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HARYANA VIDHAN SABHA

**PUBLIC ACCOUNTS COMMITTEE**

**(1993-94)**

38  
/ (THIRTY EIGHTH REPORT)

**REPORT**

ON THE

REPORT OF THE

**Comptroller and Auditor General  
of India for the year ended  
31 March, 1989.**

(CIVIL AND REVENUE RECEIPTS)



Presented to the House on.....

HARYANA VIDHAN SABHA SECRETARIAT  
CHANDIGARH

1994

38

## TABLE OF CONTENTS

	Paragraph(s)	Page(s)
Composition of the Public Accounts Committee		(iii)
Preface		(v)
Report on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1989 (and Revenue Receipts)		
General	I—II	1
<b>Part-I (Civil)</b>		
Social Welfare	1—5	4—20
Public Relations	6—11	21—53
Science and Technology	12—16	54—65
Medical and Health	17—18	66—69
Labour and Employment	19	70—71
Home	20	72—74
Revenue	21—22	75—77
Education	23—24	78—81
Agriculture	25	82—84
Irrigation	26—36	85—100
W.D. (B&R)	37—38	101—107
Public Health	39—43	108—125
Town and Country Planning	44—45	126—128
Ports	46	129—131
Food and Supplies	47	132—133
<b>Part-II (Revenue Receipts)</b>		
Mineral Resources and Geology	48—54	137—163
Agriculture	55—56	164—171
W.D. (B&R)	57—62	172—185
Revenue	63—69	186—198
Excise and Taxation	70—88	199—259
Appendix showing outstanding observations/commendations of the Public Accounts Committee.		260—272

(iii)

**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE**

**CHAIRMAN**

1. Shri Rajinder Singh Bisla

**MEMBERS**

2. Shri Azmat Khan
3. Shri Brij Anand
4. Shri Hari Singh Nalwa
5. Shri Zile Singh
6. Shri Amar Singh Dhanak
7. Shri Dharam Pal Singh
8. Shri Ram Bilas Sharma
9. Shri Amir Chand Makkar

**SECRETARIAT**

1. Shri Sumit Kumar
2. Shri Kuldip Singh

Secretary

Under Secretary

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1.  
2.  
3.  
4.  
5.  
6.  
7.  
8.

(v)

## INTRODUCTION

1. The Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this Thirty Eighth Report on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1989 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the year ended 31 March, 1989 Civil was laid on the table of the House on 5th March, 1991 and Revenue Receipts on 3rd September, 1990.

3. The Committee during its tenure examined the Report of Comptroller and Auditor General of India for the year ended 31 March, 1989 Civil and Revenue Receipts and also conducted the oral examination of the representatives of the concerned Departments. The Committee also made On-the-Spot Study in order to make an assessment of the actual working of various projects/departments.

4. The Committee considered and approved this Report at their sitting held on 21st February, 1994.

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

Chandigarh :  
the 21st February, 1994

RAJINDER SINGH BISLA  
Chairman



**REPORT**  
**GENERAL**

I. The present Public Accounts Committee was nominated by the Hon'ble Speaker vide Notification No. PAC-14/93/19, dated the 20th April, 1993.

II. The Committee held 87 meetings in all at Chandigarh and other places upto 21st February, 1994.

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**PART- I (CIVIL)**

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## SOCIAL WELFARE

### [1] 3.1. *Education and Welfare of the Handicapped*

#### 3.1.1. Introduction

With a view to providing socio-economic opportunities to physically handicapped persons a programme for education and welfare of the handicapped was introduced in the State immediately after its formation in November 1966. The objectives of the programme were to be achieved through the following measures/incentives :

- (i) Providing financial assistance to physically handicapped persons in the form of scholarships, pensions and unemployment allowance;
- (ii) Providing appliances and aids free of charge to economically weaker sections;
- (iii) Providing medical facilities to deformed persons; and
- (iv) Imparting training in different crafts for self employment.

The programme was implemented through execution of nineteen schemes,

#### 3.1.2. Organisational set up

Director, Social Welfare Department, Haryana was in over all charge of the programme, which was implemented at district level by District Social Welfare Officers and Voluntary Organisations.

#### 3.1.3. Audit Coverage

Mention was made in Audit Report (Civil, 1987-88 Government of Haryana (Paras 3.4.9) about the implementation of two schemes (i) Training centre for blind adults, Sonapat including setting up of a production unit in the Centre, and (ii) Government Institute for Blind, Panipat (including Braille Library) out of nineteen schemes of this programme. A test check of records of the Directorate and its subordinate offices togetherwith those of voluntary organisations was conducted (April-June 1989) in five districts (Ambala, Karnal, Rohtak, Hisar and Gurgaon) covering the period 1980-81 to 1988-89.

#### 3.1.4. Highlights

The programme was implemented at a cost of Rs. 999.64 lakhs during 1980-81 to 1988-89.

(Paragraph 3.1.5)

—Out of nineteen schemes executed to implement the programme, targets in respect of fifteen schemes involving expenditure of Rs. 472.24 lakhs had not been fixed.

(Paragraph 3.1.6)

—One hundred sixty six scholars who had failed in their annual examinations were paid scholarships amounting to Rs. 1.06 lakhs.

(Paragraph 3.1.7(i) )

—Expenditure of Rs. 4.69 lakhs on payment of scholarships to 538 drop outs was unfruitful.

(Paragraph 3.1.7(iv) )

—There was an excess payment of Rs. 0.52 lakh on account of un-employed allowance.

(Paragraph 3.1.9(ii) )

—Ten Hand operated Bradma Machines alongwith plates worth Rs. 3.16 lakhs rendered idle were awaiting disposal.

(Paragraph 3.1.10(i) )

—Receipt of acknowledgement of money orders for Rs. 1.46 lakhs remitted to pensioners was not watched.

(Paragraph 3.1.10(iv) )

—Utilisation certificates in respect of grants amounting to Rs. 41.61 lakhs disbursed during 1985-86 to 1987-88 had not been furnished by voluntary organisations.

(Paragraph 3.1.11(a)(i) )

—In District Handicapped Welfare Centre, Rohtak an expenditure of Rs. 7.50 lakhs was rendered unfruitful due to non engagement of professionals.

(Paragraph 3.1.11 (b) )

—In Haryana Saket Hospital a Lath. Machine purchased in April 1985 at a cost of Rs. 0.54 lakh had not been installed.

(Paragraph 3.1.11(C)(i) )

—No monitoring and evaluation of the programme was done.

(Paragraph 3.1.12)

These points are discussed in detail in succeeding paragraphs :

### 3.1.5. Financial Outlay and Expenditure

The budget provision and expenditure there against on the pro-

grainine during 1980-81 to 1988-89 was as under :-

Year	Budget provision	Expenditure	(-) Saving (+) Excess	Percentage
			(In lakhs of rupees)	
1980-81	26.65	27.31	(+)0.66	1
1981-82	46.71	46.10	(-)0.61	1
1982-83	54.40	54.39	(-)0.01	Nil
1983-84	81.14	80.17	(-)0.97	1
1984-85	89.82	90.32	(+)0.50	1
1985-86	149.79	149.77	(-)0.02	Nil
1986-87	166.86	166.71	(-)0.15	Nil
1987-88	158.89	157.91	(-)0.98	1
1988-89	226.97	226.96	(-)0.01	Nil
	1001.23	999.64	(-)1.59	

### 3.1.6. Physical targets and achievements

The department had fixed targets in respect of only four schemes namely (i) Scholarships (Centre and State) to physically handicapped students (ii) Pension to physically handicapped (iii) Unemployment allowance to physically handicapped, and (iv) provision of prosthetic aid; which were implemented by it directly and for the remaining fifteen schemes (Expenditure : Rs. 472.24 lakhs) executed through voluntary organisations/institutions, the department had not prescribed any targets. Physical targets and achievements in respect of the four schemes were as under :-

#### A: Scholarships

Year	Targets	Achievements	
		Plan Schemes	Non plan Schemes
(In numbers)			
1980-81	State	600	589
	Centre	100	163
			165
			—

1	2	3	4	5
1981-82	State	800	939	160
	Centre	150	282	—
1982-83	State	1000	1078	321
	Centre	250	263	—
1983-84	State	1500	1544	330
	Centre	300	293	—
1984-85	State	1800	2017	693
	Centre	500	545	—
1985-86	State	2500	3232	1214
	Centre	1000	444	—
1986-87	State	3000	3857	1270
	Centre	1200	597	—
1987-88	State	6000	4889	1115
	Centre	1150	560	—
1988-89	State	5000	5844	2660
	Centre	2000	916	—
		28850	28052	7928

### B. Unemployment allowance

1983-84	500	—	543
1984-85	550	—	600
1985-86	600	—	638
1986-87	700	—	647
1987-88	600	—	490
1988-89	700	—	613
	3650		3531

### C. Prosthetic aid

1980-81	50	446	—
1981-82	50	49	—

1	2	3	4
1982-83	500	893	118
1983-84	600	501	449
1984-85	700	1108	333
1985-86	1200	898	184
1986-87	1200	834	159
1987-88	1200	829	304
1988-89	1200	878	1133
	6700	6436	2680

#### D. Pension

1980-81	—	—	—
1981-82	600	800	—
1982-83	2000	2247	—
1983-84	4000	3201	—
1984-85	4610	4610	—
1985-86	1500	1367	4610
1986-87	3000	3051	4610
1987-88	4000	2530	4610
1988-89	25240	25240	—
	44950	43046	13830

#### 3.1.7. Scholarships (State) to physically handicapped

The scheme introduced in April 1968 aimed at assisting physically handicapped persons to secure education technical or professional training as would enable them to earn a living. A sum of Rs. 212.79 lakhs was spent on the scheme during 1980-81 to 1988-89.

The following points were noticed :

- (i) In contravention of instructions which provide for cancellation of a scholarship in the event of the scholar failing in his annual examination,

166 scholars were paid scholarships amounting to Rs. 1.06 lakhs during 1980-81 to 1988-89, although they had failed in annual examinations. Reasons for allowing scholarships in these cases had not been intimated (July 1989).

(ii) Four hundred eighty four (484) students who had appeared in their eighth standard examination during 1980-81 to 1985-86 and 1988-89 were paid scholarships for the month of March also though the final examination was completed in the month of February each year and they were entitled to receive the scholarships from the date of admission upto the month of annual/final examination only. This resulted in excess payment of scholarships of Rs. 0.26 lakh.

(iii) In 78 cases scholarship was paid at full rate though the income of parents/guardians exceeded Rs. 1000 per month. This resulted in excess payment of Rs. 0.30 lakh. Reasons for allowing scholarship at full rate were not intimated (July 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :—

(i) On thorough scrutiny of the records, it has been found that out of 166 cases amounting to Rs. 1.06 lakhs the payment was wrongly made only in the following 8 cases by way of scholarship in succeeding session in the same class when they were declared fail in previous sessions :—

Sr. No.	Name of the Student	District	Class	Year in which scholarship again given on account of failure in previous session	Amount
1	2	3	4	5	6
1.	Seema	Gurgaon	4th	1988-89	720
2.	Lachman Dass	"	7th	1984-85	546
3.	Sureshwati	"	8th	1983-84	546
4.	Ramjan	"	3rd	1984-85	480
5.	Hukam Chand	"	8th	1985-86	780
6.	Seema	Ambala	4th	1987-88	720
7.	Geeta Rani	"	4th	1987-88	720
8.	Parveen Kumar	"	2nd	1987-88	720
					5220



Howere, out of 8 cases recovery of Rs. 1440 has been made from 2 students at 5 and 6 leaving a balance of Rs 3780. The recovery is being made for this amount. In other cases the scholarship has been given once and no scholarship was granted during next session in the same class on account of failure in previous session.

(ii) Though under State scholarship rules there is a provision for payment of scholarship to the students from the month of admission upto the month of their final examination yet in actual practice the scholarship has been given for full year as the academic session starts from April to March each year and students are required to give tuition fees upto March irrespective of the fact that 8th standard examination is conducted in February each year for administrative reasons. In case the full scholarship upto March of each year is not given there would be cases of drop out due to non payment of tuition fees and to meet other educational expenses

(iii) After careful scrutiny of the records, it has been found that in 16 cases amounting to Rs. 7800+780=8580 the payment has been made correctly. Further a sum of Rs. 1266 has been recovered in 4 cases from 4 students. Now recovery in 58 cases for Rs 21072 is pending as per details given below:—

Sr. No.	Name of Distt.	Number of Total		Payment made correctly		Amount recovered		Amount to be recovered	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Ambala	9	3324	—	—	2	720	7	2604
2.	Karnal	50	20430	15	7800	—	—	35	12630
3.	Hissar	13	5082	—	—	1	396	12	4686
4.	Gurgaon	6	2082	1	780	1	150	4	1152
		78	30918	16	8580	4	1266	58	21072

Efforts are being made to recover the amount from the concerned persons.

Annexure II is referred to in para 3.1.7 (ii)

Statement Showing the Payment of Scholarships to Ineligible Beneficiaries on the Basis of Income Criteria.

Name of District Karnal

Sr. No.	Name of Student	Class	Income shown in the proforma	Scholarship paid	
				Admissible	Not Admissible
1.	Sulvinder	4th	More than 1000/-	720/-	—
2.	Sushil	4th	1030/-	360/-	—
3.	Manoj Kumar	Ist	More than 2000/-	360/-	—
4.	Jitender	6th	1440/-	360/-	—
5.	Satish Kumar	Ist	More than 1000/-	540/-	—
6.	Surrinder Kumar	5th	1560/-	720/-	—
7.	Anita Rani	3rd	1400/-	720/-	—
8.	Pardeep Kumar	5th	1630/-	360/-	—
9.	Bala Devi	Ist	1260/-	660/-	—
10.	Anu Rani	3rd	More than 1000/-	720/-	—
11.	Ajay	Ist	1260/-	390/-	—
12.	Manoj Kumar	7th	More than 2000/-	720/-	—
13.	Anil Kumar	5th	Do	390/-	—
14.	Anita Devi	3rd	Do	720/-	—
15.	Rajinder Kumar	7th	More than 2000/-	390/-	—
16.	Manoj Kumar	Ist	1063/-	150/-	150/-
				8580	150

During the course of oral examination, it was brought to the notice of the Committee that only six students are left from whom the amount is to be recovered. The Committee desire that the balance amount of Rs. 2700/— be also recovered without any further delay. The Committee also desired that the action be also initiated against the dealing official who disbursed the amount to the unsuccessful candidates.

In reply to the question of the Committee, the Department informed that

the following rates of amount of Scholarship is being paid to the physically handicapped students :—

(i) Ist to IV class	Rs. 65/- P.M.
(ii) IX, X & Pre-University	Rs. 85/- P.M.
(iii) B. A.	Rs. 125/- P.M.
(iv) B. E./M. B. B. S.	Rs. 170/- P.M.
(v) M. A./M.Sc.	Rs. 340/- P.M.

After going through the above rates of scholarships, the Committee observe that keeping in view the rise in price index, the amount of Scholarship should also be increased accordingly. The Committee, therefore, recommend that the Department should take up the matter with the Government level to enhance the amount of scholarships at the following rates in future :—

(i) Ist to IV	Rs. 100/- P.M.
(ii) V to VIII	Rs. 150/- P.M.
(iii) IX to Pre-university	Rs. 200/- P.M.
(iv) Upto graduate level	Rs. 300/- P.M.
(v) B. E./M.B.B.S.	Rs. 400/- P.M.
(vi) M.A./Msc./Phd.	Rs. 500/- P.M.

The Committee also desired that steps taken in this direction be also intimated to the Committee.

3.1.7.(ii) The Committee recommends that the payment of scholarships be paid to the students upto the month of March instead of February every year (i.e. for each academic session) and necessary amendment in the rules be made accordingly.

At the time of oral examination, the Committee was informed that an amount of Rs. 6,718 is still to be recovered. The Committee desired that the recovery of this amount be made from the concerned students without any further delay. The Committee further recommended that responsibility be also fixed against the concerned officers/officials who made the excess payment in these cases and Committee be informed after taking a suitable action against them.

[2] 3.1 8. *Scholarships (Centre) to physically handicapped students.*

The scheme was introduced (1977) with the same objectives as was envisaged for the State scholarships scheme, the only difference being that it was intended for the students from ninth class onwards.

A sum of Rs. 37.40 lakhs had been spent on this scheme during 1980-81 to 1988-89.

The following points were noticed :-

- (i) Thirty four students who had obtained less than 40 per cent marks in their previous annual examinations were paid (1986-87) scholarships amounting to Rs 0.32 lakh in contravention of provisions of the scheme which envisaged payment to those candidates who had secured at least 40 per cent marks.
- (ii) In contravention of provisions of the schemes scholarships amounting to Rs 1.28 lakhs were disbursed (1984-85 to 1988-89) in 117 cases without obtaining marksheets of scholars.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

10.1.8 On scrutiny of the records, it has been found that out of 34 cases recovery in 12 cases, amounting to Rs. 10,795 has been made and now the recovery in 22 cases for Rs. 21385/- is pending.

Name of Distt.	Total		Recovery made		Balance Amount recoverable	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Ambala	13	13075	—	—	13	13075
Karnal	12	10795	12	10795	—	—
Gurgaon	9	8310	—	—	9	8310
	34	32180	12	10795	22	21385

Efforts are being made to recover the balance amount

Out of 118 instead of 117 cases amounting to Rs. 1.26 lacs the marks sheet have been collected in 73 cases amounting to Rs. 76105/- per detail given below:—

Name of Distt.	Total		Marksheet obtained in		Marksheet to be obtained in	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	2	3	4	5	6	7
Ambala	77	85940	43	46055	34	39885
Karnal	41	40420	30	30050	11	10370
	118	126360	73	76105	45	50255

The remaining marksheet in respect of 45 cases are being collected.

The Committee was informed that an amount of Rs. 10,775 is still to be recovered in 22 cases. The Committee desired that efforts be made to recover this balance within a stipulated time. The Committee further desire that responsibility be fixed who has wrongly disbursed the payments under intimation to the Committee.

It was brought to the notice of the Committee that in 26 cases, the marks sheet is still to be collected by the Department. The Committee desired that department should take notice on such type of negligence on the part of the dealing officials so that such type of irregularities may not occur in future.

[3] 3.1.9. *Un-employment allowance to physically handicapped*

The scheme was introduced in April 1981 with a view to mitigating economic difficulties of educated unemployed handicapped persons. The scheme provided for payment of un-employment allowance at the rate of Rs. 50, Rs. 100 and Rs. 150 per month to matriculates, graduates and post graduates respectively, upto a period of six years in each case who were enrolled in the live register of employment exchanges. A sum of Rs. 25.60 lakhs was spent on this scheme during 1983-84 to 1988-89.

The following points were noticed :—

- (i) The scheme envisaged furnishing of an affidavit by the handicapped person in the beginning of each financial year to the effect that he continued to be un-employed and his name was enrolled in the live register of the employment exchange. Un-employment allowance amounting to Rs. 0.42 lakh was however, paid in 55 cases in Rohtak district during 1987-88 without securing compliance of this requirement.
- (ii) Although un-employment allowance was payable from the date of application or the date of registration in the employment exchange, whichever was later, yet in 89 cases the allowance was paid from the date of registration which fell earlier than the date of application. This resulted in excess payment of allowance of Rs. 0.52 lakh.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (1) It is fact that affidavits were not obtained but it has been ascertained/verified that payment were made to the eligible beneficiaries as per the report of District Social Welfare Officer, Rohtak.

(ii) On Scrutiny of the records, it has been revealed that out of 89 cases, recovery for Rs. 4,588 has been made in 8 cases of wrong payments

Sr. No.	Name of Distt.	Total No. of		Recovery made on		Recovery to be made in	
		Cases	Amount	cases	Amount	Cases	Amount
1.	Ambala	22	15,000	3	2,000	19	13,000
2	Karnal	39	21,755	—	—	39	21,755
3.	Gurgaon	28	15,716	5	2,588	23	13,128
		8	52,471	8	4,588	81	47,883

Efforts are being made to recover the balance amount of Rs. 47,883 from the concerned remaining 81 students.

The Committee observed that in most of the cases the concerned officers/officials of the Department did not perform their duties efficiently and the wrong payments were made by them on one pretext or the other. The Committee feels that in such cases once the payment is made, it becomes very difficult to recover the said amount from the poor students. The Committee, therefore, recommends that a strict instruction be issued by the Department that amount of scholarships be disbursed strictly in accordance with the rules and regulations to avoid such type of irregularities in future.

In the instant case, the Committee desired that the enquiry be made and responsibility be fixed who made the wrong payment in these cases.

The Committee further desired that if any officer/official is responsible for this lapse, then fifty percent of the amount be recovered from him and remaining fifty percent of the amount be recovered from the beneficiaries. The report to this effect be sent to the Committee.

[4] 3110 *Handicapped persons pension scheme*

The scheme introduced in 1979-80 (but implemented from 1981) provided for social security by way of financial assistance to handicapped persons who were without any means of livelihood. A sum of Rs 242.18 lakhs was spent on the scheme during 1980-81 to 1988-89

The following points were noticed :—

(1) Consequent upon introduction of computerisation of pension payments, ten hand-operated Bradma machines alongwith plates worth Rs 3 16 lakhs acquired in March 1987 for expediting process of filling

money orders forms to pensioners were rendered idle (June 1988). No action to dispose of these machines had been initiated (July 1989).

(ii) In 45 cases pension sanctioned (1980-81 to 1985-86) initially on the basis of information furnished by applicants was found (2/82 to 12/85) to be inadmissible and further payment was stopped. By that time payment of Rs. 0.24 lakh had already been made to them. No action to recover this amount had been initiated by the department although (as enjoined in scheme) the amount was recoverable as arrears of land revenue.

(iii) Thirty one beneficiaries were paid pension twice (7/83 to 6/88) amounting to Rs. 0.25 lakh. The double payment was facilitated due to opening of duplicate personal ledger accounts of beneficiaries by the department. The department stopped (December 1984 June 1988) further payments to beneficiaries pending investigation of these cases

(iv) In 353 cases, payment of pensions amounting to Rs 0.93 lakh was made during 1980-81 to 1988-89 without obtaining money orders acknowledgement for the previous quarters. Thus, it could not be vouchsafed in audit whether payments had been made to the persons entitled to receive them. Similarly, in 107 cases money orders for pension amounting to Rs. 0.53 lakh remitted (4/83 to 3/88) in the first instance were received back un-delivered. These were again sent (10/85 to 6/88) but no acknowledgements thereof had been received (July 1989). The department had also not initiated (July 1989) any action to investigate the reasons for non receipt of acknowledgements in these cases.

(v) Under the scheme, cases of pensioners were required to be checked periodically by the Investigator or any other officer/official specially deputed for the purpose. No such check was, however, exercised during 1986-87 to 1988-89. In the absence of this check, payments of pensions to ineligible persons cannot be ruled out.

(vi) In contravention of the scheme which envisaged making payment of pensions either quarterly or at such shorter intervals, payment of pensions to handicapped persons was not made since July 1988 onwards.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (1) The case for disposal of machines & plates has been referred to Government vide letter No. 6428/SDS Dated 21-5-93.

In fact there are 55 cases instead of 45 as shown in the report to whom the inadmissible pension was paid. Dist. wise breakup is as under. Out of Rs. 0.24 lakh Rs. 16,200 has been recovered.

Distt.	No. of cases	Amount of recovery	Remarks
Hisar	10	7300	Amount of Rs. 3,400 has been recovered. For balance recovery of Rs. 3,900 has been referred to D C. Hisar to make recovery as arrears of land revenue vide Distt. Social Welfare Officer Hisar letter No. 2121 dated 5-5-93.
Rohtak	26	11550	This amount of Rs 11,550 has been recovered
Ambala	9	3200	Out of amount of Rs. 3,200 a sum of Rs. 900 has been recovered. For balance recovery case has been referred to D.C. Ambala vide letter No 1577, 1579, 1581, 1583 1585 and 1587 dated 1-5-93
Karnal	8	1750	Rs. 100 recovered. One person from whom a sum of Rs. 550 was to be recovered has died. Where-abouts of remaining 6 persons concerning Rs. 1.100 are not known
Gurgaon	2	400	Rs 250 recovered on 9-4-93. One person died from whom a sum of Rs. 150 was to be recovered
Total	55	24,200	

Out of Rs. 0 25 lakh, Rs. 22,800 has been recovered. Distt. wise position is as under.—

Distt.	No of cases	Amount of recovery	Remarks
Ambala	10	6300	Entire amount stands recovered/adjusted.
Hisar	2	2450	Case has been referred to D.C. Hisar to make recovery as arrears of land revenue vide letter No. 2123 dt. 5-5-93.
Karnal	8	8500	Recovery adjusted from future pension.
Rohtak	11	8000	Entire amount has been recovered in cash.
	31	25250	



Distt. wise position is as under :—

Distt.	No. of cases	Amount for which acknowledgement required	Remarks
Rohtak	40	14700	The payment of pension for next quarter in the absence of previous acknowledgements was made to avoid hardship to the Handicapped Persons. However, in 1988, rules were further liberalised according to which no further payment of pension was to be made if money orders acknowledgement had not been received for two consecutive instalments. Rule 12 of Haryana Handicapped Persons Pension 1988 is reproduced below :  "No further payment of pension shall be made if money order acknowledgements has not been received for two previous consecutive instalments."  However, acknowledgements have been received kept in record.
Hisar	169	26400	
Gurgaon	34	7950	
Ambala	19	5700	
Karnal	91	37750	
	353	92500	
Rohtak	22	22330	Acknowledgements have since been received and kept in record.
Hisar	51	13300	
Gurgaon	2	600	
Karnal	32	16600	
	107	52830	

No doubt under the provision of rules it was essential to get the periodical check of eligibility of beneficiaries from Investigator/officials. But this could not be done during the year 1986-87 to 1988-89 due to shortage of Staff & non posting of Investigators. It is also informed that the applicants were sanctioned pension after due verification & investigation.

However, this rule was amended to the extent that annual verification of the pensioners will be conducted by Committee for Scrutiny at the time of verification of fresh applicants. Rule 8 of Haryana Handicapped Persons pension of the Scheme 1988 is reproduced as under :—

"During its visit to the village/ward for the purpose of verification of fresh applicants, Committee for Scrutiny will

also investigate if any of the pensioner is no longer eligible for pension. For this purpose all the existing pensioners will be required to present themselves before the Committee.

The delay in disbursement of pension for July 1988 onwards was due to computerization of money orders system which was introduced from July 1988. However, it is submitted that pension for July 1988 onward has since been disbursed.

It was brought to the notice of the Committee, that Rs. 6,261 is still to be recovered in 15 cases. The Committee desired that this amount be also recovered at the earliest under intimation to the Committee.

[5] 3.1.12. *Monitoring and Evaluation*

No monitoring and evaluation of the programme was done by the department at any stage to ascertain impact of the programme on beneficiaries.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The Department has been reviewing the achievements made under each programme from time to time.

The Committee observed that monitoring and Evaluation of the programmes of the Department are not being done properly resulting the lack of knowledge about the achievements of the programme to the beneficiaries.

The Committee, therefore, recommends that the system of monitoring and evaluation be properly strengthened and a detailed report of the programmes of the Department be sent to the Committee for its information.

## PUBLIC RELATIONS

### [6] 3.2 Information and Publicity

#### 3.2.1. Introduction

With a view to mobilising public opinion and seeking active participation of people in the execution of developmental activities of the Government in the plan periods the programme was launched in the composite State of Punjab.

These objectives were proposed to be achieved through displaying advertisements, arranging community listening, exhibitions, hoardings, documentary and feature films, publicity literature, promotion of cultural programmes, and through the creation of infrastructure such as setting up of information centres, strengthening of publicity wing, research and reference wing and opening of publicity units/offices at district and tehsil level. For this purpose 23 and 8 schemes remained in operation during 6th and 7th Plan period respectively.

#### 3.2.2. Organisational set up

Director of Public Relations, Haryana is in overall charge of implementation of the programme. At district level, the programme is executed by the District Public Relations Officer (DPRO).

#### 3.2.3. Audit coverage

A test check of records of the Director Public Relations Haryana and District Public Relations Officers Ambala, Karnal, Rohtak and Hisar from 1980-81 to 1988-89 was conducted during October 1988-March 1989.

#### 3.2.4. Highlights

42 defective T.V. sets worth Rs. 1.61 lakhs supplied during 1985-86 by a firm were yet to be repaired/replaced. (Paragraph 3.2.8 (iii))

— Non-consumption of T.V. spare parts resulted in blocking of funds of Rs. 1.48 lakhs. (Paragraph 3.2.8 (ix))

— An expenditure of Rs. 2.24 lakhs was incurred on salary of technical staff relating to hoarding scheme whereas hoardings worth Rs. 1.49 lakhs were got prepared from private parties instead of departmental staff. (Paragraph 3.2.9)

— Excess expenditure of Rs. 0.76 lakh was incurred on news-papers and magazines by field officers. (Paragraph 3.2.10 (ii))

— Wasteful expenditure of Rs. 1.29 lakhs was incurred on purchase of books other than reference books for supply to information centres. (Paragraph 3.2.10 (v) (a))

—Irregular termination orders resulted in an extra expenditure of Rs. 1.90 lakhs on account of payment to work charged employee.

(Paragraph 3.2.11 (c))

—Wasteful expenditure of Rs. 1.48 lakhs on pay and allowances of establishment was incurred even after the withdrawal of posts of Assistant Public Relations Officer and other technical staff.

(Paragraph 3.2.11 (d))

—Wasteful expenditure of Rs. 10.29 lakhs on the purchase of camera was incurred as it was not put to use since its purchase.

(Paragraph 3.2.14 (i))

—Editing table worth Rs. 0.52 lakh was not put to use resulting in extra expenditure of Rs. 4.18 lakhs incurred on getting editing of films done through private channels.

(Paragraph 3.2.14 (ii))

—Infructuous expenditure of Rs. 6.16 lakhs on pay and allowances of staff under 'Rural Community Theatre Unit' was incurred as no performance was given due to non-provision of infrastructural facilities.

(Paragraph 3.2.15)

—There was avoidable expenditure of Rs. 7.50 lakhs for participation in an industrial exhibition organised by a political party.

(Paragraph 3.2 and 17 (b))

These points are discussed in detail in the succeeding paragraphs.

### 3.2.5. Financial outlay and expenditure

Year	Budget provision		Expenditure	
	Non Plan	Plan	Non Plan	Plan
	(In lakhs of rupees)			
1980-81	102.12	14.43	99.52	13.55
1981-82	147.73	25.65	140.14	22.26
1982-83	184.38	23.60	181.49	23.62
1983-84	179.24	23.99	171.54	22.02
1984-85	209.21	29.05	196.53	28.51
1985-86	250.58	61.06	244.46	76.47
1986-87	261.35	90.43	249.14	64.09
1987-88	307.44	81.00	293.40	47.18
1988-89	329.41	122.00	337.94	62.35
Total	1971.46	471.23	1914.16	360.05

Saving (—) Excess (+)

Percentage

Non Plan	Plan	Non Plan	Plan
(—) 2.60	(—) 0.88	3	6
(—) 7.59	(—) 3.39	5	13
(—) 2.89	(+) 0.02	2	Nil
(—) 7.70	(—) 1.87	4	8
(—) 12.68	(—) 0.54	6	2
(—) 6.12	(+) 15.41	2	25
(—) 12.21	(—) 26.36	5	29
(—) 14.04	(—) 33.82	5	42
(+) 8.53	(—) 59.65	2	49
(—) 57.30	(—) 111.18		

There was saving under plan during 1986-87 to 1988-89 which varied from 29 per cent to 49 per cent whereas there was excess of 25 per cent during 1985-86.

Reasons for Saving/excess were not intimated (July 1989).

### 3.2.6. General achievement

There was a large saving during 7th plan period on account of non-achievements/norms in certain schemes as shown below :—

(i) Under Community Viewing Scheme, 1484 villages were provided TV sets against a target of 5000 upto March 1989 and a scheme for setting up tele-clubs in village information centres, schools and other selected institutions to know the impact of TV and to involve viewers was not implemented at all.

(ii) Under Hoarding Scheme, against 100 hoardings 50 hoardings were only prepared.

(iii) Opening of new Information Centres at each tehsil head-quarter was proposed during 6th and 7th Plan but against 21 centres, only 6 were added. From 1986-87 20 village panchayats of each district were selected for providing two daily Hindi News-papers and an equal number was to be added during succeeding years to cover all village panchayats but it remained restricted to 480 panchayats till March 1989.

(iv) Field publicity staff was not provided with requisite portable sound equipment.

(v) Rural Community Theatre Unit of the department which was required to organise cultural theatre in the rural areas to project the rich heritage, remained idle due to non-provision of essential infrastructural facilities. Further Cultural Activity cell did not organise requisite number of annual folk festivals, dances, workshops, due to non-posting of artists and providing independent vehicles in time.

### 3.2.7. A-Community Listening Scheme

This scheme was introduced during 1956-57 (in the composite State of Punjab) and continued up to 5th Five Year Plan (1974-79). Under this scheme one radio set was to be provided to every village panchayat/institution at 1/3rd cost of the set recoverable from the panchayat/institution before supply of the set and 2/3rd was to be born by Government. As per agreement executed by the department with gram panchayat/institution life of the radio set was fixed at 10 years from the date of supply to a gram panchayat/institution. Out of 6731 villages, as per 1971 census, of the State, 3787 villages only were provided with radio sets by the Director Public Relations to the end of 5th Plan period (1974-79). During 6th Plan (1980-85) a provision of Rs. 0.25 lakh only was made for purchase of spare parts under the scheme and no provision either for spare parts or repairs was made in the annual plan 1979-80 and 7th Plan (1985-90) under the scheme.

(i) As the position of working of 2197 radio sets out of 3787 sets in the State was not made available it could not therefore be ascertained whether these were in working order or out of order or had outlived their life.

(ii) The position of 1590 radio sets in the selected districts as made available was as under :—

Name of District	Total villages in 4 districts as on 31-3-1979 (based on 1971 census)	Number of radio sets provided in villages	Shortfall		Number of sets in working order as on 31st March, 1989	Number of sets not in working order and outlived their life	Since when
			No.	Percentage			
Ambala	1221	582	639	52	256	326	1983
Rohtak	435	361	74	17	20	341	1985
Hisar	475	325	150	32	Nil	325	1985
Karnal	592	322	270	46	40	282	1984
	2723	1590	1133		316	1274	

(a) Budget provision for purchase of sets during 6th/7th Plan was; however, not made.

(b) Out of 1590 radio sets provided, 1316 sets were in working order, (March 1989) and the remaining 1274 sets were out of order. These were stated to have outlived their life during 1983 to 1985 but no action to dispose them of had been initiated by the department (April 1989). These sets were not even returned to the department in contravention of the provision of the scheme.

### 3.2.8. Installation of Television Sets

The utility of Television Sets (TV) from the publicity point of view being greater, Government of India approved the proposal of the State Government for installation of T.V. sets during the 4th Five Year Plan. There are 6745 villages in the State as per 1981 census. As per the scheme 50 per cent cost of the T.V. sets was recoverable from the allottee Panchayat/school and the balance 50 per cent was to be borne by the State Government. During 1970-71 to 1984-85, 413 T.V. sets were purchased and installed in the panchayat ghars/schools falling within the range of Delhi Television station. To get full advantage of T.V. transmission in the State, it was proposed in the 6th plan to install one community T.V. set in each village and during 7th Five Year Plan 6274 more villages were to be covered in phased manner i.e., 1250 sets in each year from 1985-86 to 1988-89 and 1274 sets in 1989-90 against which 1058 sets in 1985-86 and 450 sets in 1986-87 were purchased from the Haryana Telebird Company (A State Government Undertaking) for Rs. 54.89 lakhs out of which 1484 sets were allotted to gram panchayats/schools upto March 1989.

(i) Achievement of targets during first four years of the Plan was 30 per cent (1484 out of 5000).

(ii) 1058 TV sets purchased in March 1986 were issued to the District Public Relation Officers (DPROs) of the 12 districts in April 1986 for further allotment to the willing gram panchayats/schools of the respective villages (preference was to be given to gram panchayats). It was noticed in audit that DPROs took six months in installation of T.V. sets in their districts. Soon after installation of these sets frequent complaints regarding manufacturing defects/sub-standard material were brought to the notice of the department in September/October 1986.

(iii) 42 defective TV sets valuing Rs. 1.61 lakhs returned by gram panchayats were lying under repairs in the district workshops till March 1989. No steps were taken to get them repaired or replaced.

(iv) Despite defective supply (March 1986) another supply order for 450 TV sets was placed on the same company in March 1987 by the department. These were installed in village panchayats/schools after a period of two years from the date of purchase because of the complaints of sub standard material used in television sets.

(v) As per agreement executed with the allottee at the time of installation of TV sets its life was fixed as 10 years after which allottee

was required to return it to the department. 286 TV sets installed during 1970-71 to 1978-79 had outlived their life of which 189 sets valuing Rs. 4.60 lakhs were out of order and not in repairable condition. No action was initiated for receiving back 286 sets and getting 189 sets condemned (July 1989).

(vi) The district-wise distribution of TV sets from 1970-71 to 1988-89 in respect of selected districts was as under :—

Serial number	Name of district	T.V. sets allotted to			Total
		Gram Panchayats	Government Schools	Other Institutions	
1	2	3	4	5	6
1.	Hisar	191	10	Nil	201
2.	Karnal	162	1	Nil	163
3.	Rohtak	53	75	1	129
4.	Ambala	137	27	2	166
		543	113	3	659

(a) Out of 659 sets, 543 were installed in gram panchayats, 113 in Government Schools and 3 in other institutions i.e. Gandhi Harijan Sewa Ashram, Rohtak; Milk Society, Taruwala and Haryana Kust Ashram, Ambala, in contravention of the provision of the scheme.

(b) 50 per cent cost of 14 T.V. sets amounting to Rs. 0.25 lakh was borne by the Commissioner/Deputy Commissioner Ambala from Government funds on behalf of gram panchayats during May 1987 to December 1988. This had resulted in hundred per cent payment of 14 sets by Government in violation of the provision of the scheme.

(c) Out of 543 sets allotted to gram panchayats (during 1979 to 1989), 349 were installed in private houses of gram sarpanches in place of panchayat ghars/chaupals.

(d) 4 TV sets worth Rs. 0.15 lakh were provided to both gram panchayats and schools in Narnaund and Mohmedpur Rohi villages and one set worth Rs. 0.03 lakh in Urban Area Fatehabad by the DPRO Hisar in contravention of the instructions issued by the department under the scheme.



(e) 50 per cent cost of 113 T.V. sets installed in Government schools was met from student funds without obtaining willingness of gram panchayats as preference was to be given to panchayats and only in the case of their un-willingness were the sets to be installed in village schools.

(vii) There was a provision of Rs. 291.84 lakhs in the 7th Plan (1985-1990) for setting up a mobile workshop alongwith connected infrastructure, against which 3 mobile vans costing Rs. 2.94 lakhs were purchased and provided to 12 districts (one for 4 districts) with headquarters at Karnal, Gurgaon and Hisar for repair and installation of TV sets during 1986-87,

(viii) In order to know the impact of TV sets, programme and to involve viewers, it was also proposed to establish a tele-club at each of the information centre, selected schools and institutions. For this purpose a provision of Rs. 3.10 lakhs was made for purchase of 86 TV sets during 1985-90 but this scheme was not implemented (March 1989),

(ix) TV spare parts valuing Rs. 2.13 lakhs in bulk were purchased by the Director, Public Relations Haryana during 1986-87 and 1987-88 and were issued to the DPROs in the districts. As per consumption reports of spare parts submitted to the Director by field officers parts valuing Rs. 0.65 lakh were only consumed from April 1986 to March 1989 and the remaining parts worth Rs. 1.48 lakhs were lying with them at the end of March 1989. There was no provision for purchase of spare parts in the 7th Plan (1985-90) as the cost of spare parts was to be borne by the beneficiaries and department was to tender free service.

### 3.2.9. Hoardings

This new scheme of visual publicity was introduced during 1979-80 under which staff, consisting of a visualizer, painter, store clerk, stenographer and peon was recruited under the scheme. They were required to prepare hoardings, tin plates and bus boards depicting Government policies and programmes. No plan targets were fixed for preparation of 100 hoardings to be fixed on G.T. Road, other National and State Highways, and 100 to be fixed in rural areas for which provision of Rs. 9.25 lakhs and Rs. 3 lakhs was made in the 6th and 7th Plan respectively.

Test check revealed that 50 hoardings worth Rs. 1.49 lakhs were prepared from private parties between 1980-81 to 1982-83 and 1984-85 instead of purchasing raw material and getting them prepared from the departmental staff which was recruited for this purpose.

A sum of Rs. 2.24 lakhs had been incurred on the pay and allowances of visualizer and painter exclusively appointed for these jobs from 1980-81 to 1988-89 by the department. The reasons for not utilising the services of the technical staff have not been intimated by the department (July 1989).

### 3.2.10. Information centres

(i) This scheme was introduced during 3rd Five Year Plan. These centres function at district headquarters as bureau of information and publicity of Government activities through departmental journals, periodicals, reference books, daily news papers and magazines etc. This scheme continued upto 5th Five year Plan. During 6th Five Year Plan, it was decided to extend this scheme to all 46 tehsil headquarters. It was proposed to set up 10 more information centres with a provision of Rs. 27.80 lakhs during the 7th Five Year Plan in addition to the 26 centres already existing. 5 centres only at a cost of Rs. 4.91 lakhs were, however, set up during first four years of the plan.

(ii) There were 11 information centres in the districts selected, a test check of which revealed as under :—

A (i) Daily news-papers and magazines for each information centre were required to be purchased by each DPRO within sanctioned amount annually varying from Rs. 300/- to Rs. 550/- during 1985-86 to 1988-89. The sanctioned amount limit was not adhered to resulting in excess expenditure of Rs. 0.76 lakh (Ambala : Rs. 0.21 lakh; Karnal : Rs. 0.24 lakh; Rohtak : Rs. 0.19 lakh and Hisar : Rs. 0.12 lakh) from April 1985 to December 1988.

(ii) No uniform system was adopted by these centres for purchase of news-papers and magazines as would be seen from below :—

District	News papers	Magazines
Hisar	10	8
Rohtak	12	8
Ambala	7	7
Karnal	11	9

(iii) 4 to 5 daily news-papers and a few magazines costing Rs. 0.41 lakh (Hisar : Rs. 0.12 lakh; Karnal Rs. 0.13 lakh; Ambala : Rs. 0.11 lakh and Rohtak : Rs. 0.05 lakh) meant for information centres were supplied to Deputy Commissioner (DC) during 1980-81 to 1988-89.

In reply, it was stated that no order/direction of Government in this behalf were on record.

(iv) In 3 district (Karnal, Rohtak and Hisar) clippings from daily news papers meant for information centres were put up to DCs/Sub-Divisional Magistrates on the following day whereas DPRO Ambala was purchasing a separate set of daily news papers for this purpose which had resulted in avoidable expenditure of Rs. 0.20 lakh from April 1980 to March 1989.

(v) (a) As per the Scheme, the Directorate was required to supply reference books to information centres. Other books such as auto-biographies of prominent persons and short stories etc., costing Rs. 1.29 lakhs were purchased and supplied to these centres during 1980 to January 1989. The books supplied by the Directorate were retained in DPROs office instead of issuing them to centres, DPRO Hisar stated that a set system for issue of these books was yet to be rationalised.

(b) Annual physical verification of these books was not got done in any of the centres except Hisar (upto February 1987).

B. A new scheme of supplying Hindi news-papers in rural areas was introduced in 1986-87 according to which each panchayat (having its own building-panchayat ghar) would be supplied 2 Hindi daily news-papers by mail, in such a manner that cost per panchayat should not exceed Rs. 1000/- annually. 240 panchayats (of 12 districts) were to be covered during 1986-87 which were to be extended gradually to 480 and 720 panchayats in 1987-88 and 1988-89 respectively as per annual plan but this scheme remained restricted to 480 panchayats thereby resulting in shortfall of 240 panchayats (33 per cent).

(a) It was noticed that payment of Rs. 0.44 lakh was made (March 1987) to the proprietors of Nav Bharat Times (Rs. 0.23 lakh) and Punjab Kesri (Rs. 0.21 lakh) for the period from June 1986 to October 1986 on advance bills without getting these bills verified from field offices though irregular supply of news-papers was reported by some panchayats to the departments.

(b) News-papers were supplied to 69 panchayats (Hisar : 20; Karnal 20; Ambala : 14; Rohtak : 15) out of 80 in 1986-87, 103 (Hisar : 37; Karnal : 36; Ambala : 25; and Rohtak : 5) out of 160 in 1987-88 and 69 (Hisar : 37; Karnal : 6; Ambala : 22 and Rohtak 4) in 1988-89 out of 160 panchayats and funds of Rs. 0.65 lakh provided for the purpose were diverted and utilised on other miscellaneous expenses relating to office expenses and maintenance of vehicle etc. during November 1986 to December 1988 as per details given below:—

Karnal	Rs. 0.14 lakh
Rohtak	Rs. 0.24 lakh
Hisar	Rs. 0.09 lakh
Ambala	Rs. 0.18 lakh

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Rs. 0.65 lakh

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Curtailment of facility to panchayats and un-authorized diversion of funds was yet to be justified (July 1989).

(c) An amount of Rs. 0.18 lakh was paid by the DPRO Karnal to local news paper agent during 1987-88 without any details/names of gram panchayats (on the bills) to whom news-papers were supplied by the agent. It was further noticed that bills of 42 panchayats against 39 panchayats in existence were admitted and paid (September 1987) by the DPRO.

(d) 480 indication and display boards were supplied by the Directorate at the rate of 40 each to the DPROs in April 1988. Indication boards were to be installed outside the Gram Panchayat for showing way to information centres and display boards inside the centres for displaying Government periodicals and other printed material etc. available. There was abnormal delay in installation of these boards as detailed below.—

District	Boards supplied	Installed	
		No.	Period
Ambala	40 each	40	February 1989 to July 1989
Karnal	40 each	26	May 1988 to August 1988
Rohtak	40 each	16	May 1988 to October 1988
Hisar	40 each	37	May 1988.
	160 each	119	

Balance 41 boards were still lying with DPROs (July 1989). In the absence of these boards it was likely that village folk remained unaware of the existence of information centres.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

During the 6th Five Year Plan, as many as 25 various plan schemes (mentioned in the list attached as annexure-I) were proposed to be introduced and plan outlay was fixed. Out of these 25 schemes, no annual plan outlay was sanctioned for three schemes viz (i) Setting up of public address equipments units at District headquarters (ii) B (ii)-VP-F-Publicity through video-tape recorder (iii) G (iii) Setting up of VIP coverage units (Pilot project) during 1980-85) and as such these were not implemented. However, during the 7th Five Year Plan (1985-90) 11 schemes (listed in annexure-II) were implemented by the department. During both these Five Year Plans, the objectives fixed for each scheme were almost achieved except where the Government did not agree to accord financial sanctions for the purchase of required equipment and creation of posts etc. For example three schemes mentioned at Sr. No. 8, 9 and 15 of annexure-I for which the outlay was provided in the 6th Five Year Plan were not at all sanctioned by the Government/Finance Department during the annual plan periods. Hence the targets under these schemes could not be achieved. Similarly in some other schemes where the financial sanctions were not accorded by the Govt./Finance Department as an economy measure, the department could not achieve the objectives in full. The Govt. was totally satisfied with the achievements of the objectives made by the department.

## ANNEXURE—I

## 6th Five Year Plan

Sr. No.	Name of Scheme/Project
1.	A— Direction and Administration
2.	B—(i) Display Advertisements.
3.	B— (ii) VP— A—Community Listening Scheme .
4.	B—(ii) VP— B—Installation of T. V. Sets
5.	B—(ii) VP—C— Exhibitions.
6.	B—(ii) VP— D —Hoardings.
7.	B—(ii) VP—E— Automobile wing.
8.	Setting up of Public Address Equipment Units at District Headquarters.
9.	B—(ii) VP—F—Publicity through Video Tape Recorders.
10.	C—Information Centres.
11,	D—Press Information Services
12.	G— Field Publicity.
13.	G— (i) Strengthening of District Publicity Offices.
14.	G—(ii) Setting up of Divisional Field Publicity Units.
15.	G—(iii) Setting up of V. I. P. Coverage Units (Pilot project)
16.	G— (iv) Publicity Campaign regarding Welfare of Scheduled Castes.
17.	H— Song and Drama Parties.
18.	H—(i) Setting up of Central Drama Group.
19.	H—(ii) Setting up of Light and Sound Units.
20.	I— Films.
21.	J—Publications—Publicity Literature.
22.	K— (i) Strengthening of Magazines Wing.
23.	K—(ii) Strengthening of Art Wing.
24.	L—Research and Training in Mass Communications.
25.	M—Promotion of Cultural Activities.

## ANNEXURE—II

## 7th. Five Year Plan

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Sr. No.	Name of Project/Scheme
1.	Visual Publicity, Installation of T.V. sets (Reception Component of National Media Plan of T.V. sets)
2.	Setting up of Public Address System Unit at District Headquarters.
3.	Advertising and Visual Publicity Exhibition Schemes.
4.	Information Centre.
5.	Field Publicity.
6.	Films, T.V. & Video Services.
7.	Publication of Publicity Literature.
8.	Research & Training in Mass Communication.
9.	Promotion of Cultural Activities.
10.	Bhajan Parties
11.	Major VIP Public Adress Unit at Headquarters.

### 3.2.5. Financial outlay and expenditure

Year	Budget Provision		Expenditure	
	Non Plan	Plan	Non Plan	Plan
	(Rs. in lakhs)			
1989-90	372.84	71.00	364.91	59.84
1990-91	356.86	120.00	349.73	49.69
1991-92	444.76	152.00	441.60	98.19
1992-93	473.39	132.50	460.31	99.24
1993-94	394.02	155.00	—	—

2. In the revised budget, there was a provision of Rs. 61.06 lakh for the year 1985-86. Against this provision, a sum of Rs. 76.47 lakhs, was incurred. The main reason for this excess expenditure was due to the purchase of 1058 T.V. sets from the Telebird in accordance with the sanction issued by the Govt. vide their letter No. 8/42/85-3PP, dated 27-12-85 and the revised plan provision was got raised through re-appropriation. Hence, the excess expenditure incurred by the Department was got regularised. Thus, in view of the above position, there was no excess expenditure.

#### 1986-87

(a) In the Annual Plan 1986-87, there was a proposal to purchase 1000 T.V. sets and spare parts at a cost of Rs. 37.00 lakh. But, in the revised budget the provision was reduced to Rs. 29.98 lakh for the purchase of 700 T.V. sets etc. These T.V. sets were to be purchased from the Telebird Ltd., Faridabad. But against it, the firm supplied only 450 T.V. sets. Hence, saving of Rs. 10.62 lakh.

(b) During the year 1986-87, a sum of Rs. 33.00 lakh was earmarked for contributing to the North Zone Cultural Centre but it was later decided to contribute only Rs. 17.00 lakh to North Zone Cultural Centre, and remaining amount of Rs. 15.00 lakh was surrendered.

In view of the position as enumerated above, the saving under plan scheme during the year 1986-87 are quite justified and reasonable.

#### 1987-88

During the year 1987-88 there was a provision of Rs. 38.00 lakh for the purchase of 1000 TV sets and spare parts. However, this provision was reduced to Rs. 16.00 lakh in the revised budget. Government vide their letter No. 8/42/85-3PP, dated 18-3-88 accorded sanction for the purchase of 40 sets of coloured T.V. and VCRs alongwith

Solar Battery packs at a cost not exceeding Rs. 37.00 lakh. This expenditure had to be met out of the revised plan provision of the department for 1987-88. Order for the purchase of material was placed with the Director, Supplies and Disposal, Haryana on 22-3-88. But the Director, Supplies and Disposals, Haryana informed the Department that it was not possible for their office to arrange supply of the material within that current financial year.

### 1988-89

So for savings against the revised outly of Rs. 122.00 lakh for the year 1988-89 are concerned, in this connection it is stated that the Government vide their letter No. 8/42/85-3PP dated 10-2-89 had accorded sanction to the tune of Rs. 53.65 lakh for the purchase of 560 coloured TV sets for distribution to village Panchayats/Schools of the State. In addition to it a sum of Rs. 15,00 lakh was also sanctioned for the purchase of 90 coloured TV sets and 90 VCPs for 60 teleclubs and 30 Information Centres, but the High Power Purchase Committee in its meeting held on 22-3-89 decided to purchase only 30 coloured TV sets and 30 VCPs instead of the above said equipment, as an economy measure and there was an expenditure of Rs. 5.95 lakh against the above sanction of Rs. 68.65 lakh. Had the High Power Purchase Committee agreed to effect the purchase as mentioned in the above sanction, there would have been no savings under the plan Schemes for the year 1988-89 ?

### 3.2.6. General achievement

Under the community Viewing scheme there were 549 TV sets in the State up to the year 1984-85. There were 6745 villages in the State. During the 7th Five Year Plan, remaining 6196 villages were to be covered under this scheme in phased manner on 50% cost basis. Besides this, 26 Information Centres and 60-Teleclubs in schools/Institutions of urban area were to be covered under Community Viewing scheme on free of cost basis.

Under the scheme during the 7th Five Year Plan 1508 Black & White TV sets and 30 coloured TV sets were purchased and installed in the village Gram Panchayats/Schools on 50% cost basis. 60 coloured TV sets and 60 VCPs were also purchased and installed in the Information Centres of the department and Teleclubs of the schools/institutions of the urban area.

The yearwise detail of achievements under the community Viewing scheme is given below :-

(i) 1985-86. During the year 1985-86, there was a provision of Rs. 28.59 lakhs for the purchase of 1058 Black & White TV sets for village Gram Panchayats/Schools and 86 TV sets for teleclubs in Schools/Institutions of urban area. Govt. accorded sanction for the purchase of 1058 Black & white TV sets, but in the meantime in the revised budget the amount of Rs. 28.59 lakhs was reduced to Rs. 16,60,000/-. For effecting purchase of 1058 Black & White TV sets an amount of Rs. 38,54,083/- was required and in view of this Govt. was again approached to allot funds and issue revised sanction. Govt. vide memo No 8/42/85-3 PP, dated nil accorded sanction for Rs. 38,54,083/- for the purchase of 1058 Black & White TV sets. Indent for this purchase was sent to Haryana Television Ltd., Faridabad which was an approved source for the purchase of TV sets for Govt. departments. Thus, 1058 TV sets amounting to Rs.38,51,120/- were purchased during the year 1985-86.



Sanction for the purchase of 86 TV sets was received from the Govt. but purchase could not be effected due to non availability of funds.

(ii) Year 1986-87. There was a provision of Rs. 36 lakhs for the purchase of 1000 Black & White TV sets for village Gram Panchayats/schools in the budget during the year 1986-87. Accordingly, Govt., was approached to accord sanction. In this respect, Govt., did not accord sanction and asked to inform the working of TV sets purchased earlier. In view of this Govt. was informed that the villagers are satisfied with the Telebird TV sets and approached to accord sanctions for the purchase of TV sets in lots. In the revised budget, an amount of Rs. 36,00,000/- was also reduced to Rs. 25,48,000/-. Details of sanctions received from Govt. are as under :-

- (i) 8/42/85-3PP, dated 10-9-86 for the purchase of 100 TV sets amounting to Rs. 3,64,000/-;
- (ii) 8/42/85-3PP, dated 4-12-86 for the purchase of 100 TV sets amounting to Rs. 3,64,000/-;
- (iii) 8/42/85-3PP, dated 14-1-87 for the purchase of 100 TV sets amounting to Rs. 3,64,000/-;
- (iv) 8/42/85-3PP, dated 22-1-87 for the purchase of 400 TV sets amounting to Rs. 14,56,000/-;

Indents for the purchase of above sets were placed with Haryana Television Ltd., Faridabad. Against this demand the firm could only supply 450 TV sets. The firm vide his letter No. FBD/MD/87/3015, dated 23-2-87 expressed their inability to supply the remaining TV sets due to their financial problems. The firm vide his letter No. HTD/FBD/MD/87/3091, dated 5-3-87 issued 'No Objection Certificate' for the purchase of 250 TV sets from other companies. At this, Director, Supplies & Disposals, Haryana was asked to intimate whether it is possible for them to effect the purchase of 250 TV sets before the close of financial year 1986-87. Director, Supply & Disposal, Haryana vide his letter No. 490/HR/86-87/56106, dated 11-3-87 informed that it will not be possible for them to purchase the above TV sets during the year 1986-87. Thus, out of 700 TV sets only 450 TV sets amounting to Rs. 16,38,000/- could be purchased.

(iii) Year 1987-88. There was a provision of Rs. 37 lakhs for the purchase of 1000 Black & White TV sets for village Gram Panchayats/Schools in the budget during 1987-88. Accordingly, Government was requested to accord sanction for the purchase of TV sets through Director, Supply & Disposals, Haryana. But sanction from Government was received vide letter No. 8/42/85-3PP, dated 18-3-88 for the purchase of 40 coloured TV sets and VCRs alongwith Solar Battery packs amounting to Rs. 37,00,000/- for installation in the existing Information Centres & other focal villages of Haryana State. Accordingly, indent vide this office letter No. PRDH(Store-1)-88/11263, dated 22-3-88 was sent to Director, Supply & Disposals, Haryana, but Director, Supply & Disposals, Haryana vide letter No. 60828, dated 29-3-88 expressed their inability to supply the above items at such a later stage during the year 1987-88.

(iv) Year 1988-89. There was a provision of Rs. 53,65,000/- for the purchase of 1450 Black & White TV sets for village Gram Panchayats/Schools and Rs. 15,00,000/- for the purchase of 60 coloured TV sets/VCRs for Teleclubs. Accordingly, Government was approached to accord sanction for purchase of these items. In a meeting held with the then Hon'ble Chief Parliamentary Secretary, it was decided to purchase 560 coloured TV sets for village Gram Panchayats/Schools & 90 coloured TV sets and 90 VCPs for Information Centres and Teleclubs. Government accorded sanction vide memo No. 8/42/85-3PP, dated 10-2-89 for the purchase of 560 coloured TV sets amounting to Rs. 53.65 lakh for village Gram Panchayats/Schools and 90 coloured TV sets and 90 VCPs (60 for teleclubs and 30 for Information Centres) amounting to Rs. 15,00,000/-. In the revised budget the amount of Rs. 68,65,000/- was reduced to Rs. 41,10,000/- for the purchase of above items. Therefore, an indent for the purchase 440 coloured TV sets & 90 VCPs was sent to Director, Supplies & Disposals, Haryana. The High Powered Purchase Committee in a meeting decided to purchase 30 coloured TV sets and 30 VCPs only for Information Centres. Thus, 30 coloured TV sets and 30 VCPs were purchased and an amount of Rs. 5,38,095/- was incurred.

(v) Year 1989-90. There was a provision of Rs. 56,15,000/- for the purchase of 600 coloured TV sets for village Gram Panchayats/Schools & Rs. 7,50,000/- for the purchase of 30 coloured TV sets & 30 VCR for Teleclubs in Schools/Institutions of urban area. Accordingly, Govt. was approached to accord sanction. Sanction for the purchase of 30 coloured TV sets & 30 VCPs amounting to Rs. 7,50,000/- was received from Govt. vide memo No. 8/20/89-3 PP, dated 17-8-89. Accordingly, indent vide this office letter No. 41850, dated 6-9-89 was sent to Director, Supplies & Disposals Haryana for the purchase of these items. Thus, department purchased 30 coloured TV sets & 30 VCPs amounting to Rs. 5,45,912-20 for Teleclubs.

Regarding the purchase of 600 coloured TV sets it is informed that the department had decided to purchase 450 coloured TV sets instead of 600 coloured TV sets as the remaining amount of Rs. 18 lakhs was to be incurred for the purchase of 12 projections TV Systems with 12 VCRs. Accordingly, Govt. was approached to accord sanctions. Govt. accorded sanction vide memo No. 8/42/85-3 PP, dated 21-2-90 for Rs. 39,65,000/- for the purchase of 450 coloured TV sets for Village Gram Panchayats/Schools.

In the meantime, Govt. vide memo No. 11/1/3-5/IB-11-83, dated 8-2-90 declared HARTRON an approved source for the purchase of coloured TV Sets & VCRs. The Budget provision was reduced in the revised budget. Therefore, an indent for the purchase of only 135 coloured TV sets was sent to HARTRON. HARTRON vide his letter No. 28431, dt. 16-3-90 informed that they are unable to execute the order due to the shortage of time. After that the deptt. vide this office letter No. PRDH(RSI)-90/928, dated 16-3-90 requested Director, Supplies & Disposals, Haryana to effect this purchase. But Director, Supplies & Disposal, Haryana vide his letter No. 56382, dt. 23-3-90 informed that only repeat order can be placed due to shortage of time. In view of this, Director, Supplies & Disposals, Haryana was asked to place repeat order. Thus out of 135 coloured TV sets only 30 coloured TV sets amounting to Rs. 2,55,877/- were purchased for the village Gram Panchayats/schools.

(ii) The target of the hoardings was accomplished through erection of new hoardings and repainting of previous hoardings with new designs.

The savings were due to the fact that the hoardings previously installed were also utilised and got repainted instead of getting/erected new hoardings.

(iii) There are 26 Information Centres sanctioned under Non Plan Scheme out of which 24 are functioning and the remaining two are under ban. So far 7th five year plan is concerned, there was a proposal to open 10 Information Centres under Plan Scheme out of which the Govt. accorded sanction for only four Information Centres in the financial year 1987-88. After that the Govt. decided to delete the scheme from the plan budget. At present total 26 Information Centres are functioning under Non Plan.

There was a proposal to send two Hindi daily news papers free of cost to every panchayat in a phased manner by this department.

The Govt. accorded sanction to start aforesaid news papers to 240 Panchayats (20 Panchayats of each district) in the year 1986-87. An equal number of Panchayats i.e. 240 Panchayats more were added, thus 480 Panchayats in toto were supplied News papers in the year 1987-88 after obtaining the sanction from the Govt. 480 Panchayats whom two Hindi Daily news papers were sent free of cost throughout the year 1987-88 included the Panchayats selected in the year 1986-87, Accordingly in the way of phased manner 240 more Panchayats were to be selected for providing the newspapers raising the number of panchayats from 480 to 720 i.e. 60 Panchayats of each District. Govt. was requested to accord sanction for the same vide this office letter No. PRDH (F-2)-88/6856, dated 23-2-88 but the Govt. rejected the proposal of the department vide their memo No. 10/11/86-3PP, dated 16-5-88. Hence the scheme stopped at the number of 480 Panchayats for supplying the two news papers to each Panchayats.

(iv) To review/scrutinize the annual plan for 1985-86, the meeting was held between the then Joint Secretary to Govt. Haryana, Finance Department (Smt. Meenaxi Anand Chaudhry) and Director, Public Relations, Haryana on 30-5-1985. After detailed discussions, it was decided that the purchase of 20 Motor cycles, Moped and Portable Sound Equipment may be dropped. Accordingly the annual plan was reviewed and the proposal for purchasing the above equipment was deleted.

(v) The Rural Community Theatre unit came into existence in 1981-82 with Headquarter at Chandigarh. From the date of its inception to the date of its shifting to Karnal i.e. January 1987, It remained associated with the Cultural Affairs Wing of the department.

RCTO unit had always been participating in the programme/performances presented by the Cultural Affairs Wing of the department. This practices is still being practised even after its shifting from Headquarter Chandigarh to Karnal, since the Cultural Affairs Department has a limited number of artists and without the participation of the Artists of RCTO unit

it is not possible to present any cultural performances. It is not justified to say that the artists of RCTO unit remained idle. Though the RCTO unit is not fully equipped yet it had been provided the basic facilities on its demand, i.e. vehicle, Clerk etc. Office accommodation was also provided to them in the office of D.P.R.O., Karnal. After shifting this unit to Karnal, RCTO presented plays 'Batwara' and 'Junge Azadi' to rural masses. In addition, this unit also had been giving presentation in all the important functions/fairs etc. held in the State and Delhi such as IITF, Solar Eclipse fair at Kurukshetra, Crafts Mela at Suraj Kund, Teej Festival, Haryana Day etc. In order to present any play the unit has to do rehearsals for days together. The RCTO unit had also participated in the presentation of plays in 'Parvatiya Parv' and gone to Almora, Nainital, Pithoragarh, Pauri Garhwal, Chamoli Garhwal and Tihri Garhwal in U.P. Besides the artists of this unit have also participated in Indian Council for Cultural Relations (ICCR) and went to Libya and Syria. Hence an expenditure of Rs. 6.16 lakhs incurred on this unit is not a wasteful expenditure. The stage prepared at Karnal by the D.P.R.O. for use of RCTO unit is only meant for rehearsal purposes and they made full use of it.

