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HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(1994-95)
(FORTIETH REPORT)

REPORT
ON THE
REPORT OF THE
Comptroller and Auditor General
of India for the year ended
31 March 1990
(CIVIL AND REVENUE RECEIPTS)



Presented to the House on 24th March, 1995

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH
1995

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

- *1 Shri Rajinder Singh Bisla
- **2 Shri Hari Singh Nalwa

MEMBERS

- 3 Smt Chandrawati
- 4 Shri Brij Anand
- ***5 Shri Amar Singh Dhanak
- 6 Shri Jai Pal Singh
- 7 Shri Mohan Lal Pippal
- 8 Shri Attar Singh
- 9 Shri Ram Bilas Sharma
- ****10 Shri Anand Singh Dangi
- *****11 Shri Amir Chand Makkar

SECRETARIAT

- | | |
|---------------------|------------------|
| 1 Shri Sumit Kumar | Secretary |
| 2 Shri Kuldip Singh | Deputy Secretary |

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- * Resigned from the Membership & Chairmanship of the Committee w.e.f. 27th July, 1994 on his appointment as Chairman, Finance Commission, Haryana.
 - ** Nominated as Chairman of the Committee for the remaining period of the year 1994-95 against the vacancy caused by the resignation of Shri Rajinder Singh Bisla, M.L.A.
 - *** Resigned from the membership of the Committee w.e.f. 20th September 1994 (F.N.) on his appointment as Cabinet Minister.
 - **** Nominated as member of the Committee on Public Accounts for the remaining period of the year 1994-95 against the vacancy caused by the resignation of Shri Rajinder Singh Bisla, M.L.A.
 - ***** Nominated as member of the Committee for the remaining period of the year 1994-95 in the vacancy caused by the resignation of Shri Amar Singh Dhanak, M.L.A.

(v)

INTRODUCTION

1. The acting Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this Fortieth Report on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1990 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the year ended 31 March, 1990 Civil was laid on the table of the House on 17th December, 1991 and Revenue Receipts on 11th July, 1991.

3. The Committee during its tenure examined the Reports of Comptroller and Auditor General of India for the year ended 31 March 1990 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 28th February, 1995.

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

Chandigarh :
the 28th February, 1995

AMIR CHAND MAKKAR
Acting Chairman

REPORT

GENERAL

1. The Committee for the year 1994-95 was nominated by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 1st March, 1994, authorising him to nominate the members of the Committee on public Accounts for the year 1994-95, on 27th April, 1994.

2. The Committee held 91 meetings in all at Chandigarh and other places upto 28th February, 1995.

PART—I (CIVIL)

AGRICULTURE DEPARTMENT

[3] 3.1.15 Monitoring and evaluation

Monitoring of the scheme at the Directorate level remained confined to consolidation of the progress reports received from the districts for submission to Government of India. Deficiencies/shortcomings noticed in these reports were neither pointed out nor was any follow up action taken to remedy these deficiencies.

No evaluation of the programme was ever conducted by the State Government to ascertain its impact on the beneficiaries.

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

“Govt. of India have assigned the job of evaluation of oilseeds production programme to the Agricultural Finance Corporation Limited, Bombay. They are regularly conducting concurrent evaluation of oilseeds production programme, in the state since 1988-89 and they have submitted many reports to the Govt. of India as well to the state Department of Agriculture. Some will be shown to the audit party during their next visit”.

During the course of oral examination, the Committee asked for a copy of the report of the monitoring cell but the same has not been supplied by the department till the finalisation of the report. The Committee, therefore, desire that it may be sent for the perusal of the Committee.

[4] 7.1 General

This Chapter deals with the audit of the departmentally managed Government commercial and quasi-commercial undertakings.

There were 6 departmentally managed Government commercial and quasi-commercial undertakings in the State as on 31st March, 1990. Proforma accounts for 1989-90 in respect of these undertakings had not been received (October, 1990). The extent of arrears in the submission

of proforma accounts is shown below :—

Serial number	Name of undertaking	Extent of arrears
*1.	Colonisation Department	1969- 70 to 1983- 84 (upto September 1983)
2.	Agriculture Department (Purchase and Distribution of Pesticides)	1976- 77 to 1989- 90
3	Agriculture Department (Seed Depot Scheme)	1980- 81 to 1 989- 90
4	Haryana Roadways	1983- 84 to 1989- 90
5.	Food and Supplies Department (Grain Supply Scheme)	1 989 90
6.	Printing and Stationery Department (Nationalised Text-Book Scheme)	1986- 87 to 1989- 90
7.	Haryana Veterinary Vaccine Institute	1989- 90

