterly returns was also chargeable.

On the omission being pointed out in audit (January 1985), the department raised (March 1987) a demand for Rs. 34,535 including interest of Rs. 4,980. Report on recovery of amount is awaited (November 1987).

(iv) A dealer of Sirsa purchased, without payment of tax by furnishing declarations in Form-15, cotton valuing Rs. 7.28 lakhs for manufacturing purposes. He, however, without undertaking any manufacturing process exported the cotton out of India during the year 1982-83. As per Schedule 'D' of Haryana General Sales Tax Act, on unmanufactured cotton, tax is payable on the point of last purchase within the State. While assessing (February 1986), the assessing authority omitted

to levy purchase tax amounting to Rs. 29,120 on the purchase value of cotton. Besides, interest was also chargeable for failure to pay the tax due.

On the omission being pointed out in audit (August 1986), the department referred (June 1987) the case for *suo moto* action; further report is awaited (November 1987).

(v) In the case of two dealers (one each of Bahadurgarh and Faridabad), proportionate purchase value of goods transferred or purchase value of goods consumed in the manufacture of goods transferred to branch offices outside the State was determined less by Rs. 2.90 lakhs during 1982-83 and 1984-85 resulting in short levy of tax of Rs. 16,098..

On the omission being pointed out in audit (December 1985 and November 1986), the department raised (May 1987) a demand for Rs. 8,837 in the case of Faridabad dealer. Report on recovery is awaited. The case of Bahadurgarh dealer was referred (June 1986) to the revisional authority for *suo moto* action. Further report is awaited (November 1987).

(vi)(a) A dealer of Sonapat purchased, without payment of tax, goods valuing Rs. 18.76 lakhs during the year 1980-81 by furnishing the prescribed declarations in form ST-15 and used them in the manufacture of other goods. However, manufactured goods valuing Rs. 19.71 lakhs were transferred to his head office outside the State. While calculating the purchase tax payable by the dealer (March 1985), the assessing authority erroneously worked out the proportionate value of the goods consumed in the manufacture of goods transferred as Rs. 4.20 lakhs instead of Rs. 6.15 lakhs.. The mistake resulted in short levy of tax amounting to Rs. 7,956. Besides, interest for non-payment of tax alongwith quarterly returns was also chargeable.

On the omission being pointed out in audit (June 1985), the department raised (March 1986) an additional demand for Rs. 18,952 (tax : Rs. 7,956; interest : Rs. 10,996) and recovered the amount in May 1986.

(b) Under the Haryana General Sales Tax Act, 1973, goods purchased without payment of tax and used in the manufacture of tax free goods, are liable to purchase tax at the rate applicable for their sale in the State.

A dealer of Panipat purchased, without payment of tax, goods valuing Rs. 4.94 lakhs which were used in the manufacture of tax free goods sold during 1983-84. The assessing authority, while framing the assessment (September 1985), omitted to levy purchase tax on the goods so used in the manufacture of tax free goods. The tax not paid amounted to Rs. 13,047 besides interest for failure to pay the due tax.

On the omission being pointed out in audit (December 1986), the department raised (April 1987) additional demand for Rs. 16,497 including interest amounting to Rs. 3,450 for non-payment of tax and recovered the amount in May 1987.



The above cases were reported to Government between July 1985 and April 1987; their reply has not been received (November 1987).

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

This case relates to M/s Luxmi Rice and Dall Mill, Ladwa and M/s Telu Ram Vishnu Sarup Ladwa, Assessment year 1979-80 to 1983-84.

(i) Both these dealers purchased cellery seeds from within Haryana and exported out of the territory of India under section 5(3) of the C.S.T. Act, 1956 as such they had purchased these goods against their R.C. by submitting form ST-15. The Audit has objected that as the dealer had exported the goods under section 5(3) as such the tax was leviable under section 24(3) of the H.G.S.T. Act, 1973 while the assessing authority had allowed the deductions under Section 5(3) of the C.S.T. Act on account of indirect export out of India against 'H' form.

This department is of the opinion that no tax is leviable on the purchase of goods within Haryana if these are exported out of the territory of India under Section 5(1) or 5(3) of the Act in view of the provisions of Section 12 of H.G.S.T. Act, 1973. In case of such sale in the course of export out of territory of India deductions are admissible out of the G.T.O. of the dealer under Section 27(1)(a)(iv) of the H.G.S.T. Act, 1973. These deductions were rightly allowed by the A.A.

(ii) However, in view of the audit objection the cases were sent for suo-moto action to Jt. ETC(A) on 31-3-88 and 10-5-88 respectively in respect of M/s Luxmi Rice & Dal Mill, Ladwa & M/s Telu Ram Vishnu, Ladwa. These cases were remanded by the appellate authority on 29-10-88 and 30-5-88 respectively. The dealers filed C.W.P. in the High Court against the remand cases and proceedings in remand cases had been stayed by the Hon'ble Punjab and Haryana High Court as under :—

(i) M/s Luxmi Rice & Dall Mill  
Ladwa

C.W.P. No. 14104/  
89 dt. 6-11-89.

(ii) M/s Telu Ram Vishnu Sarup  
Ladwa

C.W.P. No. 1511  
and 4515/90  
dt. 4-4-90.

(iii) Action will only be taken when the cases are decided by Court.

(i) It is submitted that the assessing authority has not levied the purchase tax. Short as contains in Audit

para. The Assessing Authority levied purchase tax @ 8% instead of 4% as such levied excess tax and the issue stocks decided by the Appellate Authority. An Estimate referred of Rs. 29461 is lacs to be allowed to the firm.

(ii) Since Appellate Authority has demanded the issue in favour of the Co. & refund is to be allowed so there was no question of any recovery.

(iii) No body can be held responsible in view of above facts.

It is, therefore, requested to drop the para.

This case pertains to M/s Mahavir Solvent Oil Mills, Taroari, A.Y. 1982-83.

The A.G. has pointed out that while framing assessment the assessing authority levied purchase tax on the proportionate purchase value of rice bran and rice husk consumed in the manufacture of rice brand oil/cake exported out of the State but did not levy purchase tax on the bardana used in packing. The comments are as under :

(i) In this case the assessing authority did not levy tax under section 9 of HGST Act. The goods used in the manufacture of goods which were sold on consignment basis outside the State of Haryana as no tax was leviable under section 9 in view of the judgement of the Punjab and Haryana High Court in the case of M/s Bata India Ltd. reported as (1983) 54-STC-226. He had, infact, imposed penalty of Rs. 1,14,831/- under Section 50 of the State Act for misuse of the registration certificate by the dealer, which was incidentally equal to the tax due under section 9. The penalty was imposed as he had not disposed of the goods in accordance with the provisions of Section 24(i) (b) of the HGST Act, 1973 but had exported goods out of the State otherwise than by way of sale in the course of inter-State trade or commerce i.e. on consignment basis. In view of the above facts the question of levying purchase tax did not arise at the time of assessment. The total amount of Rs. 1,14,831/- has been recovered.

(ii) An additional demand of Rs. 34,557/- was created by the assessing authority vide his orders dated 25-3-87. The amount has been deposited on 6-6-87 and 19-6-87 as under :—

on 6-6-87	= Rs. 28,992.00
on 19-6-87	= Rs. 5,565.00
Total :	<u>= Rs. 34,557.00</u>

(iii) The explanation of the assessing authority Sh. H.M.L. Miglani has been received and is under consideration.

This case pertains to M/s Khemji Viskarmji Sirsa for the year 1982-83

The parawise comments are as under —

- (i) The interest and tax was not levied as the Assessing Authority observed that no such tax is leviable on export out of India under section 5(i) of the General Sales Tax Act, 1956.
- (ii) The case has been sent for suo-moto action to the Joint Excise and Taxation Commissioner (Appeals) Rohtak on 23-6-1987. He has been requested to finalise the case vide memo No 1960/AA-I dated 28-8-90.
- (iii) The explanation of Assessing Authority Sh. Balwan Singh has been called vide Memo No. 2082/AA-I, dated 13-9-90 and action will be taken on the basis of decision of revisional Authority in this case

This case pertains to the following firms —

- (i) M/s Delhi Pulp Industries, Faridabad A Y 1984-85.
- (ii) M/s Asha Agro & Steel Rolling Mills Bahadurgarh A.Y. 1982-83

The para wise reply of each case is as under :—

1. *M/s Delhi Pulp Industries, Faridabad A.Y. 1984-85*

- (1) There was a difference of opinion as the audit party has pointed that purchase tax on proportionate basis should have been calculated after excluding craft paper consumed in transfers. The objection was admitted and additional tax of Rs. 8,837/- was levied.
- (2) An additional demand of Rs. 8,837/- on account of tax short levied was created vide AA's order dated 5-5-87 and interest on this tax was levied by separate order dated 11-11-87 amounting to Rs 3,960/- The recovery of this tax and interest has been made vide pay order dt. 22-7-87, for Rs. 8,837/- & Rs 3,960/- vide Tr. No., dt. 6-2-1988.
- (3) The explanation of B.S. Dinodia the Assessing Authority has been called for vide memo No.2842/AAI, dt. 7-11-90.

2. *M/s Asha Agro & Steel Rolling Mills, Bahadurgarh, A.Y. 1982-83*

- (i) It is stated that purchase tax u/s 9 of HGST Act was inadvertently by clerical mistake short computed by Assessing Authority while framing assessment for 1982-83.
  - (ii) Now the omission has been rectified in suo-moto proceedings and tax and penalty Rs. 7,261/- & 15,596/- respectively stand levied vide DETC (Ins) orders dated 27-2-87. Additional demand of Rs. 22,857/- has been deposited in Govt. Treasury vide T.R. No. 31 dated 31-3-87.
  - (iii) The explanation of Sh. N.S. Chauhan, ETO has been called for vide Memo No. 743 dt. 7-11-90.
3. Since the amount in both the cases has been recovered the para may be dropped.