The RCTO unit made full use of it for arranging rehearsals for presenting the above said performances. Hence the expenditure incurred for the preparation of stage is fully justified and it was not a wasteful expenditure.

### 3.2.7. A Community Listening Scheme

Para admitted to the extent that there were no specific proposals in the scheme to cover all the villages with radio sets. The No. of radio sets purchased and installed has been commensurate with the budget provision/funds allotted for the purpose and radio sets provided by the Govt. of India. Also the provision of the spare parts to the tune of Rs. 5,000/- was made per year during the 7th Plan (1985-90) under non-plan scheme.

(i) Under the community listening scheme out of 3787 radio sets installed in the State, 129 sets are in working order. District wise detail of these radio sets are given as under :—

1. Narnaul	5
2. Ambala	84
3. Jind	10
4. Karnal	7
5. Kurukshetra	11
6. Gurgaon	12
	Total 129

The balance 3658 radio sets which are out of order/have out-lived their lives and are required to be got condemned. Consequently, action for

their condemnation is being taken. Accordingly, detail of condemned radio sets of following districts is given as under :—

Sr. No.	Name of Distt.	No. of condemned radio sets.
1	2	3
1.	Sirsa	51
2.	Narnaul	85
3.	Ambala	11
4.	Bhiwani	60
Total		207

Detail of condemnable radio sets of other district have been referred to Director, Supply & Disposals, Haryana/District condemnation Board is given as under :—

Sr. No.	Name of Distt.	No. of condemned radio sets.
1	2	3
1.	Hisar	49
2.	Kurukshetra	97
3.	Jind	52
4.	Sirsa	33
5.	Rewari	127
6.	Gurgaon	68
Total		426

Remaining radio sets are also being collected by the concerned District Public Relations officers for condemnation.

(ii) The position has already been explained in reply to sub-para-1 of para 3.2.7 above. There was no shortfall in achievements of targets as no specific targets were set out in plan proposals for coverages of all villages with radio sets. The sets purchased were according to the funds allocated for the purpose from year to year and radio sets provided by Govt. of India.

The village panchayats were not interested in the repair of radio sets and consequently they could not be set right. Moreover sets have outlived their lives & their repair is also un-economical. Consequently, action for their condemnation is being taken.

(a) No specific targets/budget provision for the purchase of radio sets was made under plan scheme during 6th & 7th plan as there was no demand of radio sets.

(b) The overall position in respect of total no. of radio sets in working order/break down/condemnable radio sets has already been explained in para (i) above. All the District Public Relations Officers have already initiated the necessary action to collect the unserviceable/condemnable radio sets from village Panchayats/Schools for condemnation action.

### 3.2.8. Installation of Television Sets

Under the Community Viewing Scheme during 7th Five Year Plan, remaining 6196 villages were to be covered with TV sets on 50% cost basis. Besides this 26 departmental Information Centres & 60 teleclubs in the Schools/Institutions of urban area were to be covered with TV sets on free of cost basis.

During the 7th plan 1538 TV sets (1508 Black & white TV sets and 30 coloured TV sets) were purchased for village gram Panchayats/Schools. Besides this, 60 coloured TV sets and 60 VCPs were purchased for departmental Information Centres and Teleclubs in the Schools/Institutions of the urban area. All these TV sets & VCPs have been installed. Regarding achievements of such a low percentage of 30% the position had already been explained in the reply of Para 3.2.6.

(2) The process of installation of TV sets takes a long time as the village Panchayats have to be approached and advised to seek the facility at concessional rates. Sometimes there are financial constraints and consequently, it takes long time for panchayats to arrange funds. Also the process of submission of Resolutions by village panchayats and finalisation of agreements with the department and depositing the 50% cost in the Govt. treasury takes time. It is also informed that resolutions are recommended approved by the concerned DEOs/BDPOs/concerned DCs which also take time. There was also the shortage of manpower i.e. technicians-Asstt.-cum-Store Keepers in the Districts. Due to the reasons given above the delay in installation was circumstantial and unavoidable.

3. Regarding the replacement of 42 defective TV sets it is informed that only 6 TV sets of Narnaul district relate to the purchase made from Telebird during the year 1985-86 & 1986-87. The defects in these 6 sets took place after the expiry of warranty period. These sets were got repaired.

Remaining 36 defective TV sets do not relate to the sets purchased from Telebird during the year 1985-86 and 1986-87. These TV sets have outlived their normal life. However 13 defective TV sets were repaired by the technicians of the department.

The repair of 16 (sixteen) TV sets were neither feasible nor economical. As such these were got condemned. 6 TV sets of District Yamunanagar. One set of district Faridabad which have outlived their life, are yet to be condemned. Action by the concerned distt. Public Relations Officer has already been initiated.

4. There was no defective supply of TV sets during 1985-86 from M/s Telebird (an approved source of the Haryana Govt.) During warranty period, some defects developed in few sets, which were rectified by the firm free of charges by deputing their service engineers in each district,

The department vide letter No. PRDH (RSI)-86/26779, dated 19-9-86 has asked Telebird to improve the quality of TV sets to the satisfaction of allottees. In this respect, the firm vide his letter No. HTL/FBD/MD/86/1660, dated 10-11-1986 has intimated that strict instructions in this regard have been given to their production staff. Consequently, the supply orders for the purchase of 450 TV sets in the subsequent year 1986-87 was not unjustified.

Out of 549 TV sets purchased/installed upto 1978-79. 422 TV sets have out-lived their lives yet most of them are still in working order and it is not advisable to dispose of such sets. However, the TV sets which required to be condemned, being un-serviceable, have been condemned as per details given below :—

Sr. No.	Name of Distt.	No. of sets condemned
1.	Karnal	12
2.	Gurgaon	30
3.	Kurukshetra	2
4.	Rewari	9
5.	Faridabad	44
6.	Rohtak	29
7.	Ambala	12

Director, Supply & Disposals has been requested to condemn the old/obsolete TV sets of following districts as under :—

Sr. No.	Name of Distt.	No. of sets to be condemned
1.	Sonipat	38
2.	Kurukshetra	11

The case to condemn unserviceable 6 TV sets of District Yamunanagar and one set of District Faridabad is under consideration.

According to the provision in the 7th plan 3 mobile TV workshops have been set up for the installation/maintenance/repairs of TV sets

Due to the establish of these TV workshops an extreme public interest has been met with because earlier when the mobile TV workshops were not provided to the department the complaints of allottees of TV sets could not be attended promptly and now the complaints are attended without any delay. It has increased the mobility and has also produced the capacity to attend the more complaints. Thus, the installation/maintenance/repairs of TV sets has improved tremendously.

### 3.2.9. Hoardings

The services of the Visualizer and Painter (for two years) were fully utilised for the purpose they were meant for.

The scheme of visual publicity was introduced during 1979-80 with a skelton staff i.e. Visualizer, Painter, store-clerk, Stenographer, Peon. None among the above staff was capable for undertaking the construction of hoardings which was quite different from the nature of their duties,

The duties of the Visualizer was to prepare/create designs for hoardings, Cinema slides, Exhibitions, tin plates tableau designs etc and to supervise the work. The post was in the rank of Deputy Director.

The services of Painter were hardly available for about 2 years. During his stay he was kept involved in repainting of hoardings, banners and other exhibition jobs.

### 3.2.10. Information centres

- (1) The Govt. sanctioned four information centres during the 7th Five Year Plan (1987-88) but the Govt. decided to delete the plan scheme. As such these four Information Centres have also ceased to function.

At present 26 information centres only are working under Plan scheme.

- A(i) The department had always been asking for the sanction from the Govt. for incurring an expenditure of Rs. 300 to Rs. 550/- for the purchase of each newspaper/periodicals annually but the Govt. used to issue sanctions for the said period leaving the word 'each newspaper' inadvertantly. It is understood that the sanction issued by the Govt. was in accordance with the proposal of the department. Thus the expenditure incurred by the DPROs was taken as for the purchase of each newspaper/periodical annually. Hence the expenditure incurred by the DPROs viz. Rohtak, Hisar, Karnal and Ambala for the year 1985-86 to 1988-89 did not exceed the limit of sanctioned amount by the Government per year. A copy each of ex post facto Govt. sanction to the purchase of Daily



newspapers/periodicals for the information centres in the districts at an annual-subscription varying from Rs. 300 to Rs. 550 in case of each daily News Papers for the year from 1985-86 to 1988-89 is attached for perusal.

In view of the facts narrated above, the para may please be dropped.

- (ii) The newspapers/magazines were purchased in view of the situation assessed by the DPROs according to the location of Information centres, population of city and the demand of the readers and press-men etc. Hence, an uniform system can not be adopted but they can purchase newspapers/periodicals according to their requirement within the sanctioned amount.
- (iii) As informed by the DPROs no separate newspapers and magazines were purchased for the Deputy Commissioner of the respective districts. It was an internal arrangement of the DPROs offices to make him available some newspapers and a few magazines among the news papers/magazines purchased for the use of DPRO offices/Information Centres which were collected back regularly. Hence no extra expenditure was incurred by the respective DPROs for the purchase of newspapers and magazines.

**(iv) D.P.R.O. Karnal**

According to the departmental prevailing practice and procedure the clippings (Press cuttings) were sent to Deputy Commissioner/Sub-Divisional Officer for his kind perusal and taking note/stock of the news relating to the District. As per Govt. sanction four news papers meant for the District Public Relations Officer and some magazines of Information Centres were sent to the D.C. which were received back and auctioned accordingly. No extra amount was spent on these news papers and magazines.

**D.P.R.O. Rohtak**

Clippings from the daily news papers pertaining to Rohtak district are sent to the Deputy Commissioner the following day. The cutting are made from the news papers after having been read by the visitors in Information Centre. Thus neither any inconvenience is to the public nor any extra expenditure is borne by the Govt. for this purpose so far as this district is concerned. It is requested that in view of the position explained above, this para may kindly be dropped.

**D.P.R.O. Hisar**

No separate news paper were supplied to the Deputy Commissioner by this office. It was internal arrangements of this office that some news papers & magazines were supplied to him as head of the district for his perusal. These were later collected regularly from there by the peon of this office for news papers clippings of the district for submission to the Deputy Commissioner on the following day for his information and necessary action. Hence all news papers and magazines were collected from D.C.'s residence office regularly for record in this office.

**D.P.R.O. Ambala**

Information centre of this office was situated in the Municipal Library which was a public place. It was not possible for this office to send the papers to D.C. and get them back daily from him and again send the clipping to him on the following days as Municipal Library being public library. Readers used to ask for last day paper and the library officers were also not ready to spare the papers on that day or next day. As the clipping were essential to be sent to D.C. as such a separate set of news papers was purchased for their purpose for the period under report.

As A.G. (Audit), Haryana has raised objection and advised to stop this practice as such as a result of that information centre has been shifted from Guru Gobind Singh Library to this office and the clippings from that day if are sent to D.C. from the news papers sent for District Public Relations Officer Ambala.

To regularize the expenditure of Rs. 0.20 lakh incurred on the purchase of the extra set of news papers by the District Public Relations Officer, Ambala for the period from April 1980 to March 1989 for sending the clippings to D.C., Govt. was requested to accord the necessary sanction vide this office letter No. PRDH (F-2)-92/23977, dated 28-7-92 the same has since been received.

A scheme was devised to send two Hindi News papers to all the Gram Panchayats in the State in phased manner. Accordingly in 1986-87, 240 Panchayats (20 panchayats of each district) had been supplied newspapers. Sanction for supplying news papers to twenty more panchayats (40 panchayats of each district) had been issued during the year 1987-88. During the year 1988-89 the Govt. was requested to give sanction for 720 panchayats vide this office letter No. PRDH(F-2)-88/20753, dated 27-5-88 but the Govt. had issued sanction for only 480 panchayats rejecting the proposal of the department of new 240 panchayats vide letter No. 10/14/86-3PP, dated 3-8-88.

The expenditure on the purchase of news papers for panchayats was met with under the Plan scheme. Now the Govt. have deleted the plan scheme, therefore purchase of newspapers for the panchayats has been dropped.

(a) In this connection it is mentioned that payment to the proprietors of Nav Bharat Times & Punjab Kesri for supplying of Newspapers were only made on the submission of certificates to the effect that they had actually supplied the required copies of the newspapers to the panchayats as per supply order.

It is not out of place to mention here that the news paper agencies had been supplying the news papers to the Gram Panchayat regularly. As the newspapers were sent through mail, it was not certain that the news papers reach the panchayats in time or on definite date. Hence there is no irregularity in sending of the news paper, on behalf of the newspaper agencies. As soon as the department received a few complaints about delay, the Deptt. changed the policy by routing them through DPROs. As the supply order was placed to the news paper agencies

by the Hqrs, the bills were also to be paid by it during the year 1986-87. The headquarters had made the payment after the verification and its satisfaction only to the news papers agencies. All the same these firms have a good reputation. Hence the headquarters did not feel necessary to get the bills verified from the DPROs.

(b) The Information in connection with utilisation of some amount for other purposes rather than spending on payments for news papers to the panchayats had been sought from the concerned DPROs. They have reported that some amount was utilised by them on some unavoidable items of publicity for coverage of VIPs functions etc. and in public interest.

(c) It is admitted by the DPRO Karnal that the names of the panchayats were not mentioned on the bills but the payment was made after proper verification and according to the list prepared by the office. However, it has been noted by the DPRO for the future.

According to the report submitted by DPRO Karnal, 42 panchayats were actually in existence instead of 39 and the payment was made for 42 panchayats.

The DPRO, Karnal vide letter No. PRDH (F—2)-92/25262 dated 10.8.92 has been asked to intimate the circumstances as to how, the news papers were supplied to 42 panchayats instead of the fixed norms of 40 newspapers and to supply a copy of Deputy Commissioner suggestion/order. In addition the DPRO Karnal has also been asked to send an approved list of Gram Panchayats to whom the news papers were supplied during 1987-88 to enable us to approach the Govt. for the regularisation of the expenditure incurred for supplying news papers to 42 Panchayats instead of 40. Information is still awaited and a reminder has been issued in this connection.

(d) All the indication boards were got installed by concerned D.P.R.Os. Due to non availability of Sarpanch at that time as and when approached unavoidable circumstances caused the delay at some places.

At the time of oral examination of the departmental representatives, the Committee pointed out that most of the advertisements were released in English news papers by the department and the general public particularly of the rural areas were thus not aware of the achievements and programmes of the department. The Committee, therefore, recommended that the department should also release the advertisements in the Hindi newspapers as well as in those dailies which are in large circulation within the State so that the people of rural areas may also aware about the programmes/schemes of the department regularly.

During the course of oral examination, it was brought to the notice of the Committee that the Exhibitions are also set up by the department to apprise the people of State of the policies and programmes of the State Government in various fields at each district headquarters in the State regularly. After hearing the departmental representatives, the Committee advised that such type of Exhibitions should be held at the Sub Divisional

as well as the Block level in future as most of the people belonged to rural areas and they did not have any other source of information/recreation. The steps taken in this direction by the department be also intimated to the Committee

[7] 3.2.11. Field Publicity

(i) To conduct monthly meetings, group discussions, bhajans, songs and drama performances and to hold cinema shows etc. at district, tehsil, block and village level, 57 field publicity assistants (FPA), 12 Drama Units, 21 Cinema Units, 22 Bhajan Parties and 97 Block Publicity Workers were operating in the State under the control of DPROs as on 31st March 1985. In 7th Plan, existing FPAs were proposed to be provided with portable sound equipment, audio visual aid and magaphones etc. at a cost of Rs. 16.34 lakhs but no budget allotment was made in this regard and this equipment had not so far been arranged (March 1989). Further 5 Cinema Units and 48 Bhajan Parties were to be established with plan outlay of Rs. 56.21 lakhs against which 3 Cinema units and 48 Bhajan parties were added to the existing field publicity staff at a cost of Rs. 30.57 lakhs (approximately) during first four years of the plan.

(ii) There were 10 field publicity assistants, 1 lady field publicity assistant, 3 district publicity organisers and 1 lady district publicity organiser in the district selected for test check. The performance of these publicity units revealed the following :

(a) One drama unit at each district headquarter with target of 144 dramas or 96 dramas and 120 cultural programmes in a year was established and its achievements during 1986-87 to 1988-89 were as under ;—

Target achieved during each year

Name of district	1986-87		1987-88		1988-89	
	Drama	Cultural Programme	Drama	Cultural Programme	Drama	Cultural Programme
Ambala	173	Nil	172	Nil	94	Nil
Karnal	Not available		80	136	50	138
Rohtak	156	Nil	160	Nil	118	Nil
Hisar	201	Nil	214	Nil	111	Nil

Targets were not achieved by Ambala, Rohtak and Hisar districts in 1988-89 and Karnal district in 1987-88 and 1988-89. Reasons for non-achievement of targets were not intimated by the department (July 1989).

(b) There were 2 Cinema Units each at district and tehsil headquarters and each unit had to arrange 2 Cinema shows in a month i. e. 144 shows in a year.

Achievement from 1985-86 to 1988-89 was as under :—

Name of District	Number of cinema unit	Target	Norms achieved during each year			
			1985-86	1986-87	1987-88	1988-89
Hisar	2	288	330	222	134	151
Rohtak	2	288	288	305	300	209
Karnal	2	288	288	288	288	243
Ambala	2	288	N.A.	191	265	206

The requisite norms were not achieved by Hisar and Ambala districts during 1986-87 to 1988-89. DPRO Ambala and Hisar attributed the shortfall mainly due to projector remaining out of order and creation of new cinema unit- at Hansi (August 1988).

(c) Services of 97 blocks publicity/Bhajan parties workers who had rendered continuous service of 240 days and more were terminated without assigning any reason by the Director, Public Relations Haryana during July 1987 and in their place fresh recruitment was made. Against these orders, terminated workers filed suit in the Punjab and Haryana High Court and their termination orders were held illegal (September 1988) by the court on the ground that they had rendered continuous service of 240 days and their services could not be terminated without assigning any reason. Irregular orders of the Director had resulted in payment of Rs. 1.90 lakhs as emoluments for termination period from August 1987 to November/December 1987 during which no departmental work was done by them.

(d) With a view to approaching a large number of people a new scheme 'Establishment of Field Publicity Units' at tehsil headquarters consisting of Assistant Public Relations Officers (APROs), Cinema Operator, Driver, Generator Operator, Clerk, Peon and a Chowkidar was introduced during 5th Plan Period and 11 such units were established during this period. 1 unit was established during 6th Plan period. During 7th Plan (1985-90).5 Units were proposed to be established on the existing pattern against which only 4 units were established till March 1989.

It was noticed that the post of APROs of Fatehabad and Naraingarh were withdrawn from August 1982 and August 1987 respectively and as such Cinema Operator, Driver alongwith Cinema van were withdrawn from these offices from the same date and attached to district headquarters but posts of Clerks and Peons were not withdrawn, rendering them idel for which an amount of Rs 1.48 lakhs from August 1982 to March 1989 (Hisar; Rs. 1.24 lakhs and Ambala : Rs. 0.24 lakh) was incurred on their pay and allowances by the DPROs Hisar and Ambala.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Though the norm of 144 drama or 96 drama and 120 cultural programmes in a year have been fixed, yet the Hqrs. always pulls the strings of field offices on not achieving the targets except on unavoidable circumstances. If the district offices do not complete the required target, the explanation is sought. The circumstances stated by the following DPROs for not achieving the target are correct.

#### **DPRO, Hisar**

This figure of 111 drama shows has been taken from April 1988 to December, 1988 and not for the whole year. In fact the figures for whole year 1-4-89 to 31-3-89 comes to 138 Drama shows and 34 cultural programmes which achievement is not below the target fixed.

#### **DPRO, Rohtak**

The drama van of this office developed major defects and was off the road for 5 and half months i.e. from 16-10-88 to 31-3-89 during the year. Actors of drama Party were often called by the Head office for participation in state level and other important programmes organised by cultural affairs deptt.

#### **DPRO, Karnal**

The drama shows as per norms fixed by the department, could not be given in the year 1986-87, 87-88 and 88-89 because of the drama van was declared condemned by the condemnation board. No other vehicle was provided to his office by the end of the year mentioned in the audit report. However, in view of the rush of public meetings of Ministers, drama party members were engaged to display cultural shows. Members of the drama party were not kept idle.

#### **DPRO, Ambala**

The DPRO, Ambala has intimated that the norm could not be achieved from August, 88 to Sept. 88 due to heavy rains and flood in the distt. He further stated that drama unit of his district participated in 12th Haryana State Khail Utsav from October, 88 to December, 88 where 4500 students participated. All the drama party members were remained busy in the Khail Utsav. Hence the drama shows could not also be arranged during this period.

At the time of oral examination, the Committee observed that the drama parties of the department functioning at present did not have dramas of impressive themes and therefore, failed to achieve the purpose of conveying the message to the general public especially the rural masses regarding eradication of dowry system, removal of untouchability and Prohibition etc. from the society. The Committee, therefore, desired that drama or documentary films having good themes on the above stated subjects be arranged for the public in general from time to time so as to bring awakening in the society as well as enrich them with entertainment also.

On the request of the department, the Committee also witnessed the dramas prepared by the department during the second week of January, 1994. After witnessing the said dramas, the Committee observed that though the theme of these dramas was very good but their presentation was not upto the mark. The Committee desired that presentation be improved keeping in view the fast changing modern society. The Committee further desired that the department should also explore the possibility of utilising the services of talented artists from the other Govt. departments as well as from the rural areas of the State.

[8] 3.2.13. *Publicity campaign regarding welfare of Scheduled Castes (SC)*

Special component plan for the welfare of SC was framed and introduced during 7th Plan which inter-alia, provided creation of a cell for co-ordination with different departments for which a provision of Rs 1.30 lakhs was made. It was observed that the cell was created during March 1983 and an expenditure of Rs. 1.23 lakhs was incurred (1983-84 to 1984-85) on pay and allowances of staff but no progress thereof could be substantiated from record.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Publicity of the government policies and developmental programmes is the Chief function of the Public Relations Deptt. To give exclusive thrust to the publicity schemes relating to the welfare of Scheduled Castes and backward classes, one Public Relations Officer was appointed under the scheme. This officer ensured the publicity of all schemes focussing on the welfare of Scheduled Castes and backward classes. He prepared messages and features on behalf of the Governor, Chief Minister and Ministers which highlighted the welfare schemes of Scheduled Castes and Backward Classes.

In addition, benefits and concessions to the Scheduled Castes were also highlighted in the government advertisements issued during the above period. The publicity for the welfare of the Scheduled Castes was also done by issuing press notes which appeared not only in the papers but were also broadcast from AIR and telecast on Doordarshan.

The Committee was informed that a special cell was existing in the department for the publicity of all schemes relating to welfare of scheduled castes and Backward classes, but the said cell had been wound up. The department further informed the Committee that the work of publicity for the welfare of scheduled castes was being done by issuing Press Notes/Advertisements in the newspapers as well as through Broadcast from All India Radio and telecast on Doordarshan. The Committee was not satisfied with the reply given by the department and desired that the said cell should be again created in the department to highlight the benefits and concessions to scheduled castes properly under intimation to the Committee.

[9] 3.2.15. *Rural Community Theatre Unit (RCTU)*

To project the policies, programmes and achievements of Govt. in rural communities and to impart training to rural artists in the art of theatre a rural community theatre unit was established during 1981-82 with headquarters at Chandigarh, which was later on shifted to Karnal in January 1987 being a central place for organising theatre in rural areas. Scrutiny of records relating to this unit revealed that it did not give any performance from the date of its inception to December 1987, in February 1988 and from December 1988 to March 1989 due to the absence of essential infrastructure facilities such as proper accommodation and independent mobile van for the unit. As such the entire staff remained idle, resulting in wasteful expenditure of Rs. 6.16 lakhs on pay and allowances till March 1989. Further, an expenditure of Rs. 0.16 lakh was incurred by the District Public Relations Officer Karnal during 1987-88 on preparation of the stage for artists of Rural Community Theatre Unit which had not been put to use. Reasons for incurring wasteful expenditure were not intimated (July 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The Rural Community Theatre Unit came into existence in 1981-82 with Headquarters at Chandigarh. From the date of inception to the date of its shifting to Karnal i.e. January, 1987, it remained associated with the Cultural Affairs wing of the Department.

RCTO unit had always been participating in the programmes/performances presented by the Cultural Affairs Wing of the Deptt. This practice is still being practised even after its shifting from Headquarters Chandigarh to Karnal since the Cultural Affairs Department has a limited number of artists and without the participation of artists of RCTO Unit it is not possible to present any cultural performance. It is not justified to say that the artists of RCTO unit remained idle. Though the RCTO unit is not fully equipped yet it had been provided the basic facilities on its demand i.e. vehicle, Clerk etc., office accommodation was also provided to them in the office of D.P.R.O., Karnal. After shifting this unit to Karnal, RCTO presented plays 'Batwara' and 'Junge Azadi' to rural masses.

In addition, this unit also had been giving presentation in all the important functions/fairs etc. celebrated in the State such as IITF, Solar Eclipse fair at Kurukshetra, Craft Mela at Suraj Kund, Teej Festival, Haryana Day etc. In order to present any play the unit has to do rehearsals for days together. The RCTO unit had also participated for the presentation of plays in Parvatiya Parv and gone to Almora, Naunital, Pithoragarh, Pauri Garhwal, Chamoli Garhwal and Tehri Garhwal in U.P. Besides the artists of this unit have also participated in Indian Council for Cultural Relations (ICCR) and went to Libya and Syria. Hence an expenditure of Rs 6.16 lakhs incurred on this unit is not a wasteful expenditure.

The stage prepared at Karnal by the DPRO for use of RCTO unit is only meant for rehearsal purposes and they made full use of it.



The RCTO unit made full use of it for arranging rehearsals for presenting the above said performances. Hence the expenditure incurred for the preparation of stage is fully justified and it was not a wasteful expenditure.

At the time of oral examination, the Committee was informed that a rural community theatre unit was also functioning in the Department with its Headquarter at Karnal to project the policies / programmes and achievements of the Govt. in rural communities and to impart training to rural artists in the art of theatre. The Committee observed that the very purpose of this unit was not achieved until and unless the head quarters of this unit was shifted to the rural areas of the State. The Committee, therefore, desired that the department should ensure that this unit must function in the villages exclusively in future. The Committee also desired that the cultural performance of this unit be also displayed at Block level as well as village level for the upliftment of the rural community of the State. Report on the action taken by the department in this direction be also furnished to the Committee.

[10] 3.2.16. *Promotion of Cultural Activities*

A cell for promotion of Cultural Activities was created in 1969 and was functioning at Chandigarh. In order to project and promote Haryana culture, during 7th Plan it was proposed to expand the existing cell by appointing one Assistant Cultural Affairs Officer and One State Manager cum store Incharge for which a provision of Rs. 17.00 lakhs was made in the Plan period to hold annual folk festivals and present the rich cultural heritage of Haryana in other parts of the world.

A cultural complex was also proposed to be established some where in Haryana in which regular training centres were to be set up for imparting training in folk style of music, dance and theatre for which a token provision of Rs. 12.00 lakhs was made during the plan period.

(i) It was noticed that only an amount of Rs. 1.51 lakhs was spent on arranging folk festivals, dances, workshops etc., against the provision of Rs. 17.00 lakhs during 1985-86 to 1988-89 and the short-fall was attributed (April 1989) by the department to non-provision of proper staff.

(ii) No Cultural troupe was sent abroad so far (March 1989).

(iii) No action for setting up of a cultural complex had been initiated (March 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as

under :

In this connection it is stated that the post of Assistant Cultural Affairs Officer was lying under ban till January, 1990. After a prolonged correspondence, the ban was lifted on 24-1-90 vide Govt. Letter No. PRDH (RA)-90/3424, dated 24-1-1990. The matter regarding approval of the method of recruitment is under active consideration of the Govt./Haryana Public Service Commission. The post of one Stage Manager cum-Store Incharge was included in the Plan proposals for 1985-86 but it was not sanctioned by the Govt./F.D.

No State Government can send the Cultural Troupe to Foreign countries directly. All Government troupes are sent after selection and approval by the Indian Council for Cultural Relations/Festival of India.

Cultural Troupe from Haryana State was sent to USSR in 1987 to participate in the Festival of India in USSR from 6-7-87 to 8-9-87. The entire expenditure on the selected troupe was borne by the Govt. of India. Again the Cultural Troupe was sent with the selection and approval of the Indian Council for Cultural Relations to Libya and Syria from 27-8-89 to 18-9-89. The entire expenditure was borne by the Indian Council for Cultural Relations except the Initial rehearsals and misc. expenditure, which was borne by the State Government. The proposal to set up a Cultural Complex was initiated in 1983. In the initial stages it was decided to set up the Complex at Kurukshetra. Later a decision at the level of the then Chief Minister in the year 1988 (August 1988) was taken that the said complex will be set up at Rohtak. The Deptt initiated steps to acquire land and the efforts brought fruits. The Haryana Tourism Department has agreed to provide 10 acres of land at the Tiliyar Tourist Complex. The site was selected by the Director, Cultural Affairs in consultation with the Tourism Department. Building maps were got prepared but unfortunately physical possession of the land was not given, despite repeated requests. Consequently no construction work could be initiated. As such, the entire token money placed at the disposal of the department for this purpose could not be utilised.

In their communication dated 3-7-92 the Tourism Department has informed that 'This issue has been considered and it is felt that if the Cultural Centre comes up at the site proposed earlier it would be fairly deep into the complex, opposite the Zoo and may not be ideally suited for this purpose. It was however, felt that the matter be considered to have the land on the main road towards left of the second entry in the complex as per site plan. This would make the complex easily accessible from main road without interfering the normal activities of the Tourism Complex'. The proposal was under consideration of the Department.

In the meantime Kurukshetra Development Board was to provide land in Kurukshetra on the advice of H.E., the Governor of Haryana. In a recent communication, Executive Officer, Kurukshetra Development Board has informed that it is not possible to transfer this land. Under the given circumstances, no action on erection of a complex was possible.

The Committee was informed that to promote the cultural activities in the state, a cell was created in the year 1969 in the department and a post of Assistant Cultural Affairs Officer was created for this cell. The Committee was at pains to observe that this post had not been filled up so far. The Committee, therefore, desired that the department should take up the matter with the H.P.S.C. for the early selection of this post so that this cell may start function properly without farther loss of time.

The Committee was further informed that a proposal to set up a cultural complex was initiated by the Department in the year 1983, but the said complex had not so far been set up due to certain reasons as explained by the department. At the time of oral examination the Department informed the Committee that it had now been decided to set up this complex at Kurukshetra and the matter was under active consideration of the Department.

The Committee, therefore, recommended that sincere efforts be made by the department to set up this complex within the stipulated time. The progress made in this regard be also intimated to the Committee.

[11] 3.2.18. *Monitoring and evaluation*

No monitoring and evaluation of any programme covered under the scheme was conducted to see that benefits envisaged had actually reached the beneficiaries.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Monitoring & evaluation of the programmes covered under the plan scheme is conducted by the concerned authorities from time to time. As a result of that, benefits envisaged are actually reaching the beneficiaries. As such this department is continuing such scheme under annual plan scheme

During the course of oral examination, the Committee was informed that a total 3500 T.V. sets were installed in the Panchayats of the state under a T.V. installation scheme sponsored by the department. The Committee desired that a complete list of the T.V. sets which were working satisfactorily alongwith the number of T.V. sets auctioned/lying defective at present be supplied to the Committee for its information.

## SCIENCE AND TECHNOLOGY

### [12] 3.3. *Integrated Rural Energy Programme*

#### 3.3.1. Introduction

With a view to meeting energy crisis in rural areas by harnessing renewable sources of energy which are locally available in the rural areas, to develop alternative sources of energy, to bring about improvement in the general and economic standards of living of the rural population and to create general awareness in them about the adoption of improved devices, Government of India introduced Integrated Rural Energy Programme (IREP), a Centrally sponsored scheme in selected blocks of 7 States in the country during 1982-83. In Haryana, the programme was launched in July 1982, initially in the Raipur Rani block of Ambala district and thereafter extended to block of other districts (Karnal and Hisar : 1985-86; Dadri and Jhajjar : 1986-87; Narwana and Rewari : 1987-88; and Kharkhauda, Baragudha : 1988-89).

The programme envisaged demonstration of energy devices like wind mills, solar water heating system, solar cooker, radio modules, television on solar power pack, bio-gas plants, bullock carts, Nutan stoves etc. to motivate the rural population to use these alternative sources of energy, for which subsidies at varying rates ranging between 25 and 100 percent were admissible to small/marginal farmers as well as other beneficiaries.

#### 3.3.2. Organisational set up

At the State level, the Economic and Statistical Advisor (Planning) was in overall charge of the programme till 1984-85, when its implementation was entrusted to the Director, Science and Technology Haryana. At the district level, the programme was executed by District Rural Development Agencies (DRDAs) with the help of concerned staff at the block level.

#### 3.3.3. Audit coverage

A test check (September to December 1988 and March 1989) of records of the Director, Science and Technology Haryana and Additional Deputy Commissioner-cum-Chief Executive Officer of the DRDAs was conducted in Raipur Rani, Karnal and Hisar-II blocks of Ambala, Karnal and Hisar districts covering the period 1982-83 to 1988-89.

#### 3.3.4. Highlights

—A sum of Rs. 98.69 lakhs was spent on the programme against the budget provision of Rs. 137.37 lakhs and exhibition/demonstration programme were not executed. (Paragraph 3.3.5)

—The progress reports submitted by the Blocks to the department indicated inflated figures of achievements. (Paragraph 3.3.6)

—Interest of Rs. 1.01 lakhs earned by a block was utilised for meeting expenditure instead of crediting it to the department for meeting further instalment of grant. (Paragraph 3.3.7.(ii))

—There was wasteful expenditure of Rs. 3.79 lakhs on purchase of damper sets. (Paragraph 3.3.8)

—Supervisory fee of Rs. 0.53 lakh was paid without watching satisfactory performance of chulhas. (Paragraph 3.3.9)

—Plantation of trees which could not be used as fuel-wood and fodder was done at a cost of Rs. 1.76 lakhs. (Paragraph 3.3.10(i))

—Excess subsidy of Rs. 0.72 lakh was paid owing to installation of biogas plants of higher capacity. (Paragraph 3.3.11)

—99 Solar Cookers valuing Rs. 0.39 lakh were not accounted for in books. (Paragraph 3.3.12 (ii))

—There was an infructuous expenditure of Rs. 0.86 lakh on wind mills as these did not achieve the desired results. (Paragraph 3.3.13)

—Monitoring and evaluation of the programme was not done. (Paragraph 3.3.15)

### 3.3.5. Financial outlay and expenditure

The budget allotment and expenditure incurred on the programme during 1982-83 to 1988-89 was as under :—

Year	Provisions			Expenditure		
	State	Central	Total	State	Central	Total
	(Rupees in lakhs)					
1982—83	2.00	—	2.00	0.70	—	0.70
1983—84	7.00	—	7.00	8.08	—	8.08
1984—85	7.00	—	7.00	7.14	—	7.14
1985—86	20.66	—	20.66	13.00	—	13.00
1986—87	27.30	2.70	30.00	20.61	2.68	23.29
1987—88	41.80	6.20	48.00	16.31	3.23	19.54
1988—89	14.00	8.71	22.71	26.94	(Not available)	26.94
			137.37			98.69

(i) No Central assistance was given under the programme till 1985-86 and from 1986-87, cent per cent grant was given for staff at the State, district/block level and for survey, extension and training activities.

(ii) The shortfall in expenditure was attributed (December 1988) the department to non-execution of training and exhibition demonstration programme, owing to non-availability of technical staff.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The position of budget provision and expenditure prior to audit (i.e. March 1989) and from 1989-90 to date are given in table A & B respectively.

TABLE —A

Position of budget provision and Expenditure prior to Audit (i. e. March, 89)

Budget Provision			Revised Budget			Expenditure		
State	Central	Total	State	Central	Total	State	Central	Total
2.00	—	2.00	2.00	—	2.00	0.70	—	0.70
7.00	—	7.00	7.00	—	7.00	8.08	—	8.08
7.00	—	7.00	7.00	—	7.00	7.14	—	7.14
20.66	—	20.66	20.15	—	20.15	13.12	—	13.12
27.30	2.70*	27.30	29.54	2.70*	29.54	20.94	0.10	21.05
41.80	6.20*	41.80	47.54	6.20*	47.54	18.47	0.60	19.07
14.00	8.71*	14.00	17.48	8.71*	17.48	25.92	2.29	28.21
119.76			130.71			97.37		

\*There was not separate budget provision of this amount in the department budget. This amount was spent within the existing budget outlays of the department and later on claimed by the State Government (F.D.) from Planning Commission.

TABLE —B

Position of Budget, Provision and Expenditure after Audit (i. e. from 1989—90 to till date)

Year	Budget Provision			Expenditure		
	State	Central	Total	State	Central	Total
	(Rupees in lakhs)					
1989-90	54.13	11.19	65.32	66.70	6.83	73.53
1990-91	62.85	10.84	73.69	53.17	12.11	65.28
1991-92	72.73	24.20	96.93	83.04	16.01	99.05
1992-93	100.00	26.72	126.72	21.60	5.00	26.60

(Till 20-7-1992)

State Government finalised the qualification, mode of recruitment and service rules of these posts in consultation with C.S., F.D. and H.P.S.C. and has carried out recruitment to fill up all the vacant posts expeditiously. Now, out of sanctioned.

Project-Director and most of the district level Project Officers of IREP Programme joined in the years 1990-91 and 1991-92. Thereafter, the programme has gained momentum and there has been significant improvement in its expenditure position in the subsequent years. It has achieved 100% expenditure figure in the year 1991-92. Its expenditure during the financial year 1991-92 was Rs. 99.05 lacs against an outlays of Rs. 96.93 lacs. Hence, it is requested that this para may be settled.

While going through the statement of Budget provision and expenditure of various IREP blocks during the year 1992-93, the Committee observed that Rs. 71 lakhs were spent upto February and the remaining amount of the grant i.e. Rs. 46.98 lakhs was spent in the month of March. The Committee was not satisfied with the ratio of expenditure done in March and felt that the grants were spent in haste during the last two months and thus not utilised properly. The Committee, therefore, recommended that the Finance Department should release the instalments of grants well in time so that could be utilised timely and properly and schemes are implemented in a proper way.

[13] 3.3.6. *Physical progress*

The targets and achievements in respect of alternative sources of energy devices under the programme were as under :-

Serial No.	Items	Targets (1982-83 to 1988-89)	Achievements (1982-83 to 1988-89)
1	2	3	4
(In numbers)			
1.	Wind mills	3	5
2.	Solar cockers	955	413
3.	Photovoltaic devices		
	(a) Solar power street lighting	12	144
	(b) Solar photovoltaic system for T.V.	3	3
	(c) Solar radio modules	600	329
4.	Bio-gas plants	264	218
5.	Smokeless chulhas	13900	18447

1	2	3	4
6.	Pressure cookers	3550	5194
7.	Bullock carts	6	—
8.	Reflex valves	110	140
9.	Nutan stoves	5650	5383
10.	Solar water heating system	47	17
11.	Energy plantation	2,70,765 & 20 Hectares	96,575 & 109 Hectares
12.	Tube lights	2230	3959
13.	Energy efficient motors	134	215
14.	Bio gas lamps	60	49
15.	Bio gas engines	35	49
16.	Power capacitors	10	2
17.	Solar power packs	10	4

(i) During audit it was noticed that in Raipur Rani block against 200 solar cookers purchased and given to this block (October 1983), the progress report for 1982-83 submitted to the department by the blocks indicated 170 solar cookers distributed to the beneficiaries.

(ii) In Karnal block although no expenditure had been incurred upto March 1986 out of the grant of Rs. 6.76 lakhs for 1985-86, the progress report for this year indicated achievements of 1800 smokeless chulhas, 300 pressure cookers, 600 Nutan stoves, 60 solar cookers, 30 solar radio modules, 250 tube lights and 12 energy efficient motors.

(iii) In Hisar-II Block, against actual installation of 285, 1870 and 287 chulhas, achievements shown in the progress reports were 1000, 2000 and 964 chulhas in 1985-86, 1986-87 and 1987-88 respectively.

Reasons for variation in achievements in all these cases were yet to be intimated (July 1989). Audit, scrutiny, however, disclosed that achievements reported by blocks to the department were inflated as these were not based on records maintained in these blocks.

(iv) The shortfall in achievements in respect of various items of energy devices was attributed to (a) reluctance of rural masses to adopt this technology; (b) non-availability of solar items from approved sources



and their high cost beyond the means of beneficiaries and non-installation of these items by Haryana State Electronic Development Corporation Limited (HARTRON) in time. Audit scrutiny, however, disclosed that energy devices were distributed without fixing any targets and where targets had been fixed, these were not based on demand from field offices.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i) *Raipur Rani (Ambala)* : During the year 1982-83, the DRDA Ambala, purchased 200 Solar Cookers and out of this, 170 solar cookers were distributed to beneficiaries and have been reflected as achievement. For the position of remaining 30 solar cookers, a detail reply have been furnished by the agency under para No. 3-3.12.

(ii) *Karnal block* : The IREP scheme was initiated in year 1985-86 in Karnal Block of district Karnal Grant-in-aid was received on 18-3-1986 and no expenditure was incurred in the same financial year. No physical report was submitted for the year. The cumulative progress report for the year 1985-86 and 1986-87, was sent to the Director, Science & Technology in March '87 in which progress of both the years was shown. It was just only bifurcation of the achievement against the targets fixed for 1985-86 and 1986-87. However, the expenditure was made only in year 1986-87. Omission is regretted.

(iii) *Hisar Block* : Improved chulha were installed under IREP programme as well as under Improved Chulha programme of Development Department in the same IREP block. The break-up of actual achievement under these two programme are given below.

Year	IREP	Development Department Programme on Improved Chulha	Total
1985-86	285	715	1000
1986-87	1870	130	2000
1987-88	287	677	964

The achievement figure shown is the combined achievements of improved chulha installed in Hisar, IREP block under both programme.

From the financial year 1992-93, the State Government has taken a decision that in IREP blocks, all the fixed type

Improved Chulha shall be installed by Development Department and it shall meet the expenditure from its own budget. Therefore, in future such over lapping of funding agencies shall also be avoided.

As no inflated achievement have been reported, therefore, para may be settled.

- (iv) Initially, there was reluctance on the part of rural beneficiaries to adopt new technology based devices like Solar Cooker, Improved Chulha, Solar Transistor module, electronic ballast based energy efficient tubelights, Nutan stove, pressure cooker etc. because of unawareness about its use and other benefits. In order to create awareness among the public about the benefits of these devices, the department set up energy parks & exhibition hall, organised exhibitions on very large scale on special occasions like open darbar etc., organised awareness camps, organised solar cooking competitions on Solar Cookers, Nutan Stove and Improved Chulha, involved Mahila Mandal, Mukhya Savika and Panchayat in these competitions and created awareness among public about these technologies. Now people have started to buy and adopt these technologies. This is evident from the fact that between 1985-86 to 1990-91, about 60,000 families adopted these devices. Where as during the single year of 1991-92, about 25,000 families adopted these devices. Acceptability of Solar Cooker jumped from a figure of about 3034 in last 8 years to about 6450 solar cookers in just one year of 1991-92.

Because of various benefits like sales-tax, octroi exemption and 100% depreciation benefit provided to the manufacturers of Solar, Biomass, Biogas, Wind Devices, a large number of units have come up and there is no shortage of suppliers of these equipments/systems presently. In many cases unit cos has also come down.

The programme of Solar Water Heating System of HARTRON has also been taken over by the State Council. The purchase of various devices/systems have been streamlined and it has been centralised so that delays be avoided.

As the department achievements in respect to 1990-91 and 1991-92 have made significant improvement as compared to the total achievements during the years from 1982-83 to 1989-90, therefore, it is requested that the above para may be dropped.

The committee while going through progress/achievements of various items of energy devices desired that public representatives (MLAs and MPs) of the area should also be consulted while implementing any programme of the department. The Committee further desire that while

selecting the villages/blocks for the implementation of the schemes, the public representatives must be consulted in future for the successful implementation of the programme. To implement the programme effectively in the rural areas in true spirit, the Committee recommends that officers may be advised to take the programme more seriously for the fulfilment of the aims and objectives of the schemes so that the huge public exchequer could be utilised properly for the purpose it was given. They should also visit the field offices frequently and inspect the devices installed/distributed under the scheme to ensure whether the same were working properly. The committee desired that a report on compliance to this effect to be sent to them.

[14] 3.3.12. *Distribution/accountal of solar cookers*

The following irregularities were noticed in distribution and accountal of solar cookers :—

(i) The survey carried out in November 1988 by the Economic and Statistical Advisor, Haryana disclosed that out of 56 individuals who has reportedly purchased solar cookers, 41 denied having purchased them at all. The Financial Commissioner Planning Haryana desired (November 1983) the Additional Deputy Commissioner (ADC) Ambala to take action through police against officials responsible for fictitious sale/distribution of 41 solar cookers valuing Rs. 0.17 lakh. The ADC had already lodged (September 1983) a report with the Raipur Rani Police Station. Further developments were yet to be intimated (July 1989).

(ii) In Raipur Rani block 200 solar cookers purchased in December 1982 were issued to Child Development Project Officer (CDPO) Raipur Rani and Block Development Project Officer (BDPO) Raipur Rani (100 each) for further distribution to anganwadis etc., without making any entry in the stock register. 97 solar cookers were distributed by the CDPO Raipur Rani between February 1984 and May 1984 and the balance 4 (including 1 received from BDPO Raipur Rani) were lying in stock. Out of 97 solar cookers supplied to anganwadis, 58 were received back in December 1986 as these had lesser capacity and did not serve their requirement. Of these 58, 35 were supplied (December 1986 : 15 February 1987 : 20) to CDPO Bhiwani without any requisition and the balance 23 were laying out of order in store. The accountal of 99 solar cookers valuing Rs. 0.39 lakh supplied to the BDPO Raipur Rani was, however not traceable in records of his office.

In reply to the questionnaire issued by the Committee, the department in their written reply explained the position as under :

1. The services of Shri Sunil Kumar Sharma, Assistant Project Officer (IREP) DRDA, Ambala, who had shown fictitious sale/distribution of solar cooker valuing Rs. 0.17 lacs were terminated on 19-4-1983 vide DRDA Ambala letter No. 160-62.

In order to recover the said amount judicial actions were initiated and a case was filed against him in Civil Court at

Ambala. A.D.C. Ambala vide its letter No. 36 dated 2-7-1992 has intimated that the next date of evidence for above case has been fixed on 14-7-1992.

1. As the Government has taken administrative action against the defaulting officials and his services have been terminated, therefore, the para may be settled.
2. DRDA, Ambala has intimated that out of 200 solar cookers purchased by it, 100 solar cookers were given to C.D.P.O., Raipur Rani and 100 number of solar cookers to BDPO, Raipur Rani. It has further stated that 100 number of solar cookers which were given to C.D.P.O., Raipur Rani were transferred to Bhiwani under instruction from Director, Social Welfare Department vide his letter No. 45107, dated 19-11-1986 but no official intimation was received by DRDA, Ambala about the transfer of these cookers. The exact position of store cannot be ascertained as Sh. Sunil Kumar Sharma, whose services had been terminated did not hand over the store charge to DRDA, Ambala till date. Factual position of the above case shall be known after the outcome of court verdict.
3. As mentioned in para (1) above.

The Committee desired that the entire matter regarding distribution of 200 Solar Cookers may be thoroughly enquired and a report be submitted to the Committee within a period of one month.

[15] 3.3.13. *Infructuous expenditure on installation of wind mills*

Under the IREP, Wind mills were installed in Raipur Rani block during January 1983 to December 1986 (3 supplied free of cost, 2 by Government of India and 1 by the State Agriculture department) at a cost of Rs. 0 86 lakh. In February 1986, the Additional Deputy Commissioner Ambala, informed Director, Science and Technology, Haryana that the wind velocity was not suitable in the project area and these wind mills were not capable of irrigating even half acre of land in a day and, therefore, the response of beneficiaries for installation of this energy device was poor. It was further stated that maintenance cost of these wind mills, being too high to keep them in working order, also adversely affected the scheme. Three wind mills received free of cost were ordered to be returned to the concerned department, one auctioned and the other to be kept erected at Raipur Rani for exhibition. The proposal of the Additional Deputy Commissioner approved by the Government (July 1986) had not been implemented so far (July 1989). Thus, expenditure of Rs. 0 86 lakh incurred on the installation of the wind mills was rendered infructuous.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

In the introductory paragraph on scheme, it has been stated that one of the objective of above scheme was to identify systems based on new technologies of Solar, Wind, Bio-energy which can meet our energy requirement for cooking, heating, lighting and water lifting etc. and demonstrate their working in the field, see their performance in actual field conditions and promote these systems if found viable. Otherwise report about their technical problems to the concerned implementing agencies of State/Centre Government so that through further research better design can be developed. Therefore, keeping in view the above objective of scheme, DRDA Ambala installed 5 Wind mills in order to test the field performance of these wind mills in this region. Out of 5 wind mills, only two were installed under the IREP programme.

In the field trial, it was noticed that due to large variation in seasonal wind speed in this region, there was frequent break down in washer, shaft and the locking systems of present design of these wind mills. These defects were also brought to the notice of Department of Non-Conventional Energy Sources, Government of India for initiating further action in terms of material and design, improvement. And further demonstration programme was stopped. Now, DNES Government of India has sanctioned 12 Wind Recording Stations for Haryana State in order to have complete data on wind speed, its velocity and seasonal variation in order to use these data for evolving suitable design of Wind Mills which can be effectively used for water lifting in Haryana State.

During the course of oral examination, the Committee was informed that the wind mills were installed on experimental basis and thereafter some defects were noticed by the department. The Committee was further informed that further experiment was still going on and the matter was under observation. The Committee, therefore, desire that on finalisation a report be sent to the Committee for its information.

The Committee was also informed that one wind mill is lying idle with the department and is not functional for the purpose of demonstration to the farmers. The Committee, therefore, desired that site of this wind mill be changed and put in working order immediately under intimation to the Committee.

#### [16] 3.3.15. *Evaluation and monitoring*

No evaluation of the programme was conducted to ascertain the impact of the programme on beneficiaries. No monitoring was done to ascertain as to how far the renewable sources of energy locally available in rural areas were harnessed and alternative sources of energy developed to overcome the energy crisis in rural areas.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Selective monitoring of fuel/energy saving devices distributed under the IREP programme during the year 1989-90 & 1990-91 was carried out in Karnal IREP block during the month of September 1991. The results of monitoring report forwarded by A.D.C. Karnal vide his Letter No. 4120/P.O-91/IREP, dated 4-12-1991 are reproduced below :

#### Monitoring Report in Respect of Items given in 1989-90

Items	Nos. of household covered under monitoring	Nos. of beneficiaries found possessing items	Nos. of beneficiaries using items	%age success
Solar Cooker	15	14	12	80%
Pressure Cooker	100	98	91	91%
Nutan Stove	18	18	11	61%
Solar Radio Module	30	30	30	100%
Electronic ballast Tubelight	60	60	49	82%
Biogas Plant	3	3	1	33%
Energy Efficient Motors	7	7	7	100%

#### Monitoring Report in Respect of Items given in 1990-91

Item	Nos. of household covered under monitoring	Nos. of beneficiaries found possessing items	Nos. of beneficiaries using items	%age success
1. Pressure Cooker	50	47	45	90%
2. E.E. Tubelight	50	50	46	92%
3. Solar Cooker	9	9	8	89%
4. Nutan Stove	40	40	38	95%
5. E.E. Motors	6	6	6	100%
6. Reflex Valve	9	9	9	100%
7. Biogas Plant	2	2	1	50%
8. Electric Fan Regulators	27	27	24	89%

State Government has also sanctioned a study on Socio-economic impact of IREP programme in Raipur Rani & Hisar blocks vide its sanction No. S&T/SNE/IREP/91-92/4468-71, dated 7-11-1991. This study is being carried out by an independent autonomous institute i.e. Indian Institute of Technology, Delhi. The above institute shall submit its report within 6 months (i.e. by 2-8-1992). In this regard, it is informed that a team of I.I.T. Delhi has visited Raipur Rani & Hisar blocks for field survey.

After hearing the departmental representatives, the Committee observed that no proper evaluation of the programme was conducted to ascertain the impact of the programme on beneficiaries. The Committee, therefore, recommended that sincere efforts be made by the department to closely monitor each scheme of the department. During the course of oral examination, it was brought to the notice of the Committee that the department was having a post of Scientific Advisor to implement the latest technology of the department in the rural areas of the State. The Committee, therefore, desired that a comprehensive report about the achievements made by this officer together with the details of blocks where he visited/implemented the schemes in the State be furnished to the Committee for its information.

In order to effectively execute various projects concerning non-conventional energy sources in a time bound manner, the Committee recommends that an independent Energy Development Agency be set up in the State at the earliest on the pattern of other States.

The Committee further observed that there was no provision for the training of the staff in the State. The Committee, therefore, recommended that a training institute be also set up for imparting the training to the technical staff so that the schemes of the department were implemented more effectively.

## MEDICAL AND HEALTH

### [17] 3.4. *Embezzlement*

At the request (December 1988) of State Government a special audit of the accounts of Chief Medical Officer (CMO) Karnal for the period from 8th December 1981 to 16th March 1987 was conducted during January to March and May to June 1989. It revealed an embezzlement of Rs. 0.45 lakh committed by :

(a) depicting same payments in the cash book twice	Rs. 0.11 lakh
(b) removing a page from cash book (reconstituted with reference to payment entries in acquittance rolls and difference located)	Rs. 0.10 lakh
(c) quoting fictitious particulars in the cash book and acquittance rolls	Rs. 0.10 lakh
(d) making entries in cash book for an amount more than actual payment	Rs. 0.01 lakh
(e) not depositing recovered amount of CTD from pay of employees	Rs. 0.09 lakh
(f) not purchasing the National Saving Certificates after charging the amounts in the cash book	Rs. 0.04 lakh
<b>Total</b>	<b>Rs. 0.45 lakh</b>

The department confirmed the amount of embezzlement pointed out in audit and also recovered Rs. 560 out of it.

The embezzlement was facilitated by, inter alia, following lapses on the part of the drawing and disbursing officer :—

- (i) Neither totals nor individual entries of transactions were daily attested by the drawing and disbursing officer in the cash book.
- (ii) Attestation of certain individual payment entries in cash book without defacing the acquittance rolls as 'Paid' and thus enabling their re-use for second time.
- (iii) It was not ensured that amounts drawn from the treasury had actually been disbursed to persons for whom it was drawn.

The matter was reported to Government in July 1989; reply has not been received (April 1990).



In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

When government found that the Drawing & Disbursing Officer i.e. Civil Surgeon, Karnal was not exercising the prescribed checks then a special audit of the account of C.M.O. Karnal for the period from 8-12-81 to 16-3-87 was got conducted and it was found an embezzlement of Rs. 0.45 lakhs on account of :-

(a) Depicting same payments in the cash book twice	Rs. 0.11 lakh
(b) removing a page from cash book (re-constituted with reference to payment entries in acquittance rolls and difference located)	Rs. 0.10 lakh
(c) Quoting fictitious particulars in the cash book and acquittance rolls	Rs. 0.10 lakh
(d) Making entries in cash book for an amount more than actual payment	Rs. 0.01 lakh
(e) Not depositing recovered amount of CTD from pay of employees	Rs. 0.09 lakh
(f) Not purchasing the National Saving Certificates after charging the amounts in the cash book	Rs. 0.04 lakh
<b>Total :</b>	<u>Rs. 0.45 lakh</u>

The C.M.O. held the following official responsible for the amount shown against :-

1. Shri Baldev Raj Cashier	Rs. 560.00
2. Shri Ramesh Kumar Cashier	Rs. 44329.27
	<u>Rs. 44889.27</u>

Sh. Baldev Raj deposited Rs. 560 Sh. Ramesh Kumar the then cashier committed suicide on dated 10-8-87.

It was evident from the report of the audit that no prescribed checks were made by the D.D.O. i.e. C.M.O. Karnal and the other officers working under him to whom the powers were authorised.

The explanation of the concerned officers were called due to their negligency and necessary disciplinary actions are being taken by the Deptt./Govt.

Two officials whose position has been explained in the above reply were defaulters. Sh. Baldev Raj, Cashier has deposited the amount into Haryana Treasury during the course of special audit. Sh. Ramesh Kumar the then Cashier committed suicide in the office on dated 10-8-87 and no recovery could be effected from him. However the amount of gratuity of the deceased employee has been with held.

The position of recovery has been explained in the reply above. The department is also taking action to recover the embezzled amount from the concerned officers.

After hearing the Departmental representatives, The Committee recommends that the entire amount be written off and the amount of gratuity be paid to the children of the deceased.

The Committee desired that the instructions be issued to all the Drawing and Disbursing officers of the Department to remain more careful in future so that such type of irregularities may not occur in future.

[18] 5.6. Stores and Stock

#### 5.6.6. Pilferage of material

(a) In Badshah Khan Hospital Faridabad, stores valuing Rs. 0.53 lakh were pilfered (August 1987 to March 1989) by a store keeper who issued stores on fictitious indents. On being pointed out in audit (May 1989), the department confirmed (June 1989) pilferage and stated (July 1989) that orders for effecting recovery from the defaulting official had been initiated.

(b) Eight officials (Senior Malaria Inspector 2; Health Inspector : 4; Multipurpose worker 1; Laboratory technician 1; pilferage (May 1986 to October 1986) inscribed valuing Rs. 3.24 lakhs) Sirsa : Rs. 1.76 lakhs; Kurukshetra : Rs. 0.96 lakh and Karnal Rs. 0.52 lakh) and were chargesheeted during February 1987 to April 1987. While recovery of Rs. 0.02 lakh against one official has been ordered (April 1989) action against remaining officials involving an amount of Rs. 3.22 lakhs was yet to be taken (July 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Rs. 37,000/- has been recovered upto July, 1992 and the balance recovery of Rs. 16,571/- is being recovered at the rate of Rs. 1000/- per month from the official.

The latest position regarding action taken against the officials is as under :-

#### 1. Sh. Abdul Sitar MPHS (Male)

The employee has been served upon a show cause notice for the recovery of Rs. 18931-60 and stoppage of two increments with commulative effect.

**2 Sh. Avtar Singh MPHS (Male)**

After enquiry the employee was not found guilty for Rs. 4280/-. Accordingly the matter has been filed.

✓ **3. Sh. Ram Narain MPHS (Male)**

Charge-sheet had been served to the employee for Rs. 33,483/- through Civil Surgeon Sirsa. Reply from the employee and comments of C.S. Sirsa has been received. After this the comments of this report have been called from DHS (Malaria) and reply still awaited.

**4. Sh. Dalip Singh SMI (The then L.T.)**

Dr. K. L. Sethi Distt. School Medical Officer Jind has been appointed enquiry Officer. The enquiry report is still awaited of B.H.C. for Rs. 24,731-47.

**5. Sh. Fetah Singh MPHS (Male)**

Case is pending in the Labour Court at Panipat for Rs. 49,000.

**6. Sh. Gurcharan Singh SMI**

The enquiry report has been received in this office and further process going on for 1989-56 K.G. of B.H.C.

**7. Sh. Des Raj Nijhawan, SMI.**

Enquiry report is still awaited. Necessary record called from Director General of Police/Suptd. Police, Yamuna Nagar for 5524 kg. of B.H.C.

**8. Sh. Dalbara Singh M.P.E.W. (Male)**

One increment with commulative effect was withheld of Shri Dalbara Singh M.P.H.W. vide D.H.S. (Malaria) Haryana letter No. ECCD/M-2/90/8739-44 dated 19-6-90 and recovery of Rs. 1391-75 Paisa was also imposed on the official for short/non account of B.H.C. Necessary instructions have been issued to the District Officers to be vigilant and keep proper check to avoid occurrence of such lapses in future.

The Committee desired that after effecting the complete recovery, intimation be sent to the Committee.

The Committee further desires that the action against the defaulting officials be completed without any further delay and the report to this effect be sent to the Committee.

## LABOUR AND EMPLOYMENT

### [19] 36 Inadmissible payments

Prior to 1st March 1986 (effective from January 1979), the facility of medical attendance and treatment at the Employees State Insurance (E.S.I.) Hospitals and dispensaries was being availed of by the State Government employees and their family members serving under E.S.I. Scheme. From 1st March 1986, the facility of reimbursement of medical charges to employees for outdoor medical treatment was withdrawn and instead, fixed medical allowance of Rs. 150 per annum was sanctioned in May 1986. In October 1986, Government, however, allowed an option to its employees either to avail the facility of fixed medical allowance as sanctioned in May 1986 or free medical outdoor treatment as existed prior to 1st March 1986.

A test check of the accounts of E.S.I. Hospital Faridabad (May-June 1987) disclosed that Rs. 0.68 lakh were paid between October 1986 and February 1987 as fixed medical allowance to those employees of the Hospital and its two attached dispensaries who had, though, opting for the fixed Medical Allowance also simultaneously availed of free medical out-door treatment during this period. The payment of fixed Medical Allowance was still continuing (April 1989).

No recovery had so far been made from any of the employees (April 1989). The department had, however, approached (February 1989) the Government for not effecting any recovery in these cases on the plea that the employees were getting these medicines from outdoor Patient Department (O.P.D.) which were available in the E.S.I. hospitals/dispensaries and no extra facility either by way of reimbursement or otherwise was provided to them. Decision of the State Government was awaited (April 1989).

The matter was referred to Government in May 1989, reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

1. The payment of medical allowance is being made to E.S.I. employees as per the Govt. instructions, but no medicines are being provided to ESI employees from ESI Hospitals/Dispensaries.

2. The total fixed medical allowance recoverable from the employees of ESI Hospitals/Dispensaries, Faridabad is Rs. 1.90 lakhs. Sh. Jit Singh, Assistant and other employees of ESI Hospitals/Dispensaries of Faridabad District have filed a Civil Suit V/s Haryana State in the Court of Sr. Sub Judge, Faridabad on 26-5-90 against the

recovery of fixed medical allowance. Sr. Sub-Judge had granted an interim stay against the recovery of fixed medical allowance till the decision of case.

**The Committee desired that the Department should initiate action to get the ex-parte stay vacated from the Court of Senior Sub Judge, Faridabad so that the balance amount be recovered without any further delay.**

## HOME

[20] 3.7. *Injudicious purchase of cloth*

The Superintendent of Police (SP) Hissar purchased cloth worth Rs. 3.66 lakhs consisting of Serge, terricot, drab mixture cloth etc. for uniforms of 150 Traffic Jawans during May 1982 to March 1983 even though the requirement assessed and indented for by the Clothing Head Constable (CHC) was for Rs. 0.86 lakh only. The reasons for inflating the quantity originally indented for by the CHC was neither on record, nor furnished by the SP, Hisar. Though the CHC approached (September 1984) the SP for eliciting the demand from other Police Units for utilising the surplus cloth, no action was taken by the SP. Meanwhile, cloth valuing Rs. 2.16 lakhs (59% of the quantity purchased) had been utilised leaving a balance of cloth valuing Rs. 1.50 lakhs (March 1989).

The injudicious purchase of cloth, thus, resulted in blocking of funds of Rs. 1.50 lakhs for the last six years.