### 3.3. (vi)(a)

This case pertains to M/s Northern Rubber Mills, Rai (Sonpat) A.Y. 1980-81.

- (i) The short levy of purchase tax was due to treating Hassan Cloth as tax free by the Assessing Authority by mistake.
- (ii) The mistake was rectified and a sum of Rs. 18,952/- (Tax 7,956/- , Intt. 10,296/-) was levied as an additional demand and the same was recovered on 26-6-86 vide T.R. No 5.
- (iii) Sh. H.R. Mohandroo, the then Assessing Authority has since retired and as such no action can be taken against him. Since the amount has been recovered, it is requested that para may be dropped.

### 3 3. (vi) (b)

This case pertains to M/s D.K. Textile, Panipat for the A.Y. 1983-84.

- (i) While framing the Assessment the Assessing Authority failed to levy purchase tax on the value of goods used in the manufacture of tax free goods under the wrong impression that tax was not leviable on the goods sold to local dealers which were later on exported under section 5(i) of CST Act. Hence the under assessment.
- (ii) An additional demand of Rs. 16,497/- has been created by way of re-assessment u/s 31 of the HGST Act, 1973 and the same has been recovered vide T.R. No. 21, dated 13-5-87.
- (iii) The explanation of Sh. A.K. Sharma E.T.O. has been called for vide Memo No. 2965/AA-I, dated 21-11-1990.

The Committee desire that the cases pending in the Court be pursued to their logical conclusion.

The Committee observe that the case of non-levy of tax on bardana used in packing be investigated de-novo and final action taken against the assessing authority responsible for the lapse be informed to the Committee within three months.

The Committee also desire that final action taken against the assessing authorities responsible for short levy of tax in the cases pertain to the dealers of Faridabad, Bahadurgarh and Panipat be intimated to the Committee within three months.

The Committee further observe that the duplicate record pertains to the dealers of Sirsa, as stated burnt, be completed as quickly as possible and decided cases under intimation to the Committee.

#### [67] 3.4. *Irregular grant of exemption*

Under Section 13 of the Haryana General Sales Tax Act, 1973, Government is empowered to grant exemption by issue of notification, to any class of co-operative societies or persons from the payment of tax under the State Act on the purchase or sale of any goods subject to such conditions like obtaining genuineness certificates from the Khadi and Village Industries Board and the exemption certificates from the sales tax assessing authority of the district and as may be specified in the notification. As per notification dated 22nd November 1978 and 2nd June 1979, exemption from payment of tax, on purchase of raw material is admissible to specified manufacturing units on the value of raw material, used in the manufacture/production of goods in their own industrial units and on the sale of such manufactured goods.

On the basis of genuineness certificates granted by the Khadi and Village Industries Board, exemption certificates were issued (between September 1983 and December 1984) to two dealers of Dabwali by the sales tax assessing officer. A scrutiny in audit of the assessment records revealed that cotton valuing Rs. 51.32 lakhs purchased from within the State during the years 1983-84 and 1984-85 on the strength of their exemption certificates had been transferred (1983-84 and 1984-85) by the dealers to their head offices outside the State of Haryana without undertaking any manufacturing process. They were, thus, not entitled for exemption and were liable to pay purchase tax on the same, being last purchases within the State. Irregular grant of exemption resulted in tax amounting to Rs. 2.05 lakhs being not realised.

On the omission being pointed out in audit (June 1986), the department referred (October 1986) the cases to the revisional authority for *suo moto* action. Further report is awaited (November 1987).

The cases were reported to Government in October 1986; their reply has not been received (November 1987).

In their written reply the department stated as under :—

This case pertains to the following two firms :

- (i) Punjab Khadi Mandal, Dabwali Assessment year 1983-84 & 1984-85.
- (ii) M/s. Nalanda Zila Khadi Mandal, Dabwali, 1983-84 & 1984-85.

The cases were sent to Dy. Exise and Taxation Commissioner (I) Hisar on 3-3-87 for taking suo-moto action. The case was transferred to DETC (I) Sirsa in 6/90 on the creation of new post DETC(I), Sirsa in April 1990.

DETC(I) Sirsa has intimated that the entire record of the case was burnt during anti-reservation riot at Sirsa.

However, DETC-I) Sirsa has been requested to reconstruct the files and finalise the case. Moreover, the then DETC(I) Hisar Sh. Charan Singh has been directed to intimate the reasons for not finalising the cases even upto 6/90.

The Committee desire that the duplicate record be completed and the cases indicated in Audit para be finalised as quickly as possible under intimation to the Committee.

[68]. 3.11. *Incorrect computation of taxable turnover*

Under the Central Sales Tax Act, 1956, where a tax has been levied under the Sales tax law in respect of the sale or purchase inside the State on paddy, the tax leviable on rice procured out of such paddy and sold in the course of inter-State sales shall be reduced by the amount of tax levied on such paddy.

A dealer of Kurukshetra, sold rice valuing Rs. 20,36,813 in the course of inter-State trade or commerce during 1982-83. The assessing authority, while finalising (May 1985) the assessment under the Central Sales Tax Act, had allowed deduction amounting to Rs. 20,07,851 representing purchase value of paddy from which the rice was husked and already assessed to tax under the State Act.

In audit it was, however, seen that inter-State sales of rice included tax paid rice valuing Rs. 1,20,167 and on the basis of yield of rice obtained from paddy, the amount of admissible deduction on account of purchase value of paddy from which the rice valuing Rs. 19,16,646 was husked and tax paid under the State Act, worked out to Rs. 13,71,367. The incorrect excess deduction by Rs. 5,16,317 resulted in less computation of taxable turnover to that extent and consequential short levy of tax by Rs. 20,653. Besides this, interest amounting to Rs. 8,280 was chargeable for short payment of tax.

On the omission being pointed out in audit (July 1986), the department referred (January, 1987) the case to the revisional authority for *suo moto* action. Further report is awaited (November 1987).

The case was reported to Government in February 1987; their reply has not been received (November 1987).

The department in its written reply stated that this case pertains to M/s Jai Luxmi Rice Mills, Kurukshetra A.Y. 1982-83/6-7-85. The para-wise comments are as under :—

The reasons for short levy of tax is oversight while framing the assessment. The under assessment including interest and penalty etc. comes to Rs. 55,705/-.

The case has been remanded for denovo assessment by the Jt. Excise & Taxation Commissioner (A) : The Assessment proceedings have been initiated and final reply will be intimated later on.

The explanation of Sh. Rattan Singh E.T.O. has been called and received and is under examination.

The Committee desire that the amount of short levy of tax be recovered as quickly as possible and final reply be furnished to the Committee within three months.

#### [69] 3.16 *Non-levy of penalty*

(a) Under Section 48 of 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 more than ten times (five times from 17th April 1984) the amount of tax which would have been avoided, if the turnover as returned by such dealer, had been accepted as correct. Same provisions are applicable in the case of similar offences committed in connection with inter-State sales under the Central Sales Tax Act, 1956.

(ii) A dealer of Kurukshetra filed his returns with turnover amounting to Rs. 21.22 lakhs for the year 1978-79. The assessing authority while framing assessment (July 1983), enhanced the turnover by Rs.7.46 lakhs (Rs 2.71 lakhs under the State Act and Rs. 4.75 lakhs under the Central Act) as a consequence of suppression of sales detected from the accounts books and other documents taken into possession during inspection of business premises of the dealer on 26th October, 1979 and levied tax amounting to Rs 9,903 and Rs 20,724 on the suppressed sales under the State Act and the Central Act respectively. The assessing

authority had mentioned in the assessment order (18th July 1983) for issue of separate notices for levying penalty against suppression of sales but no further action was taken (February 1986).

On the omission being pointed out in audit (March 1986), the department initiated penal action and levied (June 1986) penalty amounting to Rs 19,806 and Rs 41,448 under the State Act and the Central Act respectively. Report on recovery is awaited (November 1987).

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

“However the instructions in this regard has been issued vide memo. No. 2938/SR.3, dated 28-9-89. In view of the facts stated above the para may please be dropped.

This case pertains to M/s. Prem Chand Surinder Kumar, assessment year 1978-79. The assessment of this case was framed by the assessing authority on 18-7-83. The assessing authority had mentioned in the assessment order that separate notices be issued for levying penalty for suppression of sales but the action could not be taken due to transfer of the assessing authority.

(b) However, the penalty was imposed by Sh. J. L. Sabharwal, E.T.O. in June, 1986 as under :—

HCST Act	19806.00
CST Act	41448 00
	<hr/> 61254.00

The dealer had closed his business and he was allowed to make the payment in instalments of Rs. 300 P.M. He has paid Rs. 8354 in instalments from 21-5-86 to 27-8-90. Efforts are being made to recover the remaining amount. However, he was arrested for recovery under the Land Revenue Act but was released due to illness. He has applied for waiving off recovery vide his application, dated 5-4-91.

The Committee desire that final out come of the recovery be intimated to them within three months.

[70] 3.16

(b) 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 by way of penalty, a sum calculated at a rate which shall not be less than five rupees and more than ten rupees for every day during which the default continues.