The matter was reported to Government in June 1989; the reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

As regards extra clothing purchased at Hisar some general explanation is necessary, The acquisition of clothing items takes very long time. First, the requirement is assessed one year in advance for the coming year as after the cloth has been procured, it is to be stitched also and then only it can be issued. The arrangement has been, since time immemorial that cloth to be issued in summer is stitched in earlier winter and that to be issued in winter is stitched in earlier summer, which means that the process of stitching should start six months before the issue. The cloth as such has to be procured six months in advance of the date of issue. Coming to procurement part, the indent is sent to the Director, Supplies & Disposals who prepares NIT which is published in the press, with certain amount of statutory notice to be given. The process takes almost three months after sending the indent and by the time the NIT appears in the press. Then the rates, the samples etc. are screened and examined for quality etc. by the technical Committee. If tenders, prima facie, are not satisfactory or quality not suitable then retendering may have to be done. This happens in atleast every 3 d case if not more. Retendering takes atleast two months. Matter is then referred to High Powered Purchase Committee where also it takes some time. When it is approved by the High Powered Pur-

chase Committee, the firm is given two months for offering goods for inspection. The inspection party draws samples which are sent for testing. Test houses take another month to two. When test results are received and these are satisfactory then the firm is asked to deposit security which may take another month & it is only after the security has been deposited that supply order is placed and goods are received by the Units after another month. If the sample drawn from the suppliers fail then the process has to be re-started. If all goes well, the supplies take a minimum of one year. If any recruitment is expected against new posts, we have to provide them uniform etc. immediately on appointment. We have to plan for uniform almost year and a half in advance, for otherwise, if the jawans come, they will not get uniform and if they are given uniform out of existing stocks, regular Jawans will not get the same. It is in this context that during last few years, there was problem of supply of uniform and most important reasons were delayed acquisition of cloth and heavy recruitment, as about 7,000 posts were sanctioned between 1987 and 1989. In Hisar, in the year 1983, we were expecting fresh sanction, stores were purchased accordingly but unfortunately the sanction did not come.

No recruit can be imparted any training without uniform and no policemen can be deployed on duty without uniform. It will be much costly to the State to pay to the policemen for six months without uniform. The loss of interest in keeping stores is absolutely insignificant as compared to the wages to be paid to constabulary without working. As such we have to maintain some stocks but then the stocks need not be disproportionate.

Sr. No.	Name of cloth	Date of receipt	Quantity of cloth
1.	Cellular Cloth White	11-6-82	2300 Mtrs.
2.	Drill Cotton Blue	3-8-82	1800 Mtrs.
3.	Drill Cotton White	3-8-82	1600 Mtrs.
4.	Malmal White	11-6-82	1400 Mtrs.
5.	Terricot white	21-5-82	300 Mtrs.
6.	Terricot White	7-7-82	1000 Mtrs.
7.	Tericot Blue	21-5-82	1200 Mtrs.
8.	Serge Blue	5-6-82	1200 Mtrs.
9.	Durb Mixture	24-7-82	1375 Mtrs.

These quantities of cloth are basically meant for providing dresses to traffic constables. As traffic staff was very badly needed and expected to be sanctioned, the purchase was made in good faith. Subsequently, some unutilised cloth was transferred to the Districts of Sirsa and Jind and Gurgaon. It is correct that we should have utilised this cloth alternately earlier. Point has been noted and will be complied with in future. This is correct that there was a little over-purchase which could have been avoided. The person responsible would have been warned but he is retired. Since no loss has been caused to the State, it will not be of use to pursue it any further though the point has been noted. It is requested that this para may kindly be dropped.

During the course of oral examination of the departmental representatives, the Committee was informed that the cloth was purchased for the uniforms as there was a proposal for new recruitment of the staff, but later on the said proposal was dropped due to certain reasons. The Committee is very much convinced with the reply given by the department. On an assurance given by the D.G.P., Haryana, that the balance cloth is still lying in the store of Police Lines, Hisar and is perfectly in a good condition. The Committee, therefore, recommends that this cloth be disposed of immediately to avoid any further blockade of money and the report to this effect be sent to the Committee.



## REVENUE

### [21] 3.8. *Irregular drawal of Gratuitous relief*

For damages caused to standing crops in Ambala District, by hail-storms in March 1986 Government sanctioned (April 1987) a sum of Rs. 19.36 lakhs for disbursement as gratuitous relief to the farmers of District Ambala whose standing crops were destroyed by hail-storm after conducting special girdawari (assessments through special measurements) and its checking by specified authorities

Audit of the accounts of Deputy Commissioer (DC) Ambala (October—November 1988) disclosed that out of a sum o Rs. 10.37 lakhs drawn from treasury in May 1987, Rs. 10 lakhs were sent (May 1987) through bank drafts to the Sub Divisional Officer (Civil) Jagadhri for disbursement in Jagadhri and Chhachhrauli tehsils. The amount was not disbursed as D.C. Ambala reported that the special girdawari had not been conducted (September 1987) to assess the quantum of damages caused to the crops in these tehsils. It has come to notice during audit of Tehsildar Jagadhri that special girdawari had been conducted and checked checked by the Halqa Kanungo but no cheks by circle Revenue Officers and other officers as required under instructions were exercised. Meanwhile, the amount of Rs. 10 lakhs was retained in a current account from March 1988 to February 1989 and refunded to Government in March 1989 only. Thus, retention of funds of Rs. 10 lakhs outside Government treasury from May 1987 to February 1988 and in a current account from March 1988 to February 1989 not only deprived Government of the benefit of gainful utilisation of money but also allowed the bank a favour to avail undue financial benefit of interest of Rs 1.00 lakh calculated at 10 per cent per annum.

The matter was reported to Government in January 1989; they stated (July 1989) that officer responsible for retaining the amount in current account was being proceeded against.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

“According to the Government instructions issued in the year 1981, no amount of gratuitous relief so sanctioned for disbursement amongst the hailstorm affected farmers should have been drawn from the treasury before 100% checking of special girdawari by CRO and 25% by SDO etc. But in the present case the amount was drawn but not disbursed. For this lapse the officers responsible are being proceeded against by the Chief Secretary.

The Commissioner Ambala Division was appointed as Enquiry officer to look into the matter. On the basis of his enquiry report the then SDO (C) Jagadhri Sarvshri P.P.S. Sawhney,

IAS and Pardeep Kasni, HCS have been found responsible for keeping the amount of Rs. 10 lacs in current account in SBI Jagadhri. The Chief Secretary Haryana who is their appointing authority was requested to proceed against them. The Chief Secretary vide his U.O. No. 20/18/93-S(1)/dated 14-5-93 has intimated the decision of the Govt. to initiate disciplinary proceedings against Sarvshri P.P.S. Sawhney, IAS and Pardeep Kasni, HCS for the irregularities committed by them while working as S.D.O.(C) Jagadhri.

In each case whenever any sanction for disbursement of gratuitous relief is issued, a condition is imposed that only such amount may be drawn as is actually required and whatever amount is left unspent may be refunded to Govt. by RTR or through Excesses and Surrender. Officials contravening these instructions are proceeded against departmentally."

The Committee desired that the action against the concerned officers who were held responsible for the lapse be finalised at the earliest and the Committee be informed of action taken.

### [22] 3.10. *Embezzlement*

On noticing some irregularities in the accounts of District Nazir (DN) under Deputy Commissioner (DC) Gurgaon, a special audit party deputed from 1st to 3rd June, 1989, detected that the cash book had not been completed from 9th March, 1987 onwards and an amount of Rs. 1.12 lakhs collected against receipts issued, had not been deposited into treasury. This was pointed out to the Deputy Commissioner on 3rd June 1989 for appropriate action. The Deputy Commissioner said (22nd June 1989) that one of the relatives of the defaulting official had deposited into treasury on 19th June 1989, the amount reported by Audit as having been received but not deposited in the treasury.

Test check of account conducted in July 1989 further revealed that rent of booths and shops constructed in Mini Secretariat, Gurgaon as realised from September 1986 to March 1989 was short deposited in the treasury to the extent of Rs. 1.11 lakhs by not entering the realised receipt in the cash book and by keeping the cash book incomplete. Though the embezzled amount was finally found to be Rs. 1.11 lakhs, the amount made good there against was Rs. 1.12 lakhs.

The embezzlement was *inter alia* facilitated due to non-observance of following provisions of financial rules :

(i) All monetary transactions should be entered in the cash book as soon as they occur and attested by the head of the office in token of check.

(ii) The cash book should be closed regularly and completely checked.

(iii) A consolidated receipt for all remittances made during the previous month should be obtained from treasury by 15th of each month.

(iv) All departmental receipts collected during the day should be credited into treasury on the same day or at the most, the following day.

The matter was reported to Government in July 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

1. Deputy Commissioner, Gurgaon has intimated that an amount of Rs. 1,11,982.40 embezzled by Sh. Shiv Darshan, Clerk has been recovered on 19-5-90. He has also informed that the Audit Party of the A.G. has dropped the relevant audit para during the course of audit conducted in July, 1992.
2. Disciplinary action against the defaulting official has since been taken under rule 7 of the punishment and Appeal Rules. The enquiry officer has been appointed. The report of the enquiry officer is still awaited.

After hearing the departmental representatives, the Committee observed that the dealing official had kept a huge amount i.e. Rs. 111 lakhs un-authorised with him instead of depositing the said amount in the treasury from March, 1987 to May, 1990 yet no action was initiated against him by the Department. The Committee was at pain to observe that the Controlling Officer also did not take notice of this fact. The inquiry in the matter and action has also been badly delayed.

The Committee was of the view that it must had been done with the knowledge of Controlling Officer for which he is equally responsible. The Committee was also not satisfied with the explanation given by the the Department in this regard. The Department could not explain why the FIR was not lodged against the defaulting official. The Committee, therefore, recommends that the entire matter be enquired and the responsibility be fixed against the responsible officer/official and the outcome of the enquiry be intimated to the Committee accordingly.

## EDUCATION

### [23] 3.11. *Embezzlement*

Test check of accounts of Government College Gohana for the period December 1985 to December 1988 conducted in January 1989 disclosed that amount of Scholarships/stipends received through bank drafts from various sources was retained in a saving bank account pending payment to eligible students through cheques. On comparing counterfoils of cheques with bank statements it was noticed that a clerk of the college withdrew a sum of Rs. 0.41 lakh during July 1987 to October 1988 against thirteen cheques out of which twelve cheques, as per counterfoils, were issued to students for Rs. 0.04 lakh while counterfoil of thirteen cheques was blank. Drawal of amount by the clerk was facilitated by issue of ten original cheques in his name and three bearer cheques in favour of students of different names and amount than that indicated on a counterfoils. Amount so drawn was not disbursed to students and its embezzlement was confirmed when actual payees receipts (APRs) were found to have not been received in the Directorate of Higher Education, Haryana (DHE) from where the bank drafts were received. No First Information Report (FIR) was lodged by the Institution (June 1989).

Financial Rules enjoin upon drawing officers to see that payments are made to persons entitled to receive them and to satisfy Audit with complete vouchers in support of payments. Audit of accounts of Scholarships/stipends drawn by DHE conducted in March-April, 1989, however, revealed that an amount of Rs. 164.47 lakhs was remitted during December 1987 to February 1989 for disbursement to students (through various Government institutions; Rs. 43.06 lakhs; non-Government institutions within the State : Rs. 119.53 lakhs and institutions outside the State : Rs. 1.88 lakhs) but in contravention of aforesaid provisions of rules and other relevant instructions, the disbursing institutions were allowed to keep APRs with them. It was also noticed that a sum of Rs. 139.53 lakhs out of above amount was paid to disbursing institutions without furnishing names of the students entitled to receive it as required under the schemes.

The Directorate stated in March 1989 that in place of APRs, the institutions responsible for disbursement of amount were asked to furnish disbursement certificates only and checking of APRs was got done by deputing departmental auditors to institutions concerned. The procedure adopted by the department was not in accordance with the rules instructions.

Non-compliance of rules and orders on the subject by the department resulted in :

(i) embezzlement (Rs. 0.41 lakh) in Government College Gohana and

(ii) non-rendering of account of actual expenditure and consequential exclusion from the purview of audit scrutiny the disbursement of entire amount of Rs. 164.47 lakhs.

The department stated (October 1989) that the concerned official was placed under suspension in April 1989 and an amount of Rs. 0.40 lakh recovered from him till date.

The matter was referred to Government in May 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The Directorate of Higher Education has evolved fool proof method by sending the Bank Drafts of Adhoc Advance and balance amount of scholarships to S/C students by sending instructions with very amount of Scholarship, it is made clear while appending sanction. It is clearly mentioned therein that the payment to the students be disbursed through payee's account cheques. The Principal of Govt. College Gohana (Sonepat) did not act upon deptt. orders.

The FIR was not lodged with the police against Sh. Krishan Kumar, Clerk as he had been depositing the amount of embezzlement from time to time.

The orders were clear but the principal and the clerk did not comply with the orders issued from time to time to various principals of Govt./Private Colleges. The principal and the clerk Sh. Krishan Kumar were responsible for the lapses. The matter of embezzlement came to the notice of Director Higher Education on 3-4-1989 after the retirement of Sh. P.C. Jain, Principal, Govt. College Gohana (Sonepat) who retired on 30-9-1988.

Immediately an amount of Rs. 40,000 was got with-held from the gratuity of the officer by the Department. Later on receipt of intimation that entire amount of Rs. 42,210 embezzled has been recovered from the clerk, the withheld amount of gratuity of the Principal was released by the Department.

Sh. Krishan Kumar, Clerk while working in Govt. College Gohana (Sonepat) Embezzled amount of Rs. 42,210 of Scholarship and other funds. He was placed under suspension on 4-4-1989. Thereafter he was charge-sheeted under Rule-7 vide order No. 5/116-88-ME(I) Dt. 2-4-90. He submitted his reply on 23-4-90 and after consideration his reply was found unsatisfactory. In order to examine the matter thoroughly and an enquiry officer was appointed to probe into the matter vide this office order No. 5/116-88-ME(I) Dt. 1-6-90. The enquiry officer submitted his report on 31-7-91. As per enquiry officer's

report, all the charges levelled against Sh. Krishan Kumar, Clerk were stand proved against him. He was reinstated on 4-9-90.

The competent authority after examining the enquiry report proposed the following punishment :

- (i) His two increments may be stopped with cumulative effect.
- (ii) His ACR be categorised as "Average" for the year 1988-89.

For this purpose the official concerned was given a show cause notice vide this office letter No. 5/116-88-ME(I) Dt. 26-12-91. The official submitted his reply on 20-1-92. In his reply he made a request to give him a personal hearing before taking the final decision. Accordingly the competent authority acceded his request and give him the date 14-7-92 for personal hearing. Final decision is yet to be taken.

The entire amount has been deposited by him in instalments.

During the course of oral examination of the Departmental representatives, the Committee observed that the Department has taken a very lenient view against the delinquent official by stopping the two increments. The Committee is not satisfied with the above said action of the Department and recommends that the Department should re-examine this case in the light of registering a criminal case against the concerned official.

The Committee also observed that the procedure of disbursement of stipend to the eligible students is very much defective. The Committee, therefore, recommends that the stipends should be disbursed quarterly instead of yearly and a fool-proof system be adopted to avoid this type of embezzlement in future and a detailed procedure so adopted by the Department be also intimated to the Committee.

The Committee further desired that the break-up of the amount of Rs. 164.47 lakhs which has been disbursed to the Harijan students, college-wise be intimated to the Committee within a period of three months. The Committee, further, recommends that the internal audit system of the Department be also streamlined to avoid such type of irregularities in future.

#### [24] 3.12. Outstanding Audit Observations

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

A review of the position of outstanding audit observations pertaining to the Education Department issued upto December 1988 disclosed that 117 items involving an amount of Rs. 1.75 lakhs were outstanding at the end of June 1989. These included 37 items (Rs. 0.28 lakh) pertaining to years 1983-84 to 1985-86; 38 items (0.92 lakh) to 1986-87; 18 items (Rs. 0.54 lakh) to 1987-88 and 24 items (0.01 lakh) to 1988-89.

The audits observations were of the following categories :—

Serial	Nature of observations	Number of items	Amount involved (in lakhs of rupees)
For want of :—			
1	Excess payment due to wrong pay fixation	48	0.86
2	Purchase of science material equipment from unapproved sources	12	0.78
3	Excess payment of pay and allowances and TA/DA including other miscellaneous items	57	0.11
		117	1.75

The matter was referred to Government in August 1989 reply has not been received (April 1990)

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

“The latest position of outstanding audit observation as on 30-6-92 is as under :—

Nature of observations	Year	No. of Item pending	Amount involved (In lakhs Rs )
Excess payment due to wrong pay fixation	1983-84 to 1985-86	18	0.17
	1986-87	7	0.14
Purchase of Science Material Equipment from the unapproved source	1986-87	3	0.22
Excess payment of pay and allowance and TA/DA including other miscellaneous items.	1983-84	5	0.04
	1986-87	1	0.00 (Rs. 107.00)
		2	0.00 (Rs. 37.50)
Total		36	0.57

Out of 117 items 81 items involving an amount of Rs. 1.18 lakhs have been dropped. Efforts are being made to dispose off the remaining outstanding 36 items.

The Committee recommends that the remaining 23 items involving amount of Rs. 48,000 of audit observations be disposed of within a period of three months and report to this effect be intimated to the Committee.

## AGRICULTURE

### [25] 3.13. *Outstanding inspection reports and paragraphs*

The Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to heads of offices and to next higher departmental authorities through inspection reports. More important irregularities are reported to the Heads of Departments and Government. The Government has prescribed that first replies to inspection reports should be sent within four weeks.

A review of outstanding inspection reports relating to Agriculture Department, disclosed that at the end of June 1985, 282 inspection reports issued upto December 1988 still contained 771 unsettled paragraphs; year-wise break up of which is given below :—

Year	Number of inspection reports	Number of paragraphs
1983-84	6	7
1984-85	15	40
1985-86	42	134
1986-87	67	204
1987-88	74	193
1988-89 (up to December 1988)	78	193
<b>Total</b>	<b>282</b>	<b>771</b>

Out of these 282 outstanding inspection reports issued during April 1983 to December 1988, first replies to 176 inspection reports (1984-85 : 13, 1985-86 : 31, 1986-87 : 52, 1987-88 : 33 and 1988-89 : 47) had not been received till June 1989; and in the case of remaining 106 inspection reports, the delay in sending first replies in respect of 97 reports ranged from one year to three years (92 reports : upto one year 5 reports; more than 1 year and upto 3 years) and replies in respect of 9 inspection reports only had been received within the stipulated period of four weeks.



The more important types of irregularities noticed during inspection and local audit are summarised below :

Serial number	Nature of irregularity	Number of cases	Money value involved (in lakhs of rupees)
(i)	Non-observance of rules relating to custody and handling of cash, posting and maintenance of cash books, reconciliation of departmental receipts and remittances with the treasury records etc.	143	346.63
(ii)	Irregularities connected with purchase of stores	117	255.34
(iii)	Irregularities in the account of stores	90	25.14
(iv)	Irregular, excess and wasteful expenditure due to appointment of staff etc.	196	783.30

The matter was reported to Government in April 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

In order to dispose of pending paras, meetings were held at various district headquarters namely Karnal, Kurukshetra, Hisar, Sonapat, Bhiwani and Gurgaon by officers of Directorate of Agriculture with representatives of A.G. (Audit) during the year 1990-91 and a substantial number of paras were got settled. Thereafter, follow up action was taken with the concerned offices. As a result, as many as 479 paragraphs out of 771 have been got settled. So far as remaining paras are concerned, strenuous efforts are being made to get the outstanding paras settled at the earliest after fixing the dates of meetings with A.G. office for which request has already been made to A.G. Haryana.

2. The delay is regretted. Now strict instructions have been issued to all the D.D.Os to send initial replies to the audit paras within the stipulated period of four weeks meticulously. It has also been made clear to them that disciplinary action would be taken against the officer/official found delinquent in dealing with the audit paras.

3. The year-wise position of outstanding inspection reports paragraphs is given as under —

Sr. No.	Name of Year	Total No. of I/R & Paras as per C.A.G. Report		Settled upto 31-3-93		Balance	
		I/R	Paras	I/R	Paras	I/R	Paras
1	2	3	4	5	6	7	8
1.	1983-84	6	7	5	6	1	1
2.	1984-85	15	40	5	25	10	15
3.	1985-86	42	134	26	97	16	37
4.	1986-87	67	204	33	131	34	73
5.	1987-88	74	193	33	123	41	70
6.	1988-89	78	193	11	97	67	96
		292	771	113	479	169	292

During the course of oral examination, the Committee observed that even the very old outstanding audit objections i.e. from the year 1983-84 onwards are still lying unsettled. The Committee recommends to the Department that these audit objections be settled within a period of two months and the progress in this regard be intimated to the Committee.

## IRRIGATION

[26] 4.3. *Sub standard execution of work*

23/12/05

The Government decided (May 1981) that some works should also be checked by the State Vigilance Bureau (SVB). Accordingly, SVB selected the work of single layer tile lining in reach RD 3000-7350 of Sunari Minor, which was allotted to a contractor in March 1983 by the Executive Engineer, Canal Lining Division No. 23, Rohtak. The work in reach RD 3000-6820 was completed (January 1985) at a cost of Rs. 1.46 lakhs.

The SVB checked the work in December 1984, when it took three samples of mortar used in lining work in the presence of three engineers of the department and got them analysed from the Forensic Science Laboratory, Madhuban. On the basis of test results (May 1985), the SVB declared (December 1985) the work as sub-standard as only 410 bags were found to have been used on lining against the required consumption of 1044 cement bags as per design/specifications.

In January 1988 Chief Engineer, Irrigation called for the comments on the SVB findings from the field officers. The then Executive Engineer justified (June 1988) the reduced consumption of cement due to receipt of short weight in cement bags losses in loading and unloading and possibility of discrepancy in laboratory report. This contention of the Executive Engineer did not agree with the records of the division as neither was the receipt of less cement recorded in store accounts/MAS accounts nor was any test from any other laboratory got conducted.

During audit (July 1988) it was noticed that after taking into account the consumption of cement used in coping (Not taken into account by the SVB) and allowing 5 per cent excess consumption (permissible under PWD specifications), the total consumption of cement worked out to 590 bags against 1478 bags shown as consumed. This resulted in pilferage of 888 bags of cement worth Rs. 0.67 lakh (at the penal rate of Rs. 75.48 per bag). Further, 22689 tiles worth Rs. 0.20 lakh (at penal rate of Rs. 866 per thousand) were also found consumed in excess of norms.

Explanations of the concerned officers/officials were submitted to the Superintending Engineer (June 1989), but final action taken in the matter has not been intimated (April 1990).

The matter was reported to Government in July 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position

as under :

With regard to the excess use of cement, the explanations of the concerned officials/officers were considered on merit taking into account the technical aspects and was found satisfactory. The Govt. have already decided to file this case.

As per cement consumption formula adopted by the Department the net consumption comes to 1440 bags against which 1478 Nos. bags were actually issued. There is nominal excess consumption of 38 bags only which is only 2.2% and is within the permissible limit of 5%. Hence no recovery on account of excess consumption of cement is due.

However for the excess consumption of 22689 Nos. tiles responsibility is being fixed on the J.E./S.D.O. concerned, who failed to detect excess consumption.

During the course of oral examination, the Committee was informed that the responsibility had been fixed on the J.E./S.D.O. concerned who failed to detect the excess consumption of 22689 tiles. The department further informed the Committee that the concerned officials were charge-sheeted during the month of June, 1993 and October, 1993 respectively. The Committee was constrained to observe that the said case pertained to year 1985 and the Department initiated the action during the year 1993 i.e. after eight years. The Committee failed to understand as to why the Department did not initiate action against the concerned officials well in time. The Committee was of the view that the action was initiated by the Department only after the receipt of the notice of the Committee. The Committee, therefore, desired that responsibility be fixed against those officers who kept the file with them and did not bother to initiate the action within a reasonable time and the Committee further desired that a detailed report to this effect be sent to the Committee for its consideration.

The Committee also recommended that action against the J.E./S.D.O. who failed to detect excess consumption of tiles be completed within a stipulated period under intimation to the Committee:

[27] 4.4. *Under utilisation of Crawler Tractors*

23-12-05  
Under the scheme, "Modernisation of existing channels—project—phase 1", Irrigation Department placed an order in October 1980, through the Controller of Stores, Haryana, for purchase of 24 Honomag Jessop Crawler Tractors valuing Rs. 88.80 lakhs for compaction of earth work of existing channels, without obtaining administrative approval. The firm, supplied (September 1981—June 1983) these tractors to Executive Engineer, Canal Lining Division 14, Rohtak which were distributed amongst six lining mechanical divisions during October 1981 to March 1985. The phase 1 of the project (modernisation of existing channels) was completed in February 1983.

A test check (August 1985) relating to the working of these tractors revealed as under :

(i) Against Central Water Power Commission (CWPC) norms of 168160 hours (at the rate of 1050 hours per tractor per year) provision

of 71974 hours (43 per cent) for their working was made in the estimates by the department, against which tractors actually operated for 12292 hours (17 per cent) during 1981-82 to 1988-89, as indicated below :—

Year	Tractors available	Working hours as per CWPC norms	Working hours provided in departmental estimates	Tractors put to use	Actual hours tractors used	Shortfalls			
						Compared to CWPC norms		Compared to departmental provisions	
						Hours	Percentage	Hours	Percentage
1	2	3	4	5	6	7	8	9	10
1981-82	8	2980	1275	3	603	2377	80	672	53
1982-83	18	14860	6886	8	1355	13505	91	5531	80
1983-84	24	24320	11268	14	2472	21848	90	8796	78
1984-85	24	25200	13226	20	2938	22262	88	10288	78
1985-86	24	25200	12236	16	1934	23266	92	10302	84
1986-87	24	25200	12180	13	1902	23298	92	10278	84
1987-88	24	25200	9723	10	848	24352	97	8875	91
1988-89	24	25200	5180	6	240	24960	99	4940	95
		168160	71974		12292	155868		59682	

(43 per cent) (17 per cent)

Thus tractors remained under-utilised ranging from 80 per cent to 99 per cent and 53 per cent to 95 per cent as compared to CWPC norms and the departmental provision respectively.

(ii) 10 tractors were issued for field works after 6 months to 38 months of their receipt.

(iii) One tractor valuing Rs. 3.70 lakhs received in December, 1982, though issued for field work had not been put to use on any work.

(iv) Even after receipt of tractors for compaction of earth work on the existing channels, the department continued to get compaction work done by employing casual labour.

Under utilisation of these tractors was attributed (January 1988) by Executive Engineers Mechanical division Karnal and Rohtak to non-availability of works in Civil divisions or less work being entrusted by these divisions as most of the channels were of small capacity where running of these tractors was not practicable. Thus, tractors worth Rs. 88.80 lakhs were purchased in October 1980 without assessing actual potential requirements resulting in massive under utilisation.

The matter was reported to Government in August 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

1. The under utilisation of Crawler Tractors is attributed to the following factors :—

(a) The Crawler Tractors are to be utilised for compaction work on channels to be lined under the project of "Modernisation of existing channels". The lining work of these channels depend upon the availability of closures. The Central Water Commission has fixed the norms for the use of machinery taking into consideration that the work continues for the whole year where new canals are to be constructed/lined. But in the case of modernisation of existing canals the work is executed during a limited period only when the canal is closed. Besides there are no closures in canal system during monsoon period.

(b) Secondly compaction through Tractors is possible on main canals Branch canals where the width of the new banks to be constructed is more than 8 feet (large). On small channels the required compaction width (being small), the compaction had to be got done through manual labour. However the department has tried its best to use these tractors to the maximum extent on main channels.

2. The tractors were issued to the various field divisions depending upon the exigencies of compaction works

3. As already explained in para 2 supra; the tractors were issued to the field divisions as per exigencies of the work. This tractor was also subsequently brought into use on work.

4. As already explained in para-I supra, the tractors could be used on canals where these have been put to use to the maximum possible extent. On small channels these tractors could not be used as the width of the banks required to be compacted was of small width

At the time of oral examination, the Committee observed that the tractors worth Rs. 88.80 lakhs were purchased without assessing actual potential requirements resulting in massive under utilisation. The Committee was not satisfied with the reply given by the Department. The Committee, therefore, desired that the complete report which was placed before the High Powered Committee to justify the purchase by the Department be furnished to the Committee so as to enable the Committee to visualise the actual situation and the peculiar circumstances under which the purchase of these tractors was made.

The Committee, further desired that the latest information regarding the utility of these tractors in the Department at present be also furnished to the Committee.

[28] 4.5. *Excess Payment of Earth Work*

(a) In Bhiwani Construction Division II, 1.35 lakhs cums of earth work of Talwani Sub Minor, Mandholi Minor and Isherwal Distributary were got executed during March 1987—January 1988 at a cost of Rs. 5.93 lakhs. These works were transferred to Hansi Construction Division, Hansi in February 1988. The works were got re-measured (March 1988) and the Executive Engineer (EE) Hansi brought to the notice of Superintending Engineer (SE) Loharu Canal Circle, Bhiwani (March 1988) that against 1.35 lakhs cums of earth work already paid for, the earth available at site was only 0.33 lakh cums. The SE directed the EE in April 1988 that these works be got check measured from the two Sub-Divisional Officers. The EE after getting these works check measured, reported to SE in July 1988 that 0.46 lakh cums of earth was actually got laid thereby resulting in an excess payment of Rs. 3.99 lakhs to the contractors. The Chief Engineer (Yamuna Canal) referred this matter for further investigation to the Inspection and Control Division, Hisar. Further developments of the case were yet to be intimated (June 1989). The Executive Engineer attributed (July 1988) the excess payment of earth work to the difference in Natural surface levels (NSLs) observed initially before execution of work and those observed subsequently and non-execution of work as per design and excess cutting of earth in reaches. The contractor's bill was also yet to be finalised.

(b) Earth work in reach RD 0 to 5000 of Isherwal Sub Minor was got executed during June—August 1987 and the contractor was paid Rs. 0.76 lakh for 19847 cums of earth work. The work was got check measured from two Sub Divisional Officer in March 1988. Whereas no earth work was found executed in Reach 0—3000 only 8063 cums of earth work was executed in Reach 3000—5000. The inflated measurements thus resulted in excess payment of Rs. 0.45 lakh for 11784 cums of earth work. The Contractor's bill was yet to be finalised.

Neither the amount of excess payment was placed in Miscellaneous Public Works Advances nor was any action taken to fix responsibility.

Excess payment of Rs. 4.44 lakhs was made possible as departmental officers failed (i) to detect the discrepancy in levels adopted for execution of work and those recorded in the approved sections. (ii) to ensure that works were being executed strictly according to approved drawings and design and had allowed execution of works without getting estimates technically sanctioned from the competent authority. It was further noticed that payments were released by recording wrong certificates of work having been executed according to P.W. specifications in measurement books as well as on account running bills.

The matter was referred to the Government (August 1989); reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

1. The results of investigation done by the Inspection and Control Division, Hisar has brought out excess payment of Rs 4.28 lacs on account of earth work to the contracting agencies.

2. The chances of recovery from the contracting agencies seems to be bleak and as such it was decided to recover this amount from the concerned 2 Executive Engineers, two sub divisional Officers and 3 Junior Engineers who are responsible for making excess payments. All the concerned Junior Engineers have since been charge-sheeted by the competent authority. The charge-sheets against the Executive Engineers/ Sub Division Officers are under process of approval.

3. S/Shri K.V.Jain, S.D.O., and Satish Garg, Junior Engineer are responsible for making excess payment for Rs. 0.45 lakh in reach RD 0-5000 of Isherwal Sub-Minor. The Junior Engineer has since been charge-sheeted by the Chief Engineer and the charge-sheet against the S.D.O. is under process of approval.

The Committee desired that the final decision be taken and recovery be made from these officers/officials within a period of six months under intimation to the Committee.

[29] 4.6. *Misappropriation of cement*

In the Canal Lining Division No. IV, Fatehabad, tile lining in some reaches of Sherawali Distributary and Dabwali Distributary was undertaken during September 1984 to February 1985 through agencies and was completed during November 1984 to October 1985 at a cost of Rs 6.61 lakhs

The execution of works was got investigated (April 1985) through the State Vigilance Bureau, which after getting the samples of mortar tested from the State Forensic Science Laboratory, Madhuban reported (February 1987) to the State Government that the cement used in lining work was used at the rate of 0.170 bag per square metre lining against the specified norm of 0.215 bag per square metre. Thus against the actual consumption of 3302 cement bags 4675 cement bags had been shown as consumed thereby resulting in mis-appropriation of 1373 bags of cement valued at Rs. 0.93 lakh and execution of below specification works.

The mis-appropriation of cement was rendered possible due to failure of the field officials and officers to ensure that the material used during construction work conformed to PWD specification and it was being mixed according to the norms fixed. Government directed the department in June 1987 to initiate departmental action against the concerned officials/officers Show cause notices submitted (April 1987) to the Chief Engineer by the Superintending Engineer Canal Lining Circle No. 1 Sirsa for approval and serving upon the delinquent officials/officers had not yet been approved (June 1989).

The matter was reported to Government (August 1989); reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The State Vigilance Bureau had conducted an enquiry in which.



it was brought out that samples of mortar were got tested from the Laboratory which revealed use of less quantity of cement by 1373 bags valuing Rs 0.93 lacs on Sherawali and Dabwali Distributaries

No F.I.R was lodged with the Police

Chargesheet under Rule 7 of P&A Rules 1987 has since been served upon two Sub Divisional Officers and 9 No. Junior Engineers by the competent authority. Replies to the chargesheets from the S.D.Os. have been received and are under examination. The decision on the chargesheets against the Junior Engineers will be taken after the decision of the Government on the replies of the S.D.Os

During the course of oral examination, the Committee observed that action against the officers/officials were generally delayed by the Department and consequently most of the officers retire and it becomes difficult to initiate any action/recovery against those persons. In such circumstances, the Committee recommended that in those cases where the charge sheets were framed and served to the officers/officials under Rule 7, the enquiries/action should be completed within a specific period and strict action be taken against those officers who violate the instructions in future.

The Committee further observed that the Department should write to the Vigilance Bureau and the Government agencies that the samples should be taken within the limited period of 2-3 months so that these types of ambiguities should not exit at all.

[30] 511 *Introductory*

## 5.1 Stores and Stock

Stores comprise all articles and material purchased or otherwise acquired for use on works. These include not only expendable and issuable articles in use or accumulated for specific purpose, but also articles of dead stock of the nature of plant and machinery, instruments, furniture, equipments, fixtures etc

For the execution of irrigation projects it is essential to maintain stores and keep their accounts properly for inventory control.

A central purchase system was introduced (November) 1978 in the department for procurement of material, machinery and spare parts. The requirements are assessed and sent by field units to a Procurement Circle which acquires the same, either through approved sources or from market by inviting tenders under orders of the competent authority. Special purchase committees are constituted for procurement of material required for irrigation projects under World Bank Aid and Lift Irrigation Schemes. The Executive Engineer and the Superintending Engineer are empowered to make local purchases to the extent of Rs. 1000 (for any one item subject to maximum of Rs. 2000/- in a fiscal year) and Rs 3000/- at a time respectively.

Under the procedure prescribed for maintenance of stock accounts, value of stores received is debited to stock suspense and on issue it

is cleared by charge to works or other units. The valuation account of stores is kept in the Priced Store Ledger maintained at divisional level.

### 5.1.2. Audit Coverage

60 out of 98 irrigation divisions handling stock were audited during June 1989.

### 5.1.3. Highlights

In 58 divisions valuation account of transactions was neither maintained nor were the Priced Store Ledger closed

[Paragraph 5.1.4. (i)]

—In 32 divisions the reconciliation of balances in the Priced Store Ledger with that in bin cards was not conducted.

[Paragraph 5.1.4.(ii)]

—Physical verification in 44 divisions was awaited for the year 1988-89.

(Paragraph 5.1.5.)

—In 33 divisions Annual Stock Limit was not got sanctioned by the competent authority.

(Paragraph 5.1.6)

—In 41 divisions there was minus closing balance amounting to Rs. 449.37 lakhs as on 31st March 1989 which was indicative of defective maintenance of stores accounts.

(Paragraph 5.1.7)

—Spare parts valuing Rs. 1.29 lakhs purchased during July 1980 to January 1983 were not utilised (June 1989) and purchases were found injudicious.

(Paragraph 5.1.10).

—In JLN Mechanical Division Rewari there were heavy purchases of material valuing Rs. 56.00 lakhs from April 1979 to March 1982 out of which material valuing Rs. 27.52 lakhs could be consumed and material valuing Rs. 28.48 lakhs was lying unconsumed (June 1989).

[Paragraph 5.1.10 (ii)]

—In Mechanical Drainage Division Jind (now shifted to Hisar) spare parts valuing Rs. 10.76 lakhs purchased during 1979 to 1985 remained un-utilised and were rendered obsolete causing loss of Rs. 5.87 lakhs.

[Paragraph 5.1.10 (iii)]

—The carriage contractor lifted 1038 MT cement bags from Kandla port but delivered 651 MT cement resulting in short delivery of 387MT cement valuing Rs. 2.18 lakhs.

[Paragraph 5.1.10 (iv)].

—There were 4 cases of shortages/misappropriation of material valuing Rs. 4.29 lakhs.

(Paragraph 5.1.11).

These points are discussed in detail in the succeeding paragraphs.

#### 5.1.4. Priced Stores Ledger

Under the accounting procedure the numerical quantities as well as values of stores showing opening balance receipts issues and closing balance are kept in the Priced Store Ledger (PSL) in Divisional Office. The stores are evaluated on the basis of cost of purchase and issue rate fixed accordingly. The ledger is required to be closed for both the quantity and value at the end of each month and its balances reconciled half yearly with the balances in the bin card (quantitative accounts maintained at Sub Divisional level).

(i) In 58 divisions (Receipts : Rs. 115 lakhs; issues : Rs. 1209 lakhs) the value accounts of transactions were neither maintained nor were the ledgers closed. Reconciliation was not made with the store accounts rendered monthly to the Accountant General. Executive Engineers of 13 divisions were unaware of the Stock value held by them at the end of financial year as figures reported were at variance with those appearing in accounts. The closing balances of financial year also did not include :

(a) Value of stock received from Director General. Supplies and Disposals (DGS&D) (b) adjustment of profit and loss and advance payments (c) issue of stores at higher rates. These factors rendered closing balances into minus in some cases as commented in paragraph 5.1.7.

(ii) In 32 divisions (Receipts : Rs. 781.29 lakhs; Issues : Rs. 820.34 lakhs) the balance quantities in ledgers were not reconciled with the balances shown in bincards. The delay in carrying out reconciliation of balances was susceptible to shortages remaining undetected.

(iii) Posting in the ledger was found incomplete in 15 divisions (Receipts : Rs. 322.81 lakhs; Issues ; Rs. 314.26 lakhs) though the receipts and issues were appearing in monthly accounts submitted to the Accountant General.

(iv) The profit or loss i.e. the difference between the issue rate and cost price was neither worked out nor adjusted in any division.

#### 5.1.5. Physical verification

Physical check of stores is required to be conducted annually by an Officer other than the incharge of the stores. It was noticed that physical verification for the year 1988-89 was not conducted in 44 divisions.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Physical verification of stores has been got conducted as per rules.

At the time of oral examination, it was brought to the notice of the Committee that the physical verification of 44 Divisions during the

year 1988-89 was not conducted by the concerned officers. The Committee, therefore, desired that the responsibility be fixed against the concerned S.D.Os. who had not done the physical verification of the stores within a stipulated period as per rules.

The Committee further desired that intimation be sent to the Committee after taking action against the responsible officers. The Committee also recommended that there should be an independent agency for the physical verification of the stores to avoid mis-appropriation of store articles in future.

It was further desired that a fool-proof system of physical verification of store leaving no chance of mis-appropriation be ensure in the Department.

[31] 5.1.6. *Reserve stock limit*

Financial Rules provide for the fixing of annual stock limit at the commencement of financial year, so as to keep stock within specific limits. Reserve Stock Limit (RSL) for 1988-89 was, however, not sanctioned in 33 divisions till June 1989. Stock valuing Rs. 502.35 lakhs was held by these divisions at the end of March 1989.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Reserve stock limit of 17 Divisions has since been fixed. Case for the remaining divisions are under process with the competent authority.

The Committee was informed that reserve stock limit of 17 divisions has since been fixed and the case for the remaining divisions was under process and would be completed by 31st March. The Committee, desired that after sanctioning the reserve stock limits of the remaining Divisions, intimation be sent to the Committee.

[32] 5.1.8. *Surplus material Prop. - 17.7.18*

Rules provide that balances of 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 hold them beyond that period. In 22 divisions material valuing Rs. 181.76 lakhs was lying surplus to the requirement. No effective steps were taken to ensure its proper utilisation in divisions where required.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Some of the material has since been consumed. Action to dispose off the balance material is under process.

During the course of oral examination the Committee desired that a list of surplus material lying with the department of each Division be supplied to the Committee. Accordingly a list of surplus material as on 30-9-93 was supplied by the Department. After going through the details

of the surplus material, the Committee desired that surplus material of Rs. 86.10 lakhs be disposed of within a period of six months to avoid any further blockade of Government funds. The progress made in this regard be intimated to the Committee.

[33] 5.1.9 *Tools and Plants (T&P) returns*

The numerical account of articles of tools and plants, both ordinary as well as special is kept in a separate register. The record of receipts and issues is maintained in form DFR (PW) 12 and DFR (PW) 13 respectively. At the end of every year, a yearly tools and plant return is prepared for each sub division and consolidated in Divisional Office. The return is required to be got checked each year by Audit. However, in 36 cases tools and plant returns for the year 1988-89 were not prepared and got audited.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Field officers were instructed to get the T&P returns audited immediately and as a result most of the divisions have since got the T&P returns audited upto the year 1988-89. In a few cases where the T&P returns had not yet been audited, the field officers have been asked to ensure that these returns are audited at the time of next inspection of their Divisions.

At the time of oral examination, the Committee was informed that out of 36 cases, tools and plants returns for the year 1988-89 of 13 divisions were still pending to be audited. The Committee recommended that the Department should complete that Tools and Plants returns of the remaining Divisions for audit within a period of six months.

[34] 5.1.10. *Other points of interest*

5.1.10. (ii) *Excessive purchase*

In contravention of rules prescribing purchases to be made in an economical manner and according to requirements, material/spare parts worth Rs. 56 lakhs were purchased (April 1979 to March 1982) in Jawahar Lal Nehru (JLN) Mechanical Division, Rewari on the basis of requisitions placed by three sub divisional officers as per details given below :

Name of Sub Division	Period of purchase	Value of material received	Value of material consumed	Balance value of material unconsumed on 30th June 1989
(Rupees in lakhs)				
Mechanical Sub Division, Narnaul	8th January, 1980 to May 1981	16.41	3.37	13.04
JLN Mechanical Sub Division No. II Rewari	1st April 1979 to 31st March 1982	31.05	23.27	7.78
JLN Mechanical Sub Division, Narnaul	15th July 1981 to 31st March, 1982	8.54	0.88	7.66
	Total	56.00	27.52	28.48

(a) The material worth Rs. 28.48 lakhs (51 per cent) was lying unutilised (June 1989).

(b) In a departmental enquiry instituted (March 1983) to look into excessive purchases Sub-Divisional officers were found (January, 1986), responsible for placing requisition for quantities more than required. The charge sheets against these officers sent (June 1987) by the Suprintending Engineer to Engineer-in-Chief were yet to be approved and served and the unutilised material was lying undisposed of (June 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

On the basis of enquiry S/Shri H.L. Jhamb, A.L. Gara and K.C. Verma, SDO's were held responsible for the excessive purchase of material. They were chargesheeted by the Government. After examining their reply, the Government have issued warning to the officers to be more careful in future.

At the time of oral examination, the Committee was informed that out of the material/spare parts purchased for Rs. 56 lakhs, the spare parts worth Rs. 27.52 lakhs were consumed and the a balance material/spare parts worth Rs. 28 lakhs were still lying unutilised with the Department. The Committee, recommended that the balance material be disposed of within a period of three months under intimation to the Committee.

The Committee further recommended that instructions be issued that while making purchases of spare parts, the officers should be quite vigilant that the reserve stock limit should not exceed more than the prescribed limit to avoid blockade of Government money in future.

16-10-89 [35] 5.1.11. *Shortage/misappropriation of material*

(a) A Junior Engineer worked in Canal Lining Mechanical Sub Division Kurukshetra (under the control of Mechanical Division No. 10 Kaithal) during February 1979 to August 1979 and again from September 1980 to May 1986 and was transferred in May 1986. He was incharge of different works which were completed during 1982 and 1983. No physical verification of stock was conducted during execution of works at the end of financial year or immediately after their completion. The material at side (MAS) Accounts of works held by him were, however, checked (August 1986) by the concerned Sub Divisional Officer who reported (September 1986) shortages of material valuing Rs. 0.86 lakh in seven works.

The Executive Engineer stated (June 1989) that the matter was under investigation.

(b) A Junior Engineer (JE) while working in Sub Division No. 2 Ratia (under the charge of Canal Lining Division No. 1 Tohana) was entrusted with handling of stores of another sub-division (Sub Division 2-A Ratia).

The Superintending Engineer (SE) Canal Lining Circle No. 1 Sirsa directed (October 1985) Sub Divisional Officer (SDO) Canal Lining Sub-Division No. 20-Sirsa to check-stores of the Sub-Division 2-A Ratia. The

physical verification was conducted by SDO on 11-2-1986 and report submitted (August 1986) to SE revealed that against book balance of 2.23 lakh bricks and 2.60 lakh tiles quantity of 0.96 lakh bricks and 0.19 lakh tiles respectively was actually found at site. Thus there was a shortage of 1.27 lakh bricks and 2.41 lakh tiles valuing Rs 1.96 lakhs.

A charge sheet sent by EE to SE in September 1986 had not received approval of the competent authority. The EE stated (June 1989) that shortages were under reconciliation.

(c) A Junior Engineer (JE) working in Sub Division No. 9 (under the control of Canal Lining Division No. 20 Bhiwani) was transferred in November 1985. On his transfer he handed over material short valuing Rs. 0.53 lakh. A charge sheet was served on the JE in February 1988. The Chief Engineer appointed (February 1989) Executive Engineer Canal Lining Division No. 19 Tohana as Enquiry Officer. The report of Enquiry Officer had not yet been received (June 1989).

(d) A Junior Engineer (JE) worked in Canal Lining Division 23 Rohtak from June 1979 to August 1982 and was then transferred to Canal Lining Division 5, Rohtak. He did not hand over the charge of store/T&P articles on his transfer. After protracted correspondence the JE handed over charge in August 1987 and material valuing Rs. 0.94 lakh was found short. The JE was served with charge-sheet in November 1988 but no reply had been received. Further developments had not been intimated.

The matter was referred to Government (August 1989), reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The present position of the case of shortages/Mis-appropriation of material listed at item (a) to (d) is given as under :—

- (a) After adjustment of the used material Sh. H.L. Kinger, J.E. has been held responsible for the shortage of material amounting to Rs. 58,740.46. He has been charge sheeted on this account.
- (b) Shri Hawa Singh, J.E. has been charge sheeted by the competent authority for the shortage of material valuing Rs. 1.96 lacs. His reply to the charge sheets has been received and is under consideration.
- (c) Shri R.C. Thukral, the then J.E. was finally held responsible for the shortage of material valuing Rs. 65,538.50 paise. After examining his defence reply recovery order to the tune of Rs. 65,538.50 has been issued at the rate of 1/3 of his pay.
- (d) Shri M.P. Gupta, J.E. was charge sheeted for the shortage of material valuing Rs. 0.94 lacs. Before taking the final decision in the matter and enquiry under Rule-7 has been ordered. The findings of the Enquiry Officer are awaited.

The Committee desired that the action against Shri H.L. King, J.E. and Shri Hawa Singh, J.E. be completed within a period of three months under intimation to the Committee.

[36] 5 3 Shortage of tiles *D-206-17.7.18*

In Canal Lining Division 25, Rohtak work of tile lining of Dulhera Distributory in reach RD 0-75 in different segments and Rewari khera Minor in RD. 0-27 was taken up during January 1982 to April 1984. The works of Dulhera Distributory were suspended in September 1984, and those of Rewari Khera Minor in November 1983 due to difference in bed levels of lined channel with those of sanctioned design due to which silting problem in channels was caused. The substandard/faulty execution of the lining work (Rewari khera Minor for reach RD 0-24 and Dulhera Distributory in RD 45-51) was reported in para 4.2 of the Audit Report 1984-85 and para 5.12 of the Audit Report 1986-87 respectively.

The works were not taken up subsequently. Neither was any action taken to ensure safety of unused material lying scattered along channel not was the same shifted and stacked at store sites after physical verification or arranged to be transferred to other works where the same could have been utilised. In the mean time the Diploma Engineers Association Haryana brought to the notice of Chief Engineer, Project in July 1985 that the material was lying un-guarded and un-safe at site of works though lying on the books of the Junior Engineer. The Executive Engineer in August 1985 asked the concerned Sub Divisional Officers to conduct physical verification of materials lying at site. Two committees Sub-Divisional Officers were formed (September 1986) to count the materials lying at sites. No report was submitted by the Committee in respect of Dulhera Distributory. However, in respect of Rewari khera Minor, the SDOs in their individual reports made in January 1987 and May 1988 intimated that no tiles were found at site. The Executive Engineer, brought this matter to the notice of the Superintending Engineer in August 1988 and requested for an enquiry by an independent agency to fix responsibility. In September 1988, the Executive Engineer intimated to the Superintending Engineer that against 29.06 lakh tiles issued against both works, consumption for the works executed worked out to 22.89 lakhs. The balance 6.17 lakh tiles valued at Rs 3 lakhs were found short. Neither was an enquiry ordered nor was the cost of short tiles placed in Miscellaneous Public Works Advances. The explanations of the Sub Divisional Officers, who were involved in this case for their failure (i) to take un-used tiles on stock (ii) to conduct physical verification of unused material in material at site and (iii) to report the loss of unused balance tiles to higher authorities, were called for in November 1988. Further developments in the case were yet to be intimated (June 1989).

This failure of the departmental officers to ensure proper stacking of material, its physical verification watch and ward and to transfer to other works where the same could have been utilised consequent upon stoppage of works and delayed action in finalising of accounts, resulted in loss of tiles valued at Rs. 3 lakhs.

The matter was referred to the Government (August 1989); reply has not been received (April, 1990).



In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

1. The loss of tiles valuing Rs. 3 00 lacs has been attributed to the failure of the officers/officials for not taking the unused tiles on stock, non conducting of its physical verification and other lapses.
2. Five S.D.Os and twelve J Es. have been considered responsible. All the J.Es alongwith S.D.Os have been served with Show Cause Notices by the competent authority.

At the time of oral examination, the Committee was informed that the loss of tiles valuing Rs. 3 lakhs was attributed to the failure of officers/officials for not taking the unused tiles on stock, non-conducting of its physical verification and other lapses. The Committee was further informed that five S.D.Os who were considered responsible for this loss had been charge sheeted and the enquiry in the matter would be completed within a period of six months. The Committee, therefore, desired that the action in the matter be completed within a stipulated period and the Committee be informed after completing the required action.

#### **On-the-spot study**

During the course of discussion of certain paragraphs of audit report for the year 1988-89 pertaining to Irrigation Department, it was considered necessary by the Committee to undertake an on-the-spot study in order to make an assessment of the actual working of the various projects of the Irrigation Department in the State. Accordingly, the Committee made an on-the-spot study of the Hathni Kund Barrage, Dadupur Complex and Tajewala Head Works of District Yamuna Nagar, Moonak Head Complex of District Karnal, Chhiansa Distributory of District Faridabad, Salhawar Pump House, Agra Canal and J.L.N. Lift Irrigation Scheme in District Rewari and Rohtak during the month of September, 1993.

During the visit of Tajewala Headworks, the Committee was informed that the existing Head Works is more than 100 Years old, outmoded and has outlived its life. Moreover, this Headworks suffered severe damages during the unprecedented floods in the year 1978 and 1988. The Committee was further informed that large areas of Haryana and U.P. are dependent for irrigation upon the supplies through canals taking off from this Head Works which also met the drinking water needs of the National Capital Delhi besides three Hydro Electric Power Houses. The Committee observed that in case, Tajewala Headworks gives way, there would be colossal damage, as such immediate replacement of the existing Headworks by a new barrage is very much necessary. The Committee was informed that construction of new barrage near Tajewala was considered during the year 1972 but no final decision has been taken for its early construction so far. The department further informed the Committee that the matter for the construction of Hathni Kund Barrage was still pending for want of signing of M.O.U. The Committee, therefore, desired that the Government should take up the matter with Central Government for its early clearance keeping in view the potential danger of disruption of canal supplies due to unreliable condition of Tajewala Headworks, in which huge sums were being incurred every year to restore damage caused by floods besides over 300% escalation in the cost of the project.

During the visit of Dadupur Head Works, the Committee observed that about 4000 cusecs water of Yamuna river is going waste through escapes. The Committee desired that some alternate arrangements be made by the department to stop this wastage and utilise this water for irrigation purposes in future.

During the said visit, the Committee observed that most of the distributories are not desilted for a quite long time. The Committee therefore, desired that all these canals/distributories including the Chhiansa Distributory be desilted within a stipulated period to reach water upto the tail. The Committee, further recommend that all the feeders be cleaned properly so that it could run in its full capacity. The Committee also desired that the department should make available sufficient funds for this purpose.

At the time of visit of Kalanjhar Head Regulator, it was suggested by a Hon'ble member of the Committee that arrangements be made to construct a dam at Kalanjhar Head Regulator so that regular water could be released in the Ujina and Kotla Lakes. The department assured the Committee that suggestions of the Hon'ble member would be thoroughly examined before its execution.

The Committee also recommended that matter be taken up with the U.P. Government for setting up the Head quarter of the Executive Engineer Okhla Barrage at Okhla instead of at Mathura to solve problems of the people of the area relating to the release of water from the Head works.

During the visit of Salhawas Pump House, the Committee recommended that the work of Salhawas Minor, Jhasva and Khachrauli Minors be also completed without further delay.

The Committee desired that a compliance report on the above said recommendations of the Committee be furnished to the Committee within a period of three months.

## P.W.D.(B&R)

### [37] 4.9. *Fictitious measurements*

In Provincial Division Narwana, work of construction of a road from village Jheel Bhagwanpura (3.69 KM) was taken up (March 1984) at an estimated cost of Rs. 11.08 lakhs against administrative approval accorded in November 1983. After incurring an expenditure of Rs. 2.83 lakhs on earth work (Upto 3 KM) and construction of two slab culverts (upto April, 1985), work on the road was stopped on request from the village panchayat for change in alignment which was recommended (June 1985) by Chief Engineer and approved (August 1985) by Government on grounds that (i) less earth work would be involved (ii) revised alignment will pass near school and sub health centre thereby eliminating need for separate approach road and (iii) maintenance cost would be reduced as original alignment was in flood prone area. Work remained suspended from April 1985 to March 1988 as the originally approved alignment was considered more convenient and beneficial to the people of the area by the Executive Engineer (EE). Accordingly, case for adherence to original alignment was submitted (June 1989).

As a result of complaints regarding irregularities in execution of earth work got done on muster rolls during March 1984 to December 1984, work was got re-checked in February 1987 by Executive Engineer in the presence of four Sub Divisional Engineers (SDEs) and two Junior Engineers (JEs). It was observed that inflated natural surface level (NSL) which had been check measured by the Sub-Divisional Engineer were recorded for preparation of estimates. Quantity of earth work actually found at site worked out to 30110 cums against quantity of 50532 cums earth work recorded by the Junior Engineer resulting in inflated fictitious measurements to the extent of 20422 cums earth work involving extra payment of Rs. 0.65 lakh. After allowing credit of Rs. 0.11 lakh as a result of saving shown in muster rolls the net loss worked out to Rs. 0.54 lakh. It was further intimated (July 1989) by Executive Engineer that overall measurement based on cross sections were not recorded during execution of works but these were recorded on tape measurement basis.

Due to failure of the department in taking final decision with regard to adoption of final alignment of road, work got executed during March 1984 to April 1985 at a cost of Rs. 2.83 lakhs remained incomplete for the last 5 years. Besides, excess payment of Rs. 0.65 lakh on earth work was also caused due to recording of fictitious measurements.

The matter was referred to Government in August 1989. Government intimated (December 1989) that three Sub-Divisional Engineers and one Junior Engineer were charge sheeted and, after considering their defence, a Superintending Engineer was being appointed as an enquiry officer.

In reply to the questionnaire issued by the Committee the department in their written reply, explained the position as under :

1. The following officers/officials were found responsible for recording fictitious measurement of earth work :—
  - (i) Shri A.K. Chaudhry, S.D.E.
  - (ii) Shri V.K. Kapoor, S.D.E.
  - (iii) Shri Suraj Bhan, S D E
  - (iv) Shri Yaswant Rai, J.E.

All the above officers/officials were charge sheeted under rule 7 of P&A Rules as on 24-7-87, Shri K.B Lal, Singal, S.E. was appointed as enquiry officer in this case. Shri Singal, submitted his report on 26-9-91. As the report submitted by the Inquiry Officer, was not clear, he was asked on 25-3-92 to give his clear cut findings on the basis of principle laid down in the Hand Book of Inquiry proceedings. Revised report of the Enquiry Officer is still awaited. He is being reminded constantly for expediting his findings.

2. On receipt of the Inquiry report the action against the defaulting officer/ officials will be finalised. The action for recovery of the excess payment will also be taken in the light of the findings of the Inquiry Officer
3. The work has not been completed so far due to the reasons that no funds has been made available for this work and also due to dispute in alignment

After hearing the departmental representatives on 18th May, 1993, the Committee is not satisfied with reply given by the Department. The Committee observed that the Officers who were charge sheeted under Rule 7 of P&A rules on 24th July, 1984 and the inquiry officer submitted his report on 26th September, 1991 and final report on 12th August, 1992 but no action was initiated against the responsible officers/officials till todate. The Committee took a very serious view of this entire matter and also observed that enquiry/action, should be completed within a specific period. In the instant case, the Committee after going through the entire record of the case observed that the matter was delayed inordinately on one pretext or the other. The Committee recommends to the Department that the enquiry and action on enquiry be completed /finalised within a period of one month and the decision taken in the matter be intimated to the Committee. The Committee was pained to observe that no intimation had been sent by the Department in this regard till the finalisation of this report.

The decision taken in regard to the final alignment and actual completion of the road with cost may also be intimated.

[38] 4.10. *Outstanding inspection reports and paragraphs*

Audit observations on financial irregularities and defects noticed in initial accounts and records during local audit are communicated to the heads of offices and to the next departmental authorities through inspection Reports. More important irregularities are also reported to heads of the departments and Government for their comments.

A review of the inspection reports issued, upto December 1988, of 51 divisions of the Buildings and Roads department revealed that 499 paragraphs relating to 199 inspection reports involving Rs. 3669.57 lakhs remained outstanding at the end of June 1989. These included 6 inspection reports (6 paragraphs) which had remained unsettled for 10 years as shown below :—

Year of Inspection Reports	Number of Outstanding Inspection Reports	Number of Outstanding Paragraphs	Amount involved (In lakhs of rupees)
1976-77 to 1978-79	6	6	12.45
1979-80 to 1984-85	50	61	93.92
1985-86	30	44	111.96
1986-87	33	64	200.29
1987-88	41	106	341.11
1988-89	39	218	2909.84
	199	499	3669.57

The department is required to send the initial reply to inspection report within six weeks of receipt of the report in the division. It was noticed that in respect of 15 reports (150 paragraphs) issued during April 1988 to December 1988, no replies were received (June 1989). Out of 145 inspection reports issued during 1986-87 to 1988-89, the time taken by the department in submitting initial reply ranged from three months to one year in 79 cases and one year to two years in 14 cases.

Some important irregularities commented upon in inspection reports, remaining unsettled, broadly fall under the following categories :

Serial number	Category	Number of paragraphs	Amount involved (in lakhs of rupees)
1	2	3	4
1.	Losses due to theft misappropriation etc.	55	60.57
2.	Recoverable amounts from contractors on account of excess payment, cost of work done at their risk and cost etc.	92	117.44

1	2	3	4
3. Undue financial aid to contractors		7	3.99
4. Loss of measurement books and non-production of measurement books		18	—
5. Non-accountal of material		12	26.07
6. Extra and avoidable expenditure		62	145.82
7. Irregular/Injudicious purchases		28	41.41
8. Infructuous and irregular expenditure		85	234.25
9. Execution of substandard work		11	47.35
10. Un-sanctioned estimates		31	2432.90

Out of the total 499 outstanding paragraphs, 19 cases were pending with court of law, arbitrators, police authorities and 80 cases with Government/Engineer-in-Chief/Superintending Engineer awaiting regularisation and remaining 400 with the divisional offices.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

For an expeditious settlement of the old outstanding inspections reports/audit paras special campaign has been launched. S.E.s/Executive Engineers were directed to prepare appropriate replies of all the old outstanding paras for arranging special meeting with the Audit office for verifications of records on the spot and settlement of maximum number of the audit paras. The first round review meeting in respect of all the circle offices was completed during 1986-87

Further review meeting are being held with Accountant General Haryana (Audit) from time to time and substantial progress has been achieved as is evident from the date tabulated below :—

Year	As per figures incorporated in the PAC report			Clearance by settlement			Balance as on 30-9-1992		
	No. of I.R.	No. of outstanding paras	Amt.	I.R.	Paras outstanding paras	Amt.	I.R.	Paras	Amt.
1976-77 to 1978-79	6	6	12.45	3	3	9.72	3	3	2.73
1979-80 to 1984-85	50	61	93.92	19	22	70.69	31	39	23.23
1985-86	30	44	111.96	13	21	53.45	17	23	58.51
1986-87	33	64	200.29	17	42	168.80	16	22	31.49
1987-88	41	106	341.11	21	73	291.01	20	33	50.10
1988-89	39	218	2909.84	11	167	2323.06	28	51	586.78
199	499	3669.57	84	328	2916.73	115	171	752.84	

Circle wise and year-wise details are enclosed, at Annexure A. The matter is under constant review and it is expected that the remaining old paras would be got settled early. In view of the extra ordinary progress made by the deptt having reduced the audit paras from 499 to 171 only as on 30-9-92, the para may kindly be dropped. All the S.E s have also been requested to make strenuous efforts to get the remaining paras dropped from A.G. Haryana.

It is pertinent to mention here that the initial replies to all the Inspections reports/paragraphs pointed out by the Audit stand already submitted to A.G. (Audit) Haryana and a large number of paras have been got dropped as stated in (i) above. Directions are issued to the field officers from time to time to expedite the settlement of the balance paras. Following reasons are attributed for the pending paras.

- (a) Non-finalization of Court cases, arbitration cases, Police cases etc.
- (b) Non-finalization of disciplinary proceedings
- (c) Reply submitted to A.G Haryana but final decision awaited.

The present position of outstanding inspection reports/paras. (Year-wise) is given in Annexure A enclosed.

**ANNEXURE—A**

**Statement showing the Outstanding Inspection Reports/Paras of 4 7 of the Report of CAG of India for the year 1988-89 (Civil)**

Sr. No.	Name of Circle	1979-80 to 1984-85		1985-86		1986-87		1987-88		1988-89		Total											
		From 1976-77 to 1978-79																					
	I.R. Paras	Amt.	I.R. P.	Amt.	I.R. P.	Amt.	I.R. P.	Amt.	I.R. P.	Amt.	I.R. P.	Amt.											
		₹		₹		₹		₹		₹		₹											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
	1. Ambala	1	1	1.14	2	2	2.48	1	1	8.40	—	—	—	2	2	4.38	1	1	1.43	7	7	17.83	
	2. Bhiwani	—	—	—	4	4	1.96	2	2	1.73	2	2	0.23	1	2	2.90	3	5	243.95	12	15	250.77	
	3. Chandigarh	—	—	—	—	—	—	1	1	0.57	—	—	—	—	—	—	3	3	1.55	4	4	2.12	
	4. Hissar	1	1	0.52	4	5	0.19	2	4	12.83	2	3	4.09	4	7	8.32	3	7	4.14	16	27	30.09	
	5. Gurgaon	—	—	—	—	3	4	3.73	1	1	—	3	6	18.96	1	2	0.72	2	3	4.26	10	16	27.67
	6. Karnal	—	—	—	—	7	8	5.50	3	4	5.65	2	2	0.85	4	11	21.35	2	11	43.44	18	36	76.79
	7. Jind	1	1	1.07	1	1	1.20	—	—	—	1	1	1.40	2	2	2.72	2	4	15.18	7	9	21.57	
	8. Rohtak	—	—	—	—	3	4	4.05	2	4	15.51	1	3	0.87	1	1	1.75	2	6	252.73	9	18	274.91
	9. NH Karnal	—	—	—	—	4	8	2.22	2	3	13.60	2	2	0.19	3	4	6.46	4	5	13.56	15	22	36.03
	10. Elect. Karnal	—	—	—	—	1	1	2.62	2	2	0.14	2	2	—	1	1	—	3	3	0.13	9	9	0.89
	11. Mech. Karnal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1	1	1.38	1	1	1.38
	12. NH Faridabad	—	—	—	—	1	1	0.35	—	—	1	1	4.90	1	1	1.50	1	1	4.38	4	4	11.13	
	13. D.R.L. HSR	—	—	—	—	1	1	0.93	1	1	0.80	—	—	—	—	—	—	1	1	0.65	3	3	1.66
	14. W.B. Chd.																						
		3	3	2.73	31	39	23.23	17	23	58.51	16	22	31.49	20	33	50.10	28	51	586.78	115	171	752.84	



At the time of oral examination, the Departmental representatives informed the Committee that out of 499 Outstanding paras, 358 has been settled. The Committee recommends that the remaining outstanding paragraphs i.e. 141 be also got settled with the A.G. within a period of three months. The progress made in this behalf be also intimated to the Committee.

## PUBLIC HEALTH

### [39] 4.11. *Rural Water Supply Scheme*

#### 4.11.1. Introduction

Drinking water supply is a problem of great importance for rural India. In mid sixties it was observed by the Central Government that rural water supply schemes were being implemented in villages which were easily accessible and rural areas which had problems in getting much needed water for drinking and domestic purposes were being neglected. The Central Government, therefore, requested the states to identify such problem villages so that efforts could be directed towards tackling their problem. The criteria laid down for identification of problem villages were :

(a) Villages where no water sources existed within a distance of 1.6 kms or where water was available at a depth of more than 15 metres.

(b) Villages where the water had excessive salinity, iron, fluorides and other toxic elements hazardous to health; and

(c) Villages which were exposed to the risk of water borne diseases such as cholera, guinea worm etc. due to available water.

According to 1981 census, out of the total population of 129.23 lakhs in the State, 100.95 lakhs were residing in rural areas spread over 6745 inhabited villages. Out of these, 5686 villages with a population of 89 lakhs were identified as problem villages as per surveys conducted in the years 1972, 1979, 1985 and 1986, according to the criteria laid down by Government of India and the remaining 1059 villages with a population of 11.95 lakhs were non-problem villages. The scheme was initially introduced under the National Water Supply and Sanitation Programme launched by the Government of India in 1954.

Mention regarding delay in completion of schemes, inadequate supply of water, injudicious purchases and irregular utilisation of funds etc., was made in paragraph 4.9 of the Audit Report for the year 1983-84, both under Minimum Needs Programme (MNP) and Accelerated Rural Water Supply Programme (ARWSP). In its 28th Report submitted to the House on 14th March 1988, the committee observed that the scheme of supply of drinking water to problem villages was not implemented in the manner it was intended to achieve the objective.

#### 4.11.2. Organisational set up

The Engineer-in-Chief, Public Health Department is in overall charge of the implementation of the Rural Water Supply Schemes. The schemes are however, executed by the various Public Health Divisions of the department under the control of the Executive Engineers.

### 4.11.3. Audit Coverage

A test check of records of the office of the Engineer-in-Chief and divisional offices of 4 districts i.e. Gurgaon, Bhiwani, Sirsa and Rohtak for the period from 1985-86 to 1988-89 was conducted during April-May 1989.

### 4.11.4. Highlights

—Central Assistance amounting to Rs. 2 16 crores was lying unutilised at the end of March 1989.

(Paragraph 4.11.5(ii) )

—In 23 schemes which were still in progress, the cost had escalated by Rs. 72.72 lakhs. Further there was cost over run of Rs. 40.71 lakhs in 10 schemes completed during 1985-86 to 1988-89.

(Paragraph 4.11.7 and 8)

—Regular testing of quality of water was not being done to ensure supply of good quality of water. Further out of 520 running water supply schemes in 4 districts, quantity of water being supplied in 217 schemes, was less than the prescribed norms.

(Paragraph 4.11.9(b))

—There were huge variations in maintenance expenditure in various divisions. There was also sudden rise in maintenance expenditure during 1988-89, varying from 1% to 122% as compared with expenditure in 1987-88

(Paragraph 4.11.10).

—Norms of installation of stand posts had not been followed. The percentage of stand posts constructed in excess of norms was as high as 74 percent in Sirsa and 56 per cent in Hisar district.

(Paragraph 4.11.11)

—A water supply scheme for 9 groups of villages designed to cater to the need of 18650 persons was executed at a cost of Rs. 43.69 lakhs and commissioned in September 1984. In 1985, two villages with population of 7513 persons were delinked, resulting in unfruitful expenditure of Rs. 8.65 lakhs incurred on construction of additional structures.

(Paragraph 4.11.12(a) )

—12573 rubber ring gaskets of various sizes valuing Rs. 0.63 lakh were purchased from January 1981 to April 1981. 743 gaskets worth Rs. 0.04 lakh were used and remaining 11830 ring gaskets valuing Rs. 0.59 lakh were declared surplus in March 1989.

(Paragraph 4.11.12 (b) )

—Improper survey and poor planning to link a distant village to a water supply scheme resulted in avoidable expenditure of Rs. 0.83 lakh as full quantity of water did not reach the village and it had to be linked with another scheme.

(Paragraph 4.11.12(c) )

—Copper jali worth Rs. 0.65 lakh was purchased during 1980-81 to 1982-83 and used even though there was neither any provision for use of Copper jali in the estimates, nor any practice of using it in the department.

(Paragraph 4.11.12(d) )

—A sum of Rs. 0.92 lakh was over paid to contractors on account of incorrect application of rate'.

(Paragraph 4.11.12(e) )

—A sum of Rs. 4.41 lakhs was recoverable from contractor on account of cost of Government material not returned and excess payment due to misclassification of items.

(Paragraph 4.11.12. f (i&ii) )

These points are discussed in detail in the succeeding paragraphs.

#### 4.11.5. Budget provision and expenditure

(i) Annual plan outlay, budget provision and actual expenditure during first four years of 7th five year plan under the Minimum Needs Programme (MNP) and Accelerated Rural Water Supply Programme (ARP) were as under :

Year	Outlay as per annual Plan		Budget provision	
	MNP	ARP	MNP	ARP
			(Rupees in)	
1985-96	22.41	9.40	21.72	9.40
1986-87	23.39	5.20	22.49	4.90
1987-88	25.74	9.38	20.78	6.18
1988-89	25.74	10.00	19.38	3.51
	97.28	33.98	84.37	23.99

#### Expenditure

MNP	(—)Short fall/ (+)Excess	Percentage	ARP	(—)Short fall/ (+)Excess	Percentage
( crore )					
20.00	(—)1.72	8	7.05	(—)2.35	25
18.15	(—)4.34	19	7.83	(+)2.93	60
17.49	(—)3.29	16	6.78	(+)0.60	10
17.04	(—)2.34	12	4.67	(+)1.16	33
72.68	(—)11.69		26.33	(+)2.34	

There was shortfall in utilisation of funds in respect of MNP schemes which ranged from 8 per cent to 19 per cent. In respect of ARP schemes, however, there was shortfall (25 per cent) during 1985-86 and excess during 1986-87 to 1988-89, which ranged from 10 to 60 per cent. No reasons for shortfall/excess were on record.

(ii) Schemes approved by the Central Government under ARP, spill over funds, Central assistance released and actual expenditure from 1985-86 to 1988-89 were as under :—

Year	Number of villages approved under ARP	Number of villages actually covered	Spill over funds	Central Assistance released	Total	Actual Expenditure	Balance
(Rs. in crores)							
1985-86	334	182	4.50	9.40	13.90	7.05	6.85
1986-87	175	178	6.85	4.90	11.75	7.83	3.92
1987-88	152	135	3.92	6.18	10.10	6.78	3.32
1988-89	Nil	141	3.32	3.51	6.83	4.67	2.16

Central assistance amounting to Rs. 2.16 crores was lying unutilised at the end of March 1989.

#### 4.11.6. Targets and Achievements

(i) Out of 5686 problem villages (Population : 89 lakhs) 3372 villages (population : 56 lakhs) were provided with safe drinking water facilities under Minimum Needs Programme Scheme upto the end of 6th Five Year Plan. Thus there were 2314 problem villages (Population : 33 lakhs) which were to be covered during 7th Five Year Plan. Total number of villages/population targeted to be covered and achievements made during first four years of 7th Five Year Plan under MNP and ARP were as under :

Year	Targets fixed				Targets achieved			
	MNP		ARP		MNP		ARP	
	Villages number	Population	Villages number	Population	Villages number	Population	Villages number	Population
	(In lakhs)	(In lakhs)	(In lakhs)	(In lakhs)	(In lakhs)	(In lakhs)	(In lakhs)	(In lakhs)
1	2	3	4	5	6	7	8	9
1985-86	350	5.60	110	1.40	408	4.56	182	1.61
1986-87	310	3.45	110	1.13	305	3.81	175	1.74
1987-88	270	2.60	110	1.20	245	2.91	135	1.63
1988-89	220	3.50	110	1.20	192	2.72	141	1.77
	1150	15.15	440	4.93	1150	14.00	633	6.75

The Seventh Five Year Plan aimed at providing adequate safe drinking water facilities to the entire rural population. 531 problem villages were however, yet to be covered at the end of 1988-89. As per action plan for 1989-90, 400 problem villages are to be covered. Even if this target is fully achieved, 131 problem villages would still remain uncovered at the end of 7th Five Year Plan and the object of 7th plan to provide water to the entire rural population would thus not be achieved.

(ii) There were 1059 non-problem villages (population : 11.03 lakhs) in the State, out of which 174 villages were to be covered upto 6th Five Year Plan. During 7th Five Year Plan there was a target of 80 villages to be covered in first four years of the plan against which 126 villages were provided drinking water upto March 1989.

#### 4.11.7. Delay in Completion of Schemes

Scheme-wise physical targets were neither included in the State Plans nor available with the department.

(i) The individual water supply schemes were targeted to be completed in a period of one/two years. It was, however, seen in test check that 23 schemes sanctioned during 5th and 6th Five Year Plan in 3 districts were still incomplete (March 1989) and their cost had escalated by Rs. 72.72 lakhs ranging from 5 per cent to 39 per cent.

Reasons for delay in completion of schemes were not intimated by the department (July 1989). The original cost has also been revised by the competent authority (July 1989).

(ii) It was further noticed that 8 schemes covering 9 villages (Population : 0.35 lakh) which were sanctioned at a cost of Rs. 137.36 lakhs during May 1985 to October 1988 had not been taken up, inter-alia, due to non-availability of land, lack of decision on source of water and proper investigation by the department while sanctioning schemes.

#### 4.11.8. Cost over-run

In 10 schemes of 3 Public Health Divisions (Sirsa, Jhajjar and Nuh) sanctioned during May 1979 to March 1985 and completed during 1st 4 years of 7th Five Year Plan, there was cost over-run of Rs. 40.71 lakhs. The department had neither investigated the causes of cost-over-run nor sanctioned the revised estimates.

Sr. number	Name of division	Name of Scheme	Estimated cost (In lakhs)	Date of sanction	Date of completion	Actual expenditure upto 3/89	Excess
1	2	3	4	5	6	7	8
(Rupees in lakhs)							
1.	Public Health (W.B.) Division Sirsa	(i) Providing W/S scheme to Vill. Bharotwala	24.92	May 1979	July 1986	35.20	10.28
2.	Public Health Division, Jhajjar	(ii) Providing of W/S Supply Scheme to Madana	13.23	March 1981	1986-87	17.88	4.65
		(iii) Provd. W/S Supply Scheme to Lilaheeri	24.50	May 1983	1986-87	30.09	5.59
		(iv) Provd. W/S Supply Scheme Surhati, Kansī	26.76	May 1980	1986-87	28.40	1.64
		(v) Provd. W/S Supply Scheme Birdhana	24.62	March 1981	1986-87	27.54	2.92
		(vi) Provd. W/S Supply Scheme Dhaur Gudha	14.14	May 1983	1986-87	20.35	6.21
3.	Public Health Division, Nuh	(vii) Provd W/S Rojka	4.83	May 1981	1985	5.93	1.10
		(viii) Provd. W/S Supply Scheme Siroli	7.92	March 1982	Sept. 1987	9.58	1.66
		(ix) Provd. W/S Supply Scheme Zalika	7.12	March 1982	August 1988	12.25	5.13
		(x) Provd. W/S Supply Scheme Dhanies of Sehsola	7.98	March 1985	June 1986	9.51	1.53
			156.02			196.73	40.71

Reasons for not investigating causes of excess over estimated cost and not getting revised estimates sanctioned have not been intimated (July 1989).

#### 4.11.9. Non-fulfilment of objectives of the Schemes

The main object of Rural Water Supply Schemes was to provide 41—45 litres of potable water per head per day in problem villages.

##### (a) Quality of water

In order to ensure good quality of drinking water the department should carry out regular and systematic testing of the quality of drinking water in rural areas and maintain proper record of tests conducted.

(i) It was seen during test check that no bacteriological analysis of water of canal based running water supply schemes was got carried out in divisions at Bhiwani, Sirsa, Jhajjar and Bahadurgarh.

(ii) In a division of Rohtak, the tests of canal based schemes were got conducted from Medical College, Rohtak but consolidated records of samples taken, results of analysis, periodicity and follow up action were neither maintained nor produced to Audit.

(iii) In case of tubewell based water supply schemes, where chemical analysis of 100 running water supply schemes in Gurgaon District had been got carried out (September 1986 to March 1989) from National Environment Engineering Research Institute Delhi, under Technology Mission Project, water of 31 water supply schemes out of 100 schemes covering 135 villages (Population : 1.50 lakhs) was found having excessive nitrates, flourides and brackishness. The water of 23 Rural Water Supply Schemes covering 1.18 lakhs population has been brought with permissible parameters during 1988-89 by providing alternate/additional defluridation/desalination plants, at a cost of Rs. 58.81 lakhs. The work of bringing water within permissible parameters for 6 schemes covering 0.28 lakh population at an estimated cost of Rs. 30.65 lakhs was in progress and an expenditure of Rs. 15.27 lakhs had already been incurred (March 1989). The work in remaining two schemes (estimated cost : Rs. 7.21 lakhs) was yet to be taken up.

(iv) In Public Health Division, Jhajjar water of two tubewell based schemes viz., Badsa and Sondhi executed at a cost of Rs. 17.84 lakhs (covering a population of 0.13 lakh) became unpotable in August 1984 and May 1987 respectively but remedial measures were yet to be taken (July 1989).

##### (b) Inadequate supply of water

No water meters were installed on any scheme to assess daily supply of water. Even the data of daily supply of water on the basis of actual working hours of pumps had not been monitored at sub-divisional or divisional level. In the districts selected for test check, it was noticed that in 217 schemes actual supply of water was less than the norm of 41.45 litre per head per day.



Serial Number	Name of District	Total Number of schemes	Number of schemes in which supply was less than norms	Actual per capita supply			
				Upto 20 litres	Between 20 to 30 litres	Between 31 to 35 litres	Above 35 but below 41 litres
1.	Bhiwani	98	10	1	6	2	1
2.	Sirsa	118	68	10	11	11	36
3.	Gurgaon	171	57	—	10	2	45
4.	Rohtak	133	82	16	32	26	8
		520	217	27	59	41	90

The short supply of water was attributed (May 1989) by the department to non-construction of remaining structures, inadequate power supply, reduction in yield of tubewell and short supply of canal water.

#### 4.11.10. Variation in maintenance expenditure

The per capita expenditure on maintenance of Rural Water Supply Schemes from 1985-86 to 1988-89 is given in Appendix IX of the Report of CAG for the year ended 31-3-89.

(a) There was huge variation in per capita maintenance expenditure on various schemes in seven divisions of selected districts. In case of canal based schemes, it ranged from Rs. 5.53 to Rs. 26.73 in 1985-86, Rs. 7.20 to Rs. 32.78 in 1986-87, Rs. 12.47 to 57.54 in 1987-88 and Rs. 14.25 to Rs. 62.88 in 1988-89. In the case of tubewell based schemes, it ranged from Rs. 1.27 to Rs. 26.82 in 1985-86, Rs. 1.61 to Rs. 41.10 in 1986-87, Rs. 2.76 to Rs. 52.74 in 1987-88, and Rs. 3.10 to Rs. 67.98 in 1988-89. Reasons for wide variation were not investigated by the department.

(b) The expenditure on maintenance was increasing every year. As compared with 1985-86, the expenditure on maintenance was more than double in 1988-89. Further there was huge variation ranging from 1 per cent to 122 per cent in 1988-89 as compared with the expenditure of 1987-88. Reasons for heavy increase have not been intimated (July 1989).

#### 4.11.11. Installation of stand posts in excess of norms

As per norms of Public Health Department, one stand post is provided for a population of 200. The district wise position of stand posts required as per norms vis-a-vis actually installed as in September 1988, is tabulated below :—

Serial number	District	Stand posts required as per norms	Actual number of stand posts Installed	(-)Shortfall/ (+)Excess	Percentage of excess/ Shortfall
1.	Ambala	5614	8295	(+)2681	(+)48
2.	Kurukshetra	2666	2164	(-)502	(-)19

1	2	3	4	5	6
3.	Karnal	3383	3661	(+)278	(+)8
4.	Sonipat	2604	2753	(+)149	(+)6
5.	Faridabad	3323	3232	(-)91	(-)3
6.	Gurgaon	3672	4415	(+)743	(+)20
7.	Mohindergarh	4070	5930	(+)1860	(+)46
8.	Rohtak	5500	6600	(+)1100	(+)20
9.	Bhiwani	4513	5386	(+)872	(+)19
10.	Hisar	6000	9379	(+)3379	(+)56
11.	Sirsa	2810	4882	(+)2072	(+)74
12.	Jind	4849	4169	(-)680	(-)14

It would be seen from the above table that :—

(i) In three districts (Kurukshetra, Faridabad and Jind) the number of stand posts constructed was less than the norms of Public Health Department which ranged from 3 per cent to 10 per cent. Reasons for not providing stand posts according to the norms were not intimated.

(ii) In remaining nine districts the stand posts were constructed in excess of norms ranging from 6 per cent to 74 per cent thereby causing shortage of water, drainage problem and unhygienic conditions.

#### 4.11.12. Other topics of interest

(a) In Public Health Division No. II, Hisar, an estimate amounting to Rs 16.03 lakhs for water supply scheme, Chandor Khurd to provide water to a group of 7 villages for 11137 persons (prospective population after 15 years) and another estimate for Rs. 4.46 lakhs for Jamalpur water supply Jamalpur to provide water to a group of 2 villages for 7513 persons (Prospective population after 15 years) were prepared in August 1975 but these estimates were not operated. Subsequently, keeping in view economy in reconstruction and maintenance a combined estimate of Rs. 43.69 lakhs for 'providing water supply to a group of 9 villages' designed to cater to the need of 18650 persons (prospective population) was prepared and administratively approved in May 1981. The scheme was commissioned (September 1984), after incurring an expenditure of Rs. 40.18 lakhs.

(i) The residual head (Pressure) at tail end was less than the required head due to more fractional losses. The Department 'delinked' Jamalpur group of 2 villages falling at the tail end of the scheme. Another estimate of Rs. 31.27 lakhs for catering to 7513 persons (prospective population) was therefore, prepared and got administratively approved in May 1985. The structures were constructed at the site of combined water works for a prospective population of 18650 persons

but after delinking of two villages, these structures would cater to the needs of 11137 persons thus resulting in extra expenditure of Rs 8.65 lakhs on account of additional structures as assessed by the Superintending Engineer (July 1987).

(u) In audit it was further noticed that against the provision of 20610 metres laying of Polyvinyl Chloride (PVC) pipe of various sizes in rough cost estimate, the department laid 30765 metres pipe which, not only increased the cost of scheme by Rs. 3.70 lakhs, but also led to more fractional losses causing bifurcation of the scheme. Due to delinking of two villages from the scheme, 3352.8 metres pipe line already laid under the combined estimates with a labour cost of Rs 0.22 lakh had to be dismantled by incurring an expenditure of Rs. 0.19 lakh thus rendering a wasteful expenditure of Rs. 0.41 lakh due to Poor planning.

(b) On the basis of demand placed by the Executive Engineer, World Bank Public Health Division, Sirsa for supply of 12600 rubber ring gaskets of different sizes, the Controller of Stores Haryana, placed orders on Delhi and Jalandhar based firms during November 1980 to March 1981. 12573 rubber ring gaskets valuing Rs. 0.63 lakh were received in the division between January 1981 and April 1981, out of which 743 gaskets valuing Rs. 0.04 lakh were used on works or transferred to other divisions. The balance of 11830 gaskets valuing Rs 0.59 lakh were declared surplus in March 1989. Thus, the incorrect assessment of requirement led to injudicious purchase of rubber ring gaskets, resulting in blocking of funds to the tune of Rs. 0.59 lakh.

The Executive Engineer intimated (April 1989) that the list of surplus material had been circulated among other divisions and materials would be transferred as and then required by them.

\* \* \* \* \*

(d) Use of copper jali on Mildsteel (MS) slotted pipes for tapping under ground aquifer was not in vogue in any of the organisations engaged in exploration of ground water like Central Ground Water Board and various State Government departments including Minor Irrigation and Tubewell Corporation (MITC) and Public Health Department, so there was no provision for use of copper jali in the estimates sanctioned by the competent authority. However, the Executive Engineer, Ground Water Investigation, Public Health Division, Ambala, purchased copper jali worth Rs. 0.65 lakh during 1980-81 to 1982-83, without justification and without any technical sanction of the competent authority. Out of this, copper jali valuing Rs. 0.63 lakh was used on 38 tubewells without any provision in the estimate and remaining jali valuing Rs. 0.02 lakh was lying unutilised. The State Vigilance Bureau investigated the matter and observed in January, 1983 that the material purchased was not required to be installed. On instructions from Government an amount of Rs. 0.16 lakh and Rs. 0.49 lakh was placed (1983-84), under Miscellaneous P.W. advances for recovery from the concerned Executive Engineer and Sub-Divisional Engineer. The case was

also examined departmentally and the Superintending Engineer, Public Health Circle, Ambala reported to the Engineer-in-Chief in August 1984 that justification for the use of copper jali was not established. The Superintending Engineer stated (April 1989) that the case for departmental action against both the officers including recovery was under process.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Earlier C.I. pipes, both lead jointed and tyton were being used extensively both in Urban Water Supply and Rural Water Supply Schemes. In Rural Water Supply Schemes they were being used particularly on canal based schemes at water works. Later on the use of C.I. pipes got reduced. Due to their exorbitant cost and instead A.C. pipes were used. As such rubber rings lying in store could not be used. Subsequently it was observed that use of A.C. pipes in Urban Water Supply Scheme has resulted in large number of leakages because connection have to be given at short distances and the pipes have to be laid under the roads on which heavy traffic moves. Accordingly, now some C.I. tyton pipes have been arranged for use in Urban Water Supply and it is expected that these rubber rings shall get utilized:

4.11.12(d) The use of copper mesh brazed over slotted pipe is an economical substitute over prohibitive cost of brass filters. It is explicitly made clear that to tap, fine to medium aquifers such a strainer is a necessity, as it is not feasible to cut slots smaller than 3/64 slit in M.S. pipe. To tap fine to medium aquifer a copper mesh has to be brazed over M.S. Slotted pipe as an alternate to brass filter (Brass filter used since 1948-49) and its prohibitive cost.

By using such strainer, the department not only gets sand free yield but higher yield as well from the tubewell on account of tapping of an extra aquifer. This technical aspect was kept in view by the department while making recommendations in favour of such filters.

The misc. advances have been cleared in compliance of instructions of Engineer-in-Chief Haryana vide his No. 6452-PH/EI dated 24-7-86.

A communication No. DIV. 11/DP/41/84-173 dated 9-7-84 from the Executive Engineer, P.W.D. Public Health Division No. II, CGWB Ambala City is most relevant in this context. Wherein he has specifically clarified the necessity of such filters and intimation of encouraging results thereto in a United Nations Project in one of the District in Rajasthan. Besides this the IS 2800—1986 lays down the use of such type of filters.

#### Cost Factor

The cost of tubewell gets increased marginally from Rs. 800 to Rs. 2500 by the such type of filter depending upon

the length of corresponding fine to fine medium strainer and dia of filter used. The increase in cost by 2% to 5% of cost of tubewell is negligible if compared to the advantage of sand free higher yield and an interrupted supply from the tubewell and least maintenance of pumping machinery. In fact the fractional cost factor is off set in comparison to the advantages. Besides, this it is submitted that no complaint has been received from the concerned divisions, about the tubewells where such type of filters have been used. This itself guarantee's the public interest which was kept in view while using such type of filters as an alternative to brass filters.

The manufacturing estimates for the various rigs with which these tubewells have been drilled cover only the main items. There are exigencies in the work of drilling and the strata encountered cannot be predicted unless the tubewells is drilled. The use of copper mash brazed over M.S. lotted pipe was procured in public interest as explained above. Moreover the overall expenditure did not exceed the manufacturing estimates.

It can be easily concluded that such type of filter is scientifically and technically in order and has been used to tap fine to medium fine aquifers without which many of the tubewells would have been abandoned thus depriving the Haryana State from this precious gift of nature i.e. the water. This is a development in Modern Engineering and will be boon to Public Health Engineering.

During the course of oral examination, the Committee was informed that 11830 gaskets valuing Rupees 0.59 lakh are still lying as surplus with the Department since March, 1989. The Committee observed that it was due to the incorrect assessment of requirements by the concerned officers which led to the injudicious purchase of these gaskets resulting in blockade of funds to the tune of Rs. 0.59 lakhs. The Committee is not satisfied with the clarification given by the Department. The Committee, therefore, recommends that the entire matter be thoroughly enquired into and the responsibility against the concerned officers/officials be fixed and final report in this regard be sent to the Committee for its appraisal within a period of one month.

The Committee is not satisfied with the reply given by the Department. The Committee also observed that as this case relates to the year 1981 and the Superintending Engineer gave his recommendation during the year 1989. The Committee fails to understand as to why the department did not initiate timely action against the concerned officials. The Committee further observed that how the Executive Engineer Grounds Water Investigation, Public Health Division, Ambala exceeded his powers in purchasing the copper jali valued Rs. 0.6 lakh without any provision of this item in the estimate. Not only this, the State Vigilance Bureau also investigated this matter during the year 1983 observed that the material purchased was not all required to be installed. The Committee therefore, desire that the whole matter be again enquired into and the responsibility be fixed within a period of one month under intimation to the Committee.

[40] 4.12 *Extra expenditure due to defective execution of work*

A detailed estimate prepared (October 1980) by Executive Engineer, P.H. Division No. 11, Rohtak for Rs. 22.49 lakhs for augmentation of water supply in the Medical College, Rohtak, contained a provision of Rs. 7.37 lakhs for the construction of pitched inlet channel (Length 6812 ft) from Bhalaut sub branch upto Water Works of Medical College Rohtak. The work of construction of inlet channel was split into two parts i.e. RD 0-3000 and R.D 3000 to 6812 and the work on both the reaches was allotted (November 1979) to an agency at agreement amount of Rs. 3.60 lakhs and Rs. 2.80 lakhs respectively. The agreement executed, inter-alia provided (i) satisfactory testing of works before commissioning and (ii) rectification of defects if any, at the risk and cost of the agency.

After completion of the works in January 1981 the inlet channel was checked (March 1981) by the Executive Engineer who noticed that the channel was not got executed as per approved drawings. The agency was paid Rs. 2.74 lakhs in June 1982 for reach RD 0-3000 and Rs. 3.53 lakhs in July 1982 for reach 3000 to 6812 by recording a wrong certificate by the Sub Divisional Engineer that the work had been carried out as per P.W.D. specifications and drawings. The securities of Rs 0.13 lakh and Rs 0.15 lakh lying with the department were also released (June to August 1982) without getting the defects rectified and ensuring satisfactory commissioning of the Channel. For removal of the defects in the Channel, a special repair estimate at a cost of Rs. 1.86 lakhs was administratively approved in December 1983 and the special repair of the channel was got done (June/July 1985) through another agency at a total cost of Rs. 1.13 lakhs without getting the estimate technically sanctioned

Thus, due to defective works initially executed during 1979-80 and 1980-81 for which no responsibility had been fixed, the department had to incur an extra expenditure of Rs. 1.13 lakhs on special repair of channel. A departmental enquiry instituted in July 1987 was in progress (October 1989)

The matter was reported to Government in July 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

“The officers at fault have been charge-sheeted and the departmental enquiry is under process. The enquiry officer is being requested to finalise the case expeditiously.

The final bill along with security of M/s. Sag & Constn. Co., to whom the work was initially allotted was paid even after the defects at site came to notice. The officers who released the payment of the agency without rectifying the defects along with other persons responsible for the same have been chargesheeted and the departmental enquiry, as stated in para above, is still pending.

However the defects in the inlet channel have been got removed from other agency by preparing a special repairs estimate. It is only on account of this lapse of not having removed the defects at the risk and cost of M/s. Sag and Constn. Co., and also because the contractor get all his dues released, persons responsible have been charge-sheeted.

**The Committee desired that the enquiry against Shri S.K. Malhotra, S.D.O. be completed without any further delay so that recovery of the balance amount be made from him within a stipulated period. The report on the action taken in this regard be furnished to the Committee.**

[4] 4.13. *Excess payment to the contractor* D/- 06/09/22

In Mandi Public Health Division, Rohtak, the work of providing storm water drainage system in Grain Market, Rohtak was awarded (May 1982) to a contractor at an estimated cost of Rs. 3.15 lakhs after getting his tendered rates approved from the Superintending Engineer (SE), Mandi Public Health Circle, Karnal. The contractor commenced the work in June 1982 and the amount of contract was enhanced to Rs. 5 lakhs in March 1983 due to execution of additional item of lowering of sub soil water. The work was not completed within the enhanced amount of contract. To get the work completed further enhancement of contract required the approval of the Engineer-in-Chief/(EIC). Instead of getting the same approved by the EIC the Executive Engineer, with the approval of the SE, Karnal drew (April 1983) a parallel contract with the contractor at his existing rates for an amount of Rs. 2.05 lakhs which was further enhanced to Rs. 2.55 lakhs. The contractor completed the entire work in July 1983 at an enhanced cost of Rs. 7.55 lakhs.

During execution of works, laying of RCC pipes in certain portion required dewatering/lowering of sub soil water level (SSWL) for which no provision had been made in the detailed notice inviting tenders. The Executive Engineer got laid 668.60 metres of pipe under SEWL and made payments of Rs. 1.74 lakhs during June 1982-July 1983, against both contracts at the rate of Rs. 260 per metre length of lowering SSWL allowed in another contract in March 1982 in anticipation of approval of rates by the EIC. The cases was submitted to the EIC in March 1983 for sanction of the rate of Rs. 260 per metre length of pipe as it exceeded the financial powers of SE being more than Rs. 1 lakh. The EIC directed (June 1983) the SE Karnal to adopt the rate of Rs. 117 and Rs. 130 per metre length (based on spring levels) as was approved by the Superintending Engineer, Public Health Circle Rohtak in August 1982 for similar works in the same area. The extra rate of Rs. 117 per metre for a length of 407.07 metre and Rs. 130 per metre for a length of 261.53 metre were finally got approved by the Superintending Engineer in January 1988. By the time excess payment of Rs. 0.92 lakh had already been made to the contractor against which only an amount of Rs. 0.38 lakh on account of security was available with the department. The department had charge sheeted the then Executive Engineer and Superintending Engineer and final action in the matter was yet to be taken.

The matter was reported to Government in July 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The rate of Rs. 260 per metre was duly approved by the Superintending Engineer, Public Health Circle, Karnal. The rates of Rs. 130 & Rs. 117 per metre was also subsequently approved by the Superintending Engineer, Public Health Circle, Rohtak on advice of Engineer-in-Chief, as such both rates were duly approved by competent authority. The enquiry officer in his report submitted to the Government vide No. 136-137-PH dated 9-3-92 has acquitted Sh. F. Aggarwal, from all the charges levelled against him and the Govt. has vide No. 4/39/86-PH(I) dated 23-12-92 dropped all charges against him. Because of this reduction in approved rates, Subsequently, the unrecovered amount after adjusting the security available of the contractor is Rs. 57085 as under :-

Final bills	(i)	(-)	69552	(contract Rs. 5.00 lacs)
	(ii)	(-)	25523	(contract Rs 2.55 lacs)
			<hr/>	
			(-)	95075
Security available			<hr/>	37990
Amount to be recovered			<hr/>	(-)
			<hr/>	57085

For recovery of this amount, arbitration case has been filed by the Executive Engineer, PWD Public Health Division No. II, Rohtak on 29-3-89.

The Committee was informed that for the recovery of balance amount, an arbitration case had been filed by the Executive Engineer Public Health Division, Rohtak, during the year 1989. The Committee desired that the case be pursued vigorously so that recovery from the Contractor be realised at the earliest.

✓ [42] 4.14. Excess payment D/- 06/09/89

In Mandi Public Health Division Rohtak the contract for the work of laying stone ware (SWRCC pipe sewer) in Grain Market Rohtak was awarded (March 1982) to a contractor at an estimated cost of Rs. 4.45 lakhs after getting the rates approved from the Superintending Engineer (SE), Mandi Public Health Circle Karnal. As per Detailed Notice Inviting Tender (DNIT) a provision for lowering of sub soil water level in a length of 325 metres before laying of RCC pipes was made for which rate of Rs. 260, Rs. 400 and Rs. 300 per metre length upto 1 metre, beyond 1 metre upto 1.25 metre and beyond 1.25 metre below spring level respectively was approved, subject to the condition that prevailing market rates at the time of execution (if lower) would be payable.



The work was commenced in April 1982 and executed to the extent of Rs. 4.87 lakhs (October 1984) which included payment of Rs. 2.17 lakhs at the rate of Rs. 260 per metre for lowering sub soil water in a length of 834.37 metres. The contract was yet to be finalised as non-scheduled items for more than Rs 1.00 lakh needed approval of Engineer-in-Chief (EIC). The Executive Engineer Public Health Division No. II Rohtak (to whom work was transferred in September 1985) recommended (February 1988) to SE for payment for sub soil water lowering for 325 metres at Rs. 260 per metre as per DNIT and for 509.37 metre at Rs. 130 per metre, based on rate approved (August 1982/ June 1983) in a similar case of the Division and as such sought approval of Engineer-in-Chief for these rates. The approval of "E-in-C" had however not yet been received (June 1989). The contractor was thus paid an amount of Rs. 0.66 lakh in excess for which charge sheets were served upon the then Executive Engineer and Superintending Engineer (SE) and final action was yet to be taken (June 1989). Besides this, an amount of Rs. 1.27 lakhs (Rs 1.13 lakhs on account of excess issue of material and Rs. 0.26 lakh compensation less Rs. 0.12 lakh for work done payable) was also recoverable. Against recovery of Rs. 1.93, lakhs security deposit of Rs. 0.24 lakh only was available with the department.

The matter was reported to Government in July 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The Superintending Engineer as well as the Executive Engineer both have been acquitted of all the charges level against them by the respective Enquiry Officer as they have not found guilty of any charge.

The case regarding finalization of Non-Scheduled of lower of water level amounting to Rs. 1,91,147 & non-schedule item amounting to Rs. 11,457 is under consideration on finalization thereof the final bill shall be passed and the matter will be referred to Arbitration for recovery of the excess payment made.

No Audit objection in respect of ARP's vouchers/contingent bills and agreements is outstanding.

The Committee desired that efforts be made by the Department to finalise this case pending in arbitration for the recovery of excess payment made at the earliest.

#### ✓ [43] 5.5. Shortage of material

(a) Financial rules inter-alia provide that (i) material should not be issued to the contractor/work in excess of the requirement at site, (ii) the unused material should be periodically verified at least once in a year, particularly on or before the completion of work and (iii) the unused/surplus material, after completion of work, should be brought back to store or transferred to other works in progress.

In World Bank Public Health Division, Sirsa, a Junior Engineer got issued 2000 metres of PVC pipe of 110 mm (cost Rs. 0.82 lakh) and 2650 metre of PVC pipe 110 mm (cost Rs. 0.87 lakh) during July 1983 and September 1984 respectively for the work "Providing water supply scheme Ali-mohmad" which was allotted to a contractor in August 1985. 3310 metres of pipe (cost Rs. 1.09 lakhs) were further issued in September 1985 on commencement of the work. The work was completed in March 1986 in which 3719 metres of pipe were actually used and 1591 metres were transferred (July 1984 to June 1988) to other works leaving a balance of 2650 metres costing Rs. 0.87 lakh.

During audit (February 1989) it was noticed that 4650 metres of pipe valuing Rs. 1.69 lakhs was issued well in advance of the commencement of work and that 2650 metres of pipe valuing Rs. 0.87 lakh issued in September 1984 were neither accounted for in 'Material at site account' nor were its whereabouts known.

The executive Engineer stated (June 1989) that 2650 metres PVC pipes got issued by the Junior Engineer in September 1984 could not be located while preauditing the final bill of the contractor. The Engineer-in-Chief stated (October 1989) that committees of two Sub Divisional Engineers constituted in June 1989 to enquire into the matter had held the Junior Engineer responsible for the shortages. Further developments were awaited (December 1989).

The matter was reported to Government (July 1989); reply has not been received (April 1990).

(b) A Junior Engineer holding charge of various works since September 1984 in Public Health Division Bahadurgarh proceeded on leave from 4-11-1985 to 27-12-1985 without sanction from the competent authority. The official did not resume his duties after the expiry of leave and was transferred to Public Health Division, Narnaul in May 1986 as per telegraphic orders issued by the Chief Engineer. The official was considered relieved from the division in absentia without ensuring proper handling over charge of works including accounts/records of material consumed at site during his stay in the division. In May-June 1987, the Sub Divisional Officer, Public Health Sub Division No. III Bahadurgarh worked out shortages of Rs. 1.46 lakhs against the official on the basis of handing over/taking over papers submitted by his predecessor in September 1984. The amount was placed in Miscellaneous Public Works Advances of the Junior Engineer in July 1987. Neither was any FIR lodged with the police nor responsibility fixed for the shortages against the official/officers concerned. A charge sheet submitted by the Superintending Engineer to the Engineer-in-Chief in January 1989 has yet to be served upon the official (May 1989).

The shortage of material was facilitated due to nonensuring of (i) maintenance and monthly submission of detailed statement of materials and (ii) control over transactions relating to material besides non-verification of the material issued by the officers. The Engineer-in-Chief intimated (September 1989) that the Junior Engineer was held responsible for the shortage of Government material. Further developments were awaited.

The matter was reported to Government (July 1989); reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The monthly accounts relating to store were being regularly submitted by the Junior Engineers but the material at site Accounts are annually checked by the Physical verifier.

The periodical/annual verification of material was done during the execution of work.

First of all departmental enquiry was conducted for the shortages and it was found that Sh. R. K. Sharma, Junior Engineer has misappropriated the material. A Charge-sheet under rule 7 has been served vide Engineer-in-Chief, Haryana PWD Public Health memo No. 74-71/C-217 dated 9-1-92, to Sh. R. K. Sharma, Junior Engineer, Sh. M. S. Miglani, Superintending Engineers, WBP Public Health Circle, Hissar has been appointed an enquiry officer and the enquiry report still awaited.

The matter is being pursued with SE WBP Hisar.

Sh. S. N. Sikka, Junior Engineer has been considered responsible for not maintaining the material issue and consumption statement of work.

The yearly Physical verification of material at site is done by an independent agency, report of which is sent to the Audit.

Sh. S. N. Sikka, Junior Engineer has been Charge-sheeted vide Engineer-in-Chief Haryana PWD Public Health Branch letter No. 6-69/C-8681-PH/E(4) dated 18-10-89. Sh. A. K. Khaterpal, Executive Engineer-cum-Enquiry officer has submitted the enquiry report. Show-cause notice has been issued to Sh. S. N. Sikka, Junior Engineer vide Engineer-in-Chief, Haryana letter No. 6785 dated 26-6-91.

The Committee was informed that Shri R. K. Sharma, Junior Engineer had been held responsible for the shortage of material. A charge sheet under Rule 7 had already been served to him and Shri M. S. Miglani, Superintending Engineer, Hisar had been appointed as Enquiry Officer. The Committee was further informed that the enquiry report was still awaited from Superintending Engineer, Hisar.

The Committee, therefore, desired that the case be finalised within a period of one month and report in this regard be sent to the Committee.

## TOWN AND COUNTRY PLANNING (HUDA)

### [44] 6.6 Allotment of work without tenders

On the basis of tenders invited and opened on 27-2-1987, the Executive Engineer (EE) HUDA, Division No. III, Faridabad allotted the work of supply of Stone Metal (378 cum), Bajri (99 cum), Stone-dust (23 cum) and Screening (38 cum) in Sector 8 of Faridabad (estimated cost Rs. 0.41 lakh) to a contractor on 5th March 1987 at Detailed Notice Inviting Tenders (DNIT) cost. The administrative approval amounting to Rs. 12.92 lakhs was issued on 16-2-1987 and there was a provision of Rs. one lakh in the budget of the Division for the year 1986-87 for the work. Scope of the work was enhanced to Rs. 4.70 lakhs Stone soling (189 cum), Stone metal (3759 cum), Bajri (1401 cum), Stone dust (311 cum), and screening (376 cum), by the Superintending Engineer S.E. on 27-3-1987. Instead of inviting fresh tenders for enhanced work, the (SE) allotted the work to the same contractor on the recommendation of the E.E. that no lower rates were expected if fresh tenders were invited and the prevailing rates for the last six months had been kept in view. The plea of the E.E. was not tenable as the rates received in September 1986 and October 1986 prior to the tenders received in February 1987, showed a diminished trend with 9.53 and 14.97 per cent respectively below the rates mentioned in the DNIT. Tenders for a similar work (in Sector 18) were invited on 28-4-1987 -when rates received were lower by 17.97 per cent of DNIT. Allotment of work without invitation of fresh tenders in March 1987, when compared with the tenders received in April 1987 for similar work has resulted in excess expenditure of Rs. 0.79 lakh.

The matter was referred to State Government in August 1989; reply has not been received (April 1990.)

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

No Officer/official is responsible since the allotment of work has been made at the permissible rates provided in the Hr. PWD schedule of rates and therefore no excess expenditure over the permissible expenditure has been incurred by enhancing the amount of agreement from Rs. 0.40 lac to Rs. 4.70 lacs. Enhancement of the permissible rates was made by the competent authority for expeditious completion of work to meet the urgent demand of prospective Residents of the Sector and it was therefore, not considered advisable to call tender for additional work of the same character which had already been allotted on the Haryana PWD schedule of rates. It was not even advisable on the part of Engineer in charge to call, simply with the expectation of receiving rebate/discount on the rates provided in the Haryana PWD schedule of rates without

hampering the pace of progress in respect of a work which was already being executed on the rates provided in the PWD schedule of rates. The allotment of work was made after calling tenders and following all the procedural requirements.

In view of the reply given above, the work has been got executed at the permissible rates provided in Hr. PWD schedule of rates and in view of that no excess expenditure of the permissible rates has incurred.

The Committee was not satisfied with the explanation given by the department during oral examination on 10-5-93. The Committee observed that there is lapse on the part of officers/officials who have failed to take the correct assessment of the work at the appropriate time. The Committee, therefore, recommended that the entire matter be again thoroughly investigated and responsibility be fixed against the delinquent officers/officials. The reports of the enquiry be submitted to the Committee within a period of two months. The Committee was further pained to observe that no report to this effect was submitted till the finalisation of this report. The Committee, therefore, recommended that the said enquiry be completed without any further delay.

#### [45] 6.7. Acceptance of tender at higher rate

In Haryana Urban Development Authority (HUDA) division, Panipat, the work "laying of stoneware (SW) pipe sewer, R.C.C. pipe sewer, construction of manholes and all other work contingent thereto" in Sectors 11 and 12 (Part II) (estimated cost : Rs. 26.10 lakhs) was split into three groups (Group I : Rs. 9.40 lakh; Group II : Rs. 6.70 lakhs; Group III Rs. 10 lakh). Tenders for Group I and II were invited and opened on 9th December 1986 and for Group III on 30th December 1986. The lowest rates received were 11.5 per cent, 11.6 per cent and 10.5 per cent above departmental ceiling rates for Group I, II and III respectively. Though difference in the lowest rates offered for all the three groups was marginal tenders for group I and II were considered to be on higher side and rejected by the Executive Engineer (EE) on 9th December 1986 whereas tenders for Group III were recommended on 31st December 1986 to the Superintending Engineer (SE) for acceptance on the plea that the rates were reasonable keeping in view increase in labour and rising trend of market. The S.E. invited (1st January 1987) all the four contractors who had tendered against Group III for negotiation on 5th January 1987 and negotiated the rates to 8% above development ceiling rates in the presence of E.E. which were recommended (7th January, 1987) and approved by the Chief Engineer on 30th January 1987.

Tenders for Group I and II were reinvited and opened on 9th January 1987 when the lowest rates received were 9.6 per cent and 7.5 per cent below the departmental ceiling rates for Group I and II respectively. No action to reject and reinvite tenders for Group III was initiated by HUDA even after knowing the lower trend of rates for other groups of the same work during 9th January 1987 to 30th January 1987. The work in respect of Group I, II and III was completed in January 1989, December 1988 and October 1988 at a cost of Rs. 7.89 lakhs, Rs. 5.16 lakhs and Rs. 9.93 lakhs respectively. Thus, an extra expenditure of 1.43 lakhs was incurred by HUDA by acceptance of tender at higher rates even after receiving offers of lower rates for other groups of same work.

The matter was reported to Government in March 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The tenders were received on 30-12-86 and the rates quoted by the lowest bidder were 10.5% above departmental ceiling rates. These tenders were negotiated with the tendering parties on 5-1-87. One of the tenderers (who was the lowest bidder) on 30-12-86 agreed to further reduce the rates from 10.5% above departmental ceiling rates to 8% above departmental ceiling rates.

Thus, it is evident that sincere efforts were made to watch public interest by negotiating the tenders rates and getting the same reduced.

Further the level to which the rates were got reduced i.e. 8% above the departmental ceiling rates favourably compared with the average ceiling premia which worked out to 9.40% above departmental ceiling rates.

As such the work was allotted after negotiating the rates and the premia at which work allotted was 1.40% below the ceiling rates; determined on the basis of ceiling premia prevalent (in all the branches of PWD) on the day of opening of tenders to complete the work immediately since major portion of scope of work covered in this group was of Housing Board Colony. The Haryana Housing Board Colony was pressing hard to HUDA to complete the development activities because their contractual agencies had started construction of houses. In the meeting held on 7-1-87 in the office of Chief Engineer, Housing Board Haryana, Superintending Engineer, HUDA, Circle Karnal and ensured that the sewerage services of this Colony shall be completed by April, 1987. The site condition in Housing Board area were totally different as compared to other groups. The construction of houses was on full swing at that time and a lot of construction material was lying dumped in the lanes where this particular work was to be carried out. In the other groups the area was open and there was no difficulty for execution of work. It is an established fact that it is very difficult to execute work in small lanes where already a number of contractors of Housing Board Haryana area were constructing the houses and a lot of construction material was lying dumped as compared to the work to be executed in open area. Keeping in view the above site conditions it was not possible for further lowering of rates and work was allotted in the interest of work.

It is restated that sealed tenders were invited after following the prescribed procedure as laid down in para 2.67 to 2.72 of the P.W.D. code. As such there was no occasion for the then Executive Engineer to doubt the genuineness of rates of the lowest bidder.

As explained against observation No. I above the loss of 1.43 lacs stated to have been sustained being imaginary as based on conjectures and no loss to HUDA has done.

The Committee is not satisfied with the explanation given by the department during oral examination conducted on 10-5-93. The Committee observed that an extra expenditure of Rs. 1.43 lakhs was incurred by Haryana Urban Development Authority by acceptance of tenders at higher rates even after receiving offers of lower rates for other groups of the same/similar work. The Committee, therefore, recommended that the entire matter be again investigated and report be submitted to the Committee within two months.

## SPORTS

### [46] 6.8. Excess payment of grants

Rules for the grant-in-aid to the various Sports Associations/Organisations lay down, inter-alia, that annual or other grants shall not exceed 50 percent of the approved expenditure and the balance expenditure would be met by a matching contribution by the grantee; and that 50 percent of the grant-in-aid sanctioned should be released in the first instance and the remaining amount released in one or more instalments after scrutinising the activities of the associations and proper utilisation of the amount released. Grants totalling Rs. 6 lakhs (1985-86: Rs. 2.50 lakhs and 1986-87: Rs. 3.50 lakhs) were paid by Sports Department to Haryana Olympic Association to enable it to hold sports festivals at Rohtak and Bhiwani.

A test check (July 1988) of the records of the sanctioning authority disclosed as under :—

- (i) Whereas the condition of matching contribution was prescribed in the sanction for the year 1985-86, it was not imposed in the sanction orders for the year 1986-87.
- (ii) In both the years grants were released in lump sum i.e., in one instalment and the amount was not restricted to 50 per cent of the approved expenditure of Rs. 1.69 lakhs in 1985-86 and Rs. 2.46 lakhs in 1986-87. This resulted in excess payment of grant of Rs. 1.85 lakhs (1985-86 Rs. 0.81 lakh and 1986-87 : Rs. 1.04 lakhs).
- (iii) Similarly, excess payment of grants totalling Rs. 0.81 lakh was made during 1985-86 to 1987-88 to 5 other Sports Associations.

On this being pointed out in audit the department directed (April 1989) all the 6 associations to deposit the excess grant of Rs. 2.66 lakhs into Government Treasury. The amount had not been deposited by any of the Associations (June 1989).

The matter was reported to Government in August 1988; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- 1 The Department released grants to 39 Sports Associations during the year 1986-87 and imposed the condition of matching contribution on all such grants. However, due to some clerical mistake, the condition of matching contribution could not be inserted while sanctioning grant to the Haryana Olympic Association. The omission is regretted.

2. So far as the responsibility for making the excess payment of grants is concerned, it is submitted that as per the rules for the grant-in-aid to the various Sports Associations/Organisations the grants are not to exceed 50% of the approved expenditure, and the matching grant is given to the Associations keeping in view their budget and statement of activities details of which they enclosed alongwith their applications for grant.

And if the expenditure is more than to double of the amount of grant released by the Department, the concerned associations are required to make their own contribution. But if the total expenditure is less than double of the amount of the grants released by the Department, recovery of the such excess grant is made from the Association.

3. The latest position of recovery effected from the different Associations on account of not complying with the condition of matching contribution by them, is given below : —

The Haryana Olympic Association was sanctioned a sum of Rs. 2.50 lacs as grants-in-aid in the year 1985-86 and Rs. 3.50 lacs in the year 1986-87. In the year 1985-86, the Association spent a sum of Rs. 3.37 lacs against the grant of Rs. 2.50 lacs by the Department and a sum of Rs. 81,375.06 paise has been recovered from the association and deposited in the treasury vide challan No. 2, dated 25-9-91. Similarly in the year 1986-87, the Association spent a sum of Rs. 4,92,517.01 paise against the grant of Rs. 3.50 lacs released by the Department. A sum of Rs. 1,33,741.50 paise has been recovered from the Association and deposited in the treasury vide challan No. 2, dated 25-9-91.

As regards the recovery of Rs. 10/81 lac on account of excess grant to the other five Sports Associations is concerned, it is pointed out that an amount of Rs. 22,699.00 from the Distt. Olympic Association, Gurgaon has been deposited in Government treasury vide challan No. 12, dated 21-3-90.

And Distt. Olympic Association, Sonapat deposited the amount of Rs. 12,502.50 in Government treasury vide challan No. 13, dated 14-12-89.

So far as the recovery of excess payment of grant to the Distt. Olympic Association, Hissar is concerned, the audit had pointed out the excess payments of Rs. 14,898/- in the year 1985-86 & Rs. 16,000/- in the year 1986-87. But the Distt. Olympic Association, Hissar has reported that the grant of Rs. 30,000/- was given to them at the end of financial year of 1985-86 and Rs. 16,000/- during the year 1986-87. The association has further stated that since the grant of Rs. 30,000/- was released at the end of financial year, it was not possible for them to utilise the amount of Rs. 30,000/- within the remaining two or three days of the financial year of 1985-86 and they have utilised this amount alongwith the grant of Rs. 16,000/- sanctioned for the year 1986-87 during 1986-87 itself. Thus in the year 1986-87 against the total grant of Rs. 46,000/-, an expenditure incurred by the association was to the tune of Rs. 91,814.00. The Association also sent utilisation certificate for the grants of Rs. 46,000/- sanctioned during the years 1985-86 and 1986-87.



So far as the report of the Audit about the recovery of the Rs. 13,182/- from the Distt. Olympic Association, Rohtak and Rs. 1,985/- from the Haryana Civil Services Mountaineering & Trekking Association is concerned. However, the steps are being taken by the Department to recover these amounts from both these associations. -

In nut-shell, against the total amount of excess payment of Rs. 2.66 lac pointed out by the audit, the Deptt. has recovered Rs 2,50,833/- from the Associations. Efforts are also being made to recover the remaining amount of Rs. 15,167/-.

During the course of oral examination, the Committee observed that the grant-in-aid is not given well in time resulting the misutilisation of the grants and thereafter bogus and fictitious reports regarding the utilisation is being obtained by the Deputy Commissioners to regularise the said grants. The Committee, therefore, recommends that the grant-in-aid be released timely so that the utilisation certificates be submitted in time.

The Committee further recommends that the recovery of amount from District Olympic Association, Rohtak and Haryana Civil Services Mountaineering and Trekking Association be made without any further delay and the Committee be informed accordingly.

The Committee further observe that the Department should construct more stadiums in the rural areas to promote the youths of the villages to compete at the National/International level. The committee also recommends that a wide publicity be made in the rural areas about the objectives and achievements of the Department.

On a question asked by the Committee, the Department informed that so far eleven rural stadiums has been constructed by the Department in the state. The Committee desired that the list of stadiums so constructed in the rural areas be supplid to the Committee.

## FOOD AND SUPPLIES

### [47] 7.7. Extra Expenditure

The Director, Supplies and Disposals Haryana. (DS&D) placed (March 1985) an order on a Delhi based firm for the supply of 2400 polythene covers at the rate of Rs 1299 per cover for protecting wheat stock for Rabi 1985 lying in open. The supply was to be completed by 7th May 1985. Due to non-receipt of the supply in time the department obtained (May 1985) 980 polythene covers from food Corporation of India (FCI) Punjab region on loan basis. The covers were to be returned on the receipt of supply from the supplier.

The department received (April to August 1985) 2698 polythene covers (against the requirement of 2400) but did not return the 980 polythene covers taken on loan from the FCI though quantity in stock was in excess of requirements. The FCI deducted (March 1986—April 1986) from the sale bills Rs. 22.52 lakhs on account of cost of polythene covers at the rate of Rs. 1892 per cover including sales tax (Rs. 1.53 lakhs) and interest (Rs. 2.45 lakhs). Thus due to non-return of polythene covers in time the department had to incur an extra expenditure of Rs. 9.05 lakhs (extra cost : Rs. 5.81 lakhs; Sales Tax : Rs. 0.79 lakh; Interest : Rs. 2.45 lakhs).

The department stated (May 1989) that polythene covers in stock were hardly sufficient for coverage of wheat stock purchased. The reply is not tenable as even after meeting their requirement sufficient quantity of polythene covers were in stock.

The matter was reported to Government in July 1989; reply has not been received (April 1990).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

In this connection it is submitted that during Rabi 1985, 2698 covers were purchased from Dusani Associates vide order No. 42/HR/TLA-84-85 642 dt. 23.3.85 placed by Director Supplies and Disposals Haryana. The department as per record had 3082 serviceable covers but new covers and the serviceable covers combined were not sufficient to cover the stock available during Rabi, 1985 and subsequently.

It is important to note that serviceable covers are not that useful for fumigation as are the new covers and fumigation at that time was very important because the total quantity of wheat stocks procured in Rabi 1985 was very large and the movement of the FCI was very slow.

The purchase of polythene covers through Director Supplies and Disposals taken long time and therefore polythene covers could not be obtained through Director Supplies and Disposals channel. In view of this FCI was requested to provide the covers. Rather it was persuaded to

give the covers. The rate was not negotiated because it was an official agency which was providing the covers. No doubt, FCI had to be paid more because of the increased charges that it incurred on the procurement of covers but that amount was justified because of immediate necessity of the covers otherwise the loss on account of damage to the stocks might have been much higher. As for as the interest is concerned, the Government in any case would have paid interest to the private party also. It, in commercial terms, is the cost of capital and FCI being a Government agency, naturally, will charge the cost of the capital. FCI however, has recently told that it will review its decision regarding charging of interest and might refund the interest amount.

As for as the difference in the cost of covers is concerned, it is but natural that the cost of the covers will be high as Food Corporation of India had to incur the cost on freight and various other things while in case of Dusani Associates, the original amount of this does not include the cost on freight.

At the time of oral examination, the Committee desired that the department should submit a note about the justification for taking 980 Polythene covers from F.C.I. in May, 1985 and also to fix the responsibility for not returning the covers to F.C.I. which apparently resulted in an extra expenditure of Rs. 9.05 lakhs. Accordingly a detailed note was prepared by the department and submitted to the Committee. After going through the note of the department, the Committee observed that the rates including the establishment charges were excessively high in the said transaction which should not be charged under such mutual transactions. The Committee further observed that the interest on belated payment, interest on storage and other administrative charges etc. were excessively charged. On the direction of the Committee, the department took up the matter with F.C.I. to settle these pending issues. The department informed the Committee that sincere efforts were being made to sort out the matter with F.C.I. The Committee recommended that the matter be finalised at the appropriate level expeditiously and final report in this regard be sent to the Committee for its consideration. The Committee further recommended that the terms and conditions should be settled prior to finalise such type of agreement in future so that such type of irregularities may not occur in future.

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PART-II

(REVENUE RECEIPTS)

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## MINES AND GEOLOGY

### [48] 1.4. *Uncollected revenue*

As on 31st March, 1989, arrears of revenue pending collection under principal heads of revenue as reported by the department were as under :—

Head of revenue	Total arrears	Arrears outstanding for more than 5 years
1	2	3
(In crores of rupees)		
Non Ferrous Mining and Metallurgical Industries.	1.27	0.71

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) Arrears of Rs. 1.27 crores pertain to the period right from the formation of State of Haryana in Nov. 1966 upto 31-3-89 whereas Rs. 0.71 crore are more than five years old arrears i.e upto 31-3-1984.

Out of the total of Rs. 1.27 crores, a sum of Rs. 44.08 lacs has since been recovered. A sum of Rs. 2.56 lacs has been held to be not due by the District Judge, Faridabad, though an appeal has been filed against these orders in the Honble High Court but till such time the Judgement of District Judge is not reversed, this amount cannot be recovered. Recoveries amounting to Rs 16.83 lacs have been stayed by different courts. Out of the balance amount of Rs. 65.41 lacs a sum of Rs. 43.59 lacs pertains to the defaulters residing outside the State. Recovery certificates to recover these amounts as arrears of land revenue have been issued to the Collectors of districts concerned where defaulters are staying. For recovering the balance amount, recovery certificates have been got issued through the Collectors of districts concerned to recover his amount as arrears of land revenue. Mining Officers who have been delegated with the powers as Collector (Grade-I) are making efforts to recover these amounts.

Out of the sum of Rs. 0.7105 crores which are more than five years old arrears, a sum of Rs 34.53 lacs has been recovered. As has been stated above a sum of Rs. 2.56 lacs has been held not due by the District Judge, Faridabad. Recoveries

of a sum of Rs. 6.97 lacs have been stayed by the Courts. Out of the balance amount of Rs. 26.99 lacs a sum of Rs. 9.71 lacs is to be recovered from the parties residing outside the State.

It may be mentioned here that total revenue from minerals from Nov., 1966 to 31st March, 1989 was Rs. 40.44 crores. Thus arrears of Rs. 65.41 lacs form only 1.12% of the total income. Every effort is being made to recover the same.

As has been explained in (i) above, a balance arrear upto 31-3-1989 has been reduced to Rs. 65.41 lacs and balance arrears which are more than five years old has been reduced to Rs. 26.99 lacs.

The details of cases in which outstanding amount is more than Rs 50,000 are at annexure-'A' of the replies.

The field officers who have been delegated with powers of Assistant Collector Grade-I are making efforts to liquidate the amounts as arrears of land revenue expeditiously.

## ANNEXURE-A

### 1. M/s. Gian Chand Laxman Dass

M/s. Gian Chand Laxman Dass was granted contract for the extraction of Road Metal and Masonary stone from the quarry of village Ghamroj district Gurgaon at the rate of Rs. 76,000 per annum for the period from 17-5-83 to 31-3-1988. The Contractor represented that Gram Panchayat Ghamroj was putting hindrance in the extraction of road metal and masonry stone and did not pay the contract money. The contract was terminated on 24-9-1985 and certificate for the recovery of Rs. 81,700 as contract money plus interest as arrear of land revenue was issued. The defaulter filed a suit in the court of Sub Judge, Gurgaon against the recovery alleging that he was not allowed to under take quarrying operation and obtained the stay against the recovery. The suit was dismissed on 10-4-1989. However, party filed an appeal against the orders of Sub Judge, before the district Judge, Gurgaon which was dismissed on 3-8-92. Efforts are being made to liquidate the amount.

### 2. M/s. Mohan Lal & Co.

M/s. Mohan Lal & Co. obtained the contract of Boga sand zone of district Sonapat in public auction after offering a bid of Rs. 2,47,100 per annum for the period from 5-5-84 to 31-3-1989. The contract was terminated on 1-5-85 on account of non payment of contract money. A recovery certificate for Rs. 2,01,923.50 was issued against Shri Anup Kumar, the sole proprietor of the firm. As Shri Anup Kumar was staying at Ghaziabad with his father Shri Surinder Nath who owns a industrial unit there, the recovery certificate was sent to Collector Ghaziabad to effect the recovery. The matter was personally persued by the Mining Officer, Sonpat with the Collector Ghaziabad. Director Mines & Geology also wrote number of D. O. Letters to Collector Ghaziabad. As there was no property in the name of Shri Anup Kumar, so the Collector, Ghaziabad attached the property of his father Shri Surinder Nath who filed a writ petition in Allahabad High Court challenging the action of the Collector. Honble High Court issued a direction to the Collector to the effect that if nothing is due from the father of Shri Anup Kumar then the authorities shall not harrass him or attach his property or take any coercive measures against him. In these circumstances, the Collector Ghaziabad had shown his inability to effect the recovery. Efforts were made to recover the arrears from the surety but he also filed a suit alleging that he was not a surety. Sh. Lakh Raj Singh surety was arrested by Mining Officer, Sonapat on 16-7-1992 but was released on 20-7-1992 on assurance of prominent person of his village to the effect that contractor Sh Anup O beroi would be produced within a fortnight.

### 3. M/s. Him Giri Minerals

M/s. Him giri Minerals obtained the contract of Murthal sand zone of district Sonapat in public auction after offering a bid of Rs.

10,08,000 per annum for the period from 5-5-84 to 31-3-89. The contract was terminated on 6-5-85 on account of non payment of contract money. A recovery certificate for Rs. 11,72,995 was issued against Ajay Oberoi, the sole proprietor of the firm. As Shri Ajay Oberoi was staying at Ghaziabad with his father Shri Surinder Nath who owns an industrial unit there, the recovery certificate was sent to Collector Ghaziabad to effect the recovery. The matter was personally pursued by the Mining Officer, Sonipat with the Collector Ghaziabad. Director Mines & Geology also wrote number of D.O. Letters to Collector Ghaziabad. As there was no property in the name of Shri Ajay Oberoi, so the Collector, Ghaziabad attached the property of his father Shri Surinder Nath who filed a writ petition in Allahabad High Court challenging the action of the Collector. Honble High Court issued a direction to the Collector to the effect that if nothing is due from the father of Shri Ajay Oberoi then he shall not harrass him or attach his property or take any coercive measures against him. In these circumstances, the Collector Ghaziabad had shown his inability to effect the recovery. Efforts were made to recover the arrears from the surety but he also filed a suit alleging that he was not a surety. Sh. Lakh Raj surety was arrested under Land Revenue Act. by M. O Sonapat on 16-7-1992 and was sent to revenue lock up. He was released on 20-7-1992 after an assurance was given by his counsel and certain prominent persons of his village to the effect that Ajay Oberoi would be produced before Mining Officer, Sonipat within a fortnight.