(i) A dealer of Jind did not file his returns for the first and third quarters under the State Act and for the first, second and third quarters under the Central Act for 1974-75 by the prescribed dates. The delay ranged between 1,497 and 1,681 days. While finalising the assessment (March 1979), the assessing authority levied tax but omitted to impose penalty for belated submission of the returns. Minimum penalty leviable worked out to Rs 39,725.

On the omission being pointed out in audit (July 1985), the department imposed (March 1986) penalty of Rs 39,885. Recovery of amount is under stay granted (September 1986) by the Appellate Authority in consideration of weak financial position of the dealer. Further report is awaited (November 1987).

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

This case pertains to M/s. Jain Brothers, Jind for the year 1974-75.

- (a) The dealer sought adjournment time and again and due to non Co-operation by the dealer, the Assessing Authority was left with no other alternative but to finalise the assessment on best judgement basis on the basis of data collected from some extreneous sources. However, the Assessing Authority while deciding the case on merits ordered for issuing notices.

U/S 46 of the HGST/CST Act for taking penal action for non filing the quarterly returns for the period ending 30-6-74, 30-9-74 and 31-12-74 and thereafter penalty of Rs 15970 under HGST Act and 23115 under CST Act was imposed on 18-3-86. The dealer filed appeal before the Jt. ETC (A) who stayed recovery of the amount. The appeal case is still pending with JT. ETC (A) Rohtak

- (b) Efforts will be made to recover the outstanding arrears as and when the appeal case is decided by the Jt. ETC (A).

The Committee desire that the case be persued to its logical conclusion and progress made be intimated to them in due course.

## IRRIGATION

### [71] 6.9. *Receipts from Canal waters*

#### Highlights

Revenue realised during 1982-83 to 1986-87 amounted to Rs. 51.79 crores against budget estimates of Rs. 69.35 crores. (Para 6.9.03.)

The working of canal irrigation in all these five years indicated losses which amounted to Rs. 283.02 crores. (Para 6.9.04.)

Arrears of water rates at the end of March 1987 were Rs. 583.86 lakhs as against Rs. 320.69 lakhs at the end of March 1983. Further, revenue amounting to Rs. 8.49 lakhs on account of betterment levy for the period prior to *kharif* 1975 remained unrealised at the end of March 1987. (Para 6.9.05.)

In Hisar district, water charges amounting to Rs. 5.90 lakhs were either not realised due to non-rectification of demand statements or were recovered short on account of application of incorrect rate (Para 6.9.07 and 6.9.08).

Headmen were allowed to retain inadmissible remuneration of Rs. 1.58 lakhs in the three divisions at Rohtak and Hisar (Para 6.9.09).

Revenue amounting to Rs. 2.37 lakhs was forgone due to non-observance of the prescribed procedure for levy of *tawan* charges. (Para 6.9.11).

#### 6.9.03. Trend of revenue

The table below indicates budget estimates and revenue realised there against during the last five years ending 1986-87.

Year	Budget Estimates	Actuals	Percentage of short- fall
(In crores of rupees)			
1982-83			
1983-84	12.74	8.07	36.66
1984-85	12.35	7.14	42.19
1985-86	13.65	11.18	18.09
1986-87	14.27	11.94	16.33
	15.34	13.46	12.26

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abiana

shortfall in revenue were attributed to special re-  
g. to natural calamities and deferred recovery of

ten reply, the department stated as under :—

Rs 211.11 lakhs was granted during 1982-83 to  
A sum of Rs 437.46 lakhs was deferred for recovery  
ing 1982-83 to 1986-87 as under :—

	Rs. in lakhs
1982-83	86.00
1983-84	81.15
1984-85	61.69
1985-86	97.65
1986-87	110.97
Total	437.46

The recovery of water charges was deferred for 6 months in each year.

The Committee are not satisfied with the pace of recovery made by the department. The Committee desire that meetings with the District Civil Authorities should periodically be conducted and special efforts should be made to recover this huge amount of revenue without further delay.

The Committee further desire that progress made in effecting the recovery be intimated to them within six months.

[72] 6.9.05. Arrears of Revenue

(i) Water rates.

The gross receipts and arrears of water rates for supply of water for irrigation/non-irrigation purposes at the end of each of the five years during 1982-87, were as under :—

Year	Gross receipts	Arrears of water rates	Percentage of arrears of water rates to gross receipts
1	2	3	4
	(In lakhs of rupees)		
1982-83	806.61	320.69	39.76
1983-84	713.73	312.74	43.82
1984-85	1118.33	387.34	34.64
1985-86	1194.46	447.53	37.47
1986-87	1346.06	583.88	43.88

(Sources: Figures in column 2 are as per Finance Accounts whereas figures in column 3 are as furnished by the department).

It would be evident from the data indicated above that the arrears were on the increase. The increase in arrears was stated to be due to suspension of water-rates (*abiana*) by the State Government due to natural calamities. It may, however, be mentioned that in Haryana, there is no provision for levy of interest for belated payments of water rates.

In their written reply, the department stated as under —

- (a) The recovery of water charges was suspended for six months in each year.

The recovery of water charges is directly under the control of District Civil Authorities.

- (b) The latest position of recovery on account of water charges ending 31-3-90 is Rs. 1064.55 lakhs.

The Committee would like to invite attention to the observation contained in foregoing item and desire that progress made in effecting the recovery of water charges be intimated to the Committee within six months.

[73] 6.9.07 *Short recovery of water charges*

Under the Haryana Canal and Drainage Rules, 1976, charges canal water supplied to brick-kiln owners for the purpose of brick making are recoverable at the rate of rupee one per hundred cubic feet of water.

The department raised bills for water charges for canal water supplied to a brick-kiln owner in Uklana Mandi during December 1978 to February 1980 at Rs. 5 per 2,500 cubic feet instead of at the prescribed rate of rupee one per hundred cubic feet. In Hisar, water charges for canal water supplied to twelve brick-kiln owners during March 1979 to February 1985 were also accepted at lower rate of Rs. 5 per 2,500 cubic feet. This resulted in short realisation of water charges amounting 3.05 lakhs (Hisar Rs. 2.88 lakhs; Uklana Mandi : Rs. 0.17 lakh).

On the omission being pointed out in audit (May 1985), the Executive Engineer stated (April 1987) that Sub-divisional Officers were being instructed to recover the amount from brick-kiln owners. Further report on recovery is awaited (November 1987).

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

The demand for water charges at the rate of Rs. 5 per 2500 cft. instead of Rs. 1 per 100 cft. was raised due to wrong interpretation by the then Sub-Divisional Officer. On further scrutiny, the Government confirmed that the recoveries be continued to be made at the rates already levied.

On pointing out by the Audit, the Divisional Officer instructed his Sub Divisional Officers to recover the amount from the Brick Kiln Owners at the rate of Rs. 1 per 100

cft. but against this order, the Brick Kiln Owners filed an appeal in the Court where stay was granted. The Court has now decided that the Brick Kiln Owners may seek arbitration in terms of clause of agreements and recovery may be decided there after. Further action will be taken, after decision of the Arbitrator. There is no such case of similar nature in other Districts.

The Committee desire that the matter be reinvestigated and responsibility be fixed for the short recovery and stern action should be taken against the officer/officials at fault under intimation to the Committee within six months.

[74] 6.9.10. *Non-raising of demand* *Page 9.1.19*

In Sirsa division, Sirsa, demand for water charges for supply of water to four cotton ginning factories for the period from April 1976 to January 1985 had not been raised. This resulted in non-realisation of water charges amounting to Rs. 0.66 lakh.

On the omission being pointed out in audit (September 1985), the department recovered Rs. 0.21 lakh between October 1985 and January 1987. Report on recovery of the balance amount is awaited (November 1987).

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

- (i) The officers/officials responsible for not raising the demand for water charges have been identified and action under the Rules against them is under way.
- (ii) Out of Rs. 0.66 lakh, a sum of Rs. 23294 has since been recovered leaving a balance of Rs. 42716 15 against a cotton ginning factory, who filed a civil suit on 17-8-87 against this recovery. The Court has decided against the Department. The Department has now preferred an appeal in the High Court, which is pending. However, the party has deposited Rs. 10000 against this recovery.

The Committee desire that the case pending in the Court be pursued to its logical conclusion and final out come be intimated to the Committee in due course.

[75] 6.9.11. *Revenue forgone due to non-levy of special rate*

Under the Haryana Canal and Drainage Rules, 1976, special rate (*Tawan*) upto twenty times (upto 24th November 1983 and six times thereafter) of the ordinary water rate is leviable in case of canal water obtained/used in an un-authorised manner (by cutting of canal/water course).

The Sub-Divisional Canal Officer is required to report to the Divisional Canal Officer/Canal Executive Officer (C.E.O.) all such cases of canal water used in an un-authorised manner within seventy two hours who would institute a summary enquiry for determining the person responsible for un-authorised use of water and thereafter impose special rate (*Tawan*).

On 101 tawan cases in twelve divisions, tawan charges amounting to Rs. 2.37 lakhs were forgone due to non-observance of the prescribed procedure. The following lapses facilitated the forgoing of revenue.

- (i) Lack of effective pursuance and investigation of the cases leading to the case not being conclusively established in 59 cases (Rs. 0.92 lakh);
- (ii) Self leakage of canal due to improper maintenance in 16 cases (Rs. 0.25 lakh); and
- (iii) Proper sanction for the investigation had not been obtained in 26 cases (Rs. 1.20 lakhs).

A test check in audit of seven divisions revealed that the number of tawan cases referred to the Canal Executive Officers during the year 1986-87 and the tawan cases pending finalisation at the end of 1986-87, alongwith figures for the preceeding two years were as below .—

Year	Tawan cases		
	Received	Referred to C.E.Os	Pending
1984-85	3,359	3,243	116
1985-86	3,262	2,201	1,061
1986-87	3,457	1,162	2,295

The increase in pendency was attributed to non/late appointment of enquiry officer (by name) to decide these cases. In November 1986, Sub-Divisional Officers (Civil) had been empowered to act as Canal Executive Officers in their respective jurisdiction to decide such cases.

The department stated that

No responsibility has been fixed in most of the cases as the amount involved was petty. However, in some cases, the defaulters have been warned.

All the pending tawan cases have since been decided.

The Committee are not satisfied with the reply of the department and desire that the case be re-opened and officer at fault may be punished and responsibility of the concerned officer may be fixed. The Committee may be informed of the outcome of the proceedings of the case.

## TRANSPORT

### [76] 2.2. *Variations between Budget estimates and actuals.*

The variations between the Budget estimates of revenue for the year 1986-87 and actual receipts, are given below :—

Heads of revenue	Budget estimates	Actuals	Variations Increase (+) Decrease (—)	Percentage of variation Increase (+) Decrease (—)
(In crores of rupees)				
(1)	(2)	(3)	(4)	(5)
Taxes on Vehicles	17.14	15.57	(—)1.57	(—) 9

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

(i) The main reasons for short fall in actual realisation vis-a-vis budget estimates under head "0041-Taxes on vehicles" were due to the fact that lesser No. of vehicles were registered in the State than those anticipated. In addition to this, the vehicle owners might have deposited the token tax elsewhere as under the provisions of Pb. Motor Vehicle Act/ Rules, the vehicle owners were at liberty to deposit the token tax in respect of their vehicles any where in the Country. Previously the registration fee etc. was also being realised in the shape of Court fee Stamp and Stamp papers and receipt thus realised did not come under head 0041-Taxes on vehicles and the same was being credited under head 30-Stamps. It may be submitted that during the year 1985-86 the actual growth rate of revenue under this head was 60 percent and keeping in view this trend, the budget estimates proposals for Rs 15.92 crores with the same growth rate of 6 percent were sent to the Finance Deptt. vide memo No. 15 (149)/85/ACC/352, dated 8-1-86 but the Finance Deptt. adopted Budget estimates for the year 1985-86 for Rs. 17.14 vide their memo no. 1(19)1FG-II/86, dated 21-1-86.

(ii) Every efforts will be made to make budget forecast more realistic in future but due to the factors mentioned in para (i) above, the variations are continue to occur.

During the course of oral examination the departmental representative intimated that vehicles are being registered in the State by the Registering Authorities viz., S.D.M. and permits are being issued by the R.T.A.

The Committee desire that the department should look into the matter afresh and adopt the system by which vehicles registrations and permits be issued at one place by R.T.A. and a compliance report be furnished to the Committee within six months.

[77] 5.6. *Application of incorrect rates of tax*

Under the Punjab Motor Vehicles Taxation Rules, 1925, as applicable to Haryana, token tax on contract carriages owned by any factory and used exclusively for the carriage of its personnel is chargeable at the rate of Rs. 200 per seat per annum.

In Ballabgarh, on six vehicles owned by the Haryana State Electricity Board and private companies/parties and used exclusively for carriage of their employees, tax was recovered at rates lower than the prescribed rates for various period between April 1979 and March 1987. The mistake resulted in tax being realised short by Rs. 23,782.

On the mistake being pointed out in audit (August 1986) the department intimated (April 1987) that recovery of Rs. 690 had since been made in the case of one vehicle and notices had been issued to the owners of remaining five vehicles. Further progress is awaited (November 1987).

The case was reported to Government in September 1986; their reply has not been received (November 1987).

In their written reply the department stated as under :—

(i) Token tax was levied at lower rates by the Registering Authority Ballabgarh and his subordinate staff due to their negligence. The Deputy Commissioner, Faridabad has been directed to fix responsibility of officials/officers at fault and to take disciplinary action under intimation to this deptt. The cases of recovery are being pursued regularly with the concerned offices.

(ii) Out of Rs. 23092 a sum of Rs. 6367 has since been recovered. Efforts are being made to recover the balance amount of Rs. 15725 through Registering Authority Ballabgarh and D.C., Faridabad.

In view of the position explained above, it is requested that this para may be dropped.

The Committee desire that the cases may be pursued to their logical conclusion and the progress made in effecting the recovery of balance amount be intimated to them within three months.

The Committee further desire that final outcome of the responsibility fixed for the lapse and the action taken against the delinquent officers/officials be reported to the Committee within a period of three months.



## CHIEF ELECTRICAL INSPECTOR

### [78] 2.5. *Uncollected revenue*

As on 31st March 1987, arrears of revenue pending collection under principal heads of revenue, as reported by the Departments, were as under :—

Heads of revenue	Total arrears	Arrears outstand- ing for more than 5 years
(In crores of rupees)		
Taxes and Duties on Electricity	9.36	4.24

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

The Electricity Duty is collected alongwith sale of power charges by the HSEB on behalf of the Government. Some times the delay in the payment of electricity bills, cases under arbitration or courts, the disconnection of the defaulting consumers, results in the accumulation of the arrears.

Outstanding arrears of electricity duty is Rs. 9.37 crores instead Rs. 9.36 crores. The yearwise breakup is as under :—

		(Rs. (in crores))
Arrear outstanding at the end of		4.24
During	1981-82	1.31
	1982-83	1.28
	1983-84	0.23
	1984-85	1.43
	1985-86	0.88
	1986-87	—
Total outstanding as on		9.37
31-3-87		—

*Note :* An amount of Rs. 2.40 crores is outstanding against Haryana Concast Ltd., Hisar and this amount is being considered to be converted into equity share and the case is pending with the Government.

The process of recovery of the electricity duty is a continuous one and recovery during the year is made of the current bills as well as of the arrears. The HSEB serves notices for disconnection of the defaulting consumers to arrest the accumulation of arrears. The department is having full coordination with HSEB and makes all out efforts to recover the arrears on a/c of ED.

The Committee desire that remedial measures should be taken to minimise the number of cases to arrest the accumulation of arrears and the department should ensure to make the recoveries expeditiously. The Committee further desire that the progress made to effect the recoveries be intimated to them within six months.

#### [79] 5.8. *Levy and collection of Electricity Duty*

##### Highlights

During 1984-85 to 1986-87 receipts from electricity duty were less by Rs. 26.21 crores than those envisaged in budget estimates. (Para 5.8.03).

Duty amounting to Rs. 34 lakhs had not been realised due to irregular allowance of exemption to the consumers in 10 sub-divisions test checked in audit. (Para 5.8.04, to 5.8.06).

Refund of duty of Rs. 3.53 lakhs was erroneously allowed in the two sub-divisions. (Para 5.8.07).

In 20 sub-divisions, test checked, a sum of Rs. 160.75 lakhs representing duty realised from the consumers during April 1982 to March 1987 was shown by the Board as its own revenue and was omitted to be paid to the Government. (Para 5.8.08).

Arrears on account of un-collected duty ending March, 1987 amounted to Rs. 9.37 crores of which Rs. 4.24 crores related to the period from 1966-67 to 1981-82 (Para 5.8.10).

##### 5.8.01. *Introductory*

Electricity duty (duty) is levied under the Punjab Electricity (Duty) Act, 1958, as applicable to Haryana, on the energy supplied to consumers or licensees by the Haryana State Electricity Board (Board) at the rates as the State Government may, from time to time, specify and is collected and paid to the Government by the Board.

##### 5.8.02. *Organisational set up*

The Chief Electrical Inspector assisted by the Assistant Engineers attached with field offices as well as inspectorate under the administrative control of the Commissioner and Secretary to Government of Haryana, Power Department, administers the Punjab Electricity (Duty) Act, 1958 and rules made thereunder. He is responsible for checking the assessment and collection of duty and shall be responsible for the recovery of duty from the defaulters as arrears of land revenue.

### 5.8.03. Trend of revenue

The estimated collection of duty and the actual receipts for the five years ending 1986-87 are given below .—

Year	Budget estimates	Actuals	Variations Increase (+) Decrease (—)	Percentage of variation Increase (+) Decrease (—)
(In crores of rupees)				
1982-83	25 00	19.77	(—)5 23	(—)21
1983-84	18.30	25 97	(+)7.67	(+)42
1984-85	30 09	17.28	(—)12 81	(—)42
1985-86	28 18	22 39	(—)5 79	(—)21
1986-87	33 85	26.24	(—)7.61	(—)22

(a) During 1982-83, receipt from Taxes and Duties on Electricity was less than estimated amount due to shortfall in generation of power and due to concessions to industrialists.

(b) The increase (42 per cent) in receipts from electricity duty during 1983-84 was mainly due to more sale of electricity.

(c) The decrease (42 per cent) in receipts from electricity duty during 1984-85 was stated to be due to huge power cuts.

(d) The decrease during 1985-86 and 1986-87 in receipts from duties on electricity despite increase in rates of duty from 1st April 1985 was stated to be due to lesser availability of energy than anticipated.

### 5.8.06. Irregular grant of exemption from payment of duty

The State Government under the provisions of Section 12 of the Act may, in public interest, by notification exempt any licensee, consumer or person from the payment of the whole or part of the electricity duty for such period and subject to such terms and conditions as may be prescribed. The Government by notification dated 20th March 1970 exempted the new units with prescribed limit of capital investment and set up in the specified area from the payment of whole of the electricity duty for a period ranging from 3 to 7 years from the date of production. The exemption certificates were to be issued by the Chief Electrical Inspector upto May 1974 and thereafter by the Industries Department.