#### 4: M/s. Himgiri Minerals

M/s. Himgiri Minerals obtained the contract of Khewara zone of district Sonipat in public auction after offering a bid of Rs 12,63,000 per annum for the period from 5-5-84 to 31-3-1989. The contract was terminated on 6-5-85 on account of non payment of contract money. A recovery certificate for Rs 10,17,518 was issued against Shri Ajay Oberoi the sole proprietor of the firm. As Shri Ajay Oberoi was staying at Ghaziabad with his father Shri Surinder Nath who owns an industrial unit there, the recovery certificate was sent to Collector Ghaziabad to effect the recovery. The matter was personally pursued by the Mining Officer, Sonipat with the Collector Ghaziabad. Director Mines & Geology also wrote number of D. O. Letters to Collector Ghaziabad. As there was no property in the Name of Shri Ajay Oberoi, so the Collector Ghaziabad attached the property of his father Shri Surinder Nath who filed a writ petition in Allahabad High Court Challenging the action of the Collector. Honble High Court issued a direction to the Collector to the effect that if nothing is due from the father of Shri Ajay Oberoi then he shall not harrass him or attach his property or take any coercive measures against him. In these circumstances, the Collector Ghaziabad had shown his inability to effect the recovery Efforts were made to recover the arrears from the surety but he also filed a suit alleging that he was not a surety. 6/25 part of total land of 136 kanal belonging to Sh. Ishwar Singh has been attached by Mining Officer, Sonipat.

#### 5. M/s. Nihal Singh and company

The contract of Sarai Khawaja Plot No. 2 stone quarry of distt. Faridabad was granted on contract by public auction to M/s. Nihal



Singh & Co., for the period from 26-11-76 to 31-3-80 at the rate of Rs. 3,88,000/- per annum. After sometime of the commencement of the contract some partners sought permission to retire and addition of two new partners. The partners were asked to fulfil certain formalities but the same were not completed accordingly they were not granted permission for opting out of contract. The contract was to be terminated because of non payment of contract money. The recovery proceedings were challenged by the new partners firstly in High Court, where their writ petition was dismissed and subsequently in Supreme Court of India. Hon'ble Supreme Court of India disposed-off their appeal with the direction to the State Government to adjust their forfeited security while recovering the balance amount from the company. Accordingly, out of the total arrear of Rs. 3,55,022 a sum of Rs. 2,51,890 was recovered after adjusting the security leaving a balance of Rs. 1,03,132 when the recovery was pursued vigorously, and warrant of arrest were issued against the available partner, AME, Faridabad could recover an sum of Rs 10,000 on 26-12-91 and Rs. 17100 on 30-1-1992 leaving a balance amount of Rs 76132 as contract money plus interest. Now the two partners from whom the efforts were being made to recover the balance amount filed writ petition in the High Court and obtained stay of recovery on 30-1-1992 on the plea that recovery balance contract amount should be made from all the partners and not only from them. The writ petition has also been admitted on 26-5-1992 and stay has been confirmed.

#### 6. M/s. Sain Minerals

The case relates to the recovery of Rs 2,56,000 from M/s Sain Minerals on account of extraction of sand from Anangpur quarry. The party went into litigation with the deptt and district Judge, Faridabad held that the amount is not recoverable. The State Govt. has filed R.S.A 2004 of 1984 against the orders of the district Judge, Faridabad in High Court which is pending in the Hon'ble High Court.

#### 7. Kuldip Rai Panchkula

The contract of Gumthala quarry was granted to Shri Kuldip Rai s/o Shri Kashmiri Lal Vill. & P.O. Panchkula for the period from 8-7-80 to 31-3-1983 @ Rs. 4,25,200 per annum. A sum of Rs. 5,07,420 as contract money & Rs 1,19,700 as interest was recoverable upto 31-7-83 for which a recovery certificate was issued as arrear of land revenue. A sum of Rs 4,34,242 had been recovered leaving a balance of Rs 73178. Efforts are being made to recover the same alongwith interest.

#### 8. Shri Parbhathi Lal S/o Shri Ram Lal

The contract for the extraction of road metal and masonry stone from Khaspur quarry was granted to Shri Parbhathi Lal S/o Shri Ram Lal R/o Vill. Khaspur, Tehsil Narnaul for the period from 8-4-81 to 31-3-84. @ Rs. 31,100 P.A. The contractor made a default in the payment of instalment due on 8-10-81 and the contract was terminated under clause 16 of the contract agreement. The possession of the quarry was taken on 18-10-83. A sum of Rs. 57,064 as contract money and

a sum of Rs. 20,000 as interest was outstanding towards the contractor. The recovery certificate has been issued for effecting the recovery of the outstanding amount as arrear of land revenue. The contractor has expired. Steps are being taken to recover the amount from Legal heirs and his surety.

#### 9. Om Parkash VPO Shahpur

A contract of Nathanpur quarry of district Ambala was granted to Shri Om Parkash VPO Shahpur for the period from 18-4-1983 to 31-3-1988 @ Rs. 90,100 per annum. The contract was terminated due to non payment of contract money on 25-10-85 and the possession of quarry was taken on 13-11-1985. A recovery certificate was issued on 17-3-1986 to recover the contract money Rs. 74,082 and interest as Rs. 8,763 as arrear of land revenue. A sum of Rs 3,000 was recovered but in the meantime the contractor Shri Om Parkash expired and at present efforts to the Govt dues are being made from the surety Shri. Sawan Mal. The recovery certificate has been issued against him and the recovery is pending with Collector Karnal.

#### 10. Parmod Kumar Rajinder Kumar

The contract of Lapra quarry of district Ambala was granted to M/s. Parmod Kumar Rajinder Kumar R/o Yamuna Nagar for the period from 18-4-83 to 31-3-88 @ Rs. 90,000 per annum. The contract was terminated due to non payment of contract money vide order dated 8-12-1985 and the possession of quarry was taken back from the contractor on 11-2-1986 & recovery certificate under Land Revenue Act for Rs. 1,86,250 as contract money and Rs. 55,666 as interest was issued on 21-5-1987 to recover the balance amount. The contractor filed civil suit against the recovery and obtained stay against them and at present the case is pending in the court. The next date is fixed for palantiff witness.

#### 11. Shri Dharam Pal

The contract of Doyiwala was granted to Shri Dharam Pal R/o H. No. 1472 Sector 22-B, Chandigarh, for the period from 20-3-1980 to 31-3-1983 @ Rs. 80,100 per year. The contract was terminated on 15-9-1982 due to non payment of contract money and the possession of quarry was taken back on 20-9-82. A sum of Rs. 1,02,245 as contract money and Rs. 10,493.10 as interest was recoverable on 19-11-1982. A recovery certificate was issued for Rs 1,21,960.33 (Rs. 1,02,245 as contract money) on 2-8-83 after that a sum of Rs. 42,500 have been recovered and now the recovery is pending with Collector Chandigarh to recover the remaining amount of Rs. 59745 plus interest.

#### 12. Shri Sandeep S/o Shri Mange Ram

The contract for the extraction of Road Metal and Masonary stones from Bhuriawas quarry of district Rohtak was granted to Shri Sandeep S/o Shri Mange Ram at the rate of Rs. 1,50,500 P.A. for the period 17-4-1984 to 31-3-1989. The contractor made a default in the payment of contract money and the contract was terminated on 5-9-1985. The defaulter is residing in district Bhatinda in Punjab and recovery certificate has been sent to Collector Bhatinda for effecting the recovery as Arrear of land revenue. In this case now a sum of Rs 1,20,000 is outstanding.

**13. Shri Om Parkash S/o Shri Lal Singh**

The contract for the extraction of RM & M/stone from Nangal Malla quarry was granted to Shri Om Parkash S/o Shri Lal Singh R/o Vill. Kalawas, Tehsil Rewari for the period from 23-4-81 to 31-3-84 at the rate of Rs. 65,500 P.A. The contractor made a default in the payment of instalment due on 23-1-82 and the contract was terminated under clause 16 of the contract agreement. The possession of the quarry was taken on 6-7-83. A sum of Rs 95,886 as contract money and a sum of Rs 10,300 as interest upto 1-5-84 is outstanding towards the contractor. The R.C. has been issued for effecting the recovery of the outstanding amount as arrear of land revenue. Contractor and Surety both have expired. Steps are being taken to recover the amount from their Legal heirs.

**14. M/s. Hari Singh Manohar Lal**

The contract for the extraction of RM & M stone from Zerpur quarry was granted to M/s. Hari Singh Manohar Lal R/o Jatusana Teh. Rewari @ Rs. 39,000/- P.A. for the period 22-4-81 to 31-3-84. The contractor made a default in the payment of instalment due on 22-7-81 and the contract was terminated under clause 16 of the contract agreement. The possession of the quarry was taken on 6-7-1983. A sum of Rs. 66,517 as contract money and a sum of Rs. 10,933 interest. upto 21-11-83 is outstanding towards the contractor. The R.C. was issued for effecting the recovery of outstanding amount as arrear of land revenue. The contractors filed a civil suit in the Court of Sub Judge 1st Class Mohindergarh against the recovery on the ground that they surrendered the contract and thus not liable to pay the outstanding amount. The application for the stay of the recovery was dismissed but on filing appeal, the Ld. Additional District Judge vide his orders dated 5-11-90 stayed the recovery till the disposal of the suit.

**15. Shri Satbir S/o Shri Pyare Lal**

The contract for the extraction of Road Metal & Massionary stone from Rajgarh quarry was granted to Shri Satbir S/o Shri Pyare Lal R/o Vill. Kund, Tehsil Rewari for the period from 17-3-86 to 31-3-90 at the rate of 52,200 P.A. The contractor made a default in the payment of instalment due on 17-12-86 and the contract was terminated under clause 16 of the contract agreement and the possession was taken of the quarry on 13-1-88. A sum of Rs. 53,965 as contract money and Rs. 7468 interest. upto 16-4-88 was outstanding from the contractor and the Recovery Certificate was issued for effecting the recovery of outstanding amount as arrear of land revenue. The contractor has filed a civil suit alleging that Haryana Mineral Limited who were granted mining lease of school slate in the same area did not allow him to extract stone in the court of Senior Sub Judge Rewari and has obtained stay against the recovery and the suit is still pending.

**16. Shri Lal Singh S/o Shri Nar Singh**

The contract for the extraction of Road Metal & Masonary stone from Maset quarry was granted to Shri Lal Singh S/o Shri Nar Singh

R/o Vill. Rampuri, Teh. & Distt. Rewari for the period 1-4-81 to 31-3-84 at the rate of Rs. 31,000/- P.A. The contractor made a default in the payment of instalment due on 1-10-81 and the contract was terminated under clause 16 of the contract agreement. The possession of the quarry was taken on 7-7-1983. A sum of Rs. 54,250 as contract money and sum of Rs. 9830 interest upto 16-1-84 is outstanding towards the contractor. The recovery Certificate has been issued for effecting the recovery of the outstanding amount as arrear of Land revenue. The contractor filed a suit in the court of Sub Judge Narnaul against the recovery on the ground that the construction of dam by the Soil Conservation Department around the quarry has made it impossible for the contractor to operate the quarry. The suit was dismissed on 4-6-1990. The contractor has filed appeal in the Court of Additional District Judge, Narnaul.

At the time of oral examination, the Committee was informed that a balance arrear upto 31-3-89 had been reduced to Rs. 65.41 lakhs and balance arrears which was more than 5 years old had been reduced to Rs. 26.99 lakhs. The department further informed the Committee that the Field Officers had been delegated with powers of Assistant Collector Grade I and efforts were being made to liquidate the amount as arrears of land revenue expeditiously.

After going through the details of the cases in which outstanding amount was more than Rs. 50,000 the Committee observed that the most of the cases were under stay by various Courts and in some cases partners were not traceable. The Committee recommended that concerted efforts be made to accelerate the pace of recovery and in cases where recovery certificates were issued, should be pursued vigorously with the concerned Collector and the progress made be intimated to the Committee.

The Committee further desired that the cases pending before the Courts be regularly pursued and the final outcome be intimated to the Committee in due course. The Committee also desired that where the delay effecting in the recovery had been caused due to the negligence on the part of any official, the responsibility be fixed and a compliance report be sent to the Committee.

[49] 1.8. *Outstanding inspection reports*

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit are communicated to the heads of the offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of departments and to the Government. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) At the end of June 1989, 2,223 inspection reports (issued upto December 1988) containing 7,652 audit objections of Rs. 3781.62 lakhs remained outstanding, out of which 798 inspection reports containing 2,422 objections of Rs. 1144.97 lakhs were outstanding for more than 5 years. This is a very high pendency.

(ii) Relatively large number of audit objections were outstanding under the following major heads :-

	Year	Number of inspection	Number of audit objections	Amount (In lakhs of rupees)
Nonferrous	Upto 1983-84	35	185	359.99
Mining	1984-85	11	34	45.91
Metallurgical	1985-86	2	2	61.42
Industries	1986-87	22	80	53.44
	1987-88	10	48	63.65
	1988-89	11	61	21.92
	Total	91	410	606.33

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) Out of total number of audit paras and inspection reports mentioned in this para following pertains to Department of Mines and Geology which are as under :-

Year	No of inspection reports	Number of audit objections
Upto		
1983-84	49	541
1984-85	11	59
1985-86	11	57
1986-87	12	79
1987-88	12	84
1988-89	11	62
Total :	107	882

Out of the 219 objections, for the period upto 1984-85, 124 paras have already been settled. Strenuous efforts are being made to get balance 95 paras settled/dropped.

The reason for the non settlement of audit objections is that the audit parties insist that the audit objection can be settled only

when last rupees of the balance contract money, royalty or interest is recovered. Even in cases where majority of the recoveries have been made, the audit parties do not settle it on the ground that complete recoveries should be made only than para will be settled.

- (ii) No time schedule has been fixed to get these objections settled. However, every effort is made to settle paras as and when audit party visit the field office. The reason for non settlement has already been explained that the audit party insist that they shall settle the para only after, complete recovery is effected. There are number of paras where majority amount stands recovered but the paras are not being settled for non recovery of partly sums. In fact it had been impressed upon the audit parties number of times that in cases where recovery certificates have already been issued for the amount to be recovered as arrears of land revenue and efforts are being made to liquidate the arrears, such paras should be settled as there is no malafide, negligence or any irregularity/malpractice on the part of any official.
- (iii) The broad nature of audit objections has been given in (i) & (ii) above. The position of paras yearswise is given as under :-

Year	No. of inspection reports	Total no. of audit objections	No. of audit objections settled/dropped	Balance audit objections	The amount involved in settled objection (Rs.)
Up to					
1983—84	49	541	457	84	6,96,61,304.11
1984—85	11	59	48	11	86,55,263.68
1985—86	12	57	38	19	1,08,82,964.17
1986—87	12	79	52	27	84,50,158.50
1987—88	12	84	50	34	1,04,29,967.16
1988—89	11	62	26	36	46,90,889.34
<b>Total :-</b>	<b>107</b>	<b>882</b>	<b>671</b>	<b>211</b>	<b>11,27,70,546.96</b>

- (iv) The field officers of the department in the district are making efforts to ensure that the outstanding amount are recovered expeditiously. So that same is not pointed as irregularity in audit reports to avoid accumulation of audit paras. The above statement would show that majority of the outstanding paras have been settled.

The Committee recommended that special meetings be held at Director level with his counter-part in A. G. office for settlement of all outstanding audit paras and progress be reported to the Committee.

[50] 5.1 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 1988-89, revealed under-assessment or losses of revenue amounting to Rs. 50.15 lakhs in 749 cases as indicated below :—

Name of department	No. of cases	Amount (in lakhs of Rs)
Industries (Mines and Minerals)	749	50.15

Some of the important cases noticed in 1988-89 and earlier years and findings of reviews on 'Receipts from Mines and Minerals' are mentioned in the relevant paragraphs.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :—

As per para 5.1 of report of CAG of India for the year 1988-89 a sum of Rs 50.51 lacs has been shown in 749 cases of the department of Mines and Geology. This para has further been sub divided into following categories —

	No. of cases	Amount (in lacs)
1. Non/Short recovery of dead rent.	5	1.26
2. Non/Short recovery of interest.	49	4.90
3. Non/short recovery of royalty	349	13.95
4. Non/short recovery of contract money	65	15.79
5. Unauthorised extraction of brick earth/non recovery of brick earth.	281	14.25
Total :	749	50.15

Out of Rs. 50.15 lacs a sum of Rs. 17.19 lacs has been recovered leaving a balance of Rs. 32.46 lacs. Paras pertaining to 190 cases involving a sum of Rs. 8.46 lacs have been settled. Details of various

communications from offices of Accountant General (Audit) intimating settlement of the concerned paras are given in the later part of the reply. Out of the balance of Rs. 24 lacs a sum of Rs. 13.14 lacs is not recoverable as per the advice of Law Department. This amount was proposed to be recovered as penalty for non-obtaining of mining leases though BKO's had paid the due royalty regularly. The recovery of a sum of Rs. 2.82 lacs has been stayed by the Court. A sum of Rs. 43025 has been shown as the amount of para No. 3 pertaining to District Faridabad under the category of short/non recovery of interest whereas the actual amount of the para is Rs. 25,679/-. For the remaining amount of Rs. 7.87 lacs, strenuous efforts are being made to recover the same.

Before replying to the questionnaire, it is worthwhile to give detail of each of the category separately as under :—

### 1. Non/Short Recovery of Dead Rent :

Dead rent is charged when lessee does not work the mine or his production is very low and is recovered on six months basis, after the expiry of concerned period. Dead rent is the minimum which must be recovered from the lessee even if he does not work and depends upon the area given on lease. A sum of Rs. 1.26 lacs was shown as recoverable. Out of it a sum of Rs. 58,646 has already been recovered leaving a balance amount of Rs. 67,275/-. A sum of Rs. 63,398 is not chargeable as the lessee surrendered the area and dead rent was not due.

### 2. Non-Short Recovery of Interest :

This category relates to recovery of Rs. 4.90 lacs from 49 parties in the form of interest on delay payments. Regarding charging of interest, it may be pointed out that sometime parties deposit the contract money/royalty in form of Bank Drafts or Treasury Challans without depositing interest on the delayed payments. The demand for the delayed payment are raised subsequently on detection. In this way some interest always fall in arrears. So at the time of audit in certain cases, the interest on delayed payment were yet to be recovered which was pointed out by the audit. Out of total amount of Rs. 4.90 lacs, a sum of Rs. 2.36 lacs have already been recovered. One para each of Sonipat and Kurukshetra district involving a sum of Rs. 0.15 lacs and Rs. 0.05 lac have been dropped/settled by A.G. Haryana (Audit) vide memo No. RAW/Other receipt/38-39/769-71, dated 6-1-1992 and No. RAW/other receipt/88.89/1678-81, dated 28-3-1990 respectively. There is a stay against arrest/sale of property in one case of district Sonipat involving interest of Rs. 1,81,297.00. Sum of Rs. 14,988 in respect of district Faridabad (Gurcharan Singh & Co.) & Rs. 11,580/- in respect of district Gurgon (Rozka Gujjar) are not recoverable because of quasi judicial orders and in the case of M/s. Gurcharan Singh the contract was made effective from 28-10-1991 respectively. Strenuous efforts are being made for the recovery of balance amount of Rs. 25,433/-.

### 3. Short/Non Realisation of Royalty.

The mineral rights to brick earth according to a High Court Judgement in Civil Writ No. 1004 of 1970 Amar Singh Modi V/s. State of Haryana did not vest with the State Government, Haryana



Legislature enacted Haryana Minerals (Vesting of Rights) Act, 1973 for acquiring the mineral rights which were not vested in the State Government. This Act was struck down by Hon'ble High Court when challenged by certain land owners/contractors. The vires of this act was up-held by Hon'ble Supreme Court of India in March, 1976 and recovery of royalty of brick earth commenced from August, 1976. In October, 1976 Brick Kiln owners represented to the State Government that they have to maintain records for Excise & Taxation, Food & Supplies and Labour Departments which are checked by these departments. In case the royalty on brick earth is also charged by the Industries Department they will be put to further inconvenience. They further represented that if at all the royalty is to be charged it should be charged alongwith the sales tax. A high level meeting was convened on 28-10-1976 to discuss this issue. The following decision were taken :—

- (i) That it is not feasible to merge the royalty on bricks with the sales tax as both these elements are recoverable under different Acts by different Departments.
- (ii) That the brick kiln owners shall pay royalty to the Industries Department every quarter on self assessment basis like sales tax and final collection of royalty be made by the Industries Department on the basis of annual assessment orders passed by the assessing authorities of the Excise & Taxation Department.
- (iii) In case of regular payment of royalty the records of the brick kiln owners need not be checked by the Industries Department.

According to these decisions, the royalty was accepted on self assessment basis subject to final settlement on receipt of assessment order from the assessing Authorities of sales tax. On account of the above decision, no separate accounts were maintained by the Industries Department.

In view of the above decisions of the State Government, no separate accounts were maintained by the Industries Department, the brick kiln owners deposited quarterly instalments royalty on self assessment basis. The final calculation of royalty was made on the basis of assessment orders of sales tax passed by the Sales tax Department or on the basis of sale figure of brick submitted to the Food & Supply Department by the Brick Kiln Owners whichever was readily available. In view of this only after the expiry of financial year, the clear picture as to how much royalty was actually due and how much of it has been paid by the Brick Kiln Owners on the self assessment basis, emerges. In the instant case when the audit was made, the different Field Officers of the Industries Department were in the process of finalisation the figures of final royalty payable by the brick kiln owners for the financial year 1987-88.

In this para the recovery from the lessee of mineral other than the BKO has also been shown. Out of Rs. 13.95 lacs a sum of Rs. 9.03 lacs have already been recovered leaving a balance amount of Rs. 4.92 lacs. A sum of Rs. 2.87 lacs is not recoverable as has

been held in quasi judicial proceedings in the case of Shri Pat Ram (Rs 1.06 lacs) and in the case of HML who extracted Katal as building stone on which royalty @ Rs. 1.96 per tonne was chargeable and not Rs. 17 per tonnes (Rs. 1.81 lacs). Out of the remaining amount of Rs. 2.04 lacs, paras involving a sum of Rs 1.61 lacs have been dropped/settled by audit parties of Accountant General (Audit). For the remaining amount of Rs. 43,000/- strenuous efforts are being made to recover this amount

#### 4. Non/Short Recovery of Contract Money.

Minor Mineral quarries like stone, sand etc are given on contract for a period upto five years through public auctions. At the time of auction, a highest bidder is required to deposit 25% of the bid amount as security and 100% of the bid amount for a period of one year in case the bid is upto Rs. 1,000/-. 25% of the bid amount in case the bid is more than Rs. 5 lacs or 1/12th of the bid amount in case the bid is more than Rs. 5 lacs as advance contract money. In the same manner, they are required to deposit yearly/quarterly/monthly instalments depending upon the amount of annual contract money. The instalment is required to be deposited in advance. An interest @ 24% (15% at the time of audit) per annum is charged on the delayed payments. In the instant case a sum of Rs. 15.79 lacs has been shown to be recoverable from 65 cases. A sum of Rs. 4.80 lacs has already been recovered. In one case of district Sonapat involving an amount of Rs 1.01 lacs, there is stay against arrest/sale of property from the Court. One para each pertaining to Sonapat and Mahendergarh district involving an amount of Rs 2.85 lacs has been dropped by A.G. Haryana vide Memo No RAW/S/OR/38-39/769-71, dated 6-1-1992 and No. RAW/5/Other receipts/1585-88, dated 12-3-1990 respectively. For balance amount of Rs. 7.13 lacs recovery certificates have been issued against the defaulting parties for recovering these amounts a arrears of land revenue.

#### 5. Unauthorised Extraction of Brick Earth

Brick earth is a minor mineral as declared by the Central Government under section 3 (e) of Mines & Minerals (R&D) Act, 1957. State Govt. had framed Punjab Minor Mineral Concession Rules, 1964 for regulation of minor minerals under section 15 of the Central Act. Every brick kiln owners, before he extracts brick earth for using it for the manufacture of pucca bricks was required to obtain a mining lease from the Department of Mines & Geology, Haryana. After obtaining the mining lease, the brick kiln owners were required to pay royalty @ Rs. 3/- per thousand pucca bricks sold as prescribed in the first schedule of the State Rules.

According to sub section 5 of section 21 of above said Central Act, whenever any person raises without any lawful authority any mineral from any land, the State Govt. may recover from such person the mineral so, raised or where such mineral has already been disposed off the price thereof and may also recover from such person, rent royalty or tax as the case may be for the period during which the land was occupied by such person without any unlawful authority.

The Brick Kiln Owners had been representing to the State Govt. that on the pattern of U.P. Government, they may be charged royalty at the flat rate per brick kiln and not on the basis of the bricks sold by them and they may be exempted from obtaining mining lease and its execution on the prescribed proforma on the plea that large number of formalities are required to be observed by them for obtaining mining lease and its execution. The stand of the department had been that there has to be an agreement between the brick kiln owners and the Govt. on the basis of which the brick kiln owners become liable to pay royalty to the State Govt. In these circumstances, majority of the bricks kiln owners were paying royalty at the prescribed rates but were not obtaining mining leases with the hope that this formality might be waived off in their favour inspite of insistence by the Department. It may be mentioned here that the application fee for mining lease was Rs. 50/- at the relevant time, now it has been enhanced to Rs. 200/- from June, 1987. In this para, non obtaining of mining lease has been termed as unauthorised extraction by the brick kiln owners and value of the brick earth @ Rs 3.50 per thousand bricks has been calculated as per section 21 (5) of the Central Act. It may be pointed out here that for proceedings against the persons who indulge in unauthorised extraction, powers have been delegated to the Mining Officers of the District concerned under Section 21 (5) of the Central Act. On detection of any unauthorised extraction, a notice is issued to the defaulter to show cause as to why value and royalty due on the mineral extracted unauthorisedly be not recovered from him and he is given a hearing to explain his case. After hearing the defaulter and perusing the record, the Mining Officer passes a speaking order calling upon the person concerned to deposit value and royalty within a period of 15 days or may prefer an appeal if so advised before the Director of Mines & Geology. The whole process takes quite sometime as the defaulter sometime engage advocate to represent him before the authorised concerned. At the time of audit in the some cases, the action has already been taken under section 21 (5) and in other cases it was in process. At present also in some cases recovery certificates have been issued to recover the value as arrears of land revenue and in other cases the appeals are pending before the competent authorities. The brick kiln owners Association had represented to the State Government that just for non complying with the formality of obtaining mining lease, they should not be penalised so heavily by imposing penalty of Rs. 3.50 per thousand bricks sold particularly when they have regularly paid the royalty to the State Government thus causing no pecuniary loss to the Govt. The plea of the brick kiln owners differentiate their cases from the normal cases of unauthorised extraction of other minerals on the ground that they had been paying royalty regularly, thus causing no financial loss to the Government except a fee of Rs. 100/- inclusive of fee for the Certificate of Approval per brick kiln. The State Govt. has taken following decisions in the matter :—

- “(i) With effect from 1-4-1988, may switch over to recovery of compounded royalty on brick earth based on the sizes of kilns adopted by the Excise and Taxation Department.

(ii) Following compounded rates may be adopted :—

Category of brick kiln.	Lumpsum annual royalty (Rs.)	No. of bricks for which permit is to be issued (as determined by Excise & Taxation Deptt. from time to time).
A	6000/-	20.00 lacs
B	5000/-	16.16 lacs
C	3000/-	13.33 lacs
D	1100/-	3.66 lacs

- (iii) The compounded rates may come into effect w.e.f. 1-4-1988. If after that day some persons pay the royalty that amount may be adjusted in the permit amount that will be due from them.
- (iv) In this matter Legal Remembrancer has advised that we may not recover penalties where royalties have been paid as these are not recoverable.
- (v) We may not accept any royalty without penalty from defaulters who have not taken mining lease and neither paid royalty but we may continue recovery of penalties from them.”

Rules were amended vide notification dated 10-7-1989 and royalty is being charged on lump sum basis.

Out of Rs. 14.24 lacs a sum of Rs. 0.40 lac has been recovered leaving a balance amount of Rs. 13.84 lacs. Out of this amount, a sum of Rs. 9.41 is not chargeable in view of State Govt. letter dated 9-2-1989 and the advice of Law Department. Paras involving a sum of Rs. 3.80 lacs has been dropped. For the remaining amount of Rs. 0.63 lacs strenuous efforts are being made to liquidate the amount.

In view of above position the replies to the above questionnaire are as under :—

- (i) Out of Rs. 50.15 lacs a sum of Rs. 17.19 lacs has been recovered leaving an amount of Rs. 32.46 lacs. Paras pertaining to 190 cases involving Rs. 8.46 lacs have been settled. Out of remaining amount, a sum of Rs. 13.14 lacs is not recoverable as per the advice of Law Department as this amount was proposed to be recovered as penalty for non-obtaining of mining lease where BKOs had paid the royalty regularly. The recovery of a sum of Rs. 2.82 lacs has been stayed by the Court. A sum of Rs. 43,025/- has been shown as the amount of Para No. 3 pertaining to District Faridabad under the category of short/non recovery of interest where as the actual amount of the para is Rs. 25679/-. For the remaining amount of Rs. 8.41 lacs, strenuous efforts are being made to recover the same.
- (ii) In reply to questionnaire (ii), it is stated that it was not a test check but was a complete audit of the District Industries Centre

of the State. Thus, there is no chance of remaining any similar case undetected.

During the course of oral examination, the Committee was informed that a sum of Rs. 5.84 lakh is still to be recovered under the various categories. The Committee was further informed that a recovery of Rs. 2.82 lakhs was stayed by the Additional Sessions Judge, Sonapat. The Committee, therefore, recommended that sincere efforts be made by the department to expedite the balance recovery within a stipulated period under intimation to the Committee. The Committee, further desired that the case pending in the Court of Additional Sessions Judge, Sonapat be got decided at the earliest.

## **[51] 5.2 Receipts from Mines and Minerals**

### **5.2.1 Introductory**

Minerals wealth of Haryana consists mainly of lime stone, silica sand, quartz, dolomite, china clay, lime shell slate, felspar, marble stone, building stone, ordinary sand and clay etc.

The grant of concessions for prospecting and mining operations in respect of major minerals is regulated by the Mines and Minerals (Regulation and Development) Act, 1957, enacted by Parliament and the Mineral Concession Rules, 1960 framed thereunder by the Government of India. The Punjab Minor Minerals Concession Rule, 1964 the Haryana Minerals (vesting of Rights) Rules, 1979 issued by the State Government under Section 15 of the aforesaid Central Act, regulate the extraction of minor minerals. Receipts from Mines and Minerals are realised in the form of fees, dead rent, royalty and auction money, in Haryana major receipts are from dead rent, royalty and auction money.

### **5.2.2 Scope of audit**

A review of general efficiency of the administration of the various provisions of above Acts in the State with particular stress on levy and collection of fees, dead rent and royalty during the years 1984-85 to 1988-89, was conducted in audit between January 1989 to April 1989 with a view to examine the application of rates of royalty charged quantity of minerals reckoned for the purpose of levy of royalty and application of penal provisions in general. The review was under taken in five (out of twelve) District Industries Centres at Ambala, Narnaul, Faridabad, Gurgaon and Bhiwani in the State.

### **5.2.3 Organisational set up**

The Director of Industries, Haryana is responsible for administration of the Acts and Rules *ibid* through the General Manager, District Industries Centre of the district concerned under whose supervision Mining Officer assesses and collects the royalty, auction money etc.

### **5.2.4 Highlights**

(i) As on 31st March 1989, arrears of revenue under Mines and Minerals pending collection stood at Rs. 126.88 lakhs.

(ii) Dead rent amounting to Rs. 2.01 lakhs was either not recovered or was short recovered from seven lessees during the period between January 1984 to June 1989.

(iii) Royalty, contract money and interest thereon amounting to Rs. 37.05 lakhs on major & minor minerals for the period April 1984 to January 1989 was either not recovered or was short recovered by the department.

(iv) Weighing machines were not found installed by the lessees at the pit head of 69 mines sites and the royalty was being paid by the lessees on truck load basis without actual weighment

#### 5.2.5 (a) Trend of revenue

The minerals revenue receipts collected during the period from 1984-85 to 1988-89 in respect of major and minor minerals is detailed as under :—

Year	In crores of rupees
1984-85	3.72
1985-86	3.89
1986-87	5.07
1987-88	5.69
1988-89	6.58

Increase in receipts during 1986-87, 1987-88 and 1988-89 was due to increase in number of major mines leased out for quarrying, higher biddings in auction of salt petre quarries, revision of rates of royalty on major minerals from May 1987, recovery of arrears.

#### (b) Arrears pending collection

As on 31st March, 1989, arrears of revenue pending collection as reported by the department was as under:—

	Year to which arrears relate	Amount (in lakhs of rupees)
Upto	1984-85	78.24
	1985-86	11.36
	1986-87	7.69
	1987-88	20.72
	1988-89	8.87
	Total	126.88

Out of Rs. 126.88 lakhs recovery of Rs. 13.36 lakhs had been stayed by courts.

### 5.2.6 Mines in operation

The position of mines leased out and mines in operation from April 1984 to March 1989 was as under:—

(a)	Major minerals Year	Mines leased out
	1984-85	21
	1985-86	26
	1986-87	37
	1987-88	45
	1988-89	47
(b)	Minor minerals Year	Total number of mines on con- tract/under lease
	1984-85	556
	1985-86	627
	1986-87	620
	1987-88	622
	1988-89	546

### 5.2.7 Major minerals

#### (a) Non-recovery/short recovery of dead rent

Under the Mines and Minerals (Regulations and Development) Act, 1957, the holder of a mining lease shall pay annually dead rent at the prescribed rates. Interest at the rate of 15 per cent per annum is recoverable for the period of default in payment.

In respect of seven leases granted in Bhiwani, Faridabad, Gurgaon and Narnaul during November 1975 and February 1986, dead rent amounting to Rs. 2.01 lakhs for the period between January 1984 to June 1989 was either not recovered or was recovered short. Besides interest amounting to Rs. 43,500 (upto March 1989) was also chargeable.

On the omission being pointed out in audit (January 1989 to April 1989) the department issued (between January 1989 and March 1989) notices in 3 cases. Report on action taken in the remaining four cases had not been received (December 1989)

**(b) Non-recovery/short recovery of royalty and interest**

The Mines and Mineral (Regulations and Development) Act, 1957 provides for payment of royalty by lessee in respect of any mineral removed or consumed by him or his agent from the leased area by the dates stipulated in the deed. Under the Minerals Concession Rules, 1960, simple interest at fifteen per cent per annum is chargeable for the period of default.

In 4 cases, involving short recovery of royalty and non-levy of interest, an amount of Rs. 71,433 was recovered between (May 1988 and December 1988) on being pointed out (December 1987 and September 1988) in audit.

(i) In Gurgaon, in the case of a lease for extraction of silica sand granted (February 1980) for a period of 20 years, the lessee was required to pay royalty at the rate of Rs. 2.50 per metric tonne by the prescribed date. The lessee was also asked (September 1984) to apply for mining lease for ordinary sand alongwith silica sand. Since he did not do so, the lease was terminated (6th May 1986) and possession of the mine was taken over by the department on 19th May 1986. The lessee made an appeal, to the Tribunal and as a result of their decision (March 1988) the lease was restored to him in September 1988. But the royalty amounting to Rs. 36,465 on 16.986 metric tonnes of silica sand extracted during 1st July 1984 to 19th May 1986 was short recovered from the lessee. Besides, interest of Rs. 18,404 (Upto March 1989) was also chargeable. The department stated (April 1989) that notice had been issued to the lessee.

(ii) In Gurgaon, a mining lease, for extraction of china clay, granted in July 1980 was terminated in March 1989. The lessee had closing stock of 4532.957 MT of china clay on which royalty amounting to Rs. 36,264 was not recovered.

(iii) In Ambala, Faridabad and Narnaul, four lessees did not make payments of royalty for the period from April 1986 to March 1988 by the stipulated dates. Interest amounting to Rs. 26,009 leviable under the rules was neither levied nor recovered.

On the omission being pointed out (January-February 1989) in audit, the department issued notices for recovery of the amount.

In reply to the questionnaires issued by the Committee, the department in their written reply, explained the position as under :

(i) & (ii) The names and amount due from defaulting parties is given as under alongwith the period it pertains :—

Sr. No:	Name of the lessee	Amount of default	Period of default
1	2	3	4
1.	M/S Ishwar Industries	24777.95	1.1.84 to 30.6.88
2.	Sh. Pat Ram	14238.00	27.5.88 to 3.10.86



3. Sh. Sat Narain	76843.00	1.1.87 to 3.10.86
4. M/S Mazdoor Labour Const-Coop Society.	23655.85	1.5.87 to 30.4.89
5. HML	11713.85	20.2.87 to 31.12.88
6. Hindustan Zinc Ltd.	84681.35	1.7.85 to 30.6.89
7. CCI	8758.50	1.1.87 to 31.12.88
	244669.35	

### Haryana Minerals Ltd.

A small amount is outstanding against HML, a Public sector undertaking, and efforts are being made to recover the same.

#### Sh. Sat Narain :

A sum of Rs, 76,904 is due from Shri Sat Narain who held the mining lease in village Pachnota and Ropar Sarai. The lessee is absconding. Vigorous enquiries have revealed that his whereabouts are also not known to his family members. Efforts are being made to recover the amount his legal heirs.

Complete recoveries have been made from the other lessees i. e. M/S Mazdoor Labour Coop. Society Shri Pat Ram, Hindustan Zinc Ltd. and Cement Corporation of India. Out of total arrear of Rs. 2.44 lacs Rs. 1.31 lacs has been recovered leaving a balance amount of Rs. 1,13,034 for which efforts are being made.

(iii) & (iv) In spite of notices M/s Ishwar Industries did not pay dead rent nor commenced mining operation after July, 1981. It is for that reason their mining lease was terminated prematurely on 23.2.1989. Recovery certificate has been issued to recover the outstanding amount from them. At present the recovery certificate is pending with Collector Delhi who is being reminded time and again to effect the recovery.

(v) Dead rent is charged where lessees does not work in the mine or production is low and is recovered on half yearly basis, after the expiry of concerned period. Thus arrear are bound to accumulate. Dead rent is minimum which must be recovered from the lessee, even if he does not work. M/s Aravali Khanij Udyog had dispute amongst the partner during the period in question and were intermittently operating the mine. It is for that reason that in spite of repeated notices they did not obtain the mining lease of ordinary sand and did not pay dead rent/royalty which led to the termination of their mining lease. Full amount of royalty of Rs. 36,465/- has been recovered from the lessee.

The amount of royalty has been recovered from M/s Aravali Khanij Udyog. The mining lease of the lessee was terminated because of non payment of royalty. Termination of mining is itself a deterrent action,

Such cases are reviewed by the audit parties during their annual inspection of the office of Mining Officer and also at the head office level. There is no chance of remaining such cases undetected.

The royalty is charged from lessee on the mineral despatched from the mine. Since china clay lying in the stock was of poor quality the lessee could not dispose-off the same even on the termination of his mining lease in March, 1989. Being of poor quality the china clay was left in the stock which was about 4532 tonnes in weight. Repeated efforts were made to dispose-off the china clay in the stock by public auction. Finally this could be disposed-off in the open auction for Rs. 10,000/-. When the minerals was not despatched, the royalty was not due from the lessee. The stock lying at the site at the time of termination of the lease became the property of the State Govt. which was disposed-off by public auction.

(i) Interest is leviable on the delayed payment of royalty. Sometime lessee pay royalty by bank draft on the realisation of which demands are raised for payment of interest on delayed payment and there is sometime lag between the payment of royalty and realisation of interest on delayed payment. The official responsible for not raising the demand of interest has been warned to be more careful.

(ii) Out of total interest of Rs. 26,009/- an amount of Rs. 21,361/- has already been recovered leaving a balance of Rs- 4,647/- from the two lessees namely M/s A.C.C. Ltd. (Rs. 2250/-) and from M/s HML (Rs. 2,397) Efforts are being made to recover these amounts. Instructions have been issued to deduct the interest amount from the royalty in the first instance and demand of payment of balance royalty be raised against the defaulting lessees.

After going through the reply of the department, the Committee observed that no sincere efforts had been made for the recovery of this patty amount from M/s Ishwar Industries. It was observed that the recovery certificate was issued to recover the outstanding amount in the month of June, 89 and the case was still pending with the Collector, Delhi till todate. The Committee, therefore, desired that the matter should be taken up at personal level with the Collector, Delhi to effect the recovery from M/s Ishwar Industries and progress made in this regard be intimated to the Committee. The Committee also desired that it should be investigated if the lessee had property at Faridabad. The Committee also desired that the results with action taken be reported.

In relation to recovery of Rs. 76,843 from Sh. Sat Narain, the department informed the Committee that Lessee was not traceable, even his family members were not aware of his whereabouts. Whether he was alive or dead. After investigation, his lease was terminated. The Committee was not satisfied with the efforts made by the department since the recovery could had been enforced on his legal heirs. The Committee desired that the name of the village in which Lessee lived should be intimated and the action taken for recovery from the legal heirs may be informed to the Committee.

## Minor Minerals

### [52] 5.2.8. Non-realisation/short realisation of royalty

#### (i) Ordinary sand

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 ordinary sand despatched from the leased area at Rs 2.50 per tonne (Rs. 5 per tonne from 16th December 1987). Further clause (3A of part III) of the lease deeds stipulates extraction of a minimum quantity of mineral failing which lessee is obliged to pay royalty on the prescribed minimum quantity.

In six cases, involving short recovery of royalty amounting to Rs. 4.50 lakhs was recovered (May 1988 and February 1989) on being pointed out (January 1988 and September 1988) in audit.

In Faridabad and Gurgaon, in the case of three mining leases for extraction of ordinary sand, granted between July 1984 and February 1986 for a period of ten years, minimum royalty payable for the period July 1985 to November 1988, worked out to Rs 11.88 lakhs against which the department accepted royalty of Rs 5.84 lakhs only. This resulted in short realisation of royalty by Rs. 6.04 lakhs, besides, chargeable interest of Rs. 1.59 lakhs (Upto March 1989) for short payment of royalty

On this being pointed out in audit, the department issued (January 1989) & April, (1989) demand notices for recovery.

#### (ii) Brick earth and brick bats

Under the Punjab Minor Mineral concession Rules, 1964, as applicable to Haryana, 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 bricks sold by him. Royalty on brick bats is recoverable at the rate of rupees one per thousand of brick bats sold. He is also required to submit to the department quarterly/half yearly returns in Form 'G' showing the quantity of minor mineral bricks earth extracted from the leased area or number of bricks sold by him.

In the District Industries Centres, Ambala, Narnaul, Faridabad, Gurgaon and Bhiwani, prescribed returns showing brick earth extracted or bricks sold during the years 1984-85 to 1987-88 were neither submitted by 273 Brick kiln owners (BKO) nor were these called for by the department. The BKOs on their own assessment, paid royalty amounting to Rs. 10.34 lakhs which was accepted by the department without verifying its correctness. A scrutiny in audit of the records in the offices of the District Food and Supplies Controllers however, revealed that 50.04 crore bricks and 1.93 crore brick bats were reported to have been sold by these BKOs during the years 1984-85 to 1987-88 on which royalty of Rs. 15.20 lakhs was payable. Royalty thus realised short amounted to Rs. 4.86 lakhs

On the omission being pointed out in audit (January-February 1989) the department recovered (between January 89 to April, 89) Rs. 56,348.

In reply to the questionnaires issued by the Committee, the department in their written reply, explained the position as under :

(i) As has been clarified in great detail on pages 9 & 10 as per decision of the State Govt. the royalty was accepted from BKO's on self assessment basis and final royalty due from them used to be computed after reconciliation with the returns submitted with the Food & Supplies and assessment orders of Sales-tax deptt. There is always a difference between the royalty deposit on self assessment basis and final calculated royalty. Deptt. would have recovered less paid royalty on reconciliation with the figures of Food and Supplies and Sales Tax Deptt.

(ii) With effect from 1.4.88, a system of flat rate of recovery of royalty had been introduced Brick Kiln have been divided into four category according to the size of Kilns. The BKO's were required to pay the flat lumpsum royalty in four quarterly instalments. Now there is no need for submission of production figure and reconciliation with the other department.

(iii) The position has already been explained in detail at pages 148 to 150 according to the Government decision the royalty was accepted on self assessment basis.

(iv) In view of position explained in (i) and (iii) no further action was required. It may be mentioned here that out of Rs. 4,86,000/- royalty of Rs. 2,61,000/- has since been recovered leaving a balance of Rs. 2.25 lacs.

The Committee was informed that amount of Rs. 38,961/- was to be recovered from 20 parties from different districts. The Committee desired that the balance amount also be recovered expeditiously under intimation to the Committee.

#### [53] 5.2.9. Non-realisation/short realisation of contract money.

Under the Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, a mining lease for quarrying is granted by auction or by inviting tenders to the highest bidder. The lessee is required to deposit 25 per cent of the annual bid money as security and another 25 per cent (one twelfth of the bid money where contract exceeds Rs. 5 lakhs) as advance payment immediately on the allotment of the contract. The balance of the contract money is payable in advance in monthly/quarterly/annual instalments. In the event of default in payment, the competent authority may by giving a notice, terminate the contract and forfeit the security and the instalments paid in advance, if any. Interest at the rate of 12 per cent (15 per cent from 16th June 1987) per annum is also recoverable for the period of default.

In one case, involving non-recovery of contract money and interest, an amount of Rs. 1.33 lakhs was recovered (August 1988) on being pointed out (January 1988) in audit.

(i) In Ambala and Gurgaon, in case of six lessees who were awarded mining contracts for seven quarries failed to pay the contract money due.

from them during the periods April 1984 to January 1989, the department failed to initiate action to recover the contract money of Rs. 5.20 lakhs and interest of Rs. 1.14 lakhs (worked out upto March 1989) as also to terminate the contracts. Out of seven contracts so awarded, three contracts expired on 31st March 1987 and 31st March 1988.

On this being pointed out in audit the department recovered (February 1989) Rs. 37,876 out of Rs. 45,404 in one case and issued demand notices for Rs. 5.88 lakhs in remaining 6 cases

(ii) In Ambala, Faridabad, Gurgaon and Narnaul, 33 lessees who were awarded mining lease of 33 quarries, between February 1983 and May 1987 failed to pay the contract money due from them for the period from December 1983 to February 1989. The department although terminated the contracts between March 1985 and February 1989, but did not take any further steps to recover the contract money amounting to Rs. 6.28 lakhs, which was due from the lessees upto the date of taking over possession of the quarries. Interest amounting to Rs. 3.13 lakhs (Upto March 1989) was also recoverable for non-payment of contract money.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

**5.2.9 (ii)**

(i) Out of a sum of Rs. 6,28,000/- a sum of Rs. 2,01,000/- has been recovered leaving a balance of Rs. 4,27,404/-.

(ii) Recovery certificates have already been issued to recover the balance amount as arrears of land revenue. Warrants of arrests have also been issued by the departmental field officers who are vested with powers of Assistant Collector (Grade-I).

(iii) At the time of auction 25% of the bid amount is got deposited as security for due fulfilment of the terms and conditions. In all, these cases because of non payment of contract moneys, the contracts were terminated and security were forfeited.

**The Committee was informed that 2.45 lakhs was still to be recovered from 23 parties and the recovery certificates had been issued to all the Parties. The Committee desired that efforts be made to recover this amount at the earliest under intimation to the Committee.**

**[54] 5.2.10 Non-recovery of price on mineral illegally extracted**

(i) Under the Mines and Minerals (Regulation and Development) Act, 1957 read with Punjab Minor Minerals Concession Rules, 1964, as applicable to Haryana, no person shall undertake any mining operation in any area except under and in accordance with terms and conditions of the mining lease obtained from the department. If mineral is extracted or removed unlawfully, price of mineral so extracted shall be recoverable in addition to royalty chargeable. In case of bricks earth illegally extracted, penalty at the rate of Rs. 3.50 per thousand of brick sold is recoverable in addition

to royalty. The State Government allowed (September 1985) the brick kiln owners, extracting brick earth in an unauthorised manner but paying royalty regularly, to complete lease deeds/certificate of approval by 31st December 1985. The Government further ordered (9th February 1989) that penalty on account of not obtaining of mining lease should not be recovered from those brick kiln owners who had paid full amount of royalty. In future, however, royalty was not to be accepted without charging penalty from the defaulter who had neither taken a mining lease nor paid royalty.

In Narnul, Faridabad and Gurgaon, 11 brick kiln owners sold 198.45 lakhs bricks and 10.23 lakhs brick bats during the period 1984-85 to 1987-88 but did not deposit royalty due for this period by 9th February 1989 and continued to extract brick earth in an unauthorised manner. The department, however, accepted royalty after 9th February 1989 without charging penalty for unauthorised extraction of brick earth from defaulters in contravention of the Government orders. Penalty chargeable amounted to Rs 70,652 which was not levied.

**(ii) Loss of revenue due to non-disposal of ordinary sand**

Silica sand (major mineral) is available at about 20 to 30 feet below the ordinary sand. In Faridabad, a mining lease of silica sand (area of 175 hectares) was granted on 10th June 1980 to a lessee for a period of twenty years. As per conditions of the mining lease, the lessee was authorised to extract and dispose of silica sand only. No lease for extraction of ordinary sand from the area was granted, either to the lessee or to any other person. The Government however, prematurely terminated (April 1984) the lease and the possession was taken over (April 1984) by the department. The lessee made an appeal to the High Court which decided (4th December 1986) the case in his favour and got back the possession of the lease on 12th December 1986. The Government in the meanwhile issued notification on 2nd July 1984 for grant of the mining lease, according to which any person interested in obtaining lease for silica sand must also apply for grant of mining lease for ordinary sand (minor mineral) available in the same plot. The lessee applied (3rd May 1988) for grant of mining lease for ordinary sand which was sanctioned (December 1988) by Government without executing any lease deed (June 1989). The department also did not recover any royalty on the ordinary sand even after December 1988 from the lessee. The minimum royalty chargeable on removal of ordinary sand during the period from 12th December 1986 to 31st March 1989 worked out to Rs. 4.72 lakhs, which was not recovered.

The department stated (May 1989) that delay in grant of mining lease of ordinary sand is immaterial as the rate of royalty for both the minerals was the same. The department did not recover any royalty on ordinary sand even after December 1988.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

5.2.10 (i) Out of the total penal amount of Rs. 70,652/- a sum of Rs. 11,987/- was not due as the BKO's had obtained mining leases, from the deptt., thus extraction of brick earth was not unauthorised. A sum of

Rs. 940/- has been recovered as penalty. It may be mentioned here that State Govt. have already been requested to extend the date for receiving the royalty without penalty upto 30.6.1993. In case this proposal is accepted then the penalty will not be chargeable.

**(ii) M/s Mohan Ram and Co.**

(i) The rate of royalty on silica/ordinary sands are equal whatever mineral was despatched the royalty was charged on it. Thus lessee can not be made responsible to pay royalty twice as has been envisaged in this para,

However, the mining lease for ordinary sand was granted in December 1988 from that date onwards minimum royalty is being charged from the lessees.

(ii) The main audit objection in delaying the grant of mining lease for ordinary sand that minimum guarantee @300 metric tonne per hectare per annum was not charged from the lessee. It may be pointed out that the minimum guarantee on 175 hectares of land leased out to the lessee works out to Rs. 2,62,500/- per annum. Perusal of following figures of royalty on silica sand for the period from 3/87 onwards shows that actual royalty of silica sand which comes out of Rs. 4,77,367/- for the period from July 1987 to Dec. 1989, always works out to be more than minimum guarantee of @ Rs. 2,62,500/- P.A. It is made clear that the rate of royalty on silica or ordinary sand is same and the same sand was either dispatched in the form of silica sand or ordinary sand. Prior to grant of mining lease for ordinary sand the inferior quality of silica sand was despatched as silica sand. Thus there was no loss to the Govt. as the royalty recovered was always more than the minimum guarantee.

The Committee was informed that the State Government had been requested to extend the date for receiving the royalty without penalty upto 30-6-93 but no decision had been taken by the Govt, so far. The Committee, therefore, desired that the department should pursue the case with the Finance Department and intimate the final decision to the Committee.

## AGRICULTURE

### [55] 5.1. *Results of Audit*

Test check of records of departmental offices conducted in audit during the year 1988-89, revealed under-assessment of losses of revenue as indicated below :—

Name of department	Number of cases	Amount in lakh (Rs.)
Agriculture	80	9.98

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under:

The position has been verified on case to case basis and it has been found that under assessment of Revenue amounts to Rs. 4.27 lakhs pertaining to 46 cases out of 80 cases mentioned by audit and not Rs. 9.98 lakhs. Rest of the amount relates to purchase tax/surcharge on farm produce which is not leviable (25 cases) and survey charges, Salary/T.A. (9 cases). Complete case-wise details are appended at Annexure-A.

After the audit, the department of Agriculture has taken all measures to prevent under assessment. A decision was taken that all the Asstt. Cane Development Officers would be responsible for assessment and recovery of cane purchase tax and interest. Accordingly a letter was issued to all Asstt. Cane Development Officers vide this office letter No. 2661-69 dated 30-4-1991. (Copy attached as Annexure-B).

In this letter it was decided that from the year, 1991, all Asstt. Cane Development Officers would maintain mill-wise record regarding purchase tax and they would send the information every month to this office and they would be responsible for getting the audit done by Accountant General, Haryana (Audit).

The position has been reviewed and no such case has come to the notice of the department.

As regards recovery of 0.42 lakhs towards licence fee of khand-sari units in 11 cases, the matter is pending in the court at Chandigarh.



The case-wise/mill-wise position with regard to the recovery has been depicted in Annexure-A. Out of total amount of Rs. 4.27 lakhs, pertaining to 46 cases of purchase tax, interest and fee, recovery of Rs. 1.53 lakhs pertaining to 11 cases has been made and 35 cases involving an amount of Rs. 2.74 lakhs are pending for recovery.

Regarding the recovery of Rs. 0.92 lakhs pertaining to 25 cases of purchase tax on farm produce, it is exempted from purchase tax vide Govt. Memo No. 4158-Agri-II(3)-89/2104 dated 19-3-90 (copy attached as Annexure-C) (being non leviable)

The balance recovery of Rs. 4.79 lakhs relates to survey, salary, T.A. Clause 10(3) of the Punjab Sugarcane (Regulation of Purchase and Supply) Act, 1953 provides, "If the Sugarcane Control Board is of the opinion that a survey of any area is necessary for the purpose of assigning it to a factory, the Cane Commissioner shall cause such survey to be made and report the result to the Sugarcane Control Board. The cost of such survey shall be payable by the occupier of such factory." No such survey was conducted by the cane staff of the Department of Agriculture under the directions of Sugarcane Control Board. However, the cane staff of Department of Agriculture in addition to cane development and other statutory activities do collect general information as a regular routine feature regarding area and varieties in the areas of various sugar mills but it is not under any directions of Sugarcane Control Board as said above. On the basis of above said facts para relating to 8 cases in Karnal and Yamunanagar mills amounting to Rs. 4.52 lakhs, nothing is chargeable. Similarly nothing is chargeable from the Panipat sugar mills on account of salary and T.A. of the cane staff of Department of Agriculture towards survey charges.

As explained above out of total amount of Rs. 9.98 lakhs, the recoverable amount is Rs. 4.27 lakhs. Out of this Rs. 4.27 lakhs, Rs. 0.42 lakhs pertains to licence fee on khandsari units for which the case is pending in the court of law. The Sonipat Sugar Mills has deposited Rs. 1.53 lakhs on 28-12-1988. The balance amount yet to be recovered is Rs. 2.33 lakhs for which the matter is being pursued by the Asstt. Cane Development Officers with the sugar mills. The matter has been taken up with the Collector concerned for recovery as arrear of land revenue vide A.C.D.O. Panipat letter No. 514 dated 29-6-92 to Deputy Commissioner, Panipat.

## Annexure—A

Detail of Rs. 9.98 lakhs		No. of cases
<b>1. Purchase tax/Interest</b>		
Panipat	8200.00	1
Karnal	23223.00	3
Karnal	1009.00	2
Sonipat	152964.00	8
Karnal	182471.00	4
Karnal	18100.00	17
Khandsari Licence fee	41500.00	11
	<u>427467.00</u>	<u>46</u>
<b>2. Purchase tax/Surcharge on Farm Produce of Sugar Mills Farms</b>		
Panipat	2368.00	3
Rohtak	15458.00	8
Yamunanagar	62531.00	7
Sonipat	11618.00	7
	<u>91975.00</u>	<u>25</u>
<b>3. Survey Charges, Salary/T.A.</b>		
Karnal	22896.00	Survey charges 1
Yamunanagar	429205.00	—do— 7
Panipat	26794.00	Salary/T.A. 1
	<u>478895.00</u>	<u>9</u>
<b>G. Total</b>	<u>998337.00</u>	<u>80</u>

## ANNEXURE—B

Memo No. CC/Acctt./2661-69  
Dated, Chandigarh the 30-4-91

From

The Additional Cane Commissioner,  
Haryana, Chandigarh.

To

All the Asstt. Cane Development  
Officers in the State.

*Subject* : To maintain the record of purchase tax pertaining to sugar mills.

**Memo**

It was decided in the meeting of the officers of cane section held on 14-12-90 under the Chairmanship of Additional Cane Commissioner, Haryana that the record of sugarcane purchase tax would be maintained at the A.C.D.O. level by detailing their staff and the monthly income report may be sent in this office and in future its audit would be got done by them at their own level. You have been informed vide this office letter No. CC/Development/586-97, dated 25-1-91 in the proceedings of the meeting. This may please be complied with strictly.

*Sd/-*  
ACC

*for* Addl. Cane Commissioner, Haryana,  
Chandigarh.

Endts. No. CC/Acctt./2670-72 dated, Chd the 30-4-91.

A copy forwarded to the Project Officer (Sugarcane) Yamunagar, Karnal and Sonipat for information

*Sd/-*  
ACC

*for* Addl. Cane Commissioner, Haryana.

## ANNEXURE—C

No. 1736-44

Dated 28-3-90

From

The Commissioner & Secretary to Govt.  
Haryana, Agriculture Department.

To

The Cane Commissioner, Haryana,  
Chandigarh.

*Subject* :—Levy of cane cess.

*Ref* :—Your memo No. CC/F-9812 dated 21-12-89

Under Section 17(1) of the Punjab Sugarcane (Regulation of purchase and Supply) Act, 1953, the cess can only be imposed on the quantity of cane purchased and not on cane crushed. As such, the quantity of cane supplied by the farms of all sugar mills to their mills is not considered to have been purchased and hence no cess is leviable on the cane so supplied

*Sd/-*  
Superintendent Agriculture-II  
for Commissioner & Secretary to Govt.  
Haryana, Agriculture Department.

Endst. No. 4158-Agri. II (3)-89/ Chandigarh dated :

A copy is forwarded for information and necessary action to the Accountant General (Audit) Haryana Chandigarh.

*Sd/-*  
Superintendent Agriculture-II  
for Commissioner & Secretary to  
Govt. Haryana, Agriculture Deptt.

Endst. No. CC/F/ /Dated, Chandigarh the :—

A copy of the above is forwarded to All Asstt. Cane Development officers in Haryana for information and further necessary action. They are directed to get dropped all the paras regarding the above subject at the time of next audit.

*Sd/-*  
ACC  
for Addl. Cane Commissioner, Haryana.

The Committee desired that the pending cases be reconciled with the Accountant General at the earliest and report to this effect be sent to the Committee.

The Committee was informed that total recoverable amount was Rs. 4.27 lakhs and out of this, 0.42 lakhs pertains to licence fee on Khandsari Units for which the case is pending in the Judicial Court of Chandigarh since 1986. The Committee took a very serious view that no sincere efforts had been made by the Department to pursue this case in the Court. The Committee, recommended that the said case be properly pursued and the decision of this case be intimated to the Committee.

The Committee was further informed that the balance amount of Rs. 2.33 lakhs is to be recovered from the Sugar Mill, Panipat and the efforts are being made to recover the said amount through Deputy Commissioner, Panipat.

The Committee was constrained to note that inspite of the various reminders issued by the Department to Deputy Commissioner no recovery was made in this regard. The Committee, therefore, recommended that the Commissioner and Secretary to Govt. Haryana, Agriculture Department should take up the matter with the Deputy Commissioner, Panipat at his personal level so that the balance amount be recovered without any further delay. The steps taken in this direction also be intimated to the Committee.

[56] 5.5. *Interest not charged on belated payments*

As per provisions of the Punjab Sugarcane (Regulation of Purchase and Supply) Act, 1953 and the Rules made thereunder, as applicable to Haryana, the occupier or agent of a factory has to pay tax on sugarcane purchased by him by the prescribed date. In the event of default, interest at the rate of fifteen per cent per annum is chargeable for the period of default.

In one case involving non-charging of interest an amount of Rs. 86,296 was recovered (January 1989) on being pointed out (March 1986) in audit.

In an other case, in Rohtak, on belated payments of purchase tax on sugarcane aggregating Rs. 48.47 lakhs during the crushing season 1986-87, interest amounting to Rs. 1.96 lakhs was chargeable from a sugar mill, but was not demanded.

On the omission being pointed out (November 1987) in audit, the department stated (March 1989) that an amount of Rs. 55.59 lakhs on account of interest was recoverable from the sugar mill for the period from 1980-81 to 1987-88, out of which a sum of Rs. 20 lakhs had been recovered (December 1988). Report on recovery of the balance amount of Rs. 35.59 lakhs has not been received (December 1989).

The case was reported to Government in January 1988; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Efforts are made continuously at personal levels and through letters for deposit of unpaid balances. In delayed cases, the matter is referred to the Collector for recovery of dues as arrears of land revenue.

The amount of Rs. 35.55 lakhs was recoverable from Rohtak Sugar Mills towards interest and the same has been deposited by the mill as per details given below :—

Sr. No.	Challan No./Date	Amount deposited
1.	2/30-6-89	20.00 lakhs
2.	6/28-12-89	15.55 lakhs
		<u>35.55 lakhs</u>

The position regarding payment of purchase tax is reviewed regularly by concerned Asstt. Cane Development Officer/ Project Officer (Sugarcane) and report is being sent every month to the Cane Commissioner, Haryana. In case of default/delays, the matter is referred to D.C/Collector for recovery as arrears of land revenue as per the provisions under the Punjab Sugarcane (Regulation of Purchase and Supply) Act/Rules on the subject. The latest mill-wise position regarding the arrears of purchase tax upto 30th June, 1992 is as under :—

Sr. No.	Name of mill	Amount	
1.	Karnal	(i) Interest of last instalment	19,10,000
		(ii) Interest 2/91 to 3/92	73,46,906
		(iii) Arrear of purchase tax upto 6/92	16,19,978
		<u>1,08,76,884</u>	
2.	Rohtak	(i) Interest on purchase tax	11,45,739
		(ii) Purchase tax upto 6/92	47,47,983
		<u>58,93,722</u>	

1	2	3
3. Panipat	(i) Interest upto 14-6-92,	2,45,72,966
	(ii) Purchase tax upto 6/92	77,97,142
		<u>3,23,70,108</u>

Purchase tax pertaining to the remaining 5 sugar mills namely Yamunanagar, Shahabad, Jind, Palwal and Sonipat has been recovered and nothing is due towards these mills upto 30-6-92.

The department informed the Committee that purchase tax of Rs. 26,56,866 was to be recovered from Sugar Mill Panipat for the year 1990-91. Further an amount of Rs. 1,15,08,237 was also due against Sugar Mills Karnal, Rohtak and Panipat. The Committee desired that the recovery of pending purchase tax be made without any further delay and the position of recovery be intimated to the Committee.

## P.W.D. (B&amp;R)

[57] 1.8. *Outstanding inspection reports*

Audit observations on financial irregularities, defects in initial accounts and under-assessment of tax, noticed during local audit are communicated to the heads of the offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of departments and to the Govt. Half-yearly reports of Audit objections outstanding for more than six months are also forwarded to Govt. to expedite their settlement.