District Industries Centre, Panipat, allowed (May 1980) exemption from the payment of duty to a private unit at Panipat for a period of five years with effect from 27th March 1980. It was, however, noticed in audit (February 1987) that there was no electricity connection in the name of the unit and the exemption was allowed by the Sub-Divisional Officer, Panipat against the electricity metre connection owned by an individual. There was nothing on record of the Sub-Division to indicate if the said individual was a partner of the private unit. Irregular allowance of exemption to the individual against the exemption allowed to the unit resulted in duty of Rs. 1.74 lakhs not being realised from April 1980 to March 1985.

On this being pointed out in audit (May 1987) the Sub-Divisional Officer confirmed (May 1987) that the electricity connection allowed exemption was in the name of the individual.

In reply to the questionnaire the department stated as under :—

- (i) In this regard it is submitted that no doubt the exemption from the levy of Electricity Duty was granted to the firm M/s. Metal Tubes (P) Ltd., Panipat for 5 years but the electric connection stood released in the name of Deepak Singla who is partner/Director of the firm. The said connection has exclusively been used for the sole purpose of the factory namely M/s. Metal Tubes (P) Ltd., as certified by the SDO, M/T-S/Divn. Panipat. The intention of the Govt. for the grant of exemption is to promote Industries in the State and the said connection/Electricity was used/consumed for the very right purpose for which the exemption has been granted and not for any other purpose.

- (ii) Action to recover the amount does not arise.

The Committee do not feel satisfied with the reply of the department. The Committee desire that the matter be re-investigated and intimated to them within three months.

[80] 5.8.10. *Arrears of electricity duty*

(i) Arrears on account of un-collected duty ending March 1987, as intimated by the department, amounted to Rs. 9.37 crores. Out of this, an amount of Rs. 4.24 crores relates to the period 1966-67 to 1981-82. Year-wise details are given below :—

Year	Amount
	(In crores of rupees)
Upto 1981-82	4.24
1982-83	1.31
1983-84	1.28
1984-85	0.23
1985-86	1.43
1986-87	0.88
Total	9.37

Non-recovery was attributed mainly to the following reasons :—

- (a) Improper maintenance of consumers account by the Haryana State Electricity Board and non-reconciliation thereof.
- (b) Deferment of payment of duty by the State Government.
- (c) Pendency of cases in the Civil/Arbitrator's Courts.
- (d) Non-adjustment of misclassified amount by the Board.

(ii) During the course of examination of month-wise figures reported to Government, through monthly statement, and that reported to Government in the administrative reports, it was observed that there was difference in the figures in both sets of records.

**Balance outstanding at the end of year**

Year	Computed from monthwise state- ments reported to Government	As per Admi- nistrative re- ports of the Department
(In lakhs of rupees)		
1982-83	550.08	559 27
1983-84	669.89	687.39
1984-85	604.03	710.15
1985-86	746.98	853 10
1986-87	937.34	awaited

The above would indicate that the department has no definite information about the extent of arrears on account of electricity duty.

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

- (i) The amount of E.D. is due from 12 Nos. consumers of different category as per list attached (Annexure 'C') where the recovery of E.D. exceed Rs. 25,000/- in each case. The concerned S.E. have been asked to send the latest position regarding recovery of these arrears. However, the position of recovery from Haryana Concast has been explained earlier.
- (ii) (a) The figures included in administration reports were based on the monthly statements received from H.S.E.B. from time to time. However the actual figures after reconciliation are

as under :—

1982-83	5.55 Crores
1983-84	6.83 Crores
1984-85	7.06 Crores
1985-86	8.49 Crores
1986-87	9.37 Crores

Proper record/accounts are maintained by CEI.

- (b) The administration report for the year 1986-87 has been prepared and the balance outstanding at the end of 1986-87 is Rs. 9.37 crores.

## ANNEXURE 'C'

Para , 5 8.10 (i)

Sr. No.	Name of consumers	A/C No.	Electricity Duty Exceeding Rs 25000/- outstanding as on 31-3-87
1	2	3	4
(In lakhs of rupees)			
<b>1. 'OP' Circle, HSEB, Rohtak</b>			
1.	M.C Rohtak	LS—10	1 99
<b>2. 'OP' Circle, HSEB, Faridabad</b>			
2.	Dabariwal Steel & Engineering Faridabad	14—LS—60	7.14
3.	Vinu Paper Mill, Faridabad	14—LS—78	0 42
<b>3. 'OP' Circle, HSEB, Gurgaon</b>			
4.	Vimla Udyog, Gurgaon		0.34
<b>4. 'OP' Circle, HSEB, Sirsa</b>			
5	B G Finance Co.	LS—10	0.38
6	Sirsa Inds., Sirsa	LS—8	0.30
7.	Choudhary & Factory, Dabwali	LS—3	0 26
<b>5. 'OP' Circle, HSEB, Jind</b>			
8	S.D.E P/H. Uchana	H—639	0.39
<b>6. 'OP' Circle, HSEB, Bhiwani</b>			
9	M/s. B.T M, Bhiwani	LS—5	0 64
10	M/S Moha Electro Steel, Bhiwani	LS—22	3.04
11	EOMC, Ch. Dadri	MS—6	0.38
<b>'OP' Circle, HSEB, Hisar</b>			
12.	Haryana Concast, Hisar	LS—6	243.29
Total			258.57

The Committee do not feel satisfied with the written reply of the department and the oral evidence given by the departmental representatives. The Committee regret to note that the departmental representatives appeared before the Committee were not prepared to explain the position of recovery of huge amount of electricity duty pending against various individual concerns. The departmental representatives promised to supply detailed information in due course which, however, had not been received by the Committee till the writing of this Report.

The Committee would like to know whether the outstanding amount of electricity duty has been recovered from the firms concerned. The Committee desire that detailed information in respect of each individual case be intimated to them within three months.

The Committee also observe that the department failed to maintain the proper accounts/records on account of electricity duty. The Committee desire that the department should maintain a proper record/account and should have definite information about the arrears on account of electricity duty.

The Committee further desire that action taken in this direction be intimated to them within three months.

[81] 58.11 *Reconciliation of treasury receipts*

In accordance with the provisions of the Punjab Subsidiary Treasury Rules, as applicable to Haryana, and the instructions issued thereunder by the Finance Department, the heads of offices are required to maintain a remittance book in which particulars of challans rendered by the depositors in proof of payments of electricity duty are to be recorded. The figures noted in the books are to be reconciled with the treasury at the end of each month.

In the course of audit of accounts of the Chief Electrical Inspector to Government Haryana, it was noticed (between February 1987 and May 1987) that treasury challans in proof of payment of electricity duty into the different treasuries of the State were received by the Electrical Inspectorate but monthly reconciliation with treasury records was not done. The figures of receipts of electricity duty for the year 1982-83 to 1985-86 as shown in the administrative reports of the department, amount deposited as per records of the Board and the Finance accounts of the State Government were as under —

Year	Figures as per Administrative reports	Deposits as per Board's record	Figures as per Finance Accounts
(In lakhs of rupees)			
1982-83	1807.51	1959.96	1959.88
1983-84	1938.35	2597.40	2597.32
1984-85	1618.01	1721.77	1728.38
1985-86	2207.30	2216.31	2239.32
1986-87	Awaited	2624.29	2624.00



Reply to audit query (February 1987) in regard to action taken by the department to reconcile the difference was awaited (November, 1987).

The foregoing points were brought to the notice of Government in August 1987, their reply has not been received (November 1987).

In their written reply the department stated as under .—

- (i) As and when the HSEB make the payment through treasury challans, the same are reconciled immediately. Only on two occasions i.e. on dated 15th May, 1985 and 26th May, 1985 HSEB deposited the ED amounting to Rs. 1,00,00,000/- and on each occasion accounts were reconciled with the treasury. The amount of ED realized for the period under report has been adjusted against loan granted to the Board by the Government and stands booked by the Accountant General.
- (ii) The figures of 1982-83, 1983-84 and 1986-87 are based on the record of HSEB and books of A G. These figures are those which has been adjusted against loan granted by the Government to H S E.B. The figures of 1984-85 and 1985-86 are as booked by A G. and include receipts on account of inspection fees and other minor receipts and thus there is a minor difference.

The Committee desire that the monthly reconciliation with the treasury records should regularly be done and the department should have a definite record/account in proof of payments of electricity duty.

The Committee further desire that the steps taken in this direction be intimated to them within three months .

## PUBLIC HEALTH

[82]

### 6.1. Results of Audit

Test check of records of departmental offices dealing with assessment, collection and realisation of non-tax receipts, conducted in audit during the year 1986-87 revealed under-assessments or losses of revenue amounting to Rs. 149.77 lakhs in 5,278 cases as indicated below —

Name of department	Number of cases	Amount (In lakhs of rupees)
Rehabilitation and Public Health	3,078	10 64

Out of 5,268 cases pointed out in audit, the department had recovered Rs. 4.42 lakhs in 161 cases. In 76 cases involving revenue of Rs 3 94 lakhs, action had been initiated by the department to recover the amount. In the remaining 5,031 cases, replies are awaited from the departments (November 1987)

It was stated that out of Rs 10.64 lakhs, recoveries of amounting to Rs. 3.17 lakhs have already been made and the balance amount of Rs 7.47 lakhs will be recovered at the earliest possible date. Instructions have been issued to all the Executive Engineers to take remedial measures so as to minimise the number of cases and amount involved in such cases. It was also stated that Superintending Engineers have been requested to intimate the action taken to ensure the full recovery with a time schedule and to intimate remedial measures adopted for avoiding recurrence of less recoveries under Revenue Receipts.

The Committee desire that the balance amount be recovered expeditiously and the Committee be informed accordingly.

## REVENUE

### STAMP DUTIES AND REGISTRATION FEES

[83] 41. *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1986-87, revealed short levy and non-levy of stamp duty and registration fee as also other irregularities in 1,359 cases, which broadly fall under the following categories :—

	Number of cases	Amount (In lakhs of rupees)
1 Loss of stamp duty and registration fee due to under valuation	399	12 35
2. Short/non-levy of stamp duty and registration fee	831	6 19
3 Evasion of stamp duty and registration fee	20	1.71
4 Irregular exemption of stamp duty and registration fee	33	0 52
	76	1.01
5. Other irregularities	1,359	21 78
Total		

Out of 1,359 cases of under-assessment pointed out in audit, the department had since taken rectificatory action in 176 cases and recovered Rs 0 79 lakh. In the remaining 1,183 cases, replies are awaited from the department (November 1987)

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

Short levy or non levy of stamp duty and Registration fee actually occurred in 1371 cases (as reported by DCs) instead of 1359 cases (as shown in the Report). This was partly due to wrong interpretation of Rules/Misclassification of documents and partly because of shortage of staff.

Action is constantly being taken to settle the remaining outstanding cases under audit objections. As per reports received from DCs the total No. of cases are 1371 and amount against these cases is Rs 21.63 lakhs as against 1359 cases involving an amount of Rs. 21.78 lakhs, shown in the Report.

The position with regard to all these cases is given below itemwise —

(1) *Under valuation of immovable property —*

Under this item there are 406 cases involving an amount of Rs. 12.32 lakhs as against 399 cases involving Rs. 12.35 Lakhs as shown in the Report. The position of disposal of these cases is given below —

	No. of cases	Amount
1. Item already cleared as per the C.A.G. Report	18	11268
2. Amount dropped by A.G. in their subsequent audit	88	158940
3. Amount dropped by Collector	15	48784
4. Amount recovered by the Department	119	397534
5. Cases under Courts	34	89161
6. Balance amount under Settlement/recovery	142	526052
	416	1232740

2. *Short levy/non levy of stamp duty/ registration Fee.*

Under this item there are 835 cases involving an amount of Rs. 6.09 lakhs as against 831 cases involving Rs. 6.19 as shown in the Report. The position of disposal of the cases is given below —

	No. of cases	Amount
1. Item already cleared as per the CAG Report.	154	54667
2. Amount dropped by A.G. subsequent audit.	192	147568
3. Amount dropped by Collector	6	27547
4. Amount recovered by the Deptt.	297	75547
5. Cases under Courts	22	9741
6. Balance amount under settlement/recovery	164	294664
	835	609428

### 3. Evasion of stamp duty

Under this item the number of cases shown are 20 with a deficiency of Rs. 1.70 lakhs. The position of these cases is given below :—

	No. of cases	Amount
1. Items already cleared by A.G. as per CAG Report.	—	1
2. Amount dropped by A.G in their subsequent audit.	1	14716
3 Amount dropped by Collector	—	—
4. Amount recovered by the Deptt.	7	33457
5. Cases under Courts.	1	62000
6. Balance amount under settlement/recovery	12	60312
	20	170495

### 4. Irregular exemption of stamp duty

Under this item the number of cases are shown are 33 with a deficiency of Rs. 0.52 lakhs. The position of these cases is given below :—

	No. of cases	Amount
1. Items already cleared as per CAG Report.	3	921
2. Amount dropped by A.G. in their subsequent audit.	16	41468
3 Amount dropped by Collector	—	—
4. Amount recovered by Deptt.	5	4573
5. Cases in Courts	—	—
6. Balance amount under settlement recovery	10	5363
	33	52336

### 5. Other irregularities of stamp duty

Under this item there are 76 cases involving an amount of Rs. 0.98 lakhs as against 76 cases involving an amount of Rs. 1.01 lakhs as shown

in the Report. The position of disposal of these cases is given below :—

	No. of Cases	Amount
1. Items already cleared as per CAG Report	3	1870
2. Amount dropped by AG in their subsequent audit	7	4626
3. Amount dropped by Collector	—	—
4. Amount recovered by the Deptt	59	76777
5. Cases under Court	—	—
6. Balance amount under Settlement/recovery	6	15281
	76	98554

From the position explained above, the final picture of recoveries of cases under para 4 1 involving an amount of Rs. 21 63 is as under —

	No. of cases	Amount
1. Total amount against items already cleared as per CAG Report.	178	68727
2. Total amount dropped by AG.	304	367118
3. Total amount dropped by Collector	21	76331
4. Total amount recovered	487	587564
5. Recovery held up due to court cases	57	160902
6. Balance amount to be recovered	334	902322

3. Most of the cases were checked by the Auditors in the Internal Audit Sub-Registrars and Joint Sub-Registrars were responsible or the short levy of stamp duty & Registration Fee. Departmental action is being taken against these officials/officers

The Committee is not satisfied with the reply of the Department that the short levy or non levy of stamp duty and registration fee was partly due to wrong interpretation of rules/misclassification of documents and partly because of shortage of staff

The Committee observe that the deficiencies in realisation of revenue was due to negligence of concerned officers/officials.

The Committee further observe that the matter be reinvestigated and the responsibility be fixed for the lapses and action taken against the officers/officials responsible for short levy of duty/fee and deficiencies in realisation of revenue be intimated to the Committee within three months.

[84] 4.2 *Under valuation of immovable property*

The Indian Stamp Act, 1899,, as applicable to Haryana, requires that the consideration and all other facts and circumstances affecting the chargeability of any instrument with duty, or the amount of duty with which it is chargeable, should be fully and truly set forth therein. Under Section 47-A of the Indian Stamp Act, 1899, as inserted in Haryana, if the Registering Officer, while registering any instrument transferring any property has reason to believe that the value of the property of the consideration has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for determination of the value of the consideration and the proper duty payable, which will thereafter be decided by the Collector after giving an opportunity to the registering party. It further provides that any person who, with intent to defraud the Government, executes any instrument in which all the facts and circumstances required to be set forth in such instrument are not fully set forth, shall be punishable with a fine which may extend to five thousand rupees.

(a) In 16 registering offices in Bhiwani, Rohtak and Sonapat districts, consideration in 138 sale deeds (registered during 1984-85 and 1985-86) were found to be much less than the values agreed upon between the parties and set forth in the agreements to sell, executed by them earlier and recorded with document writers. Stamp duty and registration fee were charged on the basis of value indicated in the sale deeds without comparing these with the value shown in the agreements to sell. The omission to refer the cases to the Collector resulted in stamp duty and registration fee being realised short by Rs 5,26,837.

On the omission being pointed out in audit (between August 1985 and December, 1986) the department recovered (between May 1986 and March 1987) Rs 75,670 in 25 cases and issued (February and March 1987) notices for recovery of Rs 32,832 in 8 cases. Report on recovery of Rs 32,832 as also action taken in the remaining 105 cases is awaited (November 1987).

In their written reply the department stated as under —

- (a) (i) The agreement deed is an optionally registerable instrument under the Indian Stamp Act 1899 and the parties do not get this instrument registered. The Department has formed Distt Valuation Committees to fix the price of Land/immovable property and the amount mentioned in the sale deeds are checked on that basis. The progress regarding recoveries, of short levy of stamp duty and registration

fee in 138 sale deeds is given below :—

Sr. No.	Distt	No. of cases	Amount involved	No. of cases	Recovered	No. of cases	Balance
1.	Bhiwani	27	72,720	27	72,720	—	—
2.	Rohtak	76	2,83,413	39	1,40,042	37	1,43,371
3	Sonapat	35	1,70,704	—	1,70,704	—	—
Total		138	5,26,837	101	3,83,466	37	1,43,371

(ii) Out of Rs 32,832/- an amount of Rs 23,783/- pertaining to sub-Registrar Rohtak has been recovered/dropped by the Collector in 5 cases during the year 1988-89. There is a balance of Rs. 9050/- in 3 cases pertaining to Sub-Registrar Jhajjar. Efforts are being made to recover the same.

(iii) An amount of Rs. 2,74,964/- has been recovered in 68 cases. Efforts are being made to recover the balance of Rs. 1,43,371/- in 37 cases. The main reason for the delay in effecting recovery was that in most cases, the parties were not easily available. Efforts are being made to recover the same.

(iv) District Valuation Committees have now been formed to avoid short levy of stamp duty & registration fee.

During the course of oral examination the departmental representatives stated that under the executive instructions, valuation Committee were constituted in the year 1986 under the Chairmanship of S.D.M. of the concerned sub-division and the Administrators of the Municipal Committees are the members to examine as to what kind of land is and what is its value and on that basis, the registering authorities charge the stamp duty.

The Committee find that there is no provision in the Act/rules to constitute such Committees. Therefore, the Committee desire that the department should examine it again as under what rules these instructions were issued and the Committee should be informed about it.

The Committee further desire that the balance amount of Rs. 1,43,371/- in 37 cases be recovered without further delay and intimate the Committee within three months.

#### [85] 4.3. *Incorrect exemption*

As per notification issued on 6th August 1981, the State Govern-



ment remitted the stamp duty chargeable under the Indian Stamp Act, 1899, in respect of instruments of mortgage deeds without possession executed by small scale industrial concerns in favour of the Haryana Financial Corporation for the loan secured by them from the Haryana Financial Corporation.