(i) At the end of June, 1989, 199 inspection reports (issued upto December, 1988) containing 678 audit objections of Rs. 136.58 lakhs remained outstanding, out of which 94 inspection reports containing 372 objections of Rs. 63.11 lakhs were outstanding for more than 5 years. This is a very high pendency.

(ii) Relatively large number of audit objections were outstanding under the following major heads :-

Year	Number of inspections	Number of audit objections	Amount in lakhs of rupees
1983-84	94	372	63.11
1984-85	12	29	4.25
1985-86	24	40	15.79
1986-87	21	75	44.69
1987-88	45	158	8.74
1988-89	3	4	*
Total	199	678	136.58

The above facts were reported to Govt. in July, 1989 : their reply has not been received (December, 1989).

In reply to the questionnaire issued by the Committee, the depart-

\*Audit objections are of procedural nature without money value.



ment in their written reply, explained the position as under :

- (i) The main reasons for non-settlement of Audit objections are given in Annexure "C". The position given in Annexure A&B would reveal that out of 678 audit objections involving Rs. 136.58 lacs which were outstanding for more than 5 years (upto 1987-88), 586 audit objections of 147 Inspection reports involving Rs. 92.24 lakhs have since been got settled leaving a balance of 92 objections of 52 Nos. Inspection Reports involving Rs 44.34 lacs. Thus there is a substantial progress towards the settlement of audit objections. For the remaining objections all out efforts are being made to get them settled at the earliest.
- (ii) For an expeditious settlement of old outstanding inspectoin reports/Audit paras special campaign has been launched. S.E s/ X.ens were directed to prepare the appropriate reply of all the old outstanding paras and to arrange special meetings with the Audit office for verification of records on the spot and settlement of maximum number of the audit paras. The first round review meeting in respect of all the Divisional offices was completed during 1986-87.

Further review meetings are being held with Accountant General, Haryana (Audit) from time to time and a substantial progress has been achieved as is evident from 'Annexure A & B' (Enclosed).

- (iii) The latest position of Inspection reports/objections is given in Annexure A&B (Enclosed)

ANNEXURE—A

Year	As per figures pointed out by the Audit				Clearance: by settlement				Balance outstanding I.R./Paras			
	I.R.	Paras	Amount		I.R.	Paras	Amount		I.R.	Paras	Amount	
1	2	3	4	5	6	7	8	9	10			
Upto 1983—84	94	372	63.11	75	337	54.67	19	35	8.44			
1984—85	12	29	4.25	7	18	3.00	5	11	1.25			
1985—86	24	40	15.79	20	33	10.68	4	7	5.11			
1986—87	21	75	44.69	13	59	21.41	8	16	23.28			
1987—88	45	158	8.74	32	139	2.48	13	19	6.26			
1988—89	3	4	—	—	—	—	3	4	—			
Total	199	678	136.58	147	586	92.24	52	92	44.34			

## ANNEXURE-B

Statement showing the Circle/wise year/wise Details of outstanding Inspection Reports/Paras

Sr. No.	Upto 1983-84		1984-85		1985-86		1986-87		1987-88		1988-89		Total										
	I.R. P.	Amt. invold in each para	I.R. P.	Amt.	I.R. P.	Amt.	I.R. P.	Amt.	I.R. P.	Amt.	I.R. P.	Amt.											
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	23
1.	Ambala			1	1	0.01								1	2	2.83	3	4		5	7	2.84	
2.	Bhiwani	1	2	0.05	1	3	0.01				2	4	0.08	3	4	0.33				7	13	0.47	
3.	Chandigarh	3	5	4.16				2	2	1.76										5	7	5.92	
4.	W.B. Chd.													1	1	0.02				1	1	0.02	
5.	NH Faridabad	1	1	0.07	1	1		1	1	0.01										3	3	0.08	
6.	Gurgaon	2	2	0.02	1	4	0.91				1	3	1.29	1	1					5	10	2.22	
7.	Jind	3	3	1.12				1	4	3.34										4	7	4.46	
8.	Hissar	6	17	1.26										2	2	0.01				8	19	1.27	
9.	Director Res. Lab. Hisar	1	2	0.66										1	3	1.86				2	5	2.52	
10.	Karnal (Civil)	1	1	0.01										2	4	0.22				3	5	0.23	
11.	Elect. Karnal													1	1	0.99				1	1	0.99	
12.	Mech Karnal												1	1	11.09					1	1	11.09	
13.	NH Karnal	1	2	1.09							1	2	0.03	1	1					3	5	1.12	
14.	Rohtak					1	2	0.32						3	6	10.79				4	8	11.11	
G. Total		19	35	8.44	5	11	1.25	4	7	5.11	8	16	23.28	13	19	6.26	3	4		52	92	44.34	

### ANNEXURE 'C'

The main reasons for non-settlement of the balance paragraphs which have been reduced from 678 to 92 are as under :-

- (a) Non Co-operation of DDOs of the occupying departments in realising the dues on account of house rent/Fan rent at the correct rates.
- (b) Non-deduction of rent at penal rate for over-stayal in Govt. residences by the DDOs of the occupying Deptt.s from the concerned employees.
- (c) Non-deduction of house rent on non practicing allowance by C.M.Os. from the doctors.
- (d) Non-recovery of fan rent from the officers/officials entitled to rent free accommodation by the DDOs.
- (e) Non payment of market rent by the Boards/Corporations/Municipal Committees etc. for the residences occupied by the deputationists working with them.
- (f) Short realisation of rest house charges due to late receipt of instructions.
- (g) Non finalization of disciplinary proceedings.
- (h) Non finalisation of court cases, arbitration cases, police case etc.
- (i) Non deposit of lease money by the filling stations in time.
- (j) Non execution of lease agreement of Govt. land for approaches to Petrol Pumps.
- (k) Reply submitted to A.G. Haryana, but final decision awaited.

At the time of oral examination, the departmental representatives informed the Committee that at present fifty two inspection reports and 92 paras involving Rs. 44.34 lakhs are left to be settled. The Committee recommended that the remaining objections be got settled within a period of six months. The Committee, further recommended that instructions be issued to all the Superintending Engineers to provide all necessary assistance to the Audit Party at the time of audit of their concerned Divisions so that these very old paras be settled within a stipulated period. The progress made in this regard be intimated to the Committee.

[58] 5.3. *Recovery of rent in respect of Government residential buildings*

**5.3.1. Introduction**

With a view to providing residential accommodation to the employees, Government have constructed residential buildings at various places in the State. All Haryana Government employees except those on deputation with Boards or in any other Government are eligible for allotment of Government residential accommodation. Recovery of rent from employees is governed under Rules 5.29 to 5.44 of Punjab Civil Services Rules-Volume I.

**5.3.2. Organisational set up**

Allotment of buildings to Government employees is made by a House Allotment Committee, constituted in each district. The residential colonies are divided in the groups viz. Public Works colonies and General Pool. The allotment committee in respect of Public Works Department colonies is headed by the Superintending Engineer Public Works Department, Buildings and Roads. Deputy Commissioners of the districts concerned are responsible for allotment of General Pool houses. Government houses at Panchkula are, however, allotted by an allotment committee headed by Chief Secretary to Government of Haryana in respect of types IV and V and by the Commissioner, Public Works Department in respect of types I, II and III houses. Recovery of rent is watched by the Executive Engineer of each Public Works Department (buildings and roads) Division and he is responsible for watching recovery of rent by issuing rent rolls to the drawing and disbursing officer concerned for effecting recovery of rent from the pay of officials. The competent authority may under special circumstances reduce or waive off recovery of rent in special circumstances mentioned in Rule 5.35 of Punjab Civil Services Rules, Volume I.

**5.3.3. Scope of audit**

Records relating to assessment and collection of rent of residential buildings for the year 1984-85 to 1988-89 were test checked in audit in 10 out of 31 Public Works Divisions dealing with recovery of rent in the State with a view to verifying the correctness of recoveries effected, compliance of various orders regarding allotment of houses, and the maintenance of record connected therewith.

**5.3.4. Highlights**

(i) Rent at normal rate instead of at market rate was recovered from Government employees who did not vacate Government accommodation within the prescribed time after their retirement or transfer to other stations. In 75 cases in 9 divisions test checked where the recovery at market rate was to be enforced, department had not even assessed the market rent.

(ii) Rent amounting to Rs. 21,600 was short recovered in 39 cases. Besides, city compensatory allowance drawn by 252 employees at Hisar was not included in emoluments determined for recovery of rent.

(iii) Standard rent required to be revised after 5 years from the date of its last fixation was not revised in any of the 4 divisions test checked.

(iv) Basic records viz., register of rents, register of buildings etc. for watching recoveries of rent were either incomplete or were not maintained properly, inasmuch as date of occupation/vacation of building and particulars of recovery of rent were not found recorded. In two divisions, 346 buildings were not found entered in register of buildings.

### 5.3.5. Trend of revenue

Budget estimates of revenue from residential buildings and actual receipts there against during the years 1984-85 to 1988-89 were as under :—

Year	Budget estimates	Actuals
	(In lakhs of rupees)	
1984-85	21.00	35.22
1985-86	30.83	41.43
1986-87	37.00	46.27
1987-88	48.00	49.64
1988-89	55.00	56.62

Annual expenditure incurred in the maintenance and repairs during the years 1984-85 to 1988-89 was as given below :—

Year	Expenditure
	(In lakhs of rupees)
1984-85	64.53
1985-86	59.33
1986-87	81.45
1987-88	86.46
1988-89	80.82

### 5.3.6. Loss of revenue due to non-assessment/non-recovery of rent at market rate

Under the Punjab Civil Services Rules, Volume-I, as applicable to Haryana, and as per instructions contained in Finance Department circular letter dated 11th September 1985, an official occupying Government accommodation is required to vacate the accommodation within 21 days of his retirement or transfer to an outstation, failing which penal rent, 20 to 40 per cent of pay is recoverable from him upto four months. Thereafter rent at market rates is to be charged besides, initiating eviction proceedings in the court.

In Bhiwant, Karnal, Rohtak and Faridabad, 17 officials who were transferred to other station did not vacate Government residences allotted to them even after the expiry of four months from the date of their transfer. The rent for further period ranging from 4 to 29 months, in these cases was continued to be charged at the rate of 40 per cent of their emoluments instead of at market rent. Eviction proceedings by the competent authority were also not initiated. Amount of short recovery of rent could not be worked out as market rent of these houses was not assessed.

The department stated (March 1989) that recovery in respect of two cases would be made after assessing the market rent. Reply in respect of remaining cases has not been received (December 1989).

### 5.3.7. Failure to recover differential rent from Public Sector Corporations and Other autonomous bodies

As per instructions issued by Haryana Government in September 1976 and February 1983, corporations and other autonomous bodies are required to pay rent at market rate in respect of Government residential buildings allotted to the State Government employees on deputation with them. The employees shall pay 10 per cent of their emoluments and the balance shall be contributed by the employer body.

In Rohtak, Sonapat, Karnal, Bhiwani, Gurgaon, Hisar, Sirsa and Ambala, 46 State Government employees on deputation to Municipal Committees, Corporations and autonomous bodies were allotted Government accommodation. A scrutiny of records, however, revealed that in 19 cases the rent was recovered at lower rates, applicable to Government employees and in 17 cases as standard rent. No recovery was however made in respect of remaining 10 cases.

The department stated (February 1989) that revised rent rolls at market rate in 4 cases had been issued and recovery of Rs. 17,297 in 2 cases had been made. In respect of 30 cases, it was stated (January 1989 and April 1989) that market rent was being assessed and recovery would be made thereafter. In respect of the remaining 12 cases reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) Market rent in respect of remaining 42 cases has been fixed and rent rolls thereof have also been raised/issued. Revised rent rolls at market rate in respect of the employees on deputation to foreign service to various Corporations/Boards/HUDA/Municipal Committees etc. were sent to them but these organisations are not cooperating in the matter of depositing the dues against them and disputing the claim on this account. Necessary particulars of the employees on whose account the rent at market rate was due have been sent to Govt. for taking up the matter with the Administrative Secretary concerned for issuing directions to the concerned organisations for depositing the dues against them.

- (ii) The period of recovery in each case is different. It varies from 1 year to 6 years. Taking over-all position of all the cases the period of recovery date back 4/84 to 3/90. In some cases full recovery has been made good. In other cases Addl. Deputy Commissioner holding dual charge of the post of Executive Officers of DRDA were entitled to rent free accommodation and hence the recovery pointed out by the audit against them was not valid. In other cases, the Corporations/Boards/Autonomous Bodies/Municipal Committees are not cooperating in the matter of depositing the due amount on this account as stated in (1) above. The matter has been taken up at Govt. level for issuing necessary directions to the Heads of these organisations to deposit the due amount against them.
- (iii) The total recovery on this account is to the tune of Rs. 11.56 lacs out of which Rs. 4.00 lacs have since been recovered. In some cases aggregating to Rs. 0.70 lacs in respect of Additional D.Cs., they were entitled to rent free accommodation and the balance outstanding recovery is Rs. 6.86 lacs for which the matter has been taken up at Government level as stated above.
- (iv) As per report of S.Es., there is no other case of this type. However cases of recovery against Corporations/Boards/Autonomous Bodies etc. which came to notice have been taken up at Government level as stated in (i) above.

The Committee is pained to observe that inspite of the instructions of the Govt., an amount of Rs. 6.86 lakhs is still to be recovered from the officers/officials of the various Boards and Corporations as a rent of residential accommodation. The Committee strongly recommend that if the officer to whom the accommodation is allotted failed to pay the rents from their salaries then the Department should take up the matter with the Government to recover that amount from defaulting officers/officials as arrears of land revenue. The Committee, further, recommend that necessary instructions be also issued to all the Drawing and Disbursing Officers for initiating timely action for recovering of the rent from the concerned persons otherwise they would be held responsible on this account. The Committee also desired that the instructions in respect of recovery of rent already issued by the Department during the year February, 90 be strictly followed by all the concerned in future.

The Committee further desire that action taken in the matter along with the progress of recovery be intimated to the Committee within a period of three months.

[59] 5.3.8. *Irregular allotment of accommodation to private persons and non recovery of rent at market rates*

As per provisions of Rule 4.5 of Departmental Financial Rules read with para 3.27 of Punjab Public Works Department Code, when a Government building is let out to a person not in service of Government, rent should be recovered in advance at the market rate.



During test check of records of Divisional Offices at Hisar, Ambala, Gurgaon, Karnal, and Rohtak, it was noticed (between February 1989 and April 1989) that in 9 cases, Government houses had been allotted to individuals in private service by the House Allotment Committees headed by Deputy Commissioner/Superintending Engineer Public Works Department between February 1981 and May 1989. These house Allotment Committees were not competent to allot houses to individuals in private service. Though rent at the market rate was recoverable in advance in these cases, yet it was being recovered at standard rent in 3 cases and at the rate of  $7\frac{1}{2}$  per cent of emoluments in 4 cases. In the remaining 2 cases, no recovery was being made from July 1987 and December 1987, to the date of audit (March 1989).

The concerned Divisional Officers stated that houses were allotted by the Deputy Commissioner and there were no instructions in relevant allotment letters regarding the rate at which recovery of rent was to be made. The reply of the Divisional Officer was not tenable as recovery of rent at correct rate is the sole responsibility of the Divisional Officer and the rates of recovery from private persons have already been laid in Rule 4.5 of Departmental Financial Rules and Para 3.27 of Punjab Public Works Department code.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) Allotment of Govt. houses to private persons is made by the D C. of the respective Districts. However revised rent rolls at market rates in all the cases, where required, have since been raised and issued to the concerned persons.
- (ii) As stated in (i) above, the allotment of Govt. houses to private persons was made by the Deputy Commissioners and no official concerning this deptt. is responsible for the irregularities.
- (iii) Out of total recovery of Rs. 2,08,714/- against 9 persons, sum of Rs. 16,527/- has since been made good and for the balance outstanding recovery efforts are being made. As stated above the houses are allotted to private persons by the Deputy Commissioners of the District concerned. It is also made clear that as per instructions issued by the Finance Department vide its letter No. 2354-2-FICW-89 dated 5-2-90, DDOs of the respective departments are responsible for the recovery from the concerned persons.

**The instant case relates to the recovery of rent from the 9 Press Correspondents. The Committee was informed that allotment of Govt. Houses to these correspondents was made by the Deputy Commissioner of the respective districts. The Committee, desired that the Department should take up the matter with Chief Secretary for recovery of this amount from the concerned Press Correspondents. The Committee further desire that the action taken in the matter be intimated to the Committee within a period of one month.**

During the course of oral examination, the Department was asked to supply certain informations but the Department has failed to supply the said information till the finalisation of this report. The Committee, therefore, desired that the said information be supplied at the earliest.

[60] 5.3.10. *Short recovery of rent*

(i) Under Rule 5.33 of Punjab Civil Services Rules, as applicable to the State of Haryana, emoluments for the purpose of recovery of rent from Government employees shall include among others, compensatory allowance other than travelling allowance, uniform allowance and clothing allowance and outfit allowance. City Compensatory Allowance at the rate of 5 per cent of pay and the dearness pay subject to maximum of Rs. 50 was admissible to Haryana Government employees stationed at Hisar with effect from 1st January 1981.

In Hisar, the element of city compensatory allowance drawn by 252 employees was not included in the emoluments upto March 1986 while working out the amount of rent recoverable. This resulted in short recovery of rent of Rs. 16,360. The Divisional Officer stated (April 1989) that the compensatory allowance was included in emoluments from April 1986, when the orders came to his notice and that matter for recovery of earlier period was being looked into.

(ii) Under Rule 5.44 of the Punjab Civil Service Rules Volume I, as applicable to the State of Haryana, rent of ceiling fans is recoverable at the rate of 17 per cent per annum on the capital cost of fans installed in residential buildings and maintained at the cost of Government.

In Faridabad and Sonapat divisions, rent for fans installed in 39 residential buildings during the period from December 1970 to August 1987 was not recovered from occupants resulting in short realisation of rent amounting to Rs. 21,600.

The department stated (January 1989 and March 1989) that efforts for recovery were being made.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i) Out of total recovery of Rs. 16,360/- in respect of Hissar Circle, a sum of Rs. 7,360 has since been made good and for the balance amount, efforts are being made. As regards recovery of Rs. 21,600/- in respect of Faridabad and Sonapat Divisions, the entire recovery has been effected and nothing is now due from any of the officials.

(ii) As per report of S.E. Hissar, no body is responsible. However instructions have been issued to the field staff for observance of the rules in letter and spirit.

The Committee was informed that the amount of Rs. 9,000/- is still to be recovered from Hisar Circle. The Committee, therefore, desired that efforts be made to recover this amount within a period of three months under intimation to the Committee.

[61] 5.3.13. *Arrears of rent*

Information of arrears of rent as on 31st March 1989 was called for from the Department in January 1989, followed by reminder in March 1989 which has not been supplied (June 1989). In respect of 9 divisions test checked, arrears of uncollected rent, as on 31st March 1989, amounted to Rs. -15.62 lakhs.

These cases were reported to Government in July 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Out of the total arrear of rent of Rs. 15.62 lacs as on 31-3-89 pointed out by Audit, a sum of Rs. 9.61 lacs has since been recovered leaving a balance of Rs. 6.01 lacs. The balance recovery is outstanding either on account of pooled houses, allotment of which is made by the Deputy Commissioner of the Distt. concerned or on account of rent at market rate in respect of the employees on deputation to foreign service to various Boards/Corporations/HUDA/Municipal Committees etc. As per Finance Deptt. letter No. 2354-2-FICW-89 dated 5-2-90 responsibility of recovery of rent lies with the DDOs of the respective department organisations. Since these organisations were not cooperating in the matter of depositing the dues against them and disputing the claim on this account. The matter has now been taken up at Govt. level and necessary particulars of the employees on whose account the recovery was due, period of recovery, amount of recovery due from the various corporations/Autonomous Bodies etc. have been sent to Govt. for taking up the matter with the Administrative Secy. concerned for issuing necessary directions to the organisations concerned for depositing the dues against them.

The Committee desired that Department should take up the matter with the Administrative Secretaries concerned for issuing necessary instructions to the concerned organisations so that the balance amount of recovery i.e. Rs. 6.01 lakhs be recovered within stipulated time. The progress made in this regard be also intimated to the Committee.

[62] 5.4. *Sale of empty bitumen drums*

The department entered (December 1982) into an agreement with a firm in Delhi to sell empty bitumen drums at the rate of Rs. 24.10 each and scrap comprising old drums at the rate of Rs. 750 per metric tonne.

In two sub-divisions of National Highway Construction Division, Sonipat, 3025 empty bitumen drums, which included 1598 drums of good quality were sold as scrap at the rate of Rs. 750 per metric tonne instead of selling the good drums at Rs. 24.10 per drum. This resulted in a loss of revenue of Rs. 30,860.

On this being pointed out (August 1985) in audit, the Superintending Engineer after conducting an enquiry informed (May 1988) the Engineer-in-Chief that the Junior Engineer responsible for the lapse had been charge-sheeted and given (July 1987) punishment of Recorded warning.

The case was reported to Government in September 1985 followed by reminders in April 1988, their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i) The recovery of loss of Rs. 30,860/- can only be effected on the finalization of the inquiry cases against the defaulters. In this case, the following officers/officials were found responsible for the loss/lapses in the sale of Empty Bitumen Drums :-

1. Shri R.C. Mehandiratta, S.E.
2. Shri Mange Ram, S.D.E.
3. Shri S.K. Gupta, J.E.
4. Shri Maha Singh, S.D.E.
5. Shri R.L. Malhotra, J.E.
6. Shri Ashok Kumar, J.E.

Accordingly it was proposed to Govt. to charge-sheet the S.E., and the S.D.Es. under rule 8 of P&A Rules vide BIC No. 38 dated 27-1-92. The J.Es. as stated above were charge-sheeted under rule 7 of P&A Rules. Their defence has been received which are under process with the Department but punishment can only be decided simultaneously with S.E. & S.D.Es.

The S.E. NH Karnal has reviewed the position of other Divisions and has reported that another case concerning sale of 2622 Nos. Empty Bitumen Drums as scrap resulting into loss of Rs. 14,213/- relating to Provl. Divn. III Karnal is under process with the Deptt. Time bound explanations of the Officers/officials responsible for the lapse have been called for. Further action will be taken against them as per rules.

(ii) Enquiry position of the officers/officials involved in this case is given in (i) above.

To avoid recurrence of such lapses instructions to the field staff have already been issued vide EIC memo No. 2297-2308 dated 29-2-88 for disposal of unserviceable/surplus stores strictly according to the Codal provisions.

At the time of oral examination the Committee was informed that the concerned S.D.O. and the Junior Engineers who were found responsible for the loss/lapse in the sale of these drums had been chargesheeted under Rule 7. The Committee, therefore, recommended that the enquiry in the matter be finalised within the shortest possible period so that the recovery of loss of Rs. 30,860 could be effected at the earliest. The action taken in the loss of 2622 Nos. of empty bitumen drums amounting to Rs. 14,213/- relating to Provincial Division III, Karnal may also be reported.

The Committee further recommended that the Controlling Authority i.e. the Executive Engineer should also be associated in auctions to avoid recurrence of such lapses.

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**REVENUE**

**[63] 1.8. Outstanding inspection reports**

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit are communicated to the heads of the offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of departments and to the Government. Half yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) At the end of June 1989, 374 Inspection reports (issued upto December 1988) containing 1079 objections, of Rs./- 150.76 lacs as detailed below, were outstanding out of which 44 inspection reports containing 131 objections of Rs. 15.01 lacs were outstanding for more than 5 years. This is a very high pendency.

Year	Number of inspection	Number of audit objections	Amount (in lacs of rupees)
<b>Stamps &amp; Registration Fee upto</b>			
1983-84	44	131	15.01
1984-85	58	139	10.46
1985-86	41	141	23.38
1986-87	84	169	23.12
1987-88	80	237	26.26
1988-89	67	262	52.53
<b>Total</b>	<b>374</b>	<b>1079</b>	<b>150.76</b>

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Main reasons for non-settlement of the audit objections are non-traceability of defaulters due to incomplete/changed addresses and pendency of cases under section 47-A of Indian Stamp Act, 1899.

Out of 44 inspection reports containing 131 audit objections of Rs. 15.01 lacs, which were outstanding for more than 5

years, 31 inspection reports containing 106 audit objections of Rs. 12.25 lacs have since been settled leaving a balance of 13 inspection reports containing 25 audit objections involving Rs. 2.76 lacs. Steps are being taken to effect the recovery of the balance amount. Of this balance of Rs. 2.76 lacs, an amount of Rs. 1.01 lacs has been declared as arrears of land revenue.

The Collectors have been advised to review the position at their level and fix responsibility in such cases so as to take action against the delinquent.

Out of 374 Inspection reports containing 1079 Audit objections involving an amount of Rs. 150.76 lacs, 197 Inspection Reports containing 426 Audit Objections involving an amount of Rs. 56.46 lacs have since been settled leaving a balance of 177 Inspection Reports containing 653 Audit Objections involving an amount of Rs. 94.30 lacs.

The Committee was informed that 13 inspection reports containing 25 audit objections involving amount of Rs. 2.76 lakhs were still outstanding for more than 5 years. The Committee observed that this was a very high pendency. The department informed the Committee that main reasons for non-settlement of the audit objections were non-traceability of defaulters due to incomplete/changed address and pendency of cases under section 47-A of Indian Stamp Act, 1899. The Committee was not satisfied with the explanation of the department. The Committee, therefore, desired that the details of cases in which defaulters were not traceable due to incomplete/changed addresses be supplied to the Committee. Accordingly a detailed list of defaulters was supplied to the Committee. After going through the said list the Committee recommended that in those cases where addresses are not traceable, the department should initiate suo-motu action for auctioning the property by giving the notices in the leading newspapers and by doing Munadi etc. so that recovery can be effected without any further delay.

The Committee further recommended that the cases in which amount of more than Rs. 25,000/- was involved be pursued vigorously so that the amount be recovered at the earliest. The Committee also recommended that action be initiated in those cases where the stay had been granted by the various Courts for the early vacation of stay so that early recovery of the amount could be made.

The Committee further asked the department to fix the responsibility in such cases so that action be initiated against those delinquent officials who admitted the deeds for registration without verifying the bonafides of sellers and purchasers together with their addresses and addresses of the witnesses.

The departmental representatives informed the Committee that 10 Tehsildars/Naib Tehsildars were held responsible and were being charge-sheeted for the irregularities in the Registration work. The Committee recommended that action against these delinquent officials be finalised within a stipulated period under intimation to the Committee.

The Committee recommended that the department should take other suitable remedial measures to effect recovery expeditiously.

[64] 3.1. *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1988-89, revealed short levy and non-levy of stamp duty and registration fee as also other irregularities in 1,382 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 of properties	758	43.56
2. Short levy/non-levy of stamp duty and registration fee	213	11.57
3. Evasion of stamp duty and registration fee	124	10.23
4. Irregular exemption of stamp duty and registration fee	125	2.48
5. Other irregularities	162	1.41
	1,382	69.25

Some of the important cases noticed in 1988-89 and earlier years are mentioned in the following Paragraphs.

In reply to the questionnaires issued by the Committee, the department in their written reply, explained the position as under :

The main reason for short/non levy of Stamp duty and registration fee is misinterpretation of rules and regulations by the Registering Authorities.

It has not been possible so far to ascertain whether these cases were audited in Internal Audit.

However, Internal Audit has checked 3709 cases of such nature involving a deficiency of Rs. 111.68 lacs.

The following measures have been taken by the Department :—

(a) Periodic inspection of registration offices at the Collector's level has been started.

(b) Collectors have been advised to fix responsibility in such cases and take action against the delinquents and submit report to Govt. about the action taken against them.



(c) Training of officials concerned with registration work has been started.

(d) With effect from November, 1987 the strength of Stamp Auditor was increased from 4 to 17.

Latest position in respect of 1382 cases is as under :—

**1. Loss of Stamp Duty and Registration Fee due to under valuation of property**

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	1.87	72
2. Amount dropped by A.G. in the subsequent audit	0.74	20
3. Amount dropped by Collectors/DCs	5.00	78
4. Amount recovered by the Deptt.	4.22	125
5. Cases in Courts	17.61	216
6. Balance	14.12	247
Total	43.56	758

**2. Short levy/Non levy of stamp duty & Registration fee**

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's Report	1.15	19
2. Amount dropped by A.G. in the subsequent audit	2.34	142
3. Amount dropped by Collectors/DCs	0.08	2
4. Amount recovered by the Deptt.	0.14	7
5. Cases in courts	1.25	18
6. Balance	6.61	25
Total	11.57	213

**3. Evasion of stamp duty and registration fee**

1. Recovery already mentioned in CAG's report	0.15	10
2. Amount dropped by A.G. in the subsequent audit	4.24	35
3. Amount dropped by DCs/Collectors	1.96	15
4. Amount recovered by the Deptt.	0.25	15
5. Cases in courts	—	—
6. Balance	3.63	49
Total	10.23	124

**4. Irregular exemption of stamp duty and registration fee**

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's Report	0.10	10
2. Amount dropped by A.G. in the subsequent audit	1.42	88
3. Amount dropped by Collectors/DCs	—	—
4. Amount recovered by the Deptt.	0.41	16
5. Cases in Courts	—	—
6. Balance	0.55	11
<b>Total</b>	<b>2.48</b>	<b>125</b>

**5. Other Irregularities**

1. Recovery already mentioned in CAG's Report	0.12	22
2. Amount dropped by A.G. in the subsequent audit	0.77	93
3. Amount dropped by Collectors/DCs	0.04	2
4. Amount recovered by the Deptt.	0.23	34
5. Cases in Courts	0.12	3
6. Balance	0.13	8
<b>Total</b>	<b>1.41</b>	<b>162</b>

The overall picture of recovery is as under :—

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	3.39	133
2. Amount dropped by A.G. in the subsequent audit	9.51	378
3. Amount dropped by Collectors/DCs	7.08	97
4. Amount recovered by the Deptt.	5.25	197
5. Cases in courts	18.98	237
6. Balance	25.04	340
<b>Total</b>	<b>69.25</b>	<b>1382</b>

During the course of oral examination, the Committee was informed that the main reason for short/non-levy of stamp duty and registration fee was misinterpretation of rules and regulations by the Registering Authorities. The Committee was not satisfied with the reply given by

the department and recommended that no Tehsildar/Naib Tehsildar should be posted on Revenue (Mahal) side unless he completed the in-service Training at Revenue Training School at Ambala and qualified the prescribed test. The Committee further recommended that refresher courses should be made compulsory for Registering Authorities and all the Registering Authorities should be given refresher courses once in a year so that they were fully conversant with the rules and regulations of the department.

The Committee further recommended that internal audit system of the department be also improved so to avoid recurrence of such irregularities as pointed out by the A.G. in future.

The Committee further desired that the remedial measures adopted by the department to minimise such type of irregularities be strictly followed to avoid such lapses in future. The progress report in this regard be submitted to the Committee.

[65] 3.2. *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 Act, 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 or 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 on the consideration and the proper duty payable, which will thereafter be decided by the Collector after giving an opportunity to the registering party. The act 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

(1) In 148 sale deeds registered in 13 registering offices in Fari-dabad, Karnal and Sirsa districts during the period from February 1984 to June 1987, it was noticed (between February 1986 and May 1988) in audit that the value of properties had been less set forth in the deeds than those agreed upon between the parties as per the 'agreements to sell' executed by them earlier and recorded with document writers. The omission to refer the cases to the Collector for determination of considerations and proper duty payable resulted in stamp duty and registration fee being realised short by Rs. 6.02 lakhs. Besides, penalty for under-valuation done with intent to defraud Government was also leviable, but was not levied.

On this being pointed out (between February 1986 and May 1988) in audit, the department recovered (between December 1986 and December 1988) Rs. 120 lakhs in 35 cases, issued notice for recovery in 3 cases and referred 33 cases (involving Rs 2.10 lakhs) to the Collector for determination of values of the properties and proper duty payable,

11 cases were also referred (October 1988) to the Collector for declaring the recovery as arrears of land revenue. Report on recovery and decision of the Collector in 44 cases and action taken in the remaining 66 cases as also on penal action in all the 136 cases has not been received (December 1989)

(i) On 8 sale deeds registered between December 1987 and March 1988 in Sonapat district, values of properties set forth was less than those fixed by the Deputy Commissioner, Sonapat, resulting in short levy of stamp duty of Rs. 31,757 and registration fee of Rs. 1,652.

On this being pointed out (September 1988) in audit the department stated (May 1989) that amount of Rs. 4,567 had been recovered in two cases and the remaining 6 cases had been referred to the Collector whose decision has not been received (December 1989).

(ii) In seven sale deeds executed (June 1986 to January 1987) in registering office, Ellanabad (Sirsa district) the values of the immovable properties (agricultural land) set forth were lower than the average value of similar properties registered during the previous five years in the same areas. This resulted in stamp duty and registration fee being realised short by Rs 28,691

On this being pointed out (March 1988) in audit, the department recovered (between June 1988 and August 1988) Rs. 10,356 in 4 cases and referred (September 1988) the remaining 3 cases to the Collector, for determination of the value of consideration and proper stamp duty payable. Further report has not been received (December 1989).

The above cases were reported to Government between May 1989 and July 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) It was a lapse on the part of Registering Authorities in not verifying the value set forth in the sale deeds with those mentioned in the 'Agreement to Sell' entered in the register of document writers. Government have issued instructions directing the deed writers to enter the agreements in their register and supply a copy to the respective Sub-Registrar to enable him to compare the value of property set forth therein with the sale deed presented for registration.
- (ii) As stated in item (i) above instructions have been issued as a remedial measure. Sub-Registrars have also been directed to register the documents after proper scrutiny.
- (iii) There is no such system at present. The deed writers have, however, been directed to supply copies of the documents entered in their register to the Sub-Registrar. This will help in detection of such irregularity and leakage of Govt. Revenue.

(iv) The latest position is as under :—

	No of cases	Amount (Rs. in lacs)
Amount recovered as mentioned in CAG's report	35	1.20
Amount recovered	84	3.60
Amount dropped by Collector	2	0.06
Amount dropped by A G. in subsequent audit	1	0.08
Cases pending u/s 47-A	7	0.38
Cases pending in Civil Courts	2	0.19
Balance	17	0.51
Total :	148	6.02
(v)		
(a) Cases decided	26	1.72
Balance	7	0.38
Total :	33	2.10

(b) The amount involved in all the 11 cases has been declared as arrears of Land Revenue

(i) These cases were referred to the Collector u/s 47-A of Indian Stamp Act.

(ii) It was a lapse on the part of Registering Authority.

(iii) The latest position of these cases is as under :—

	No of cases	Amount (Rs. in lac)
Amount recovered	2	0.08
Amount dropped by Collector	2	0.14
Amount pending u/s 47-A	1	0.03
Amount recoverable	1	0.04
Total :	6	0.29

- (i) They are yet to be decided.
- (ii) The Collector has been asked to explain the position and a reply in the matter would be given at the time of oral examination.
- (iii) All Deputy Commissioners have been requested to see that the cases pending u/s 47-A of Indian Stamp Act, 1899 are decided expeditiously and a progress report is sent to the Govt. every month.

During the course of oral examination, the Committee was informed that the Govt. has issued instructions in the month of November 1992 directing the deed writers to enter the agreements in their registers and supply a copy of the documents to the respective sub-Registrars to enable them to compare the value of property set forth therein with the sale deeds presented for registration.

After going through the said instructions of the department, the Committee recommended the department to examine whether these instructions are in consonance with the provisions of the Act and a report to this effect be sent to the Committee for its information.

The Committee recommended that the remaining three cases pending for non-determination of the value of the properties since 1988 be also settled by the Collector by 31st March, 1994 under intimation to the Committee.

The Committee further recommended that the latest position about the instructions already issued to the Deputy Commissioner for sending the progress report regularly be sent to the Committee by 31st March, 1994.

[66] 3.3. *Evasion of stamp duty and registration fee as a result of mis-classification of instruments*

Under the Indian Stamp Act, 1899, as adopted in Haryana, stamp duty in respect of any instrument imposing further charge on property already mortgaged without possession, is chargeable as on a bond for the amount of further charge secured by such instrument.

(1) In the office of the Sub-Registrar Rewari, a mortgage deed was executed (February 1986) through a tripartite agreement between a firm and Haryana Financial Corporation (HFC) and Haryana State Industrial Development Corporation (HSIDC) as joint mortgagees for securing a loan of Rs. 41 lakhs by the firm from HSIDC by re-depositing title deed. Such instrument imposing further charge of Rs. 41 lakhs on the property already mortgaged (March 1986) through a regular deed in favour of HFC for securing loan of Rs. 6.90 lakhs, was incorrectly viewed as memorandum of agreement instead of as a bond. This resulted in non-levy of stamp duty and registration fee amounting to Rs 62,000.

On the omission being pointed out (February 1987) in audit the Collector directed (April 1989) the registering authority to effect the recovery of Rs. 62,000.

(ii) In the office of the Sub Registrar, Gurgaon three mortgages were executed (July 1987, August 1987 and December 1987) through a tripartite agreement between two firms of Gurgaon, the Haryana Financial Corporation (HFC) and the Haryana State Industrial Development Corporation (HSIDC) as Joint mortgagees for securing loans aggregating Rs. 109.60 lakhs by the firms from HSIDC by re-depositing title deeds. In another case, a mortgage deed was also executed (August 1987) through a tripartite agreement between a firm of Gurgaon, the Haryana Financial Corporation (HFC) and New Bank of India (a Nationalised Bank) Joint mortgagees for securing a loan of Rs. 70.29 lakhs by the firm from the Bank by re-depositing title deed. Such instruments imposing a further charge of Rs. 179.89 lakhs on the properties already mortgaged (May 1987) through regular deed in favour of HFC for securing loans aggregating to Rs. 161.50 lakhs were incorrectly viewed as memorandum of agreements and charged with stamp duty of Rs. 80 only instead of as mortgage deeds subjected to stamp duty of Rs. 2.70 lakhs.

On the mistake being pointed out (July 1988) in audit, the registering officer stated (March 1989) that tripartite agreements for securing loans of Rs. 179.89 lakhs were not compulsory registerable documents under Section 17 of the Indian Registration Act, 1908. The State Government Revenue Department, however in consultation with the Law department had clarified (November 1986) in a similar case that such tripartite agreement was clearly a mortgage deed requiring compulsory registration and stamp duty and registration fee was payable in terms of Article 40 of the Schedule I-A of the Stamp Act *ibid*.

The above case was reported to Government in August 1988, their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

### 3.3 (i)

- (i) It was a lapse on the part of Registering Authority. Action is being taken by Deputy Commissioner Rewari against the delinquent.
- (ii) For avoiding repetition of the mistake, training has been started.
- (iii) Collector—(SDO)(C), Rewari has decided that Stamp duty and Registration fee is not leviable.

### 3.3 (ii)

- (i) It was a lapse on the part of Registering Authority. All the Registering Officers have been directed that they should register the documents after proper scrutiny.
- (ii) Action in the matter is yet to be initiated.
- (iii) Deputy Commissioner, Gurgaon has informed that deficient amount of short levy of Stamp Duty of Rs. 2.70 lacs has been ordered to be recovered as arrears of Land Revenue.

The Committee was informed that inspite of the letter issued in the month of October, 1992 no intimation was received from the Deputy Commissioner, Rewari where a loss of revenue of Rs. 62,000 was caused. The Committee, therefore, desired that a detailed report of this case be obtained from him at the earliest and sent to the Committee for its information.

[67] - 3. 4. *Evasion of stamp duty and registration fee through power of attorney*

The Indian Stamp Act, 1899 and the Indian Registration Act 1908, as applicable to Haryana, require that where power of attorney is given for a consideration and it authorises the attorney to sell any immovable property, the deed is liable to stamp duty and registration fee as if it is an instrument of conveyance for the amount of consideration set forth therein.

Government instructed (October 1976) that where a person purchasing an immovable property for further sale did not get the conveyance deed executed in his favour and instead on payment of sale consideration, obtained a power of attorney from the vendor authorising him to sell the property, further to any party, at his discretion on behalf of the vendor, the power of attorney should be subjected to stamp duty and registration fee for the sale consideration in term of article 48 (f) read with Article 23 of schedule 1-A to the Indian Stamp Act 1899.

In Sub registry Gurgaon, Faridabad and Karnal Districts, 9, agreements to sell were executed (January 1985 and January 1987) after receiving full consideration and handing over possession of properties to the purchasers. Simultaneously power of attorneys authorising the purchasers to dispose of property in any manner and sign sale deeds were also given. Stamp duty and registration fee amounting to Rs. 99,425 and Rs. 3617, respectively was leviable on consideration, as applicable to sale deed, but was not levied.

On the mistake being pointed out (between January 1987 and July 1987) in audit, department issued notices of recovery in 4 cases, and referred 2 cases to Government for decision. In regard to the remaining 3 cases, it stated that further sale deeds had been made, but the department did not recover the duty leviable on the power of attorneys.

The matter was reported to Government in August 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i)&(ii) It was a lapse on the part of the Registering Officer, Deputy Commissioners have been asked to follow the instructions of October, 1976 strictly and initiate action against the defaulting officials.

(iii) No action has yet been taken against the officers/officials.



(iv) The latest position is as under :—

	No. of cases	Amount (Rs. in lacs)
Amount dropped by A.G.	2	0.30
Amount recovered	5	0.32
Audit requested to drop the case*	1	0.22
Balance	1	0.19
Total :	9	1.03

The departmental representatives informed the Committee that this case will be re-examined by the department and would kept pending for the present. The Committee, therefore, desired that final report of this case be sent to the Committee after taking appropriate decision in the said case.

#### [68] 3.5. *Misclassification of instruments*

Under the Indian Stamp Act, 1899, 'mortgage deed' includes every instrument whereby, for the purpose of securing money advanced or to be advanced, by way of loan, or an existing or future debt, or the performance of an engagement, one person transfers, or creates, to, or in favour of another, a right over or in respect of specified property on mortgage deed when possession of the property is not given or agreed to be given stamps duty is chargeable under Article 40 (b) of the Schedule I-A to the Act, which is higher than that is leviable on an 'instrument of agreement'.

In Rewari, three deeds were executed (May 1986 and October 1986) for obtaining subsidy from the Hayana Industrial Development Corporation Limited by creating charge on the assets. The instruments were incorrectly classified as agreements instead of as mortgage deed without possession. The misclassification resulted in short realisation of stamp duty amounting to Rs. 41,115.

On the mistake being pointed out (March 1988) in audit, the Registering Authority, referred (July 1988) the cases to the Collector for determination of the proper duty payable on the instruments. The

\* Audit pointed out the deficiency of Rs. 22,500 in respect of an Agreement Deed No. 860 dated 22-10-86 for land still to be allotted to the party by Govt. of India (Reh. Deptt.) The land was not allotted to the party. Hence question of recovery does not arise. Audit has been requested to drop the case.

Collector directed (April 1989) the Sub-Registrar for effecting recovery of Rs. 41,115 from the concerned parties. Report on recovery has not been received (December 1989).

The case was reported to Government in May 1988; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) It was a lapse on the part of the Registering Authority. Audit Agency has been alerted to verify the classification of the documents and training has been started.
- (ii) The latest position of recovery of Rs. 41,115/- is that one case involving Rs. 14,055/- is pending in Civil Court. Next date for hearing is 20-11-93 and the remaining Rs. 27,060/- in two cases is being recovered as arrears of Land Revenue.

The Committee was informed that two cases were pending in the Court of Senior Sub Judge, Rewari and the case was pending for decision in the High Court. The Committee desired that out come of these cases alongwith the position of recovery of Rs. 41,115/- be intimated to the Committee.

[69] 3.6. *Recovery at the instance of audit*

In 259 cases (where money value of each case was less than Rs. 20,000), short levy of stamp duty and registration fee due to under valuation of immovable properties, irregular grant of exemption and misclassification of instruments amounting to Rs 3.92 lakhs was accepted by the department out of which an amount of Rs 93,685 was recovered in 73 cases.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i), (ii) & (iii) In order to safe-guard the Government revenue, Department has set up an internal audit agency which conducts the audit of such documents and points out irregularities. Training of concerned officials has been started and action would also be taken against the erring officials.

The latest position of recovery is as under :—

	No. of Cases	Amount (Rs. in lacs)
1. Amount dropped by A.G.	17	0.26
2. Amount recovered by the Deptt.	71	1.32
3. Cases pending under Section 47-A of the Indian Stamp Act, 1899	98	1.40
<b>Total</b>	<b>186</b>	<b>2.98</b>

The Committee desired that instructions be issued to decide the pending cases by 31st March 1994 positively and progress report be sent to the Committee accordingly.

## EXCISE & TAXATION

### Sales Tax

[70] 1.3. *Assessments in arrears*

02 06 2012

The number of assessment cases finalised during the year 1988-89 and pending at the end of 1988-89, alongside figures for the preceding year, are given below :

		Sales Tax	
		1987-88	1988-89
(i)	Number of assessments due for completion during the year		
(a)	Arrear cases	45,876	51,994
(b)	Current cases	1,26,053	1,36,664
(c)	Remand cases	—	1,381
(ii)	Number of assessments completed during the year		
(a)	Arrear cases	32,614	34,393
(b)	Current cases	87,321	91,117
(c)	Remand cases	—	1,038
(iii)	Number of assessments pending finalisation at the end of the year		
(a)	Arrear cases	13,262	17,601
(b)	Current cases	38,732	45,547
(c)	Remand cases	—	343

Year-wise break-up of the pending assessment as at the end of 1988-89 is given below :—

		Number of cases	
		Sales Tax	
Upto	1983-84		135
	1984-85		664
	1985-86		3613
	1986-87		15999
	1987-88		43080
	Total		63491

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) Out of 63491 assessment cases pending as on 31-3-89 the assessments have been made in 63280 cases upto 30-6-93

The balance of 211 cases are :—

Upto 1983-84	18
1984-85	6
1985-86	6
1986-87	20
1987-88	161

These cases are in respect of 84 dealers out of which whereabouts of 14 dealers mentioned in Annexure 'A', who have closed down their business and have run away, are not presently known.

All these cases would be disposed of by 31-12-93. The main reason for large pendency of cases is that number of sanctioned assessing authorities in 87-88 and 88-89 were only 49 ETOs and 51 AETOs. Together they would have disposed of about one lac cases in a year according to norms. Against this the department disposed of 119935 cases in 87-88 and 126548 cases in 88-89. Thus though the department disposed of about 20% to 25% more number of cases than the number required to be disposed of by the sanctioned strength of assessing authorities, the institution of current cases was higher at 1,26,053 cases in 87-88 and 136664 cases in 88-89. This resulted into mounting pendency.

#### ANNEXURE—A

#### P.A.C. Report for the year 1988-89 1.3 Assessment in Arrears

#### List of dealers not in Existence

Sr. No.	Name of District	Name of firm where assessment pending for 1987-88	Whereabouts of the dealer
1	2	3	4
1.	Sirsa	(1) M/s Bhagwan Dass Rajinder Kumar	Not known
		(2) M/s Purshotam Dass Surjit Kumar	Not known
		(3) M/s Rajinder Kumar Rohsn Lal Sirsa	Not known
		(4) M/s Satpal & Brothers, Dabwali	Not known

1	2	3
2. Hisar	(1) M/s Garg Oil & Gen. Mills, Adampur	Not known
	(2) M/s Ami Lal Om Parkash, Adampur	Not known
	(3) M/s Radhey Sham Ram Avtar, Hisar	Not known
	(4) M/s Jagminder Rai Lalit Kumar, Hisar	Not known
	(5) M/s Gauri Shankar Radhey Shyam Hisar	Not known
	(6) M/s Ami Lal Sunil Kumar, Hisar	Not known
	(7) M/s Nathu Ram Anil Kumar, Hisar	Not known
	(8) M/s Garg Traders, Fatehabad	Not known
	(9) M/s Guru Nanak Oil & Gen. Mill, Bhedia Khera	Not known
	(10) M/s Sunder Lal Sanjay Kumar, Hisar	Not known

During the course of oral examination, it was brought to the notice of the Committee that 63491 assessment cases were pending as on 31st March, 1989 and out of those 63280 cases were cleared through close monitoring at various levels and only 211 cases were now pending for disposal. It was pointed out by the department that in most of the cases the whereabouts of the dealers were not known and most of them have closed down their business. The Committee observed that they might have done some business for some time before closing down their business and their assessments might have been done in subsequent years. As such, the Committee was not satisfied with the reply of the department. The Committee further observed that it was a lapse on the part of the Assessing Authorities who failed to complete the assessments well in time. The Committee felt that no efforts had been made by the Assessing Authorities to find out the whereabouts of such dealers and in given situations exparte assessment could have been made. The Committee, therefore, recommended that action must be initiated against the responsible Assessing Authorities who failed to dispose of the cases in time. The Committee was further informed that E.T.C. was processing the cases against the Assessing Authorities for taking disciplinary action against them. The Committee, therefore, desired that the Committee should be informed of departmental action taken against the delinquent officers. The Committee further recommended that time limit should be fixed to decide these very old cases where huge amount was involved. The progress made in this regard be intimated to the Committee.

During the course of oral examination, the Committee asked for the files of those dealers who are not in existence or whose whereabouts are not known. Accordingly 13 files were submitted before the Committee.

After scrutinising these files, the Committee observed that dealers were in existence at that time but subsequently they have either shifted their business or established the business in some other name and as such the Assessing Authority failed to complete the assessment proceedings in time. The Committee further observed that the security bonds accepted were incomplete and improper in most of the cases. The name of the Assessing Authority as well as of the Taxation Inspector who recommended

the case for grant of registration certificate was not ligible and in some cases complete address were not given by the party. In few cases, only one surety was given instead of two. After going through the facts on the files the Committee observed that no proper procedure was followed while granting registration certificates and thus could be due to negligence on the part of concerned officers/officials who issued/accepted the surety bonds/Registration certificates. They had failed to comply with the proper procedure as laid down in the Haryana General Sales Tax Rules, 1975.

The Committee desired that the accepting authority should put his signatures after putting his name in the bold letters. The department should issue necessary instructions in this regard so that bogus cases of registration certificates are avoided. The Committee desired that departmental action be taken against concerned officers/officials involved in these cases under intimation to the Committee within three months.

[ 71 ] 1.4. *Uncollected revenue*

As on 31st March 1989, 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 yearsF
(In crores of rupees)		
1. Sales Tax	52.96	11.41

**Analysis of arrears**

**(a) Sales Tax**

Sales tax demand raised but not collected as on 31st March 1989 amounted to Rs. 52.96 crores as against Rs. 47.00 crores outstanding on 31st March 1988. The increase in-arrears by Rs. 5.96 crores (13 per cent) was stated to be mainly due to assessment of more cases during end of 1988-89 against which recoveries of additional demands fell due after 31st March 1989 and stay granted by High Court on account of levy of Sales Tax on paddy purchased by the dealers for manufacturing rise for export purposes. Year-wise break-up of outstanding amount as on 31st March 1989 is given below :—

Year	Amount
1	2
(In crores of rupees)	
Upto 1983-84	11.41
1984-85	3.01

1	2
1985-86	7.14*
1986-87	3.84
1987-88	13.18
1988-89	14.38
	52.96

Recovery of Government dues exceeding Rs. 2 lakhs was outstanding in 185 cases involving an amount of Rs. 35.84 crores.

District-wise position of individual cases with recovery due exceeding Rs. 5 lakhs was as under :—

District	Number of cases	Amount
	(in lakhs of rupees)	
1. Karnal	9	1824.84
2. Faridabad (E)	30	569.18
3. Faridabad (W)	30	522.28
4. Sonapat	9	164.88
5. Jagadhari	7	67.60
6. Ambala	6	61.32
7. Rohtak	5	53.51
8. Sirsa	2	31.26
9. Gurgaon	3	29.66
	101	3324.53

(i) Assessment of a dealer of Ambala for the year 1983-84 was finalised *ex-parte* in November 1987 creating an additional demand of Rs. 8.61 lakhs. The dealer had closed down his business in April 1987. His certificate of registration was cancelled with effect from 1st April 1987 and the recovery certificate was issued to the Collector, Delhi in January 1989. Recovery has not yet been made (July 1989).

\*Increase in figure as compared with that shown in Audit Report for the year 1987-88 is due to certain arrears which were not shown in the information supplied by the department for the Audit Report 1987-88.

(ii) Assessments for the year 1981-82 in respect of two dealers of liquor at Faridabad were finalised between July 1981 and December 1982 creating additional demands of Rs. 22.96 lakhs. An amount of Rs. 45,000 has been recovered from the surety and proceedings to recover Rs. 25,000 from surety are going on. Balance amount has been declared recoverable as arrear of land revenue in June 1982 and recovery certificates were sent to the Collector Delhi and Gaziabad in June 1982 but the dealers were stated to be not traceable on the given address. Thereafter no action was taken by the department. Recovery has not been made (July 1989).

(iii) Assessments of a dealer of Faridabad (East) for the years 1981-82 and 1982-83 were finalised *ex-parte* in September 1985 and March 1988 creating additional demands of Rs. 9.11 and Rs. 22.24 lakhs respectively. The dealer had closed down his business in January 1983 and did not pay the tax. The department also failed to recover the amount from the sureties as they were not traceable. Recovery certificates were issued to the Assistant Collector, Delhi in September 1988 and July 1988. Amount is yet to be recovered (July 1989).

(iv) Assessment of a dealer of Faridabad for the year 1981-82 was finalised *ex-parte* in September 1985 creating an additional demand of Rs. 5.26 lakhs. The dealer and the sureties are stated to be not traceable. The recovery certificate was sent to the Collector, Delhi in February 1986. Recovery has not been made (July 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i) to (iv) Out of the arrears of Rs. 52.96 crore as on 31-3-89, amount of Rs. 14.87 crore has been recovered upto 31-3-93. The yearwise break-up of remaining outstanding arrears is as under :—

Upto 1983-84	9.21
1984-85	1.76
1985-86	3.93
1986-87	5.99
1987-88	9.59
1988-89	7.61
	38.09

Out of these arrears, Rs. 17.94 crore are under stay and arrears of Rs. 2.89 crore are under liquidation proceedings. These arrears are in respect of 302 defaulters, 120 of which have closed down their business and 50 have shifted to other states.



All these dealers are in existence. The details of individual cases involving Rs. 50,000 or more are given at Annexure 'B'.

(i) M/s. Ramesh Kumar Rajinder Kumar Ambala Cantt. A.Y. 1983-84.

The assessment proceedings in this case were initiated on 18-9-85. Considering the normal pendency of cases at that time, this was not unusually late. However, it has taken too long to finalise the assessment. Action to initiate disciplinary proceedings is under way. So also for failure to effect recovery.

(ii) M/s. Amarjit Singh & Co. L-2, Faridabad A.Y. 1981-82.

M/s Mahesh Chand & Co. L-2, Faridabad A.Y. 1981-82.

Recoveries have been effected in full from the sureties to the extent of bonds furnished by them. The balance amount could not be recovered. The Prop. of Amarjeet Singh & Co. L-2, Faridabad is not traceable now. The case for initiating disciplinary proceedings against the assessing authority who failed to take prompt action is under process.

Sh. Mahesh Chand partner of M/s. Chand & Co. Faridabad was detained for the maximum period of 40 days but he was not in a position to pay anything. The case for cancellation of mutation of his property in favour of his wife through a collusive decree has been filed in the Civil Court. The proceedings are continuing.

Taking into consideration the termination of excise licenses after the expiry of a financial year which makes recovery of sales tax assessed very difficult, it was decided to abolish sales tax on sale of liquor and enhance the rate of excise duty in lieu thereof. By this step introduced from 1-4-84, revenue has been fully safeguarded.

#### 1.4 (iii)

M/s D.K. Agencies Faridabad, A.Y. 1981-82 and 1982-83.

(i) The assessment proceedings for the year 1981-82 were initiated on 19-10-82 and the case was finalised on 30-9-85. Thereafter the assessment proceedings for the next year 1982-83 were initiated on 11-11-85 and the assessment was finalised on 20-3-88. In both the cases the Assessing Authority gave unnecessary opportunities to the dealer to furnish statutory declarations in support of his claim for deductions failing which he was assessed to tax alongwith levy of interest and penalty. Sh. N.K. Solanki, Excise & Taxation Officer who assessed these cases, is at fault. The case for initiating disciplinary proceedings against him is under process.

- (ii) The dealer after closing down his business went to Delhi. A recovery certificate has been issued against him to Delhi authority.

M/s. Mehar Corporation, Faridabad.

- (i) The assessment was badly delayed by the assessing authority, Sh. B.M. Bhargav. The case to initiate disciplinary proceedings against defaulting officer is under way.
- (ii) Nothing has been recovered so far. The Dy. Excise & Taxation Commissioner, has reported the chances of recovery to be dim. A special report has been called from him in the matter to make a realistic assessment of the position.

**ANNEXURE—B**

**District wise names of Firms against which arrear of Rs. 50,000 or more is outstanding**

**District Gurgaon**

Sr. No.	Name of firm	A.Y.	Amount in lacs	Reasons
1	2	3	4	5
1.	M/s Fixwell Pushing Cards	1985-86 1986-87	0.60 4.48	Stay by High Court. Do
2.	M/s Vijay Kumar Rajinder Kumar	1977-78 to 1979-80	5.52	Stay by Civil Court.
3.	M/s Maruti Heavy Vehicle	1979-80 to 1980-81	0.52	Do
4.	M/s Shiv Oil Mills	1980-81 to 1981-82	1.10	Do
5.	Hafed	1980-81 to 1984-85	5.65	Stay by Government.
6.	Bags and Cartoons	1970-71 to 1973-74	2.99	Instalments.
7.	M/s Gold Field Mfg. Co.	1979-80 to 1980-81	2.79	Inter State.
8.	M/s Chetan Coal Syndicate	1984-85	3.66	Do
9.	M/s Aggarwal Coal Co.	1984-85	1.25	Do
10.	M/s Jagdamba Traders	1984-85	3.40	Do
11.	M/s Pan India Plastic (P) Ltd.	1973-74 to 1976-77	0.74	Do
12.	M/s Capital Sales Co.	1981-82	0.90	Do
13.	M/s Capital Co.	1981-82	0.86	Do
14.	M/s National Drugs Mfg. Co.	1968-69 to 1971-72	0.61	Do
15.	M/s Vinil Tyres	1981-82 to 1983-84	0.83	Do
16.	M/s Bhagwan Tyres & Spares	1983-84	2.96	Inter state Defaulters.
17.	M/s Breja Knipping & Fastners	1980-81 to 1982-83	3.34	Under Liquidation.
18.	M/s Dular Pharma	1975-76 to 1981-82	1.11	Do
19.	M/s Maruti Ltd.	1973-74 to 1977-78	15.22	Writing off.

1	2	3	4	5
20.	M/s Ego Metal works	1969-70 to 1971-72	1.79	Writing Off
21.	M/s Rahi Trading Co.	1979-80	9.18	Do
22.	M/s Ganon Dunherlay	1987-88 to 1988-89	11.21	Stay by High Court.
23.	M/s Hora Brothers	1988-89 to 1989-90	1.41	Do
24.	M/s Maruti Udyog Ltd.	1988-89	10.66	Do
25.	M/s Dular Pharma	1982-83 to 1983-84	1.14	Interstate Arrears.
26.	M/s United Agencies	1983-84	11.68	Under Instalments.
27.	M/s Amrit Refrectories (P) Ltd.	26-8-85	3.09	Net Recoverable.
<b>District Sonapat</b>				
1.	M/s Organo Chemical Ind.	1981-82	1.07	Stayed by High Court.
2.	M/s Abhey Ind. Sonapat	1973-74/ 1979-80	2.18	Writing Off.
3.	M/s D.F.S.C. Sonapat	1981-82	1.84	Do
	Do	1982-83	1.09	Do
4.	M/s H.A.F.E.D. Sonapat	1984-85	2.40	Do
	Do	1985-86	2.81	Do
5.	M/s Ashoka Motor Store	1976-77	0.95	Stayed by Appel- late Authority.
		1977-78	3.57	Do
		1978-79	3.47	Do
		1979-80	1.22	Do
		1980-81	2.50	Do
6.	M/s Organa Rubber (P) Ltd.	1982-83	0.64	Interstate.
		1983-84	4.25	Do
7.	M/s Elasto Chem (P) Ltd.	1984-85	1.07	Do
8.	M/s Arunaday Rubber (P) Ltd.	1987-88	1.89	Do
9.	M/s Hilton Rubber Ltd., Rai	1988-89	4.00	Stayed by Tribunal.
10.	M/s Durga Gram Udyog Mandal, Rajlu Garhi	1986-87	1.00	under Liquidation.
11.	M/s Sundeep Rice Mill, Ganaur	1981-82	0.53	Stayed by Jt. E.T.C.(A).
12.	M/s Haryana Electro Steel, Larsoli	1978-79	1.00	Under Liquidation.

1	2	3	4	5
		1979-80	5.32	Under Liquidation
		1980-81	18.15	Do
		1981-82	12.88	Do
		1982-83	6.90	Do
		1983-84	7.82	Do
		1984-85	2.22	Do
13.	M/s Haryana Steel sales Murthal	1984-85	8.15	Inter State.
14.	M/s E.C.E. Ind. Ltd.	1980-81 to 1981-82	5.00	Stay by S.T.A.
15.	M/s Anil Steel (P) Ltd., Kundli	1983-84	3.00	Stayed by S.T.T.
16.	M/s Kundra Shoe (P) Ld.	1983-84 to 1984-85	3.05	Interstate.
17.	M/s Rama Automobile, Delhi Road, Sonepat	1986-87	7.72	Stayed by Hon'ble High Court.
18.	M/s Depro Food Ltd., Rai	1974-75	2.93	Under Liquidation.
		1974-75	3.63	
		1974-75	4.20	
		1977-78	1.06	Do
		1979-80	2.35	
19.	M/s Haryana Rubber Ind., Rai	1975-76 to 1979-80	16.75	Do
20.	M/s Babu Ram Sat Narain, Gohana	23-2-87	2.06	With Assessing Authority.
<b>District Jagadhri</b>				
1.	Pacca Arhtia Association, Sadhaura	1977-78 to 1983-84	0.94	Stayed by Govt.
2.	Om Parkash Som Parkash, Radaur	1978-79 to 1981-82	0.74	Do
3.	* * * * *	*	*	*
4.	Parkash Rice & General Mills	1986-87	1.25	Under Deferment.
5.	Akash Steel Corporation, Yamuna Nagar	1982-83	1.29	Inter-State.
6.	Satish Kumar Harkesh Kumar, Yamunanager	1981-82	24.92	Do
7.	Gemini Steels, Jagadhri	1978-79 to 1980-81	3.45	Do
8.	Premier Enterprises, Jagadhri	1978-79 to 1980-81	8.79	Do
9.	Shaloo Steels, Jagadhri	1978-79 to 1979-80	0.77	Do

1	2	3	4	5
10.	Shibroo Metal Rolling Mills, Jagadhri	1985-86	2.95	Inter State
11.	Lachhmi Singh Sohan Singh, Y. Nagar	1974-75 to 1976-77	2.01	Do
12.	Chaudhary Enterprises, Jagadhari	1984-85	1.55	Do
13.	Satish Metal Industry, Jagadhari	1983-84	1.00	Do
14.	Lalji Trading Co., Jagadhari	1980-81 to 1981-82	1.24	Do
15.	Raj Kumar Bhalla & Sons, Yamuna Nagar	1979-80 to 1981-82	5.60	Writting Off.
16.	Atma Ram Gian Singh, Yamuna Nagar	1974-75 to 1976-77	1.88	Do
17.	Netar Singh Durga Singh, Yamuna Nagar	1974-75 to 1975-76	1.02	Do
18.	Aggarwal Suggar Agency, Yamuna Nagar	1981-82	0.69	Do
19.	Maggo Watch Comp. Yamuna Nagar	1978-79 to 1979-80	1.04	Do
20.	U.C.O. Traders, Yamuna Nagar	1978-79 to 1980-81	7.58	Do
21.	Kiran Metal Store, Y. Nagar	1976-77 to 1980-81	7.83	Do
22.	Vijay Steel Inds.	1977-78 to 1979-80	6.92	Do
23.	Sharmik Metal Products	1966-67	0.57	Do
24.	Raghu Nandan Lal Mittal	1968-69/ 1969-70	0.39	Do
25.	Krishna Trading Comp. Jagadhari	1979-80 to 1981-82	1.86	Do
26.	K.R. Steel, Jagadhri	1980-81 to 1983-84	1.05	Do
27.	Bhuneshwari Metal Rolling Mills	1984-85 to 1986-87	1.12	Instalment.
28.	M.K. Enterprises, Yamuna Nagar	1979-80 to 1980-81	1.44	Do
29.	Tripti Bhala Ji Sales Corporation, Yamuna Nagar	1983-84 to 1985-86	0.72	Do
30.	Aggarwal Alloh Udhyog	1983-84	0.90	Do
<b>District Sirsa</b>				
1.	M/s Padmawati Raje Cotton Sirsa	1967-68	1.25	Stayed by Supreme Court.
	Do	1968-69	0.96	Do

1	2	3	4	5
2.	M/s Harji Ram Balwant Singh	1967-68	1.55	Stayed by Supreme Court
3.	M/s Gupta Cotton & Gen. Mills, K. walī	1968-69	2.15	Do
4.	M/s Patel Cotton Co., Dabwali	1973-74	2.63	Stayed by High Court.
5.	M/s H.M. Mehta & Co., Dabwali	1973-74	1.41	Do
	Do	1974-75	0.41	Do
6.	M/s Sagar Cotton Co., Dabwali	1973-74	0.55	Do
7.	M/s Haryana Vanaspati Co., Sirsa	1982-83	1.46	Stayed by Civil Court.
8.	M/s Hari Ram Bajrang Dass, Sirsa	1983-84	2.89	Do
9.	M/s Mohan Lal Om Parkash, Dabwali	1985-86	0.73	Do
10.	M/s Ganga Cotton Factory, Dabwali	1988-89	2.24	Do
11.	M/s Gopal Rice Mills, Rania	1983-84	0.58	Stayed by S.T.T.
12.	M/s Niamit Rai Mulakh Rai, Sirsa	1984-85	15.22	Interstate.
13.	M/s Lachhman Dass Kartar Singh	1970-71	1.24	
14.	M/s D.F.S.C., Sirsa	1981-82	3.53	Writing Off.
		1982-83	3.65	Do
		1983-84	3.27	Do
		1984-85	2.06	Do
		1985-86	2.47	Do
15.	M/s Hafed, Sirsa	1981-82	1.09	Do
		1982-83	3.04	Do
		1983-84	3.43	Do
		1984-85	3.52	Do
		1985-86	4.93	Do
	Intf. for the year 1983-84 to 29/12/89	1985-86	5.00	Do
16.	M/s B.G. Finance Co., Sirsa	1981-82	1.57	Instalments.
17.	M/s Chaudhary Cotton Ginning Pressing Factory, Dabwali	1968-69	0.70	Recoverable.
18.	M/s Dina Nath Subhash Chand	1978-79	0.62	Stay by Civil Court.
<b>District Rohtak</b>				
1.	Doaba Trading Co., Bahadurgarh.	1981-82 to 1984-85	11.08	Un-recovered. R.C. issued to Coll. Delhi.