In the office of the Sub-Registrar, Hissar, a simple mortgage deed was executed (January 1984) by a firm owning distillery at Hisar for obtaining loan of Rs. 30 lakhs from the Haryana Financial Corporation. Stamp duty was exempted as the firm was provisionally registered (January 1984) as a small scale industrial unit by the Directorate of Industries, Haryana, even though the firm was already registered (January 1983) as a medium and large sector industrial unit for the manufacture of industrial alcohol by the Director General of Technical Development, Government of India. This resulted in stamp duty being not realised by Rs.0.45 lakh.

On the omission being pointed out in audit (October 1985), the Revenue department stated (July 1987) that matter regarding registration of a firm as small scale industry by the Industries Department, Haryana when it was already registered as medium and large scale industry with Government of India, was under investigation. Further developments are awaited (November 1987).

The case was reported to Government in October, 1985; their reply has not been received (November, 1987).

The department admitted that the distillery in question which already stood registered as medium and large scale industry was again registered by them as small scale industry by mistake. The Registration was then cancelled and the recovery was made.

The Committee desire that the responsibility of the defaulting officer/officials may be fixed for making mistake and action taken and Committee be informed accordingly.

30-10-10

[86] 4.4 *Short recovery of stamp duty on exchange deeds.*

As per Article 31 of Schedule 1-A to the Indian Stamp Act, 1899, as applicable to Haryana, an instrument of exchange of immovable property is chargeable with duty as a conveyance under Article 23 (a) of Schedule 1-A of the Act *ibid* for a consideration equal to the value of the property of the greatest value as set forth in such instrument.

(a) In thirteen Registry offices in Rohtak, Sonapat and Gurgaon districts, on 124 instruments of exchange of immovable properties registered during the years 1984-85 and 1985-86, stamp duty was charged at lower rates applicable to other conveyances under Article 23 (b) of Schedule 1-A instead of at the appropriate rates applicable to conveyance by sale of immovable properties under Article 23(a) of the Schedule. The mistake resulted in stamp duty being levied short by Rs. 53,811.

On the mistakes being pointed out in audit (between January 1986 and January 1987), the department recovered Rs. 23,481 (between February 1986 and March 1987) in 74 cases. Report on recovery of the balance amount of Rs. 30,330 in 50 cases is awaited (November 1987).

(b) On 24 instruments of exchange of immovable properties registered (between April 1985 and December 1985) in 6 Registry offices in Ambala district, stamp duty was charged at lower rates applicable to 'other conveyances' under Article 23(a) of Schedules I-A instead of at the appropriate rates applicable to 'conveyance' by sale of immovable properties under Article 23(a) of the Schedule. The mistake resulted in stamp duty realised short by Rs. 17,864.

On the mistake being pointed out in Audit (May 1986 to August 1986), the department recovered (between June 1986 and February 1987) Rs. 12,658 and issued notices for recovery of Rs. 1,839. Report on recovery of Rs. 1,839 and action taken for recovery of Rs. 3,367 in respect of sub-Registrar, Ambala and Kalka is awaited (November 1987).

The above cases were reported to Government between May 1986 and February 1987; their reply has not been received (November 1987).

- (i) The mistake occurred due to wrong interpretation and misclassification of the instruments. As such no action seems of necessity to be taken against any one.
- (ii) The balance recovery of Rs. 30,330/- pertained to Rohtak Distt. Out of Rs. 30,330/- a sum of Rs. 24,044 has been recovered. There is a balance of Rs. 6,286/- only. Efforts are being made to recover the same.
- (iii) Yes, the mistake occurred due to wrong interpretation and misclassification of the instruments.
  - (i) As explained in (i) above the mistake occurred due to wrong interpretation of rules & misclassification of instruments. As such no action seems necessary against any one. However, the Govt. has started refresher Courses for imparting training to the Tehsildars/Naib Tehsildars in the Revenue Training School for the proper interpretation of rules/instruments.
  - (ii) The deficient amount of Rs. 5,206/- has since been recovered.

The Committee desire that the recovery be effected expeditiously and outcome of recovery be intimated to them.

## APPENDIX

Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decision.

Sr. No.	Name of Department	Paragraph	Brief Subject
1	2	3	4
<b>6th report</b>			
1.	Industries	8	Investments.
2.	Industries	9	Other investments.
<b>7th report</b>			
3.	Haryana Khadi & village Industries Board	16	Gobar Gas Plant
4.	P.W.D (B&R)	33	Payment of work done
<b>9th report</b>			
5.	Industries	5	Credit facilities for development of small industries.
<b>11 report</b>			
6.	P W.D. (B&R)	37	Recoveries due from a contractor
<b>14th report</b>			
7	Industries	16	Purchase of Cotton Yarn
8.	Colonization	32	Development of Mandis.
9.	Co-operation	44	Haryana State Co-operative supply and Marketing Fed , Ltd., Chandigarh.
<b>15th report</b>			
10.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
<b>16th report</b>			
11.	Industries	2(a), (b,i) 2(c.iv) & 2(d)	Subsidy for setting up Industries Units in selected backward areas.

1	2	3	4
12. Industries	3(ii)	Industrial Development Colonies.	
	18th report		
13. Agriculture	14	Distribution of taccavi loans in form of chemical fertilizers.	
14. P.W D (Public Health)	31	Recoveries due from Contractors.	
15. Industrial Training	34	Shortages.	
16. Co-operation	39	Co-operative Consumer Stores.	
17. Co-oderation	41	Hr State Co-op Industrial Fed. Ltd. Chandigarh.	
18. Revenue	44	Under-valuation of immovable property.	
19. Revenue	46	Non-levy of stamp duty and registration fee.	
20. Revenue	47	Incorrect application of rates of stamp duty and registration fee on lease deeds.	
	19th report		
21. Public relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).	
22. Education	10	Grants paid to educational institution	
23. Co-operation	23	Financial assistance to co-operative societies.	
24. Co-operation	25	Co-operative Consumers stores.	
25. Co-operation	26	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh.	
26. Agriculture	28	Social conservation and water management works.	
27. Excise and Taxation	40	Loss of duty on excess wastage.	

1	2	3	4
28.	Transport	44	Short levy of tax due to incorrect application of rates.
29.	Transport	45	(a) Short levy of token tax due to incorrect classification of vehicles
30.	Revenue	47	Non-recovery of stamp duty on certificate of sale
31.	Revenue	48	Short levy of registration fee.
32.	Revenue	49	Short level of stamp duty.
33.	Revenue	50	Short levy of stamp duty and registration fee on lease deeds.
<b>21st report</b>			
34.	Medical and Health	5	Idle Machinery and equipment.
35.	Housing	7	Low Income Group Housing Scheme.
36.	Education	8	Establishment of book banks in schools.
37.	Agriculture	11	Drought Prone Area Development Agency Narnaul.
38.	P.W.D. (Public Health)	12	Outstanding Recoveries against contractors
39.	Irrigation	14	Excess Payment to contractors.
40.	Irrigation	15	Outstanding recoveries against contractor
41.	Irrigation	16	Gates and gearing for head regulator.
42.	Local Government	19	Grants/loans paid to Local bodies
43.	Irrigation	23	Arrears of water rates for supply of water for irrigation/non-irrigation purpose
44.	Irrigation	24	Non-Utilisation/disposal of surplus and abandoned canal.

1	2	3	4
45.	Revenue	25	Result of Audit.
46.	Revenue	26	Short levy of Stamp duty and registration fee on lease deed.
47.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
48.	Excise and Taxation	28	Results of test Audit in General.
49.	Excise and Taxation	29	Incorrect deductions.
50.	Excise and Taxation	30	Short levy of purchase tax.
<b>22nd Report</b>			
51.	Revenue	4	Outstanding Audit observation.
52.	Industries	10	Industrial Estates
53.	Industries	11	Design centre for fancy leather goods, Rewari.
54.	Industries	13	(iii) Excess grants.
55.	Co-operation	14	Financial assistance to Co-operative Societies.
56.	Co-operation	15	Co-operative Banks.
57.	Co-operation	16	Co-operative Consumer stores.
58.	Co-operation	17	Haryana State Federation of Consumers Co-operative Wholesale Stores Limited, Chandigarh.
59.	Irrigation	18	Remodelling and lining of Hansi Branch.
60.	Irrigation	19	Construction of Sewana Majra Minor.
61.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess of requirements.

1	2	3	4
62.	Irrigation	21	Synopsis of important stores accounts
63.	Irrigation	22	Physical verification of stores.
64.	Irrigation	23	Shortages
65.	Medical and Health	25	Shortages in stores
66.	Agriculture	29	Alleged mis-appropriation of cash and stores.
67.	Revenue	39	Land holding tax.
68.	Revenue	40	Non-levy of registration fee.
69.	Industries	42	(b&c) Non-realisation of dues
70.	Irrigation	43	Non-recovery of royalty.
71.	P W D (B&R)	44	Receipts from residential buildings.
72.	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation.
73.	Excise and Taxation	53	Loss of duty on excess storage wastage
74.	Excise and Taxation	54	Shortfall in duty.
75.	Excise and Taxation	56	Recovery due from contractor.
76.	Excise and Taxation	57	Short levy of passengers tax.
77.	Excise and Taxation	58	Non-recovery of entertainment duty.
<b>23rd report</b>			
78.	Printing and Stationery	5	Shortage of books.
79.	Welfare of scheduled castes & backward classes	8	Construction of houses for Harijans in Jayanti Villages

1	2	3	4
80.	Medical and Health	12	(ii) Other topics of interest.
81.	Lotteries	27	(2) Naugatary expenditure.
82.	Irrigation	28	Theft of cash.
83.	Irrigation	29	Avoidable loss.
84.	Irrigation	30	Recoveries due from defaulting contractors.
85.	Irrigation	31	Shortages.
86.	Special Project Cell	32	Integrated Rural Development Programme.
87.	Co-operation	33	Co-operative Banks
88.	Co-operation	34	Co-operative Consumer Stores.
89.	Co-operation	35	Haryana State Federation of Consumers Co-operative Wholesale Stores Limited Chandigarh
90.	Co-operation	36	Co-operative Sugar Mills.
91.	Industries	38	Short realisation of royalty on brick earth
92.	Industries	39	Short collection of royalty.
93.	Revenue	40	Under-valuation of immovable property.
94.	Revenue	41	Short levy of stamp duty and registration fee.
95.	Excise and Taxation	47	Uncollected Revenue.
96.	Excise and Taxation	48	Outstanding inspection reports
97.	Excise and Taxation	49	Results of test audit in general
98.	Excise and Taxation	51	Under-assessment of Central sales tax.
99.	Excise and Taxation	53	Inadmissible deduction from gross turnover
100.	Excise and Taxation	55	Results of test audit in general.