1	2	3	4	5
2.	M/s Somanī Pilington Ltd.	1982-83 to 1983-84	17.30	Stayed by S.T.T.
3.	M/s Saraswati Gram Udyog Mandal, Rohtak	1986-87	13.12	Stayed by Supreme Court.
4.	M/s Ajay Udyog, Bahadurgarh	1983-84	6.37	Stayed by High Court.
5.	M/s Mahmta Rice & Gen. Mills	1984-85	0 82	Under Instalments.
6.	M/s Manohar Lal Suresh Kumar, Meham	1980-81/ 1981-82	1.73	Stayed by High Court.
7.	M/s Gopi Ram Tara Chand, Rohtak	1977-78	1.55	Writing Off.
8.	" * * *	* * *	* * *	* * *
9.	M/s Royal Body Builders, Rohtak	1975-76	4.61	Writing Off.
10.	M/s Suresh oil & Cotton Mills, Meham	1974-75	1 25	Stayed By. S.T.T.
11.	M/s Northern Railway Ind., Bahadur- garh	1971-72 & 1977-78	2.75	R.C. issued.
12.	M/s National Gum & Chemical, Bahadurgarh	1981-82	3.47	Do
13.	M/s Perfect Suppliers, Bahadurgarh	1982-83	3.97	Do
14.	M/s Ranochem Lab., Bahadurgarh	1984-85	1.41	Do
15.	M/s Durga Steel Corp., Rohtak	1978-79	0.59	Instalments.
16.	M/s Nagpal Oil & Cotton Mills, Rohtak	1982-83	0 97	Do
17.	M/s Bahadurgarh Central Co. Op, store Bahadurgarh	1984-85	0.53	Recoverable.
18.	M/s Rawal Inds., Bahadurgarh	1984-85	0 66	Do
<b>District Ambala</b>				
1.	M/s G.M. Telecommunication	1984-85	21 26	Stayed by Supreme Court.
2.	M/s Simplex Con., P. Kula		4.10	Stayed by High Court.
3.	M/s Ramesh Kumar Rajender Kumar	1983-84	5.84	Interstate.
4.	M/s Amar Trading Co.	1979-80 to 1982-83	6.91	Stayed by S.T.T.
5.	M/s Shanti Srup & Sons	1978-79 to 1980-81	2 17	Writing Off.
6.	M/s Golden Enterprises	1987-88	12.81	Interstate.
<b>District Kurukshetra</b>				
1.	M/s Ved Parkash Som Parkash, Kurukshetra	1985-86	1.72	Instalments.



1	2	3	4	5
	2. M/s Krishna Solvent, Shahabad	1987-88	3.86	Under Liquidation.
<b>Narnaul</b>				
	1. M/s Chhote Lal Chiranji Lal, Narnaul	1978-79	1.00	Writing off.
	2. M/s Haryana Tubes Co., Narnaul	1986-87	3.70	Property attached.
<b>District Rewari</b>				
	1. M/s Mangal Chand Lacchi Ram	1981-82	0.58	Stayed by High Court.
	2. M/s Mata Din Kishan Lal, Rewari	1979-80	0.63	Do
	3. M/s Tirkha Ram Ram Parshad	1979-80 to 1985-86	3.29	Stay by Civil Court.
	4. M/s Rajindera Metal, Rewari	Do	3.16	Do
	5. M/s Rajindera Industries	Do	5.08	Do
	6. M/s Raj Metal, Rewari	1982-83	2.25	Stay by Tribunal.
	7. M/s Meheshwari Metal, Rewari	1982-83	1.88	Do
	8. M/s Sehgal Paper Mills D/hera	1978-79 to 1980-81	68.35	Under Liquidation.
	9. M/s Haryana Detergent D/hera	1980-81 to 1981-82	6.96	Do
	10. M/s Subhash Bartan Bhandar	1984-85	1.22	Writing Off.
	11. M/s Ramsaroup Jai Narain	1965-66 to 1967-68	0.57	Do
	12. M/s Mohinder Kumar Vijender Kr.	1983-84	0.59	Instalments.
	13. M/s Precision Engg. (India)	1987-88	0.87	Pending before Jt. ETC (A).
	14. M/s Haryana Detergent D/hera	1980-81	0.73	Under Liquidation.
	15. M/s Sehgal Paper Mills D/hera	1978-79 to 1981-82	66.84	Do
	16. M/s . . . . .	1965-66 to 1967-68		Writing Off.
<b>District Hisar</b>				
	1. M/s Hisar Oil Mills, Hisar	1984-85	0.79	Stay by - Supreme Court.
	2. M/s Birla Cotton Ginng. & Pressing Factory, Fatehabad	1976-77	3.88	Do
	3. M/s J.C. Mills, Cotton Ging. Factory, Fatehabad	1974-75	2.85	Do
	4. M/s New Haryana Rice & Gen. Mills, Fatehabad	1981-82	0.53	Do

1	2	3	4	5
5.	M/s Rajindra Chemicals, Hisar	1984-85	2.63	Stay by Supreme Court
6.	M/s Seth Kanshi Ram Chemicals, Hisar	1981-82	9.46	Do
7.	M/s Indian Gear Gum Ind. Ltd., Hisar	1981-82	9.66	Stay by High Court.
8.	M/s Bajrang Dall Mills, Barwala	1978-79	0.57	Do
9.	M/s Nathu Ram Neer Chand, Hisar	1981-82	1.97	Stay by Civil Court.
10.	M/s Bansal Promotions, Hisar	1986-87	0.72	Stay by Jt. E.T.C.
11.	M/s Hafed Dall Mills, Hisar	1986-87	0.52	Stayed by E.T.C.
12.	M/s Distt. Food & Supply Controller, Hisar	1985-86	0.86	Do
13.	M/s Vijay Kumar Sanjay Kr, Hisar	1984-85	1.23	Stayed by Inter-State.
14.	M/s Pawan Kumar Sanjay Kumar, Hisar	1984-85	2.95	Stayed by Inter-State.
15.	M/s Bajrang Dass Naresh Kr., Barwala	1978-79	2.21	Do
16.	M/s Subhash Chand & Co. Uklana	1986-87	4.77	Writing off.
17.	M/s Sehgal Coal Co.	1986-87	2.22	Inter state arrears.
18.	M/s Shiv Shankar Trading Co., Hisar	1987-88	1.06	Writing Off.
19.	M/s Haryana Agri. University, Hisar	1987-88	3.26	Do
20.	M/s J.K. Trading Co., Hisar	1982-83	6.52	Do
21.	M/s Goyal Brothers, Hisar	1981-82	5.24	Do
22.	M/s Katraria Provisional store	1987-88	1.66	Do
23.	M/s Mangat Ram Ram Avtar, Hisar	1976-77	6.18	Do
24.	M/s Gupta Traders, Hisar	1981-82	6.23	Do
25.	M/s Bharat Trading Co., Hisar	1987-88	0.64	Do
26.	M/s Bhodia Khera PCI Ltd.	1981-82	0.98	Do
27.	M/s Jai Bharat Cotton & Ginning Factory, Barwala	1982-83	1.63	Recoverable.

**District Jind**

1.	M/s Bhalla Ram Rice & Gen. Mill, Dhamtan	1985-86	0.98	Stay by High Court
2.	M/s Bharat Rice Mill	1987-88	1.30	Do
3.	M/s Garg Rice & Gen. Mill, Sfd/-	1988-89	0.78	Do
4.	M/s Shri Ganesh Rice Mill	1985-86	1.03	Stay by Tribunal

1	2	3	4	5
5.	Vijay rice & Gen. Mill, Narwana	1988-89	0.51	
6.	M/s Luxmi Oil & Cotton Mill Kandela	1987-88	2.29	Recoverable
7.	M/s I.C.L., Kilazagargarh	1980-81/ 1977-78/ 1979-80/ 1980-81/ 1983-84/ 1981-82/ 1984-85/ & 1980-81/	25.86	Stay by Supreme Court
8.	M/s Jain Brothers, Jind	1976-77/ 1974-75/ 1975-76/ 1981-82/ 1981-82/ 1982-83	15.56	Stay by High Court
9.	M/s Pirya Kolay Pvt. Ltd.	1987-88 to 1988-89	9.37	Stay by High Court.
10.	M/s Venketish Lalit Kr., Sfd.	1987-88, 1988-89	0.98	Do
11.	M/s Kala Chemical Pvt. Ltd.	1985-86/ 1986-87	1.54	Under Instalments.
12.	Shiv Lal Rattan Lal, Sfd/-	1984-85	1.81	
13.	M/s Tara Chand Jaī Bhagwan	1987-88	1.95	Inter district case.
14.	M/s Shiv Lal Rattan Lal, Sfd.	1980-81 to to 1981-82	2.81	Recoverable.
15.	M/s Wardgnab Traders, Jind	1985-86	1.65	
16.	M/s Deep Chand Lal Chand	1980-81 to 1981-82	48.00	Stay by Civil Court.
17.	M/s Deep Chand Lal Chand	1979-80	1.79	Recoverable.
18.	M/s Kal Chemical (P) Ltd., Kinana	1987-88	0.84	Do
<b>District Faridabad (East)</b>				
1.	M/s S.C. Steels	1981-82	0.69	Stay by Supreme Court.
2.	M/s Swedeshi Rubber	1975-76	3.03	Stay by High Court.
3.	M/s Indian Gas Cylinders		10.30	Do
4.	M/s Trans Auto Ind.		.92	Stay by Civil Court.
5.	M/s Haryana Foot Wear Co.		3.46	Interstate Areas.
6.	M/s G. Authertan Co.		.61	Do
7.	M/s Hindustan Inds.		.63	Do

1	2	3	4	5
8.	M/s Rajdhani Paints		.98	Inter-State
9.	M/s Haryana Steels		3.06	Do
10.	M/s Khem Chand Ajay Kumar		.58	Do
11.	M/s Sahní Brothers		.79	Do
12.	M/s Dinesh Wine Shop L-2		2.32	Do
13.	M/s Prestolite India		23.17	Property attached.
14.	M/s Qualitex Machiner (P) Ltd.		.51	Do
15.	M/s Ganesh Packing Industry		2.30	Do
16.	M/s Gallent Engg. Enterprises		.50	Do
17.	M/s Globe Motor Workshop		4.59	Liquidation.
18.	M/s Globe Steel India		5.34	Do
19.	M/s B.R. Engg.		1.88	Do
20.	M/s Shakew Industries		1.30	Do
21.	M/s Bull Reckors (P) Ltd.		5.56	Do
22.	Belton Scot India		1.57	Do
23.	M/s Usha Forgings		2.15	Do
24.	M/s Associated Inds.	1970-71/ 1971-72	11.06	Writing Off.
25.	M/s Haryana Television Ltd.		5.08	Do
26.	M/s Inspi Auto		2.01	Do
27.	M/s Yash Pal & Co.		2.99	Do
28.	M/s Amar Jit & Co. L-2		21.64	Do
29.	M/s Khattar & Co. L-2		3.91	Net Recoverable.
30.	M/s V.K. Gupta & Co.		5.76	Net Recoverable.
31.	M/s Mahesh & Co. L-2		25.47	Net Recoverable.
32.	M/s D.K. Agency		9.11	Interstate.
33.	M/s Maheshwari Fastners		3.04	Do
34.	M/s Mehar Corpn.		5.51	Do
35.	M/s Stay Bright Equipment		1.19	Interstate.
36.	M/s Golden Polyester		1.16	Do
37.	M/s Chemical & Vessels		5.05	Stay by Supreme Court.
38.	M/s D.L.F. Universal		4.76	Do
39.	M/s S.G. Steels		2.01	Do

1	2	3	4	5
40.	M/s Good Year,	1979-80/ 1983-84	24.77	Stay by Supreme Court.
41.	M/s Precision Steel and Engg.		1.91	Do
42.	M/s Good Year	1973-74 and 1977-78	21.77	Stay by High Court.
43.	M/s India Tyre and Rubber		2.13	Stay by Jt. E.T.C. (A).
44.	M/s Hafed		2.41	Do Govt.
45.	M/s India Gas Cylinder		1.20	Stay by Supreme court.
46.	Do		3.05	Stay by High court.
47.	Trans Auto		1.13	Stay by Civil court.
48.	Super parts		12.83	Do
49.	Gallent Engg.		1.83	Property Attached.
50.	Atlantic Engg., services		5.61	Liquidation.
51.	Global Steels		17.69	Do
52.	Anand Syntnetics		2.72	Do
53.	Haryana Television		2.18	Writing Off.
<b>Faridabad (West)</b>				
1.	M/s Brishal Paints, Faridabad		2.20	Inter State.
2.	M/s Jindal Alloys Corpn., Faridabad		1.48	Do
3.	M/s Rodkar Agencies, Faridabad		17.76	Do
4.	M/s B.S. S. Ltd., Faridabad		1.82	Do
5.	M/s Haryana Trading Co., Faridabad		0.85	Do
6.	M/s P. Khara and Co., Faridabad		50.46	Do
7.	M/s Santosh Associates, Faridabad		0.97	Do
8.	M/s Punjab Auto Store, Faridabad		10.84	Do
9.	M/s Ghamsha Pipes, Faridabad		1.48	Do
10.	M/s Balwant Singh & Co.		5.40	Do
12.	M/s Pearl Cycle Inds., Faridabad		13.22	Writing Off.
13.	M/s Luxmi Trading Co, Faridabad		3.65	Do
14.	M/s Rama Trading Co., Faridabad		3.65	Do
15.	M/s Vinson Electronics, Faridabad		7.05	Do
16.	Mercantile Co., Faridabad		1.03	Do

1	2	3	4	5
17.	M/s Chandok Auto Store, Faridabad		19.30	Interstate.
18.	M/s Veenus Electricals, Faridabad		1.28	Writing Off.
19.	M/s Vikas Stone crusher Co., Faridabad		3.45	Do
20.	M/s Western Machinery Mart, Faridabad		0.64	Do
21.	M/s Navyug Sales, Faridabad		3.07	Do
22.	M/s Jitendera Trading Co., Hodel	1984-85	0.58	Instalments.
23.	M/s Kartar Singh & Co. Sohna Road, Faridabad	1981-82	1.18	Inter District.
24.	M/s Dabriwala Steels, Faridabad		7.09	Property attached.
25.	M/s Allied Trading & Engg. Works		2.64	Do
26.	M/s Brake lining Ltd.		13.45	Do
27.	M/s Appliances Mfg. Co.		4.09	Do
28.	M/s Luxmi Rattan Engg. Works		11.93	Stay by High Court.
29.	M/s Manoj Trading Co.		2.71	Property attached.
30.	M/s Delta Tools		9.69	Equidations.
31.	M/s Pittje Tractors		12.68	Do
32.	Bharat Carpets		37.89	Do
33.	M/s V.P. Electronics		0.50	Do
34.	M/s Luck Auto Ancillary (India)		52.60	Do
35.	M/s Wear Welk Cycle Co.		13.21	Do
36.	M/s Fibre Processor (P) Ltd.		33.45	Do
37.	M/s New India Motors		17.35	Do
38.	M/s Parveen Plastic Inds.		5.34	Do
39.	M/s Palwal Shyam Oil Productions		0.60	Liquidations.
40.	M/s Liquor Traders (P) Ltd.		1.34	Liquidations.

**List of arrear exceeding Rs. 50,000/- as on 31-3-93 (up to the year 1988-89) in respect of office of the Dy. Excise & Taxation Commissioner, Karnal**

Sr. No.	Name of the firm	A.Y.	HGST	Remarks
1.	M/s F.C.I., Karnal	1975-76 to 1987-88	1271 36 lakhs	Stay by Supreme Court & stay by High Court.
2.	M/s .V.P. Engg. Works, Karnal	1981-82	0.56	Interstate.
3.	M/s Ram Lal & Sons, Karnal	1979-80 to 1980-81	11.85	Writing Off.
4.	M/s Vishal Tea Trader, Karnal	1983-84	20.40	Stay by High Court
5.	M/s Kartar Singh Ranjit Singh, Karnal	1979-80 to 1983-84	110.37	Stay by Civil Court
6.	M/s Chawla Trading Co. PM, Karnal	1979-80 to 1980-81	71.61	
7.	M/s Assam Tea Agency, Karnal	1979-80 to 1981-82	60.90	
8.	M/s Jasbir & Co., Karnal	1980-81 to 1981-82	35.38	
9.	M/s Preet Trading Co., Karnal	1982-83	14.13	
<b>List of arrears above to Rs. 50,000/- in respect of Panipat District</b>				
1.	M/s Attar Rice & Gen. Mills, Panipat	1988-89	0 60	Stayed by High Court.
2.	M/s Sh. Tripathi Balaji Allied Inds., Panipat	1986-87 & 1987-88	5.27	Do
3.	M/s Aggarwal Rice & Gen. Mills., Panipat	1987-88	0.52	Do
4.	M/s Garg Rice & Gen. Mills	1988-89	1.19	Do
5.	M/s Garg Rice & Gen. Mills, Madlauda	1988-89	0.52	Do
6.	M/s Haryana Warehousing Corpn.	1983-84 to 1985-86	20.17	Do
7.	M/s Haryana Pharmaceuticals Pvt. Ltd., Panipat	1975-76	1.51	International.
8.	M/s Gagan Traders, Panipat	1982-83 to 1983-84	3 54	Recoverable.
9.	M/s Jain Traders, Panipat	1979-80	0.90	Instalments.
10.	M/s Metal Tubes (P) Ltd.	1987-88	1.14	Do
11.	M/s Steel Crafts (ERW)	1988-89	0.65	Do
12.	M/s Super H/L Inds., Panipat	1988-89	1.30	Recoverable.
<b>District Bhiwani</b>				
1.	M/s Dalmia Cement Factory, Ch. Dadri	1983-84	108 22	Writing Off.
2.	M/s Atama Ram Ram Lal , Bhiwani	1984-85	6 58	Interstate.
3.	M/s Sushil Trading Co., Bhiwani	1984-85	2.51	Do

At the time of oral examination, the Committee was informed that out of the arrears of Rs. 52.96 crores as on 31-3-89, an amount of Rs. 14.87 crores had been recovered upto 31-3-93. Out of the balance arrears of Rs. 38.09 crores, Rs. 17.94 crores were under stay and arrears of Rs. 2.89 crores were under liquidation proceedings. These arrears were to be recovered from 302 defaulters, 120 of them had closed down their business and 50 had shifted to other states. The Committee was constrained to observe that still huge amount of recovery was pending in these cases. The Committee felt that due to inordinate delay on the part of the departmental Appellate Authorities for not disposing off these cases timely, the arrears were accumulating in crores. The Committee, therefore, desired that the cases which were pending in Courts/Tribunals, the department should make a request for early hearing and also propose for a whole time Tribunal so that these cases could be disposed off quickly and those cases which were pending with the departmental authorities be finalised on priority basis.

The Committee, further recommended that department should initiate disciplinary action against those officers who showed slackness and allowed the cases to remain pending for years with them and also the concerned D.E.T.C. who did not follow up the cases with Joint E.T.C. in disposing off the appeal well in time. The Committee also recommended that time limit of three months should be fixed to decide these pending cases under intimation to the Committee. The Committee further recommended that proper monitoring at the level of E.T.C. be made twice in a month to clear these cases as early as possible. The action taken on these observations of the Committee be intimated to the Committee.

During the course of oral examination, the Committee asked for the assessment files of M/s. Amarjeet Singh & Co. and M/s. Mahesh Chand and Co. After going through the files of the above said cases, it was brought to the notice of the Committee that Shri M.L. Pahwa, E.T.O. was at fault who failed to take prompt action in the said cases. The proceedings against Shri Pahwa were dropped by the Government during the year 1992. The department further informed the Committee that E.T.C. has again referred the matter to the Govt. during the month of November, 93 for the review of this case. The Committee, therefore, desired that an intimation be sent to the Committee after taking a final decision in this case.

The Committee was further informed that 38 Assessing Authorities had since been charge-sheeted and some more cases are in process against the officers who failed to complete the assessment in time. The Committee, therefore, desired that final outcome of these cases be intimated to the Committee.

The Committee recommended that the department should accelerate the pace of recovery and the latest position (yearwise) of cases of recovery be intimated to the Committee within three months.

#### [72] 1.8 *Outstanding inspection reports*

Audit observations on financial irregularities, defects in initial accounts and under-assessments of tax, noticed during local audit are



communicated to the heads of the offices and to the next higher departmental authorities through local audit inspection reports, and first replies thereto are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of departments and to the Government. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) At the end of June 1989, 2,223 inspection reports (issued upto December 1988) containing 7,652 audit objections of Rs. 3781.62 lakhs remained outstanding, out of which 798 inspection reports containing 2,422 objections of Rs. 1144.97 lakhs were outstanding for more than 5 years. This is a very high pendency.

(ii) Relatively large number of audit objections were outstanding under the following major heads :—

	Year	Number of inspection	Number of audit objections	Amount (In lakhs of rupees)	
State Excise	Upto	1983-84	37	95	157.40
		1984-85	9	25	300.97
		1985-86	9	26	84.56
		1986-87	16	46	13.14
		1987-88	9	30	259.97
		1988-89	19	75	160.56
	Total		99	297	976.60
Taxes on Goods and Passengers	Upto	1983-84	47	87	9.84
		1984-85	10	26	3.45
		1985-86	11	33	3.44
		1986-87	16	51	2.15
		1987-88	15	53	8.51
		1988-89	13	89	3.27
	Total		112	339	30.66
Sales Tax	Upto	1983-84	99	171	23.79
		1984-85	20	44	107.01
		1985-86	22	175	137.43
		1986-87	22	200	35.26
		1987-88	22	328	93.55
		1988-89	6	181	178.42
	Total		191	1,099	575.46

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) & (ii) Out of 2223 inspection reports and 7652 audit objections, 402 inspection reports and 1735 audit objections pertain to this department under Excise P.G.T. and Sales Tax Heads. Upto 30-6-93, the department has disposed of 276 inspection reports and 1294 audit objections which amounts to 69 percent of the total audit reports and 75% of the total audit objections. For the remaining inspection reports and audit objections, instructions have been issued to the DETCs to dispose them of by 31st March, 1994.

The main reason for non-settlement of outstanding objections is the lack of adequate monitoring by DETCs.

- (iii) The position of outstanding inspection reports/audit paras as on 1-7-1993 is as under :-

Table No. I

## Excise

Year	Inspection reports			Audit paras			Amount (Rs. in lacs)		
	Pointed out by A.G.	Settled	No. of Insp. reports balance	Pointed out by A.G.	Settled	No. of audit paras balance	Pointed out by A.G.	Settled/recovered	Balance
1.	2	3	4	5	6	7	8	9	10
Upto 1983-84	37	25	12	95	81	14	157.40	6.80	150.60
1984-85	9	6	3	25	21	4	300.97	292.13	8.84
1985-86	9	4	5	26	18	8	84.56	77.36	7.20
1986-87	16	11	5	46	37	9	13.14	5.38	7.76
1987-88	9	1	8	30	16	14	259.97	212.85	47.12
1988-89	19	12	7	75	68	7	160.56	64.62	95.94
<b>Total</b>	<b>99</b>	<b>59</b>	<b>40</b>	<b>297</b>	<b>241</b>	<b>56</b>	<b>976.60</b>	<b>659.14</b>	<b>317.46</b>

Table No. II

## P.G.T.

Year	Inspection reports			Audit paras			Amount (Rs. in lac)		
	Pointed out by A.G.	Settled	No. of Insp. reports balance	Pointed out by A.G.	Settled	No. of audit paras balance	Pointed out by A.G.	Settled/recovered	Balance
1	2	3	4	5	6	7	8	9	10
Upto 1983-84	47	43	4	87	79	8	9.84	8.53	1.31
1984-85	10	5	5	26	21	5	3.45	1.85	1.60
1985-86	11	6	5	33	17	16	3.44	1.70	1.74
1986-87	16	6	10	51	39	12	2.15	0.19	1.96
1987-88	15	9	6	53	40	13	8.51	2.06	6.45
1988-89	13	6	7	89	62	27	3.27	0.68	2.59
<b>Total</b>	<b>112</b>	<b>75</b>	<b>37</b>	<b>339</b>	<b>258</b>	<b>81</b>	<b>30.66</b>	<b>15.01</b>	<b>15.65</b>

Table No. III

## Sales Tax

Year	No. of inspection reports			No. of audit paras			Amount (Rs. in lac)		
	Pointed out by A.G.	Settled	Pending	Pointed out by A.G.	Settled	Pending	Pointed out by A.G.	Settled/recovered	Balance
1	2	3	4	5	6	7	8	9	10
Upto 1983-84	99	93	6	171	156	15	23.79	23.63	0.16
1984-85	20	15	5	44	37	7	107.01	95.94	11.07
1985-86	22	17	5	175	163	12	137.43	132.71	4.72
1986-87	22	11	11	200	148	52	35.26	10.11	25.15
1987-88	22	6	16	328	233	95	93.55	10.61	82.94
1988-89	6	—	6	181	58	123	178.42	89.34	89.08
Total	191	142	49	1099	795	304	575.46	362.34	213.12

At the time of oral examination, the Committee was informed that only 126 Inspection Reports and 441 Audit Objections were to be settled under the Head Excise, Sales Tax, Passanger and Goods Tax. The Committee was satisfied with the pace of the clearance of outstanding paras of inspection reports and desired that department should take more effective steps to settle long outstanding objections with Accountant General by 31st March, 1994. The Committee further desired that the progress made in this regard to be also intimated to the Committee.

## [73] 2.1 Results of Audit

Test check of sales tax assessments and other records of 23 units, conducted during the year 1988-89, revealed under assessment of tax of Rs. 396.21 lakhs in 846 cases, which broadly fall under the following categories :—

	Number of cases	Amount (In lakhs rupees)
1. Non-levy/short levy of penalty	96	159.78
2. Interest not charged	203	84.40
3. Incorrect computation of turnover	301	55.49
4. Under-assessment of tax under Central Sales Tax Act	18	44.17
5. Application of incorrect rate of tax	26	4.11
6. Other irregularities	202	48.26
Total	846	396.21

Out of 846 cases, the department in 177 cases, raised additional demand amounting to Rs 6 36 lakhs. A few important cases noticed during 1988-89 and earlier years and findings of audit review on 'Registration' of dealers under the Sales Tax Acts are mentioned in the succeeding paragraphs.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

- (i) Out of 846 cases, 610 cases have been reviewed with the following results :—

No. of cases	Amount pointed out by the audit (Rs. in lacs)	Result of Review
508	1 52,81	These have been settled without any additional demand.
100	10 66	Settled with additional demand.
2	7.78	These are pending with the appellate authorities.

236 cases involving an amount of Rs 224 96 lacs are under review. The department reviews assessment of cases through its Inspection wing. During the year 1988-89, the Inspection Wing, detected irregularities in 748 cases and revised assessment in 601 cases, creating additional demand of 142.11 lacs.

- (ii) to (iv) The irregularities pointed out are diverse. The reasons vary from inadvertent error to negligence. The erring Assessing Authorities have been identified. The action to initiate disciplinary proceedings against the defaulting officers is under way.

During the course of oral examination, the Committee was informed that only one case is pending with the Appellate Authority, Karnal involving the amount of Rs. 0.03 lakh for decision since 1988. The Committee desired that instructions be issued to the said appellate authority to decide the case without any further delay as still 103 cases were outstanding. The Committee further desired that action against the various Assessing Authorities who are involved in these irregularities in respect of under assessment cases be completed within a stipulated period under intimation to the Committee. Final results of these cases be also intimated.

During the course of oral examination, the Committee asked for the steps taken in respect of strengthening the internal audit cell of the department. The Committee also reiterated its earlier recommendations as contained in its 36th Report, the Commissioner and Secretary of the Department assured the Committee that he would send a detailed report in this regard. The Committee, therefore, desired that a detailed report in this regard be sent to the Committee for its consideration.

## [74] 2.2. Registration of dealers under the sales Tax Acts

### 2.2.1. Introduction

The Haryana General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956 forbid carrying on of business by any dealer except one dealing exclusively in goods declared to be tax free, who is liable to pay tax under the Acts, unless he is duly registered and possesses a valid registration certificate which specifies the class or classes of goods in which the dealer carries on business. Three types of registration viz. compulsory, voluntary and provisional are available to the dealer under the State Act. Where as a trader is required to register himself and pay tax, if his gross turnover exceeds Rs. 1,00,000 in a year, a manufacturer is required to register himself if his turnover exceeds Rs. 25,000 (Rs. 1,00,000 with effect from 1st April 1985). A dealer who runs a hotel, restaurant, Halwai shop, bakery and other similar establishment wherein Indian food preparations including tea are served, is liable for registration if his turnover exceeds is Rs. 40,000 (Rs. 1,00,000 with effect from 1st April 1985). A dealer whose turnover during a year exceeds Rs 15,000 may apply for voluntary registration. Similarly, a dealer who intends to establish a business in the State for the purpose of manufacturing goods of value exceeding Rs. 10,000 a year for sale may apply for provisional registration. The dealers are required to get themselves registered under the Central Sales Tax Act also, if they engage themselves in inter-State sales or purchases for any amount.

The registration process enables the department to ensure, inter-alia, that persons liable to pay tax are assessed to tax and amounts due are recovered from them. It is, thus, necessary for the department to carry out an extensive survey to find out the persons who are liable to be registered as dealers under the provisions of the Act. In July 1982, the department issued instructions to district officers that regular surveys should be conducted from time to time by all the assessing authorities and District Officers incharge of the Sales Tax (Deputy Excise and Taxation Commissioner) should supervise the work personally. These instructions were re-iterated in April 1983 requiring each assessing authority to undertake a complete and extensive survey within respective territorial jurisdiction and give a completion certificate by 2nd May 1983 to the district Officer who in turn would forward it by 10th May 1983 to the Excise and Taxation Commissioner certifying that survey had been conducted in the entire district. All cases detected during survey were to be finalised by all the assessing authorities by 30th June 1983.

When a dealer liable to pay tax has failed to apply for registration, the assessing authority can, within five years after the expiry of such period, proceed to assess, to the best of judgement, the amount of tax due from the dealer.

### 2.2.2. Scope of audit

Out of the fourteen sales tax districts, records in respect of eight districts viz. Ambala, Yamunagar, Karnal, Sonapat, Faridabad, Gurgaon, Rohtak, and Hisar for the years from 1983-84 to 1987-88 were test checked (February 1989 to May 1989) with a view to ensuring that the dealers

liable to be registered were actually registered and the relevant rules had been complied with and the registration certificates were granted by the assessing authority after verifying the bonafides, relevant particulars and financial position of the dealers and genuineness of persons standing as surety in order to safeguard the recovery of sales tax dues.

### 2.2.3. Organisational set up

The overall control and superintendence of the sales tax organisation vests with the Excise and taxation Commissioner who is assisted by the Deputy Excise and Taxation Commissioner, Excise and Taxation Officers Assistant Excise and Taxation Officers, Taxation Inspectors and other allied staff in the administration of the State Sales Tax Act, 1973 and Central Sales Tax Act, 1956

### 2.2.4. Highlights

(i) Grant of registration certificates to non-existent dealers without verifying their bonafides resulted in evasion of tax of Rs. 58.16 lakhs on turnover of Rs. 1050.09 lakhs.

(ii) Non-maintenance of sureties till the date of validity of registration certificates resulted in non-realisation of demand of Rs. 8 61 lakhs from sureties on behalf of a dealer whose whereabouts are not traceable.

(iii) Use of registration certificates for purposes other than those provided in the registration certificates, resulted in non-levy of penalty of Rs. 5.35 lakhs.

(iv) Recording inadmissible items in the registration certificates of two dealers resulted in non-levy of tax of Rs. 2.20 lakhs.

(v) 444 certificates of registration were issued after a period ranging between 2 to 12 months instead of being issued within two months of receipt of application as required under departmental instructions.

### 2.2.5. Survey

Survey is one the most effective tools in the hands of the department for registering the dealers who are liable for registration under the Acts. Department issued instructions in July 1982 that every assessing authority of a circle should undertake survey in his circle to unearth unregistered dealers who are liable for registration under the Haryana General Sales Tax Act and Central Sales Tax Act and maintain regular register of this survey indicating the name of the business premises, particulars of ownership, commodities dealt in, details of account books maintained, particulars of annual turnover and the facts whether the concerned dealer is registerable or is already registered. These registers were to be checked by District Officers personally. These instructions were re-iterated in April, 1983, emphasising the District Officers to ensure that all the Assistant Excise and Taxation Officers incharge of the circles undertake survey in their respective area during April 1983 and give a completion certificate to them by 2nd May 1983. District Officers were to give certificate by 10th May 1983 to the department that survey had been conducted in the entire district. It was also to be ensured that all the cases detected during the survey are finalised by all the assessing authorities by 30th June 1983.

Since July 1982 the assessing authorities, however, had not conducted any survey (March 1988) even after issue of general instructions by the department.

### 2.2.6. Trend in Registration of dealers

Table below indicates the trend of number of dealers registered under the State Sales Tax Act and Central Sales Tax Act from 1983-84 to 1987-88.

Year	Name of the Act	Number of registered dealers at the beginning of the year	Number of dealers registered during the year	Number of registered dealers whose registration were cancelled during the year	Number of dealers at the end of the year
(1)	(2)	(3)	(4)	(5)	(6)
1983-84	State Act	58923	6291	2299	62915
	Central Act	51271	6056	2184	55143
1984-85	State Act	62915	6610	2348	67177
	Central Act	55143	6012	2350	58805
1985-86	State Act	67177	6160	3945	69392
	Central Act	58805	7251	2387	63669
1986-87	State Act	69392	6580	5474	70498
	Central Act	63669	6514	5084	65099
1987-88	State Act	70498	6273	4231	72540
	Central Act	65099	6261	3953	67407

It was, however, seen that the trend of increase in the number of registration was due to dealers applying for registration voluntarily. The assessing officers had not conducted any survey even after issue (July 1982) of general instructions by the department.

### 2.2.7 Loss of revenue due to grant of certificates of registration without following proper procedure

Under the Haryana General Sales Tax Rules, 1975, the assessing authority before granting a certificate of registration is required to satisfy himself, after making an enquiry, that the applicant is a bonafide dealer and the particulars furnished by him are correct. The dealer may also be required to furnish cash security or personal bond alongwith the application for registration where it appears to be necessary to do so by the assessing authority for the proper realisation of the tax payable.

The amount of security shall in no case exceed the tax payable as estimated by the assessing authority on the turnover of the dealer for the year in which such security is required to be furnished before registering a dealer, after checking his financial position, the genuineness of persons standing as surety is also to be verified. Further if the assessing authority is satisfied that the application is in order and the fee has been paid or deposited, he shall after satisfying himself regarding the continuation of the business and genuineness of the security, renew the certificate of registration.

(i) Two coal dealers of Gurgaon were granted certificates of registration in August 1984. They returned a turnover of Rs. 97,793 for the year 1984-85, which was accepted and assessments were finalised in May 1985. The dealers closed the business in July 1985 and left the place of business. During investigation (July 1985), the department however found that the purchases of coal valued Rs. 151.50 lakhs during 1984-85 had been suppressed by these dealers. Although their assessments were re-opened and demand of Rs. 6.06 lakhs was raised (August 1985 and March 1986) on the escaped turnover but the demand could not be realised as the dealers were non-existent. However an amount of Rs. 10,825 only could be recovered from one surety. The other surety was fictitious and was defaulter in his own assessment for the year 1984-85.

(ii) A dealer of Gurgaon was granted registration certificate in September, 1983 for trading in coal. He filed monthly returns disclosing a turnover of Rs. 2,99,735 for the year 1984-85 against his actual turnover of Rs. 90 lakhs. The assessment was finalised in March 1986 on turnover of Rs. 90 lakhs and a demand notice of Rs. 3.51 lakhs was issued in November 1986. But the demand could not be realised as the dealer was found bogus and was not traceable. The demand could also not be recovered from the surety as the same had withdrawn himself in August 1985 and the department had not taken any steps to obtain fresh security. The failure of the department to verify the antecedents of the dealer before the grant of Registration Certificate resulted in loss of revenue of Rs. 3.51 lakhs to the department.

(iii) A dealer of Ambala who was granted registration certificate in April 1983 for trading in sale/purchase of tea filed his return for the year 1983-84 and deposited tax of Rs. 5,209. He closed his business and got his certificate of registration cancelled from February 1984. During investigations the department found (March 1985) that both the dealers and the firm were fictitious and non-existent. Tea worth Rs. 80 lakhs was imported by the dealer from outside the State during 1983-84 and was sold in *uchanti*\*. The department finalised (May 1988) the assessment of the dealer for the year 1983-84 *ex parte* by determining the turnover at Rs. 80 lakhs on which a demand of Rs. 1281 lakhs was raised which could not be realised. The person against whom the demand was raised by the department refused to accept the demand and denied having any connection with the fictitious firm. The sureties furnished by the dealer denied having stood sureties for the said firm.

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\*Uchanti means sales and purchases without its account in one's accounts books.



(iv) A dealer of Yamunanagar was granted registration certificate (April 1981) for transacting business in general goods. He filed one return on 4th August 1981 for the 1st quarter ending June 1981 showing turnover as nil. The investigation by the department, however, revealed (August 1981) that the dealer was non-existent and the registration certificate was granted through oversight which was cancelled by the department in October, 1981. A further scrutiny of records, however, revealed that the dealer had purchased vegetable ghee and tea valuing Rs. 8.85 lakhs from outside the State of Haryana in the year 1981-82 and had suppressed their sales and evaded tax of Rs. 69,258. The assessment for the year 1981-82 was finalised in July 1986 and a demand of Rs. 69,258 was raised against the dealer which could not be realised as the dealer was fictitious and non-existent. One of the two sureties furnished by the dealer was also bogus. Efforts were, however, being made by the department to trace out the second surety.

(v) A dealer of Panipat was granted (March 1984) registration certificate for transacting business in iron and steel. He purchased with out payment of tax goods valued at Rs. 252.03 lakhs during the year 1984-85 (Rs. 223.59 lakhs) and 1985-86 (Rs. 28.44 lakhs) on the authority of his registration certificate from within the State, but disclosed a turnover of Rs. 167 lakhs during 1984-85 and Rs. 18 lakhs only during 1985-86 in the returns filed by him. The Assessing Authority, Panipat, however, found (November 1986) that the dealer had indulged in unauthorised sales and purchases and after large scale evasion of tax, had left the State without rendering his accounts.

Although the department cancelled the certificate of registration of the dealer with effect from 24th November 1986 but tax of Rs. 10.08 lakhs could not be assessed and recovered as whereabouts of the dealer were not known to the department. One of the two sureties furnished by the dealer was also bogus and was defaulter in his own assessments for the years 1982-83 and 1983-84. The second surety was stated to be financially unsound.

(vi) A dealer of Hisar was granted certificate of registration in May 1984 for trading in foodgrains and oil cakes. The dealer purchased goods valued at Rs. 274.79 lakhs during 1984-85 on the strength of his registration certificate from within the State without payment of tax, and disposed of the same without paying any tax. He closed his business in April 1985 and left the place of business without rendering his accounts of purchases and sales. On finding out (July 1985) the unauthorised business activities of the dealer, the department cancelled his certificate of registration in August 1986 and declared him bogus. Tax amounting to Rs. 16.82 lakhs on turnover of Rs. 274.79 lakhs however, could not be assessed and recovered. The sureties furnished by the dealer were also not genuine and their own assessments for the year 1984-85 were also pending.

(vii) Three dealers of Hisar were granted certificates of registration with validity from August 1984, July 1984 and November 1983 for trading in foodgrains and oil cakes. The dealers purchased without

payment of tax goods valued at Rs. 192.92 lakhs during the years 1984-85 and 1985-86 on the strength of their registration certificates from within the State and after disposing of the goods in the manner otherwise than as provided under the Act, they closed down the business and left the place of business without rendering their accounts of purchases and sales. On finding (June-July 1985) that the dealers had indulged in evasion of tax the department cancelled their certificates of registration (during June 1985 and January 1986). But turnover of Rs. 192.92 lakhs involving tax affect of Rs. 8.19 lakhs could not be assessed and recovered as the dealers were not traceable on the given address. In the case of two dealers sureties had withdrawn in October 1984 and June 1985 and had not furnished fresh sureties.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

**2.2.7 (i) Dealers of coal :**

M/S Aggarwal Coal Agency A.Y. 1984-85 M/S Chetan Coal Syndicate A.Y. 1984-85.

(i) The genuineness of the sureties were verified by Sh. S.S. Virk, Assessing Authority who issued the R.Cs to the above dealers. The sureties in this case are not fictitious as an amount of Rs. 20,000/- has been recovered from Sh. Yad Ram surety in the case of M/S Chetan Coal Syndicate, Gurgaon on 16.6.93. This is apart from Rs. 10,825/- recovered against bank guarantee and cash from other surety in the case of Aggarwal Coal Agency.

(ii) The firms have closed down their business and left Gurgaon. The latest recovery position is as under :

Name of dealer	Amount assessed	Amount recovered	Balance
M/s Aggarwal Coal Company	2.40 lacs	10,825/-	2,29,175/-
M/S Chetan Coal Syndicate	3.66 lacs	20,000/-	3,46,000/-

Recovery certificates have been issued to Collector, Delhi in both cases on 23-5-87 and 18-2-86 respectively. Efforts are on to recover the amount.

**2.2.7. (ii) M/s Jagdampa, Traders, Gurgaon A.Y. 1984-85.**

(i) The registration certificate was issued by Sh. H.L. Katyal, Assessing Authority after due verification and obtaining adequate security of Rs. 20,000/- each under HGST and CST Acts.

(ii) On receipt of withdrawal application by the surety, The dealer was asked to give fresh surety of Rs. 25,000/- each under HGST and CST Acts but he did not do so and closed down the business.

(iii) The amount of Rs. 20,000/- has been recovered from the second surety. The dealer is residing at Delhi and the recovery certificate was issued to the Collector, Delhi for the recovery on 23.5.87.

Efforts are being made to recover the amount.

**2.2.7. (iii) M/s Golden Enterprises Naraingarh A.Y. 1983-84**

(i) Sh. Gurkarpal Singh who was the appropriated Assessing Authority and had verified the antecedents of the dealer and the sureties and Sh. H.C. Gargi Assessing Authority who had signed the R. Cs. are responsible for registering bogus dealer. The action for initiating disciplinary proceedings is under process.

(ii) Against the levy of Rs. 12.81 lacs the dealer filed an appeal before Jt. Excise & Taxation Commissioner (A) Ambala which was dismissed on 16.11.92. In the meanwhile the dealer filed a Civil Suit and got stayed the recovery of Rs. 12.81 lacs vide order dated 4.9.90. Next date of hearing is 24.8.93.

(iii) It was a lapse on the part of the Assessing Authority.

**2.2.7. (iv) M/s Aggarwal Sugar Agency W/Shop Road Yamuna Nagar. A.Y. 1981-82**

The dealer had only purchased vegetable ghee and tea from outside the State valuing Rs. 8.85 lacs. He was liable to pay sales tax at the first stage of sale in his hands. He did not disclose these purchases and subsequent sales in his accounts books evading tax of Rs. 69258/-.

(ii) The Registration certificate was granted by Sh. S.P. Sharma, AETO (Now ETO). He is responsible for the lapse. The action for initiating disciplinary proceedings is under process.

(iii) The file remained with Sh. H.B. Gandhi, Assessing Authority, Karnal during the period 1.11.81 to 19.4.86 for verification of fact as the dealer was reported to have shifted to Karnal. The whereabouts of the dealer were also not found at Karnal. The file was returned to DETC, Jagadhri on receipt of the file, the assessment was finalised on 31.7.1986.

(iv) There were no prospects for the recovery of Rs. 69258/- as both the dealer and sureties are not in existence.

(v) The second surety has also been found bogus. Thus the amount could not be recovered.

**2.2.7. (v) (i) M/s. Sethi Steel Syndicate Assand Road, Panipat.**

The Registration certificate in this case was granted by Sh. L.N. Sharma, Assessing Authority, Panipat on 1-3-84. He accepted Sh. Vijay Vir Singh partner of M/s. Mahendra Electronics Panipat and Sh. Ram Niwas Jain

partner of M/s. Bansal Iron Store, Panipat as sureties for Rs. 50,000/-. The first surety was a defaulter in the payment of voluntary tax, but none of them was a bogus surety. Since the first surety was tax defaulter and the Assessing Authority accepted him as one of the sureties without verifying his financial position, the action for initiating disciplinary proceedings is under process-

The dealer was able to indulge in large scale evasion of sales tax because Sh. Ashok Sharma, Assessing Authority and Sh. Ramesh Madan his Taxation Inspector issued about 300 declarations in forms ST-15 to him without verifying previous use of these declarations. The action for initiating disciplinary proceedings is under process.

(ii) & (iii) The dealer has been finally assessed to tax and penalty of Rs. 39 lacs for the year 1984-85 and 120 lacs for the year 1985-86. Sh. Ram Niwas Jain one of the surety has filed a civil suit in local court at Panipat on 14-5-90 and got the stay of recovery on 19-5-90. The case was finally heard on 22-7-93 and the judgement has been kept reserved. Recovery certificate was also issued to collector, Gaziabad to recover the amount from Sh. Dev Raj, Prop. of the firm who was arrested and remained in revenue lock up for 14 days. No amount could be recovered from him as there is no property in his name. Recovery certificate has also been issued against the other surety, Sh. Vijay Vir Singh to collector Delhi on 6-8-91. Efforts are on to recover the amount.

#### 2.2.7. (vi) M/s. Durga Enterprises, Hisar, A.Y. 1984-85

(i) Sh. R.R. Malik, AETO, Hisar who granted the R.C and accepted the surety on 2-5-84 is responsible for accepting ingenuine sureties. The action for initiating disciplinary proceedings is under process.

(ii) The assessment for the year 1984-85 was framed by Sh. J.S. Rawat, E.T.O. Hisar on 27-1-92 and an additional demand of Rs 72.68 lacs under the HGST Act and Rs. 21.07 lacs under CST Act totalling Rs. 93.75 lacs was created. No recovery has been made so far.

#### 2.2.7. (vii) (i) This Para relates to :—

- (a) M/s. Asha Ram Rajinder Parshad, Hisar A.Y. 1984-85, 1985-86.
- (b) M/s. Sant Lal Murli Dhar, Hisar A.Y. 1984-85.
- (c) M/s. Pardeep Trader Hisar A.Y. 1984-85.

When the earlier sureties had withdrawn, the Assessing Authority demanded fresh sureties from M/s. Asha Ram, Rajinder Parshad and M/s Sant Lal Murli Dhar. Since they failed to give fresh sureties, their registration certificates were cancelled by the Assessing Authority.

(ii) The Assessing Authority has created an additional demand of Rs. 10.10 lacs in the case of M/s Sant Lal Murli Dhar for the assessment year 1984-85 and 1985-86 and additional demand of Rs. 10.92 lacs in the case of M/s Asha Ram Rajinder Parshad for the year 1984-85 and 1985-86. Efforts are under way to recover the amount.

Under the Haryana General Sales Tax Rules, 1975, the Assessing Authority before granting a certificate of registration is required to satisfy himself, after making an enquiry, that the applicant is bonafide dealer and the particulars furnished by him are correct. The dealer may also be required to furnish cash security or personal bond alongwith the application for Registration where it appears to be necessary to do so by the Assessing Authority for the proper realisation of the tax payable. The genuineness of persons standing as surety is also to be verified before granting/renewing the certificate of registration. After going through the above said cases, the Committee observed that the Assessing Authority did not properly verify the genuineness of the surety (which later on found fictitious) while granting the Registration Certificate. The Committee, felt that because of not following the proper procedure loss of revenue occurred. The Committee, therefore, recommended that instructions be issued to all the Assessing Authorities to strictly follow the procedure as laid down under the rules while issuing the Registration Certificates

At the time of oral examination, the department informed the Committee that in order to closely monitor the performance of the various wings of the department four standing teams each headed by ET C. or Joint E.T.C. rank have been constituted recently. They would undertake regular meetings of the respective districts including the D.E.T.C./E.T.O.s and A.E.T.O.s and also make a thorough review of old and current outstanding dues. They would also ensure that all current liability is recovered within the balance of the current financial year.

They would further ensure that orders of the assessment cases decided during the year are recorded and effective steps are taken immediately for the recovery of the outstanding dues.

The Committee appreciated the procedure adopted by the department and desired that a progress report of these groups be sent to the Committee regularly for its information.

[75] 2.2.11. Delay in disposal of applications for registration.

Departmental instruction issued in April 1982, provide that the registration certificate should be granted within 2 months of receipt of application from the dealer..

(i) Two dealers of Hisar and Yamunanagar applied for the grant of registration certificate in January 1982 and September 1983 which were issued to them by the department in July 1984 and May 1984 respectively. The Hisar dealer deposited the tax for the years 1982-83 and 1983-84 in August 1984. The Yamunanagar dealer however, did not deposit voluntary tax at all for the year 1983-84 on the ground that the certificate of registration was issued to him after the expiry of year 1983-84. His assessment for the year 1983-84 was finalised in March 1985 when a demand of Rs 1.03 lakhs was raised which was realised in April 1985 and June 1985. Failure of department to issue registration certificates within specified time resulted in belated payment of tax and loss of interest of Rs. 29,398

(ii) As per ST-5 (list of registered dealers) maintained in Faridabad Gurgaon, Rohtak, Karnal, Hisar and Ambala districts, registration certificates were issued late during the years 1983-84 to 1987-88 by 2 to 3 months in 61 cases, 3 to 6 months in 174 cases, 6 to 12 in 157 cases and above 12 months in 52 cases (total 444 cases). A scrutiny of receipt register of applications for grant of registration certificates revealed that out of 7.167 applications received during the years 1985-86 to 1987-88 in respect of Ambala, Karnal, Rohtak, Hisar and Gurgaon there was no indication in respect of 351 applications whether or not the registration certificates were issued.

The above points were reported to Government in July 1989 and their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written, reply, explained the position as under:

This para relates to :-

- (i) M/s. Lakhmi Chand Satnam Dass V. Kulana, Hansi, A. Y. 1982-83 & 1983-84.
- (ii) M/s. Rachra Paper Ltd. Yamunanagar, A. Y. 1983-84.

S/Sh. Dhan Singh Saini and W. R. Katyal, AETOs who remained incharge of the circle during the relevant period are both responsible for delay in issue of R.C to M/s. Lakhmi Chand Satnam Dass Vill. Kulana, Hansi. In the other case of M/s. Rachra Paper Ltd. Yamunanagar the Assessing Authority un-necessarily delayed the decision in the case as the dealer was not furnishing the surety bond. He should have rejected his application and proceeded to assess him as unregistered dealer. The case to initiate disciplinary proceedings against the defaulting officers is under way.

All the pending 351 applications of the dealers seeking registration certificates have since been disposed off and no application is pending.

At the time of oral examination, the Committee observed that a dealer of Hisar and Yamunanagar applied for the grant of Registration Certificates in January, 1982 and September, 1983 but the same were issued late to them in May and July, 1984 respectively in complete disregard of the departmental instructions to issue registration certificate within two months. The department informed the Committee that disciplinary proceedings are being taken against the concerned officials. The Committee, therefore, desired that action against these officials be completed within a stipulated time under intimation to the Committee.

[76] 2.3. Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court.

The Position of collection of revenue from Sales Tax during the years

Q/-  
14/14

1983-84 to 1987-88 was as under :—

Year	Tax collected under: Haryana General Sales Tax Act	Under Central Sales Tax Act
	(In crores of rupees)	
1983-84	100.23	66.29
1984-85	105.44	78.42
1985-86	138.53	95.82
1986-87	164.63	91.61
1987-88	189.57	125.36

Haryana General Sales Tax Act, 1973, provides that for any tax, penalty or interest payable in consequence of any order passed under the Act, a notice of demand shall be served upon the assessee. The amount specified in the notice of demand has to be paid within the time specified in the notice of demand or in the absence of any time being specified in the said notice, within 30 days from the date of service of such notice. An assessee dissatisfied with the assessment order, can file an appeal to the Joint Excise and Taxation Commissioner (Appeals). Further, a second appeal rests with the Sales Tax Appellate Tribunal. After the Tribunal's decision, reference on the point of law can be made to the High Court.

Total amount of tax assessed, but remaining uncollected, as on 31st March 1988, works out to Rs. 47.00 crores including Rs. 12.24 crores relating to 163 cases, in respect of which collection of demand was stayed by the High Court/Supreme Court. Year-wise details of the appeals pending with the High Court/Supreme Court, were called for from the department (February 1989) but details have not been supplied by the department (June 1989).

During test check in audit of records in five districts (Karnal, Sirsa, Hisar, Faridabad and Ambala), it was noticed (May 1989) that in the cases detailed in the table below, the tax demanded from the assessee by the department was stayed by the High Court/Supreme Court on furnishing of bank guarantees by the assesseees in some cases :—

Serial number	Particulars		Demand pending with the assessee (in lakhs of rupees)	Year to which the demand relates	When stay order was obtained from		Whether bank guarantee was given
	Assessee	Circle to which belongs			High Court	Supreme Court	
(1)	(2)	(3)	(4)	(5)		(6)	
1. A	Karnal	138.70	1977-78	December 1986	May 1985	Yes	
		165.62	1978-79	February 1987		Yes	
		176.33	1983-84		May 1985	Yes	
		195.86	1984-85		May 1985	Yes	

(1)	(2)	(3)	(4)	(5)	(6)	
2.	B Karnal	89.40	1975-76		April 1987	No
		38.81	1982-83		August 1987	No
		6.38	1980-81		August 1987	
		98.34	1982-83		February 1988	No
3.	C Sirsa	2.21	1967-68		January 1983	Yes
			1968-69			
4.	D Sirsa	2.15	1968-69		January 1983	Yes
5.	E Sirsa	3.90	1984-85	April 1986		Against surety bond
			1985-86			
6.	F Fatchabad (Hisar)	3.88	1967-68		December 1978	Yes
			1968-69			
7.	G Fatchabad (Hisar)	2.85	1967-68		January 1979	Yes
			1968-69			
8.	H Dabwali (Hisar)	2.06	1968-69		April 1981	No
9.	I Hisar	9.47	1978-79 to 1980-81		March 1983	No
10.	J Faridabad	0.68	1980-81		March 1983	No
		0.69	1981-82		February 1984	No
		2.01	1982-83	October 1984		No
11.	K Faridabad	16.35	1974-75 to 1979-80		March 1985	No
12.	L Faridabad	23.50	1976-77 to 1978-79	March 1985		No
13.	M Faridabad	13.51	1981-82		July 1986	No
14.	N Faridabad	26.77	1973-74 to 1977-78	January 1986		No
		39.34	1979-80 to 1984-85		July 1986	No
15.	O Faridabad	21.48	1982-83 and 1983-84	December 1986		No
16.	P Faridabad	9.82	1976-77 to 1982-83	March 1986		No
17.	Q Faridabad	15.30	1977-78	December 1987		Yes
		16.06	1979-80	December 1984		Yes
		1.00	1979-80	December 1984		No
		18.59	1982-83	August 1984		Yes
18.	R Hisar	9.65	1980-81 and 1981-82	December 1987		No
				February 1988		No
19.	S Ambala	21.26	1984-85		August 1987	No
Total		1171.97				



In the matter of grant of stay on acceptance of bank guarantee, the Supreme Court had observed\* in May 1985 that "Government are run on public funds and if large amounts all over the country are held up during the pendency of litigations, it becomes difficult for the Government to run and become oppressive to the people. Government's expenditure can not be made on bank guarantees or securities. This court should refrain from passing any interim orders, staying the realisation of indirect taxes or passing such orders which may have the effect of non-realisation of indirect taxes. This will be healthy for the country and courts." Further, Calcutta High Court, the following the ratio of Supreme Court's /Judgement held\*\* that "the direction of the trial judge regarding the securing of the amount through bank guarantee was liable to be set aside".

In spite of clear and unequivocal rulings of the Supreme Court, the department has not taken any affective steps to get the stay orders vacated in 19 cases mentioned above.

This was reported to the Government in July 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i) & (ii)

Out of the 19 cases pointed out by the Audit 9 pertain to the High Court and 10 to the Supreme Court of India. Out of 9 cases of High Court, one case has been decided and remaining 8 are pending. Out of 10 cases of Supreme Court of India, one has been decided and 9 are pending. In all pending cases, application for vacation of stay and early hearing have been filed.

(iii) As on 31-3-88. in the remaining districts, there were 76 cases involving an amount of Rs. 25.81 lacs where the High Court/Supreme Court had granted stay of recovery. All the cases are still pending.

The Committee was informed that in these 76 cases involving an amount of Rs. 25.81 lakhs stay had been granted against recovery by the High Court and Supreme Court. The Committee, therefore, recommended that department should file an application for the vacation of stay and for early hearing of these pending cases so that these could be decided by the Courts at the earliest. The steps taken by the department in this direction with progress be intimated to the Committee.

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\*Empire Industries Limited and others V/s Union of India (1985) (20) ELT 179 (SC)

\*\*Assistant Collector of Central Excise, Chandan Nagar, West Bengal V/s Dunlop India Limited (1985)/SCC-260.

[77] 2.4. *Non-levy/short levy of purchase tax*

As per provisions of the Haryana General Sales Tax Act, 1973, a dealer can purchase, on the strength of certificate of registration and by furnishing a declaration in the prescribed form without payment of tax, goods (other than those on which tax is leviable at first stage), for re-sale in the State or for sale in the course of inter-State trade or commerce or for the use in the manufacture of other goods (such other goods not being free of tax on sale) meant for re-sale 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 the 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 State Act. Further for failure to pay the tax due in the prescribed manner, the dealer is liable to pay penalty/interest under the State Act.

(i) A dealer of Tohana purchased, by furnishing declaration in Form 15 without payment of tax, cotton seeds valued at Rs 18.98 lakhs within the State during the year 1982-83, and used cotton seeds valued at Rs. 18.53 lakhs in the manufacture of cotton seed oil valuing Rs. 38.49 lakhs. Out of the oil so manufactured, oil valued at Rs. 6.21 lakhs was sent outside the state for sale on consignment basis. The assessing authority, while finalising (July 1985), the assessment, however, omitted to levy purchase tax on proportionate value (Rs. 13.55 lakhs) of cotton seeds purchased within the State and used in the manufacture of oil sent outside the State for sale on consignment basis. This resulted in short levy of purchase tax by Rs. 54,185. In addition, interest of Rs. 20,867, for non-payment of tax was also chargeable.

On the omission being pointed out (October 1987) in audit, the department raised (January 1989) the demand of Rs 98,423 including interest.

(ii) A dealer of Tohana purchased 58,246 quintals rice bran from within the State and 1,19,863 quintals from outside the State during the year 1983-84 and used it in the manufacture of 19,749 quintals rice bran oil, of which 9,845 quintals rice bran oil was sent outside the State for sale on consignment basis. The assessing authority while finalising (June 1986) the assessment, erroneously worked out the proportionate value of rice bran purchased within the State and used in the manufacture of rice bran oil sent outside the State for sale on consignment at Rs. 28.78 lakhs instead of Rs. 33.92 lakhs. This resulted in under-assessment of purchase tax by Rs 20,971. Besides, interest amounting to Rs 13,125 for short payment of tax was chargeable.

On the omission being pointed out (August 1987) in audit, the department referred (January 1989) the case to the Revisional Authority for *suo moto* action. Further report has not been received (December 1989).

(iii) A dealer of Gurgaon purchased, by furnishing declaration in Form 15, without payment of tax, raw material valued at Rs. 1.04 crores, during the year 1983-84 and used it in the manufacture of other goods. Out of the goods so manufactured, goods valued at Rs. 7 lakhs were transferred to its branches outside the State. While finalising (January 1987) the assessment, the assessing authority did not levy tax on the proportionate value (Rs. 5.51 lakhs) of the goods consumed in the manufacture of goods transferred to branches. The omission resulted in non-realisation of tax amounting to Rs. 22,034. Besides, interest of Rs. 10,560 for non-payment of tax alongwith quarterly returns was chargeable.

On the omission being pointed out (March 1988) in audit, the department raised (July 1988) an additional demand for Rs. 65,264 including interest of Rs. 14,410 and penalty of Rs. 28,820.

(iv) A dealer of Ludwa, purchased goods within the State by furnishing declarations in Form ST-15 without payment of purchase tax, and exported the same out of India through another agency during 1985-86. Such exports did not fall within the ambit of Section 5(1) of the Central Sales Tax Act, 1956 and hence purchase tax was leviable. While finalising the assessment (September 1986), the assessing authority, however, incorrectly allowed deduction of Rs. 11.69 lakhs on production of export certificate. The mistake resulted in non-levy of purchase tax of Rs. 81,600 (approximately). Besides interest amounting to Rs. 18,298 (upto July 1987) was also chargeable for non-payment of tax alongwith quarterly returns.

On the omission being pointed out (July 1987) in audit, the assessing authority referred (December 1988) the case to the Revisional Authority for *suo moto* action. Further report has not been received (December 1989).

(v) A dealer of Ambala City purchased, without payment of tax, against declaration in Form ST-15 goods valued at Rs. 48.35 lakhs and Rs. 28.21 lakhs within the State and used them in the manufacture of other goods during the years 1984-85 and 1985-86 respectively. Out of the goods so manufactured, goods valued at Rs. 51.97 lakhs and Rs. 18.17 lakhs were transferred during the years 1984-85 and 1985-86 respectively to its branches outside the State. The proportionate purchase value of goods used in the manufacture of goods transferred to its branches outside the State during the years 1984-85 and 1985-86 worked out to Rs 25.06 lakhs and Rs. 8.07 lakhs respectively. But, while finalising (February 1988 and March 1988) the assessments, the assessing authority erroneously worked out such purchase value at Rs. 19.85 lakhs for levy of purchase tax for the year 1984-85 and omitted to levy the purchase tax for the year 1985-86. This resulted in short realisation of purchase tax amounting to Rs. 54,163. Besides, interest amounting to Rs. 21,889 and penalty for non-payment of tax alongwith quarterly returns was also chargeable.

On the omission being pointed out (November 1988) in audit, the department stated (March 1989) that the cases were being referred to the Revisional Authority for *suo moto* action. Further report has not been received (December 1989).

(vi) While finalising (March 1985) assessment of a dealer of Ambala Can't, running a bar and hotel, deduction of his gross turnover amounting to Rs 6.89 lakhs in the year 1981-82 on account of meals and drinks served to non resident customers during 1981-82 was allowed, being not covered as sale. It was, however, noticed (December 1985) in audit that the dealer had purchased, without payment of tax on the strength of his registration certificate, Indian made foreign liquor valued at Rs. 1.92 lakhs and food stuffs valued at Rs 3.06 lakhs during the year 1981-82 which he disposed of otherwise than by way of sale. But the assessing authority omitted to levy tax on such purchases. This resulted in non levy of tax amounting to Rs. 51,748 besides chargeable interest of Rs. 31,668 for non payment of tax.

On this being pointed out (December 1985) in audit, the department finally accepted the case to be fit for revision and referred (January 1989) the same to the Revisional Authority for *suo moto* action. Further report has not been received (December 1989).

(vii) A dealer of Faridabad purchased raw material valued at Rs. 55.94 lakhs during the year 1983-84 without payment of tax, of which purchases within the State amounted to Rs. 50.09 lakhs. The raw material was also used on the job work of the third parties and was thus disposed of otherwise than by way of sale and was liable to purchase tax. However, while finalising (October 1987) the assessment, the assessing authority erroneously adopted the incorrect figure of Rs. 37.92 lakhs instead of Rs. 50.09 lakhs to determine the raw material consumed on job work liable to purchase tax. The mistake resulted in short levy of purchase tax amounting to Rs 87,946 besides interest and penalty for non-payment of tax due.

On the omission being pointed out (November 1988) in audit, the assessing authority raised (November 1988) a demand of Rs 2.77 lakhs (including interest of Rs. 62,920 and penalty of Rs. 1.26 lakhs). The department in March 1989, however, maintained that the original assessment order had been remanded (December 1988) by the Appellate Authority and the additional demand so raised automatically stood quashed. On re-examination of assessment file, it was, however, observed that the grounds of the appeal on which the assessment order was remanded had no relevance to the point of omission pointed out by Audit. The fact was pointed out to the department in May 1989. Further reply has not been received (December 1989).

(viii) A dealer of Jind district made consignment sales of sarson oil and khal valued at Rs. 6.94 crores in 2,86,554 tins and 25,440 jute bags respectively during the years 1984-85 to 1986-87. The assessing authority, while assessing (between January 1988 and March 1988) purchase tax on tins and jute bags purchased by the dealer by furnishing declaration in form ST-15 without payment of tax and used in consignment sales, erroneously adopted the price at Rs. 8 per tin and Rs. 3 per jute bag against the actual purchase price of Rs. 15.67 per tin during the years 1984-85 to 1986-87 and Rs. 6.87, Rs. 6.67 and Rs. 5.88 per jute bag during the year 1984-85, 1985-86 and 1986-87 respectively as shown by the dealer in the trading account. This

resulted in less determination of taxable turnover by Rs. 22.91 lakhs involving short levy of tax of Rs. 93,465. Besides, penalty and interest for non-payment of tax alongwith the returns were also chargeable.

On the omission being pointed out (June 1988) in audit, the department referred (January 1989) the cases to the Revisional Authority for *suo moto* action. Further report has not been received (December 1989).

(ix) A dealer of Faridabad purchased, without payment of tax, raw material and consumable stores valued at Rs. 5.43 lakhs during the year 1983-84 on furnishing the prescribed declaration in form ST-15 and used them in the job work valued at Rs. 5.31 lakhs. While finalising the assessment (March 1986), the assessing authority erroneously worked out the proportionate value of raw material and consumable stores consumed in the job worked as Rs. 1.50 lakhs instead of Rs. 3.25 lakhs. The mistake resulted in short levy of tax by Rs. 24,033 including interest for non payment of tax due, alongwith the returns.

On the omission being pointed out (December 1988) in audit the department referred (March 1989) the case to the Revisional Authority for *suo moto* action, who remanded (August 1989) it to the assessing authority for re-examination. Further report has not been received

(x) A dealer of Panipat purchased, without payment of tax, goods valued at Rs 12.97 lakhs during the years 1981-82 to 1983-84 and used the same in the manufacture of other goods. Part of these manufactured goods were subsequently transferred or sent on consignment sales outside the State. A scrutiny of the assessment records revealed that as against the purchases valued at Rs. 7.12 lakhs pertaining to the years 1981-82 and 1982-83 the purchases valued at Rs. 5.22 lakhs only were assessed (September 1985 and February 1986) to tax and the remaining purchases valued at Rs. 1.90 lakhs were omitted to be assessed to tax. Further, out of purchases of Rs. 5.85 lakhs pertaining to the year 1983-84, the goods valued at Rs. 1.31 lakhs were capitalised by the dealer. The balance purchases of Rs. 4.54 lakhs were used in the manufacture of goods but the assessing authority determined (March 1987) such purchases for assessment of tax at Rs. 1.99 lakhs only. This resulted in escapement of purchases valued at Rs. 4.45 lakhs from the assessment for the years 1981-82 to 1983-84 with consequent short realisation of tax of Rs. 66,417 including interest.

On this being pointed out (October 1987) in audit, the department after verification of dealer's accounts books raised (October 1987 and April 1989) additional demand for Rs. 39,632 including interest of Rs. 26,785 for non-payment of tax alongwith their returns.

The above cases were reported to Government between October 1987 and July 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the

department in their written reply, explained the position as under. :

**This para pertains to M/s. Ganesh Oil and General Mills Tohana for the assessment year 1982-83.**

(i) & (ii) The assessment was framed by Shri Harphool Singh Assessing Authority, Hissar on 12-7-85. He did not levy purchase tax on cotton seeds on proportionate basis u/s 9 of the Act, despite the fact that the Punjab and Haryana High Court had upheld the provisions of section 9 of the Act in January, 1985. This lapse on the part of Assessing Authority resulted in short assessment.

Thus the Assessing Authority was clearly at fault. He along with the Dy. Excise and Taxation Commissioner Sh. K.S. Dhaka who failed to exercise supervisory control are being proceeded against.

(iii) The case was sent for *suo-moto* to the DETC(I) who decided the case on 24-1-89 by creating an additional demand of tax Rs. 48,468/- and interest Rs. 49,955/-. The dealer paid an amount of Rs. 38,423/- and for the remaining amount of Rs. 60,000/- he filed an appeal before the Tribunal, who stayed the recovery vide order dated 11-7-89.

The Tribunal vide order dated 30-1-92 did not uphold the levy of interest on such tax as there remained uncertainty for the levy of purchase tax under section 9 of the HGST Act and the case was sent to the Assessing Authority for fresh examination in view of Haryana Act No. I of 1990 and Act No. 4A of 1991. The Assessing Authority decided the case vide order dated 15-5-92 by creating an additional demand of tax of Rs. 55,108/-. The entire amount stands recovered.

**This para relates to M/s. Ram Partap Bansal and Co. Pvt. Ltd., Tohana.**

- (i) The wrong calculation of tax on prorata basis was done by Sh. M.S. Sheoran, Excise & Taxation Officer. The action to initiate disciplinary proceedings against him is under way.
- (ii) The inspection wing of the Department is there to detect such mistakes and take corrective action.
- (iii) An additional demand of tax of Rs. 19,373/- and interest Rs. 17,654/- (Rs. 37,027/-) was created by the Dy. Excise & Taxation Commissioner, (Inspection) in *suo-moto* proceedings and stands recovered.

**M/s Maha Laxmi Ispat (P) Ltd., Gurgaon A.Y. 1983-84**

- (i) The entire amount of additional demand of tax Rs. 22,034/-, interest Rs. 14,410/- and penalty Rs. 28,820/- (Rs. 65,264/-) created vide order dated 7-7-88 was recovered.

- (ii) An Inspection Wing has been set up in department. The Wing examines the assessment cases and removes any illegality or impropriety detected.

**M/s. Vishnu Sarup Raj Kumar, Ladwa, A.Y. 1985-86**

- (i) Deduction of Rs. 11.69 lakhs was rightly allowed by the Assessing Authority U/s. 27 (i) (a) (ii) of the Act.
- (ii) No action has been taken against the Assessing Authority as the deduction was rightly allowed.
- (iii) No recovery is involved in this case

**M/s Innosearch Limited, Ambala City A.Y. 1984-85 & 1985-86**

- (i) There is no wrong assessment involved in this case. The Assessing Authority, Sh. M.L. Pahwa had assessed the dealer to purchase tax on turnover of Rs. 19.85 lacs during 1984-85 and Rs. 3.21 lacs during 1985-86 vide his order dated 18-2-88 & 28-3-88 respectively. The audit pointed out that the assessing authority should have levied purchase tax proportionately on turnover of Rs 25.06 lacs during 1984-85 and Rs. 8.07 lacs during 1985-86. The issue was examined and discussed with the audit party on its visit to Ambala and the audit settled the para vide their letter No. RAW/ST/89-90/90-91/1716-18 dated 14-2-91.
- (ii) In view of the reply to (i) above, no action has been taken against the Assessing Authority.
- (iii) Since there is no additional levy of tax at the instance of the audit, there is no question of recovery of tax and interest.
- (iv) The penal action under section 47 of the Act was kept pending by the Assessing Authority at the time of assessment. A penalty of Rs. 15,000/- was imposed under section 47 of the Act and recovered.

**M/s Standard Hotel and Bars Ambala Cantt. for the A.Y. 1981-82**

- (i) Sh. G.D. Kaushal, Assessing Authority Ambala who finalised the assessment on 28-3-85 was in error in failing to assess the purchases. The action to initiate disciplinary proceedings against the defaulting officer is under way.
- (ii) The assessment has been revised on 28-8-89 creating demand of Rs. 22,805/- which has been recovered.

**M/s Chanda Enterprises Mujesar A.Y. 1983-84**

- (i) In the original assessment order passed by Sh. M.L. Gupta, Assessing Authority, Faridabad purchase tax of Rs. 74,600/- and interest of Rs. 51,652/- thereon was correctly levied.

The Assessing Authority has taken the correct figures of 37.92 lacs of goods purchased from within the State of Haryana instead of the figure of Rs. 50.09 lacs taken by the Audit which includes the purchases of goods from outside the State of Haryana on which no purchase tax can be levied. After determining the value of goods used in job work the Assessing Authority levied tax and interest of Rs 1,26,242/-

The subsequent demand of Rs. 2.77 lacs raised by the Assessing Authority at the instance of the audit was illegal and hence quashed in appeal.

**M/s Hanuman Oil and General Mills, Narwana A.Y. 1984-85 to 1986-87**

- (i) The purchase value of tins and jute bags was calculated at lower price by Smt. Surekha Sharma, Assessing Authority. The action for initiating disciplinary proceedings is under process.
- (ii) The Punjab and Haryana High Court has stayed the assessment proceedings in the case on 8-10-91. The stay still continues.

The Committee was informed that in this case, purchase value of tins and jute bags was calculated at lower price by the Assessing Authority. The Committee recommended that action against the concerned Assessing Authority be finalised without any further delay. So far as the stay of this Assessment proceedings was concerned, efforts be made to file an application for getting the stay vacated so that recovery of tax alongwith the interest and penalty be recovered without any further delay. Results of action taken may be reported within six months.

A final report of action taken against the officers held responsible for the omission in respect of cases at sub-para (i), (ii), (vi) and (ix) be also reported to the Committee.

**[78] 2.10. Evasion of tax**

Under the Haryana General Sales Tax Act, 1973, 'turnover' includes the aggregate of the amounts of the sales and purchases and parts of sales and purchases made by any dealer during the given period less any sum allowable under the Act. Further, if a dealer has maintained false or incorrect accounts, with a view to suppressing his sales, purchases or stocks of goods, 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.

- (i) A dealer of Hansi purchased iron and steel valued at Rs. 6.66 lakhs from two dealers of Delhi during the year 1983-84 as per bills of lading etc. (placed in the assessment file), but these purchases were



not accounted for in his account books. Besides, the assessee also did not account for in his books of accounts another 'Goods Receipt' (GR) showing his sale of Rs. 79,529 to another dealer of Delhi. The assessing authority while finalising (March 1987) the assessment, however, failed to add the purchases/sales amounting to Rs. 7.46 lakhs in the turnover of the dealer. The omission resulted in evasion of tax of Rs. 30,418, besides non levy of minimum penalty amounting to Rs. 60,836.

On this being pointed out (January 1988) in audit, the department referred (August 1988) the case to the Revisional Authority for *suo moto* action who remanded (June 1989) it to the assessing authority for re-examination. Further report has not been received (December 1989).

(ii) As per 84 bills of ladings duly verified by the assessing authority, a dealer of Hansi purchased 357.63 metric tonnes of coal during the year 1983-84. Against this, he accounted for 252.20 metric tonnes of coal in his trading account which was inadvertently accepted as correct by the assessing authority while finalising (January 1986) the assessment. Consequently the short accountal of coal weighing 105.43 metric tonnes resulted in suppression of sales of 5 lakh bricks valued at Rs. 1.50 lakhs and under-assessment of tax by Rs. 12,240, besides, minimum penalty amounting to Rs. 24,480.

On the omission being pointed out (February 1987) in audit, the department raised (June 1989) an additional demand of Rs. 94,370 including interest and penalty.

(iii) A dealer of Panipat let out his machinery on hire to another dealer at Rs. 11,000 per month and Rs. 9,000 per month during the years 1984-85 and 1985-86, respectively. The dealer while filing the returns for these years, however, did not include the amount of hire charges of Rs. 2.40 lakhs received on the gross turnover. The assessing authority while finalising (July 1987 and March 1988) the assessments also failed to include the same in the taxable turnover. This resulted in short levy of revenue amounting to Rs. 26,896 (tax and interest).

On the omission being pointed out (November 1988) in audit, the department sent the case to the Revisional Authority on 6th May 1989 for taking action to reassess under Section 40 of the Haryana General Sales Tax Act 1973. Further report has not been received (December 1989).

Above cases were reported to Government in May 1989 and July 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply explained the position as under :

(i) This para relates to M/s. Aggarwal Motor Co.; Hansi A.Y. 1983-84

On the basis of the audit objection the Assessing Authority Hansi levied tax of Rs. 3769/- and penalty of Rs. 7600/- which stand recovered.

This para relates to M/s. Durga Bhatta Udyog Hansi, A.Y. 1983-84, 15-1-86.

The demand of Rs. 94370/- created by the revisional authority vide order dated 27-6-89 stood reduced to Rs. 30998 in appeal before the Tribunal. This sum stands recovered.

(i)&(ii) This para relates to M/s. Capital Fibre Co. Panipat. A.Y. 1984-85 and 1985-86.

Sh. S.N. Vij, Assessing Authority who framed the assessment for the year 1984-85 and 1985-86 failed to include the hire charges in the gross turnover of the dealer. The action to initiate disciplinary proceedings against the defaulting officer is under process.

(ii) The case is pending with the DETC(I)-cum-Revisional Authority Karnal in suo-moto action. He has been directed vide ETC's office letter No. 4856/AA I dated 13-8-93 to decide the case immediately.

The Committee desired that balance amount be recovered from the dealer within a stipulated time under intimation to the Committee.

[79] 2.11. *Suppression of purchases* 77

Under the Haryana General Sales Tax Act, 1973, a dealer can purchase, without payment of tax by furnishing a declaration in the prescribed form, goods, other than those on which tax is leviable at first stage, for resale in the State or for sale in the course of inter-State trade or commerce. Further, if a dealer has maintained false or incorrect accounts, with a view to suppressing his sales or 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. The departmental instructions issued from time to time require the assessing authorities to conduct cross verification of transactions exceeding Rs. 1,000 with reference to the seller's and purchaser's records.

(i) A dealer of Panipat accounted for purchases of steel amounting to Rs. 4.45 lakhs during 1983-84 which were accepted without cross verification and assessed to tax by the assessing authority while finalising (April 1985) assessment.

It was however, noticed (August 1988) on cross verification in audit during 1983-84 the dealer had purchased without payment of tax by furnishing the prescribed declarations in Form ST-15, steel valued at Rs. 9.33 lakhs from a dealer of Gurgaon. Thus, purchases amounting to Rs. 4.88 lakhs were suppressed by the dealer resulting in short levy of tax of Rs. 19,532, besides non levy of minimum penalty of Rs. 39,064.

On this being pointed out (August 1988) in audit, the department reassessed (September 1988) the case, determining the suppression of purchases amounting to Rs. 10.58 lakhs and raised additional demand for tax of Rs. 44,000. Besides penalty amounting to Rs. 90,000 was levied (August 1989) for suppression of purchases

(ii) A dealer of Hisar filed returns with Nil turnover for the year 1984-85 and was assessed (February 1988) as such by the assessing authority. However, on receipt of definite information in February 1988 that the dealer had made purchases amounting to Rs. 3.67 lakhs from a dealer of Gurgaon, the assessing authority re-opened the case and assessed (February 1988) the dealer to tax of Rs. 14,683, but purchases amounting to Rs. 5.24 lakhs made by the dealer from another dealer of Faridabad, as communicated (April 1986) by the Excise and Taxation Officer, Faridabad to the assessing authority were not added and brought to tax. This resulted in short levy of tax of Rs. 20,973. Further, no action to levy minimum penalty of Rs. 71,312 for suppression of the above mentioned purchases was taken by the assessing authority.

On the omission being pointed out (April 1988) in audit, the department admitted (March 1989) that the purchases amounting to Rs. 5.24 lakhs had escaped levy of tax. It was further stated that tax and penalty, if now levied, would not be recovered from the dealer as the firm had been closed and his whereabouts were not known.

(iii) In Gurgaon, a dealer sold (March 1984) goods valued at Rs. 2.94 lakhs to a dealer of Panipat and claimed deduction thereof from his gross turnover for the assessment year 1983-84 by furnishing declarations in Form ST-15 obtained from the purchasing dealer. Cross check by Audit however, revealed that, the dealer of Panipat did not account for these purchases in his gross turnover for the year 1983-84 the assessment of which was finalised in May 1984. The failure to cross-verify the transactions by the assessing authority resulted in short levy of tax by Rs. 11,741, besides minimum penalty of Rs. 23,482 leviable for suppression of purchases.

On this being pointed out (August 1988) in audit, the department stated (March 1989) that the firm has since closed its business, certificate of registration was cancelled on 28th November 1986 and that whereabouts of the dealer were not known.

The cases were reported to Government in June 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

**2.11(i) This para relates to M/s. Jain Traders Panipat A.Y. 1983-84.**

(i) & (ii) On re-examination of the case in remand proceedings on the orders of the appellate authority it transpired that there had been no under-assessment in the case. The purchases

pointed out by the Audit having been made at the end of 1983-84 were found duly accounted for in 1984-85 because the actual delivery of the goods took place in that year

**This para relates to M/s. New Golden Steel Works Hisar A.Y. 1984-85**

- (i) & (ii) Sh Rajbir Singh, AETO who reassessed the dealer to a tax of Rs. 20889.20 for the year 1984-85 vide his order dated 23-2-88, is responsible for not levying the penalty u/s 48 of the HGST Act 1973. The action for initiating disciplinary proceedings against the defaulting officer is under way
- (iii) Out of the amount of Rs. 35572.32 levied by the Assessing Authority an amount of Rs 30,000/- has been recovered from the surety of the dealer

**This para relates to M/s. Laxmi Traders Gurgaon A.Y. 1983-84.**

The deductions to the dealer in respect of his claim of sale made to the Panipat dealer were rightly allowed against declaration in form ST-15 furnished by the Panipat dealer, as held by the Tribunal on similar facts in a number of cases. These purchases have been assessed at the hand of Panipat dealer.

The Committee was informed that Shri Rajbir Singh, A.E.T.O. who reassessed the case was responsible for not levying the penalty under section 48 of the Haryana General Sales Tax Act, 1973 and the action for initiating disciplinary proceedings against him was under way. The Committee desired that intimation be sent to the Committee after finalising the action against him.

[80] 2 12 *Incorrect deduction from turnover*

(i) As per Government notification issued (May 1973) under the Haryana General Sales Tax Act, 1973, tax on corrugated boxes is leviable at the point of first stage of sale in Haryana. Thus, deduction from turnover on account of sale of such goods to registered dealers against declaration is not admissible.

In the case of a dealer of Gohana (Sonipat district), the assessing authority, while finalising (January 1988) the assessment for the year 1986-87, erroneously allowed deduction amounting to Rs. 2.42 lakhs from his gross turnover on account of sale of corrugated boxes (taxable at the first stage of sale) to the registered dealers. The incorrect deduction resulted in short assessment of tax by Rs. 20,042. Besides, interest and penalty for non payment of tax alongwith the quarterly returns were also chargeable.

On the omission being pointed out (August 1988) in audit, the department re-assessed (March 1989) the case and raised demand for Rs. 28,028 (including interest and penalty).

The case was reported to Government in May 1989.

(ii) Under the Haryana General Sales Tax Act, 1973, from gross turnover of a dealer, the deductions are allowed on account of sales to registered dealers of goods, other than those specified in Schedule C and those liable to tax at the first stage of sale.

While finalising (June 1985) the assessment of a dealer of Faridabad for the year 1982-83 the assessing authority allowed deductions on account of sales of H.R. Coils valued at Rs. 3.15 lakhs and angle and joist valued at Rs. 78,013 to a registered dealer of Yamunanagar, vide bills number 530 dated 12th October 1982 and 561 dated 17th November 1982 respectively. On cross verification in audit (May 1988) these sales could not be co-related from the list of purchases placed on the file of Yamunanagar dealer and on Audit enquiry the assessing authority Yamunanagar confirmed (May 1988) that whereas the Yamunanagar dealer had not purchased any goods against the bill number 530 *ibid*, he had purchased goods worth Rs. 18,013 and not Rs. 78,013 against the bill No. 561. Thus, the Faridabad dealer falsified sales of Rs. 3.15 lakhs and wilfully inflated sales by Rs. 60,000 to registered dealer and evaded tax of Rs. 14,990, which attracted minimum penalty of Rs. 29,980.

On the omission being pointed out (August 1988) in audit, the assessing authority referred (January 1989) the case to the Revisional Authority for *suo motu* action. Further report has not been received (December 1989).

The case was reported to Government in June 1989; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

**This para relates to M/s. Chauhan Box Packers, Village Garhi, District Sonapat A.Y. 1986-87 (25-1-88)**

- (i) Sh. Dharamvir Singh, Assessing Authority was responsible for the lapse. The action to initiate disciplinary proceedings against him is under way.
- (ii) Such lapses happen due to negligence on the part of assessing authority. To detect such lapses, an Inspection Wing has been created. Besides, disciplinary action is also taken in such cases.
- (iii) The additional demand of Rs. 28028 stands recovered.

**This para relates to M/s. Indian Steel Corp., Faridabad A.Y. 1981-82**

- (i) & (ii) The case has been referred for *suo motu* action to the Revisional Authority again as the concerned assessing authority and Dy. Excise and Taxation Commissioner, Faridabad (E) have failed to take appropriate action on the audit objection. The action to initiate disciplinary proceedings against the defaulting officers is under way.

The question of recovery of the amounts would arise after the *suo motu* revision is decided and demand created.

**Action finalized against Shri Dharam Vir Singh, Assessing Authority be reported to the Committee.**

**The Committee desired that action against Shri S.N. Chauhan, E.T.O. be finalized within a reasonable time under intimation to the Committee.**

[81] 2.15. *Irregular stay of tax and interest*

As per provisions in the Haryana General Sales Tax Act, 1973, turnover, includes the aggregate of the amounts of the sales and purchases made by a dealer during the given period less any sum allowed as cash discount according to ordinary trade practice, but including any sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof. Further, if any dealer fails to pay the tax due, he shall be liable to pay interest on the tax due to at the prescribed rate.

A dealer of Sirsa, while filing his return for the assessment years 1983-84 to 1985-86 did not return incidental charges amounting to Rs. 297.60 lakhs incurred on the sale of wheat to the Food Corporation of India during these years. The assessing authority while finalising (August 1987, October 1987 and November 1987) the assessments, however, added the amounts of incidental charges in the turnover and levied tax of Rs. 11.90 lakhs thereon, but omitted to levy interest amounting to Rs. 5 lakhs chargeable for non-payment of tax.

On this being pointed out (August 1988) in audit, the department raised (December 1988) additional demand for interest of Rs. 5 lakhs, but stayed its recovery on the basis of instructions issued on 16th January 1985 in respect of tax and interest demands relating to sales of rice to the Corporation. On audit further clarifying (October 1988 and July 1989) to the department that the instructions dated 16th January 1985 regarding stay of tax and interest related to sale of rice and not to sale of wheat, and that the stay of recovery of tax and interest amounting to Rs. 16.90 lakhs relating to wheat was irregular, the assessing authority intimated (April 1989) that the matter regarding recovery of tax and interest incorrectly stayed was being examined. Further report has not been received (December 1989).

The case was reported to Government in (October 1988); their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

**This para relates to Hafed Sirsa, A.Y. 1983-84 to 1985-86.**

- (i)&(ii) The recovery of tax and penalty etc. on the incidental charges on the sale of wheat by Hafed Sirsa to F.C.I. is under stay by the Govt. There is dispute regarding the levy of tax on incidental charges with FCI which does not consider these

incidental charges as part of the turnover and therefore does not reimburse the tax or issue declaration form ST 15 for the amount of incidental charges to Hafed and other procuring agencies of the Govt.

After hearing the departmental representatives, the Committee recommended that matter be pursued vigorously for the early decision of the case which was pending in Punjab and Haryana High Court. The outcome of the petition be intimated to the Committee.

[82] 2.16. *Non-levy of penalty*

(a) Under the Haryana General Sales Tax Act, 1973 if a dealer has maintained false or incorrect accounts, with a view to suppress his sales, purchases of 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 have been avoided, if the turnover as returned by such dealer had been accepted as correct

(i) Two dealers of Ambala City were allowed deductions of Rs. 4.15 lakhs from their gross turnover during the years 1980-81 and 1981-82 on sales of tea against production of declarations given by Faridabad and Yamunanagar dealers to the effect that tax on tea had been paid by them. However, on a reference (January 1984) from the Deputy Excise and Taxation Commissioner that the dealers in question had issued bogus bills and the declarations so issued were not acceptable, the assessing authority reopened the cases rejecting the declaration as invalid and raised (January 1985) demand for Rs. 22,013 and Rs. 8,211 towards sales Tax. The proceedings for penal action were initiated (January 1985) by the assessing authority but were not followed up though the appeals of the dealers were rejected by the Sales Tax, Tribunal in October 1987. The minimum penalty leviable worked out to Rs. 60,448.

(ii) A dealer of Hisar consumed 329.91 metric tonnes (M.T.) of coal in the manufacture of 12.75 lakh of bricks during 1986-87. The coal consumption per one lakh of bricks was 25.88 M.T. in the year 1986-87 against 19.93 M.T. per lakh of bricks in 1985-86. The excess consumption of coal by 6.95 M.T. per lakh of bricks in the year 1986-87 indicated suppression of sales of 4.68 lakh of bricks value at Rs. 1.43 lakhs involving tax of Rs. 11,646, besides minimum penalty of Rs. 23,292 leviable for suppression of sales.

On this being pointed out (May 1988) in audit, the department raised (March 1989) an additional demand of Rs. 38,890 (including penalty of Rs. 23,300 and interest of Rs. 3,944).

The above cases were reported to Government in March 1986 followed by reminders between April 1986 and July 1989; their reply has not been received (December 1989).

(b) Under the Haryana General Sales Tax Act, 1973 and the Central 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 per during the period of default. Further, for non payment of tax due to as per quarterly return penalty not exceeding one and a half times of the amount of tax is leviable

A dealer of Faridabad failed to file his return for the fourth quarter for the year 1980-81 by the prescribed date. The assessing authority, while finalising the assessment in March, 1985, passed order that penal action, for delay in furnishing the return would be taken separately, but no such action had been finalised (February 1986). Minimum penalty leviable worked out to Rs. 13,950. Besides penalty for non-payment of tax due alongwith quarterly returns was also leviable.

On the omission being pointed out (February 1986) in audit the assessing authority levied (December 1988) penalties amounting to Rs. 23,230.

The case was reported to Government in (July 1989) their reply has not been received (December 1989).

(c) Under Section 47 of the Haryana General Sales Tax Act, 1973, if any dealer fails to pay the tax due as per his return, the prescribed authority may, after affording the dealer a reasonable opportunity of being heard, impose a penalty not exceeding one and half times the amount of tax to which he is assessed or is liable to be assessed.

(i) While finalising the assessment (June 1986 and November 1986) in respect of two dealers of Faridabad and Gurgaon for the years 1982-83 and 1983-84.

The assessing authorities disallowed deductions aggregating Rs. 28.70 lakhs being not supported by valid declarations and assessed to tax of Rs. 1.55 lakhs. It was however, noticed (December 1987 and March 1988), that though the assessing authorities had recorded in the assessment orders that action to impose penalty for non-payment of tax due alongwith returns would be taken separately, no such action was taken.

On the omission being pointed out (December 1987 and March 1988) in audit, the department levied (June 1988 and December 1988) penalty of Rs. 1.55 lakhs.

(ii) A dealer of Bahadurgarh while filing returns for the year 1984-85 did not pay, within the prescribed period, tax amounting to Rs. 2.76 lakhs alongwith the returns. The assessing authority, while finalising the assessment (November 1987) levied the tax and charged interest but omitted to impose penalty for non-payment of tax due alongwith the returns.

On the failure being pointed out (March 1989) in audit, the assessing authority imposed (May 1989) penalty amounting to Rs. 40,000.



(iii) A dealer of Faridabad did not pay tax amounting to Rs. 44,992 along with the third and fourth quarterly returns for the year 1984-85. While assessing (March 1988), the assessing authority demanded tax but omitted to impose penalty for non-payment of tax due along with the returns.

On the omission being pointed out (February 1989) in audit, the assessing authority imposed (February 1989) penalty amounting to Rs. 48,275

The cases were reported to Government in May 1988 and July 1989, reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

**This para relates to M/s. Kumar Brothers, Faridabad A.Y. 1980-81**

(i) Sh K.S. Dhaka, Assessing Authority Faridabad is responsible for non levy of penalty u/s 46 and 47 of the Act. The action for initiating disciplinary proceedings against him is under process.

(ii) Nothing has been recovered so far, as the dealer has closed down his business and is residing at Saharanpur. Recovery Certificate to Collector, Saharanpur was issued on 15-11-89. The matter is being followed up

The Committee was informed that Shri K.S. Dhaka, Assessing Authority, Faridabad was responsible for non levy of penalty under section 46 and 47 of the Act resulting in non-recovery of penalty of Rs. 23230/- from the dealer and the disciplinary proceedings under rule 7 against him was under process.

The Committee desired that the action against the officer be processed without further delay under intimation to the Committee.

The Committee further recommended that sincere efforts be made to recover the penalty through Collector, Saharanpur within a stipulated time. The progress made in this regard be also intimated to the Committee.

[83] 2.18. *Non-production of assessment files*

During the year 1988-89, 1539 assessment files, relating to 23 units, assessed by the assessing authorities during the year 1987-88, were not produced to Audit for scrutiny. No reasons were however assigned for non-production of these assessment files. Production of these cases to Audit at a late stage, would render audit scrutiny ineffective as recovery of under-assessments, if any in certain cases might become time barred by the time these files are produced to Audit.

The matter was reported to department between June 1988 and May 1989, reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

Out of 1539 assessment files relating to 23 units, 1127 files relating to 16 units have been produced before the audit party, which amounts to 73% of the total files. Dy. Excise & Taxation Commissioners have been directed to extend full cooperation to the Audit party and to produce all the assessment files for Audit vide ETC's Office letter No. 5014/AA. I, dated 1-9-93. The explanation of the defaulting Dy. ETC's has also been called vide ETC's letter No. 5210/AA.I, dt. 9-9-1993. The remaining assessment files will be produced before the Audit party during the next audit. None of these cases has become time barred.

The Committee was at pain to observe that files relating to 23 units were not produced before the audit party. The Committee, therefore, desired that all the D.E.T.C.s be directed to extend full co-operation to the audit party and to produce all the assessment files for audit. The Committee further recommended that action against the defaulting D.E.T.C.s. be initiated without any further delay under intimation to the Committee. The Committee further recommended that remaining assessment files be produced before the audit party during the next audit and results of compliance be reported.

[84] 4.1. *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1988-89, revealed short recovery/non recovery of excise duty, taxes on vehicles and Passengers Goods Tax amounting to Rs. 109.66 lakhs in 8,715 cases, which broadly fall under the following categories :—

	Number of cases	Amount (In lakhs of rupees)
(A) State Excise	187	64.80
(B) Taxes on Vehicles	6,269	15.12
(C) Passengers and Goods Tax	2,259	29.74
	8,715	109.66

Some of the important cases noticed in 1988-89 and earlier years are mentioned in the following paragraphs.

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

(i) Of the 187 cases, 144 cases have been reviewed with the following results :—

No. of cases	Amount pointed out by Audit	Result of review
26	46.74	These cases have been settled without any additional demand.
118	5.19	Amount of Rs. 5 19 lacs in 118 cases has been recovered

43 cases involving an amount of Rs 12.87 lacs are under review. Record of excise in the field offices has been checked and no other case of irregularity has come to notice.

(ii) & (iii) Action to initiate disciplinary proceedings against the negligent officials is under way.

(iv) The department has taken the following steps :—

- 1 Non serious bidders have been restricted to participate in the auction by raising earnest money from Rs. 5000/- to Rs. 20,000/- for the year 1992-93 and further to Rs. 50,000/- for the year 1993-94.
- 2 The bidders are now required to furnish affidavits giving the details of immovable properties and cash held by them before participating in the auction.
- 3 The licensees are additionally required to furnish sureties for timely payment of license fee.
- 4 No liquor can be imported in Haryana or removed from a distillery or brewery in the State without payment of Excise duty

After hearing the departmental representatives, the Committee recommended that the remaining 43 (State Excise) cases be also reviewed/discussed with the audit party in the next meeting. The progress made in this regard be also intimated to the Committee.

[85] 4.2. *Non recovery of loss on re-auction of Vend*

12-2-11  
Under the Haryana Liquor Licence Rules, 1970, Licencees for vending country liquor and Indian, made foreign liquor are granted by auction. From 1st April 1983, a successful bidder is required to deposit, by way of security, an amount equal to 16 2/3 per cent of the annual licence fee (bid money), of which 5 per cent is payable at the fall of the hammer and the remaining 11 2/3 per cent within a period of ten days from the date of auction. The entire amount of security or its ninety per cent, as may be deemed proper by the Excise and

Taxation Commissioner, is required to be adjusted against the last instalment of licence fee payable by him. The remaining licence fee is payable in monthly instalment equal to one eleventh of the total annual licence fee by the 20th of the month. The Excise and Taxation Officer, incharge of the district, may authorise the licensee to deposit the amount of instalment or part thereof up to the last day of the month for which the instalment is due, on payment of interest at the rate of 15 per cent per annum for the period from the first day of the month to the date of payment of instalment or any part thereof deposited after due date. In the event of failure to pay any instalment alongwith interest, by the due date, the licence for vending is liable to be cancelled and re-auctioned at the risk and expense of the defaulting licensee which will be recoverable from the licensee as arrears of land revenue.

In Jind district, a license was given (March 1987) for Rs. 16.72 lakh for sale of country liquor during 1987-88. The licensee after paying instalments and security aggregating Rs. 7.35 lakhs, stopped making further payments. The department cancelled (July 1987) his licence and re-auctioned (August 1987) the vend for Rs. 7.60 lakhs at the risk and cost of defaulting licensee. The re-auction resulted in loss of Rs. 1.77 lakhs, which was recoverable from the defaulting licensee. In addition, an amount of Rs. 750 on account of expenses incurred on re-auction was also recoverable from him. No recovery was, however, effected (March 1988).

On this being pointed out (May 1988) in audit, the department stated (September 1989) that recovery proceedings against the defaulters had been initiated. Report on recovery has not been received.

The matter was reported to Government in May 1988; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The department declared the arrears of Rs. 1.77 lacs as arrears of Land Revenue and initiated proceedings to recover the same from the defaulters under the Punjab Land Revenue Act, 1987. Two defaulters were detained in revenue lock up for 40 days each. One defaulter expired and the remaining two defaulters are absconding. Efforts are on to trace them. The department is not satisfied with the progress of recovery and action to initiate disciplinary proceedings against the defaulting officers is under way.

The Committee recommended that sincere efforts be made by the department to trace the partners of the firms so that arrears of Rs. 1.77 lakhs be recovered from them. The Committee further recommended that action against the defaulting officer (Shri J. S. Rawat, E.T.O.) be finalised at the earliest under intimation to the Committee.

[86] 4.5. *Loss of excise duty due to issue of forged permit*

Under the Punjab Liquor Permit and Pass Rules, 1932 read with the Punjab Intoxicating Spirituous Preparations, Import, Export

Transport, Possession and Sale Rules, 1952 as applicable to Haryana, a licensee may import, export or transport intoxicating spirituous preparations on the authority of a permit and a pass granted by a competent authority. Such pass shall show in all cases the spirit strength of the preparations to be exported and that the duty at the rate prevailing in Haryana, under the Punjab Excise Act, 1914, had been paid. Further as per auction condition, the annual quota of country liquor is announced for each vend before such vend is put to auction. The licensee may obtain additional quota upto 20 percent of the quota fixed for his vend on payment of full rate of excise duty and additional licence fee at the rate of half the incidence of licence fee calculated on the original licence fee and the original quota of that vend.

In Rohtak, permit number 966 dated 4th October 1985 was issued by the department in favour of a licensee of Rohtak district for issue of 297 proof litres of country liquor from a distillery at Hisar. Prescribed excise duty was deposited by the licensee and the country liquor was issued against this permit vide distillery excise pass number 1360 dated 5th October 1985. It was noticed (August 1986) in audit that another permit bearing identical number 966 dated 4th October 1985, for issue of 1089 proof litres of country liquor and bearing seal and signatures of the Excise and Taxation Officer, Rohtak was produced by another licensee of Rohtak District at the same distillery and got issued 1089 proof litres of country liquor against Excise pass number 1386 dated 7th October 1985. On payment of excise duty of Rs. 11,979 which was shown to have been deposited in Rohtak treasury on 4th October 1985. A scrutiny of records, however, revealed that no such excise duty was actually deposited into the treasury.

The licensee had already lifted his full quota of 5500 proof litres fixed for the vend which was auctioned for Rs. 1.70 lakhs for the year 1985-86. Besides excise duty, additional licence fee of Rs. 16,830 was also chargeable due to drawal of excess quota by 1089 proof litres of country liquor for 1985-86 from the licensee but was not recovered.

On this being pointed out (October 1986) in audit, the department admitted (January 1989) that the permit against which 1089 proof litres of country liquor was issued by the distillery was forged and excise duty and additional licence fee amounting to Rs. 28,809 was payable by the licensee. Department approached (May 1989) the Police to register an F.I.R against the licensee. Report on further developments has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

This para relates to M/s. Sunder Singh & Co. V. Chamarian Rohtak

The case has been handed over to Police and the matter is under investigation.

The permit books are kept under lock and key under the charge of excise Assistant.

There is no question of any recovery till the responsibility is fixed.

After going through the facts of this case, the Committee felt that this seemed to be a case of forged payment. The Committee, therefore, recommended that the entire case be again thoroughly examined and report be submitted to the Committee.

[87] 4.7. *Recovery at the instance of Audit*

In 60 cases (where money value of each case was less than Rs. 20,000); non-recovery of interest and penalty amounting to Rs. 3.50 lakhs were accepted by the department, out of which an amount of Rs. 69,378 was recovered in 45 cases.

In reply to the questionnaire issued by the Committee, the Department in their written reply, explained the position as under :

Out of 60 case pointed out by the audit the department has completed action in 55 cases and recovered a sum of Rs. 1.69 lacs. The remaining 5 cases involving Rs 1.81 lacs are under process. Action to initiate disciplinary proceedings against the defaulting officers is under way.

Out of 60 cases pointed out by the audit, the department had completed action in 55 cases and recovered a sum of Rs. 1.69 lakhs. The remaining 5 cases involving Rs. 1.81 lakhs were under process. After going through this figure of the department, the Committee observed that the amount involved in 5 cases was too much as compared to the amount recovered in 55 cases.

The Committee, therefore, recommended that recovery in the remaining 5 cases involving Rs. 1.81 lakhs be expedited and the Committee be informed accordingly.

## PASSENGERS AND GOODS TAX

[88] 411. *Non-levy of goods tax on vehicles belonging to State Govt Undertakings.*

As per orders issued on 28th July 1980 by Government under Section 10 of the Punjab Passengers and Goods Taxation Act, 1952, as applicable in the State of Haryana, Government Vehicles used for non-Commercial purposes are exempt from levy of goods tax. The exemption is, however, not admissible in respect of vehicles belonging to commercial undertakings and autonomous bodies. Goods tax on trucks was leviable at the rate of Rs. 2000 (Rs. 2400 from 1st April 1985) per vehicle per annum

In Karnal, on seven vehicles belonging to three State Government undertakings, goods tax amounting to Rs. 48,000 leviable for the period from April 1984 to December, 1987 was not levied

On the omission being pointed out (October 1987) in audit, the department recovered (May 1988) Rs 6,600. Report on recovery of the balance amount has not been received (December 1989).

The matter was reported to Government in January 1988; their reply has not been received (December 1989).

In reply to the questionnaire issued by the Committee, the department in their written reply, explained the position as under :

The goods tax in question was due against HSEB, MITC and Haryana Tourism Corporation which are semi-Government bodies. Out of Rs 48000/- pointed out by audit, an amount of Rs. 27400/- stands recovered. The action to initiate disciplinary proceedings against the defaulting officers is under way.

The Committee was informed that out of Rs. 48,000 pointed out by audit, an amount of Rs. 27,400 stood recovered and the action to initiate disciplinary proceedings against the defaulting officers namely Shri. N. S. Chauhan, D. S. Nehra and Rattan Singh, E. T. Os. was under way. The Committee observed that it was an act of negligence on the part of concerned officers who failed to recover goods tax from the Semi Govt. Bodies well in time. The Committee, therefore, recommended that action be completed against these officials at the earliest under intimation to the Committee and efforts be also made to recover the balance amount without further delay.

**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 (Sub para 1 to 6, 12, 13)	Investments.
		<b>7th report</b>	
2.	P.W.D. (B&R)	33	Payment of work done.
		<b>9th report</b>	
3.	Industries	5(2)	Credit facilities for development of small industries.
		<b>11th report</b>	
4.	Welfare of SC&BC	26	Loan for Social Welfare.
		<b>14th report</b>	
5.	Industries	16	Purchase of Cotton Yarn.
6.	Co-operation	44	Haryana State Co-operative supply and Marketing Fed., Ltd., Chandigarh.
		<b>15th report</b>	
7.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
		<b>16th report</b>	
8.	Industries	2(a), (b) (i) and 2(d)	Subsidy of setting up Industries Units in selcted backward areas. (Cases of M/s. B.K. Steel Rolling Mill, Tohana and M/;. Modern Industries, Charkhi Dadri.)
		<b>18th report</b>	
9.	Irrigation	24(a)	Damage of newly constructed bridge.
10.	P.W.D. (Public Health)	31	Recoveries due from Contractors.
11.	Co-operation	39	Co-operative Consumer Stores.
12.	Co-operation	41	Hr. State Co-op. Industrial Fed. Ltd., Chandigarh.



1	2	3	4
13.	Revenue	44	Under-valuation of immovable property.
14.	Revenue	46	Non-levy of stamp duty and registration fee.
15.	Revenue	47	Incorrect application of rates of stamp duty and registration fee on lease deeds.
<b>19th report</b>			
16.	Public relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).
17.	Co-operation	25(ii)	Co-operative Consumers stores.
18.	Co-operation	26	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh.
19.	Agriculture	28	Social conservation and water management works.
20.	Excise and Taxation	40	Loss of duty on excess wastage.
21.	Transport	45(a)	Short levy of token tax due to incorrect classification of vehicles.
<b>21st report</b>			
22.	P.W.D. (Public Health)	12	Outstanding Recoveries against contractor.
23.	Irrigation	14	Excess payment to contractor.
24.	Irrigation	15	Outstanding Recoveries against contractor.
25.	Irrigation	23	Arrears of water rates for supply of water for irrigation/non-irrigation purpose.
26.	Revenue	25	Result of Audit.
27.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
28.	Excise and Taxation	28	Result of test Audit in General.
29.	Excise and Taxation	29	Incorrect deductions.
30.	Excise and Taxation	30	Short levy of purchase tax.
<b>22nd report</b>			
31.	Industries	10(ii)	Industrial Estate.
32.	Industries	13(iii)	Excess grants.
33.	Co-operation	16	Co-operative Consumer stores.
34.	Co-operation	17	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh.

1	2	3	4
35.	Irrigation	18	Remodelling and lining of Hansi Branch.
36.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement.
37.	Agriculture	29(5&6)	Alleged mis-appropriation of cash and stores.
38.	Revenue	39(6 (ii), 8)	Land holding tax.
39.	Revenue	40	Non-levy of registration fee.
40.	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation.
41.	Excise and Taxation	53	Loss of duty on excess storage wastage.
42.	Excise and Taxation	54	Shortfall in duty.
43.	Excise and Taxation	56	Recovery due from contractor.
<b>23rd report</b>			
44.	Irrigation	29	Avoidable loss.
45.	Irrigation	31	Shortages.
46.	Co-operation	34	Co-operative Consumer Stores.
47.	Co-operation	35	Haryana State Federation of Consumer, Co-operative, wholesale Stores Limited Chandigarh.
48.	Revenue	40	Under valuation of immovable property.
49.	Excise and Taxation	47	Uncollected Revenue.
50.	Excise and Taxation	55	Result of test audit in general.
51.	Excise and Taxation	57	Failure to initiate section to recover the licence fee.
52.	Excise and Taxation	58	Loss of duty on excess storage wastage
53.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation.
<b>25th report</b>			
54.	Co-operation	5	Co-operative Consumer Stores.
55.	Colonization	9	Encroachment of Land.
56.	Colonization	11	Recoveries from plot holders.
57.	Food and Supplies	15	Abnormal shortage/quality cuts on damaged wheat stocks.
58.	Transport	18	Theft of cash.
59.	Education	30	Embezzlement.

1	2	3	4
60.	Fisheries	31	Development of Fisheries.
61.	Irrigation	34	Pandit Jawahar Lal Nehru Lift Irrigation Scheme.
62.	Irrigation	36	New Tajewala Barrage at Hathnikund.
63.	Excise and Taxation	54	Un-collected revenue.
64.	Excise and Taxation	58	Incorrect computation of tax on interstate sales.
65.	Excise and Taxation	61	Failure to take timely action to safeguard revenue.
66.	Excise and Taxation	65	Result of Audit.
67.	Excise and Taxation	66	Internal audit of tax assessment and collection.
68.	Excise and Taxation	67	Irregular allowance for wastage.
69.	Excise and Taxation	68	Interest not recovered.
70.	Excise and Taxation	69	Failure to enforce licence conditions.
71.	Excise and Taxation	70	Assessment in arrears.
72.	Excise and Taxation	71	Shortfalls in demand and recovery.
<b>26th report</b>			
73.	Printing and Stationery	3	Loss due to fire.
74.	Labour	4	Review on the working of Inspectorate of Factories and Steam Boilers and Control of Smoke Nuisances.
75.	Revenue	10	Gratuations relief for cops/houses damaged.
76.	Education	12	Outstanding audit observations.
77.	Food and Supplies	14 (7.42. 3F)	Delay in submission of bills/Recovery of rent.
78.	Irrigation	20	Injudicious purchase of G.I. pipes.
79.	Irrigation	21	Defective Execution of earth work.
80.	Irrigation	22	Faulty measurements of work resulting in over payments.
81.	Civil Aviation	28	Irregular payment of customs duty.
82.	Transport	33 Sub Para (3)	Fabrication of bus bodies.
83.	Transport	33 Sub Para (5&6)	Do
84.	Transport	38	Irregular grant of exemption from Motor Vehicles Tax.

1	2	3	4
85.	Revenue	40	Short recovery of stamps duty and registration fees due to under-valuation of immovable property.
86.	Revenue	41	Short levy due to mistake in computation.
87.	Revenue	42	Irregular grant of exemption from stamp duty and registration fee.
88.	Excise and Taxation	49	Uncollected revenue.
89.	Excise and Taxation	52	Loss of Revenue due to delay in assessment of tax in demanding tax.
90.	Excise and Taxation	55 (Food corp., Karnal)	Interest not charged.
91.	Excise and Taxation	57 (Case of Mohindra)	Short levy of tax due to mistake in computation.
92.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms.
93.	Excise and Taxation	63	Non-recovery of licence fee and interest.
<b>28th report</b>			
94.	Education	5	Irregularities in release/utilisation of grant.
95.	Transport	6	Short recovery of adda fee.
96.	Irrigation	9	Construction of Ujina Diversion Drain and Remodelling of Ujina Drain.
97.	Irrigation	10	Masani Barrage Project.
98.	Irrigation	11	Excess payment.
99.	Irrigation	12	Avoidable expenditure on breach.
100.	PWD (B&R)	14	Shortage of Steel.
101.	Town and Country Planning	15	Loss on sale of industrial plots.
102.	Town and Country Planning	19	Recovery of enhanced compensation.
103.	Printing and Stationery	22	Stationery Branch.
104.	Printing and Stationery	23	Printing and issue of forms (Form Branch).
105.	Police	26	Over-payment of daily allowance.
106.	Industrial Training	28	Avoidable expenditure.
107.	Development	29	National Rural Employment Programme.
108.	Development	30	Selection of works.
109.	Development	32	Irregular release of subsidy.

1	2	3	4
110.	Co-operation	34	Co-operative consumer store.
111.	Excise and Taxation	39	Uncollected revenue.
112.	Excise and Taxation	41	Registration of dealers under Sales Tax Act.
113.	Excise and Taxation	42	Mistake in computation of tax.
114.	Excise and Taxation	44	Non-recovery of licence fee and interest.
115.	Excise and Taxation	45	Interest not charged.
116.	Transport	48	Short levy of tax.
117.	Transport	49	Irregular grant of exemption or rebate.
118.	Revenue	51	Irregular grant of exemption.
119.	Revenue	52	Non-recovery of stamp duty.
<b>29th report</b>			
120.	Education	6	Universal Elementary Education in the age group of 6—14 and Adult Education age group 15—35.
121.	Education	7	Idle investment on purchase of equipment.
122.	Forest	8	Afforestation, Social Forestry & (including Rural fuel wood plantation) and farm forestry.
123.	Irrigation	13	Major and medium irrigation projects.
124.	Irrigation	14	Financial results of Irrigation projects.
125.	Irrigation	15	Modernisation of existing channel.
126.	Irrigation	16	Water logging.
127.	Irrigation	17	Excess issue of coal.
128.	Irrigation	18	Injudicious purchase.
129.	Irrigation	19	Loharu lift irrigation project.
130.	Irrigation	21	Misappropriation
131.	Irrigation	22	Miscellaneous Public Works Advances.
132.	(P.W.D. B&R)	24	Loss due to an injudicious decision.
133.	Development	32	Forestry sector.
134.	Excise and Taxation	41	Assessments in arrears.
135.	Excise and Taxation	46	Application of incorrect rate of tax.
136.	Excise and Taxation	47	Non levy of penalty.
137.	Excise and Taxation	50	Non levy of penalty.

1	2	3	4
138.	Excise and Taxation	51	Non levy of penalty.
139.	Excise and Taxation	52	Short levy of surcharge.
140.	Excise and Taxation	53	Interest not charged.
141.	Excise and Taxation	55	Nonlevy of duty on spirit lost in redistillation or conversion.
142.	Excise and Taxation	57	Non levy of tax.
143.	Transport	58	Result of Audit.
144.	Revenue	62	Results of Audit.
145.	Revenue	63	Under valuation of immovable property.
146.	Revenue	64	Under valuation of immovable property.
147.	Revenue	65	Non levy of stamp duty.
148.	Revenue	66	Mistake in calculations.
149.	Revenue	67	Misclassification of instruments.
150.	Revenue	68	Short levy of fine on late presentation of documents for registration.
151.	Revenue	69	Other topics of interest.
152.	Revenue	70	Arrears of stamp duty and registration fee.
153.	Industries	71	Result of Audit.
32nd report			
154.	Industries	4	Development of Small Scale Industries.
155.	Industries	6	Outstanding recovery of loan.
156.	Industries	7	Shortages of power connections.
157.	Industries	8	Alleged Misappropriation.
158.	Irrigation	9	Un-authorized purchases.
159.	Irrigation	10	Excess measurements.
160.	Irrigation	11	Injudicious purchase of machinery
161.	Irrigation	12	Misappropriation.
162.	Irrigation	13	Wasteful expenditure on purchase of tractors.
163.	Irrigation	14	Recovery due from contractors.
164.	Irrigation	15	Remodelling of Chandeni Drain.
165.	Irrigation	16	Wasteful expenditure.
166.	Irrigation	17	Injudicious purchase resulting in blockade of funds.
167.	Irrigation	18	Shortage of material.

1	2	3	4
168.	Irrigation	19	Misappropriation of lime.
169.	Irrigation	20	Shortage of stores.
170.	Animal Husbandry	21	Expansion of existing and opening of new Intensive Care-Cattle Development Project (ICDP).
171.	Home	24	Blockade of funds/nugatory expenditure.
172.	Revenue	25	Inadmissible payment.
173.	P.W.D. (B&R)	29	Splitting up of tenders.
174.	P.W.D. (B&R)	30	Avoidable extra expenditure.
175.	Town & Country Planning (HUDA)	32	Avoidable expenditure/over payment to a contractor.
176.	Town & Country Planning (HUDA)	33	Recoveries due from a contractor.
177.	Town & Country Planning (HUDA)	34	Non-completion of reservoir.
178.	Town & Country Planning (HUDA)	35	Alleged embezzlement.
179.	Town & Country Planning (HUDA)	36	Loss due to defective storage of cement.
180.	Town & Country Planning (HUDA)	37	Shortages.
181.	Town & Country Planning (HUDA)	38	Fictitious consumption of material.
182.	Public Health	41	Urban water supply and sewerage scheme.
183.	Public Health	42	Commencement of work without sanction.
184.	Public Health	43	Extra expenditure due to defective work.
185.	Public Health	44	Inflated measurements.
186.	Industries	47	Uncollected revenue.
187.	Industries	48	Result of Audit.
188.	Industries	49	Short recovery or non-recovery of royalty on bricks.
189.	Cooperation	51	Uncollected revenue.
190.	Irrigation	54	Non-recovery of lease money.
191.	Agriculture	56	Embezzlement of licence fee money.
192.	Revenue	59	Result of Audit.
193.	Revenue	60	incorrect application of rates.
194.	Excise and Taxation	61	Uncollected revenue.

B	2	3	4
195. Excise and Taxation	62		Outstanding Inspection reports.
196. Excise and Taxation	63		Irregular grant of exemption to non-manufactures.
197. Excise and Taxation	64		Misapplication of exemption notification.
198. Excise and Taxation	65		Grant of exemption to units whose capital investment on machinery and equipment exceeded prescribed limit.
199. Excise and Taxation	66		Non-renewal of exemption certificate.
200. Excise and Taxation	67		Omission on levy of purchase tax.
201. Excise and Taxation	68		Short levy due to application of incorrect rates of tax.
202. Excise and Taxation	69		Irregular levy of tax at concessional rate.
203. Excise and Taxation	70		Non-levy of penalty.
204. Excise and Taxation	71		Interest, penalty not charged.
204. Excise and Taxation	72		Interest not charged.
206. Excise and Taxation	73		Irregular allowance of wastages.
207. Excise and Taxation	74		Non-levy or short levy of duty on excess wastage.
208. Excise and Taxation	75		Inter-state vehicular traffic schemes.
209. Excise and Taxation	76		Non-pursuance of demand drafts.
<b>34th Report</b>			
210. Animal Husbandry	3		Special employment to educated Youngmen/Women in rural area through Dairy Development.
211. Animal Husbandry	4		Non-recovery of dues.
212. Development and Panchayats	6		Over due recoveries.
213. Development and Panchayats	7		Loss of plants.
214. Development and Panchayats	8		Irregular and wasteful expenditure on books.
215. Industries	9		Development of Khadi and Village industries.
216. Industries	10		Targets and achievements.
217. Industries	11		Misutilisation and excess release blockade of funds.
218. Industries	12		Review of the functioning of a few Industries.
219. P.W.D. (B.&R)	16		Over payment due to inflated measurements of earth-work.
220. Transport	21		Record of old spring leaves.



1	2	3	4
221. Home		24	Modernisation of State Police Force.
222. Home		25	Absence of area/Project approach.
223. Home		26	Police stations without vehicles.
224. Education		27	Outstanding inspection reports.
225. Education		28	Un-occupied holiday home.
226. Revenue		29	Land reforms.
227. Revenue		30	Compensation to landowners.
228. Revenue		31	Consolidation of holding.
229. Irrigation		32	Payment for work not measured.
230. Irrigation		33	Substandard Work.
231. Irrigation		34	Injudicious purchase.
232. Irrigation		35	Idle/Under utilised draglines.
233. Irrigation		36	Defective lining.
234. Irrigation		37	Extra liability due to retendering.
235. Irrigation		39	Recovery due from contractor.
236. Irrigation		41	Defective/fictitious earth-work.
237. Irrigation		42	Shortages.
238. Irrigation		43	Shortage of material.
239. Food and Supplies		45	Avoidable payment of interest.
240. Food and Supplies		47	Under storage of wheat.
241. Food and Supplies		48	Excess cartage payment.
242. Local Government		49	Slum clearance and economically weaker sections housing programme.
243. Social Welfare		51	Haryana State Social Welfare Advisory Board.
244. Medical and Health		52	Uncollected revenue.
245. Medical and Health		53	Embezzlement of fees and other dues.
246. Industries		54	Interest not charged.
247. Mines and Geology		55	Uncollected revenue.
248. Mines and Geology		56	Non-recovery/short recovery of royalty.
249. Mines and Geology		58	Short assessment of royalty.

1	2	3	4
250.	Excise and Taxation	62	Assesments in arrears.
251.	Excise and Taxation	63	Uncollected revenue.
252.	Excise and Taxation	64	Internal control and internal audit.
253.	Excise and Taxation	65	Working of sales tax check barriers in Haryana
254.	Excise Taxation	66	Short levy/non-levy of purchase tax.
255.	Excise and Taxation	67	Irregular grant of exemption.
256.	Excise and Taxation	68	Incorrect computation of taxable turnover
257.	Excise and Taxation	69	Non-levy of panalty.
258.	Excise and Taxation	70	Non-filing the quarterly returns.
259.	Irrigation	71	Receipts from Canal waters.
260.	Irrigation	72	Arrears of Revenue.
261.	Irrigation	73	Short recovery of water charges.
262.	Irrigation	74	Non-raising of demand.
263.	Irrigation	75	Revenue forgone due to non-levy of special rate.
264.	Transport	77	Application of incorrect rates of tax.
265.	Chief Electrical Inspector	78	Uncollected revenue.
266.	Chief Electrical Inspector	80	Arrears of electricity duty.
267.	Chief Electrical Inspector	81	Reconciliation of treasury receipts.
268.	Public Health	82	Results of Audit.
269.	Revenue	83	Results of Audit.
270.	Revenue	84	Under valuation of immovable property.
271.	Revenue	85	Incorrect exemption.
272.	Revenue.	86	Short recovery of stamp duty on exchange deeds.
<b>36th Report</b>			
273.	Local Self Government	3	Non-recovery of Government dues.
274.	Printing and Stationery	4	Avoidable extra expenditure.
275.	Printing and Stationery	5	Idle printing machine.
276.	Printing and Stationery	6	Infructuous expenditure.
277.	Food and Supplies	7	Loss due to storage of wheat.
278.	Food and Supplies	8	Avoidable incidence of interest.
279.	Transport	9	Irregular payment of overtime allowance.

2	3	4
280. Social Welfare	10	Integrated child development services.
281. Social Welfare	11	Rescue Homes, rehabilitation Centres and other similar Institutions.
282. Social Welfare	12	National Project on the demonstration of improved Chulhas.
283. Industries	13	Non-utilization of loan.
284. Town and Country Planning	14	Integrated development of small and medium towns.
285. Town and Country Planning	15	Implementation of Projects.
286. Town and Country Planning	16	Loss on auction of a shop-cum-flat.
287. Industrial Training	17	Implementation of the Apprentices Act, 1961.
288. Revenue	18	Inadmissible gratuitous relief.
289. Civil Aviation	19	Procurement, operation and maintenance of aircraft.
290. Public Health	20	Acceptance of sub-standard material.
291. Public Health	21	Recovery due from a contractor.
292. Public Health	22	Incomplete and defective work.
293. Public Health	23	Construction of a water tank.
294. Public Health	24	Mis-appropriation of stores.
295. Haryana State Lotteries	25	Suspected misappropriation of Government money.
296. P.W.D (B&R)	26	Defective work.
297. P.W.D: (B&R)	27	Extra liability due to retendering.
298. P.W.D. (B&R)	28	Construction of a road.
299. P.W.D. (B&R)	29	Excess measurements
300. P.W.D. (B&R)	30	Injudicious purchases
301. P.W.D. (B&R)	31	Mis-appropriation of stores.
302. P.W.D (B&R)	32	Storage charges.
303. Agriculture	33	Assistance to small and marginal farmers for increasing agricultural production.
304. Agriculture	34	Evaluation.
305. Irrigation	35	Western Jamuna Canal Augmentation Project.
306. Irrigation	36	Non-recovery of Government dues of Rs. 0 70 lakh.
307. Irrigation	37	Shortage of stores.

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308.	Irrigation	38	Unfruitful expenditure.
309.	Irrigation	39	Outstanding Audit observations.
310.	Irrigation	40	Shortages of Tools and Plants.
311.	Power (HSEB)	41	Acquisition of land.
312.	Revenue	42	Outstanding inspection reports.
313.	Revenue	43	Results of Audit.
314.	Revenue	44	Under-valuation of immovable property.
315.	Revenue	45	Irregular grant of exemption.
316.	Revenue	46	Misclassification of instruments.
317.	Revenue	47	Mistakes in calculations
318.	Revenue	48	Uncollected Revenue
319.	Mines and Geology	49	Uncollected Revenue.
320.	Mines and Geology	50	Non-recovery/short recovery of royalty.
321.	P.W.D (B&R)	51	Results of Audit.
322.	Excise and Taxation	52	Assessments in arrears
323.	Excise and Taxation	53	Uncollected Revenue (P.G.T)
324.	Excise and Taxation	54	Uncollected Revenue (State Excise)
325.	Excise and Taxation	55	Uncollected Revenue (Sales Tax)
326.	Excise and Taxation	56	Frauds and evasions of Taxes (PGT)
327.	Excise and Taxation	57	Outstanding inspection reports.
328.	Excise and Taxation	58	Result of Audit (Sales Tax)
329.	Excise and Taxation	59	Short levy/non-levy of purchase tax
330.	Excise and Taxation	60	Short levy/non-levy of purchase Tax.
331.	Excise and Taxation	61	Excess allowance of rebate on paddy
[ 332.	Excise and Taxation	62	Incorrect computation of taxable turnover.
333.	Excise and Taxation	63	Incorrect grant of exemption.
334.	Excise and Taxation	64	Suppression of sales.
335.	Excise and Taxation	65	Exemptions allowed in assessments.
336.	Excise and Taxation	66	Non-production of assessment files
337.	Excise and Taxation	67	Results of Audit.
338.	Excise and Taxation	68	Non-recovery of Licence fee.