1	2	3	4
101.	Excise and Taxation	57	Failure to initiate section to recover the license fee.
102.	Excise and Taxation	58	Loss of duty on excess storage wastage.
103.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation.
<b>25th Report</b>			
104.	Co-operation	3	Financial assistance to Co-operative Societies
105.	Co-operation	4	Co-operative Banks
106.	Co-operation	5	Co-operative Consumer Stores.
107.	Co-operation	6	Co-operative Sugar Mills.
108.	Colonization	7	Development of Mandis.
109.	Colonization	8	Fixation of reserve price and sale.
110.	Colonization	9	Encroachment of Land
111.	Colonization	10	Delay in auction of plots.
112.	Colonization	11	Recoveries from plot holders.
113.	Colonization	12	Non-accountal of recoveries.
114.	Colonization	12	(a) Financial Results.
115.	Sports	13	Grants to sports organisations.
116.	Food and Supplies	14	Misappropriation of wheat stocks.
117.	Food and Supplies	15	Abnormal shortage/quality cuts on damaged wheat stocks.
118.	Transport	18	Theft of cash.
119.	Industries	27	District Industries Centres.
120.	Industries	28	Export Production Project Panipat.
121.	Industries	29	Haryana Khadi and Village Industries Board.

1	2	3	4
122.	Education	30	Embezzlement
123.	Fisheries	31	Development of Fisheries
124.	Medical and Health	32	Community Health Volunteer/ Health Guides Scheme. (case of Di. Baniwal.)
125.	Irrigation	34	Pandit Jawahar Lal Nehru Lift Irrigation Scheme.
126.	Irrigation	35	Nangal Lift Irrigation Scheme.
127.	Irrigation	36	New Tajewala Barrage at Hathni- kund.
128.	Development	37	Desert Development Programme.
129.	Forest	38	Non-recovery of liquidated damages
130.	Industries	39	Short realisation of royalty on bricks.
131.	Industries	40	Short recovery of royalty.
132.	Industries	41	Intrest not charged on delayed payments.
133.	Transport	43	Results of audit
134.	Transport	45	Non-levy of tax for additional seat.
135.	Excise and Taxation	54	Un-collected revenue
136.	Excise and Taxation	55	Outstanding inspection report.
137.	Excise and Taxation	56	Results of audit.
138.	Excise and Taxation	57	Failure to levy tax
139.	Excise and Taxation	58	Incorrect computation of tax on interstate sales
140.	Excise and Taxation	59	Incorrect grant of exemptions
141.	Excise and Taxation	60	Mistakes in applying rates and in calculation.

1	2	3	4
142.	Excise and Taxation	61	Failure to take timely action to safeguard revenue
143.	Excise and Taxation	62	Non-levy or short levy of penalty.
144.	Excise and Taxation	63	Interest not charged
145.	Excise and Taxation	64	Delay in reassessment of remanded cases.
146.	Excise and Taxation	65	Results of audit.
147.	Excise and Taxation	66	Internal audit of tax assessment and collection.
148.	Excise and Taxation	67	Irregular allowance for wastage
149.	Excise and Taxation	68	Interest not recovered.
150.	Excise and Taxation	69	Failure to enforce license conditions.
151.	Excise and Taxation	70	Assessment in arrears
152.	Excise and Taxation	71	Shortfalls in demand and recovery.

**26th Report**

153.	Printing and Stationery	3	Loss due to fire.
154.	Labour Department	4	Review on the working of Inspectorate of Factories and Steam Boilers and Control of Smoke Nuisances.
155.	Home	5	Embezzlement.
156.	Home	6	Over payment.
157.	Home	7	Outstanding inspection report.
158.	Revenue	10	Gratuations relief for crops/houses damaged.
159.	Revenue	11	Stamps.
160.	Education	12	Outstanding audit observations.
161.	Food and Supplies	14	States Reserve Food Scheme.

1	2	3	4
162.	Medical and Health	15	Rural Health Programme.
163.	Medical and Health	16	Extra Payment.
164.	Medical and Health	17	Idle/under-utilised machinery and equipment.
165.	Environment	18	Implementation of the Water (Prevention and Control of Pollution) Act, 1974.
166.	Irrigation	19	Minor Irrigation Development Programme.
167.	Irrigation	20	Injudicious purchase of G.I. pipes.
168.	Irrigation	21	Defective Execution of earth work
169.	Irrigation	22	Faulty measurements of work resulting in over payments.
170.	Irrigation	23	Breach in the Sunder Sub-Branch.
171.	Irrigation	24	Extra expenditure on electric charges.
172.	Irrigation	25	General.
173.	Irrigation	26	Pilferage of bricks & tiles.
174.	Civil Aviation	28	Irregular payment of customs duty.
175.	P.W.D. (B&R)	30	Additional liability due to delay in acceptance of a tender.
176.	P.W.D. (B&R)	31	Extra liability due to faulty allotment letter.
177.	P.W.D. (B&R)	32	Outstanding inspection report.
178.	Transport	33	Sub-Para (3) Fabrication of bus bodies.
179.	Transport	33	Sub-para (5&6)—Do—
180.	Industries	37	Non-utilisation of staff.

1	2	3	4
181.	Transport	38	Irregular grant of exemption from Motor Vehicles tax.
182	Transport	39	Non-realisation of fee for issue of trade certificate to dealers in motor vehicles.
183	Revenue	40	Short recovery of stamp duty and registration fees due to under-valuation of immovable property.
184	Revenue	41	Short levy due to mistake in computation.
185.	Revenue	42	Irregular grant of exemption from stamp duty and registration fee
186.	P.W.D (B&R)	43	Short recovery of rent for fans.
187.	Industries	44	Mines and Minerals.
188.	Industries	45	Non-recovery of royalty on brick earth
189.	Industries	46	Non-recovery of dues on minerals extracted illegally.
190	Excise and Taxation	49	Uncollected revenue.
191	Excise and Taxation	50	Outstanding inspection reports.
192.	Excise and Taxation	51	Results of Audit.
193.	Excise and Taxation	52	Loss of Revenue due to delay in assessment of tax in demanding tax.
194	Excise and Taxation	53	Non-levy of penalty suppression of sales.
195.	Excise and Taxation	54	Non-levy of penalty fault in payment of submission of
196.	Excise and Taxation	55	Interest not

1	2	3	4
197.	Excise and Taxation	56	Non-levy of sale or purchase tax.
198.	Excise and Taxation	57	Short levy of tax due to mistakes in computation
199.	Excise and Taxation	58	Short levy due to application incorrect rate of tax.
200	Excise and Taxation	59	Extent of internal audit.
201.	Excise and Taxation	60	Assessment in Arrears.
202.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms.
203.	Excise and Taxation	62	Short recovery of duty on beer produced in brewery.
204.	Excise and Taxation	63	Non-recovery of licence fee and interest
205.	Excise and Taxation	64	Assessment in arrears.

#### 28th Report

206.	Public Health	3	Supply of drinking water to problem villages.
207	Public Health	4	Injudicious purchase
208	Education	5	Irregularities in release/utilisation of grant
209.	Transport	6	Short recovery of adda fee
210	Food and Supplies	7	Loss in milling of paddy.
211.	Housing	8	Rural house Sites-cum-house construction programme
	Irrigation	9	Construction of Ujina Diversion Drain and Re-modelling of Ujina Drain.
	on	10	Masan Barrage Project.
		11	Excess payment.

29. National Rural Employment Programme
30. Selection of works.
31. Integrated Rural Development Programme.
32. Irregular release of subsidy.
33. Financial Assistance to Co-operative Societies.
34. Co-operative Consumer Store.
35. Co-operative Sugar Mills.
36. Haryana Dairy Development Co-operative Federation Limited.
- The Haryana State Co-operative Supply and Marketing Federation Limited, Chandigarh.
- Variations between Budget estimates and actuals.
- Uncollected revenue.
- Results of Audit.
- Registration of dealers under Sales Tax Act.
- Mistakes in computation of Tax.
- Short levy due to application of incorrect rate of tax.
- Non-recovery of licence fee and interest.
15. Interest not charged
- Irregular allowance toward wastage.

	2
	3
1	2
5. Irrigation	12
16 P W D.(B&R)	13
217. P W D (B&R)	14
218. Town and Country Planning	15
219 Town and Country Planning	16
220. Town and Country Planning	17
221. Town and Country Planning	18
222. Town and Country Planning-	19
223. Printing and Stationery	20
224. Printing and Stationery	
Printing and Stationery	
Printing and Stationery	
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