Summarised financial results of 6 undertakings on the basis of latest accounts made available during the year are given as under :—

Sr. No.	Name	Period of accounts	Turnover	Profit/ Loss(+)/ (—)
(In lakhs of rupees)				
1.	Agriculture Department (Purchase and Distribution of Pesticides)	1975- 76	54.88	(+)7.35
2.	Agriculture Department (Seed Depot Scheme)	1979-80	121.02	(—)1. 68
3	Haryana Roadways	1982-83	66.17	(—)262.57
4	Printing and Stationery Department (Nationalised Text Book Scheme)	1984-85 1985-86	168.65 325.80	(—)4.64 (+)24.09
5	Food and Supplies Department (Grain Supply Scheme)	1988-89	8430.46	(+)126.32
6	Haryana Veterinary Vaccine Institute	1988- 89 1989- 90	6.53 6.79	(—)0.16 (+)1.17

*The Colonisation Department was wound up with effect from 30th September 1983 as per Government of Haryana notification No 18/43/82-T C P dated 19th September 1983

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

"Purchase & Distribution of Pesticides

As Haryana State came into existence on 1-11-1966, the Audited figures were not available. The proforma for preparation of accounts had also not been prescribed in the past years. The decision on these two points was taken late i.e. in 1979 when proforma accounts of more than 12 years were already due. By that time the record, scattered at various units, had become old and non-available. This rendered the verification/reconciliation of the transaction difficult leading to misclarification & errors in books keeping. Since then the proforma accounts from 1966-67 to 1977-78 had been got Audited and for the year 1978-79, sent to A G (Audit) vide No. 1232 dated 17-6-94 for audit.

However, the work is old and time consuming, even then all possible & strenuous efforts are being made for making proforma accounts upto date. From 1986-87 onwards no major purchase has been effected under this scheme and the purchase are made through institutional agencies.

Seed Depot Scheme

As Haryana State came into existence on 1-11-1966. The Audited figures were not available. The decision on this point was taken late i.e. in 1981 when proforma accounts more than 15 years were already due. By that time old record was not available. Since then the proforma accounts for the year 1966-67 to 1980-81 have been got audited by the Accountant-General, Haryana and for the year 1981-82 would be got audited soon from Accountant General Haryana.

However, the work is old one and time consuming even then all possible and strenuous efforts are being made to prepare the same. From 1983-84 on ward no seed has been purchased by the Department of Agriculture."

During the course of oral examination, it was brought to the notice of the Committee that the proforma accounts of the following undertakings are yet to be audited :

- (i) Agriculture Department (purchase and distribution of Pesticides, year 1976-77 to 1989-90.
- (ii) Agriculture Department (Seed Depot Scheme) year 1980-81 to 1989-90.

The Committee, therefore, recommend that the proforma accounts of the above said undertakings be audited/settled within a period of six months under intimation to the Committee.

INDUSTRIAL TRAINING DEPARTMENT

[5] 3.5.8 *Employment of Successful trainees*

The position of employment among ITI certificate holders at the end of each year as reflected in the five registers of employment exchanges at district head quarters of selected ITI's was as under :—

Year ending	Number of ITI certificate holders as per employment exchanges	Number of applicants who were provided jobs	Percentage of employment
31st December 1980	3513	382	11
31st December 1981	3808	275	7
31st December 1982	8079	293	4
31st December 1983	8755	424	5
31st December 1984	8722	360	4
31st December 1985	8903	299	3
31st December 1986	10017	300	3
31st December 1987	10668	239	2
31st December 1988	10810	174	2
31st December 1989	7279	31	1

(i) The employment of ITI certificate holders was continuously on the decrease. It declined from 11 percent in 1980 to 1 percent at the end of 31st December 1989. The Department attributed low percentage of employment to the non-availability of sufficient employment opportunities and grant of insufficient financial assistance for self employment.

(ii) Departmental instructions provided for starting of new trades, continuance or discontinuance of existing trade, on the basis of actual requirement of skilled manpower in local

industry to be assessed by a local Sub-Committee comprising officials as well as representatives of local industry. This exercise was never done by the Department ever since the inception of ITIs.

- (iii) Government had to pay unemployment allowance aggregating Rs 2.58 lakhs to 832 ITI trained persons during 1987-90 due to long waiting period before providing them with suitable employment.

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

"It appears that the figures in this table are taken from the Employment Exchange Register. In this connection, it is stated that though it is compulsory for the employer to notify the posts to the exchanges yet there is no legal obligation to recruit candidates only from the Employment Exchange. Hence, the discrepancy? The number of persons on roll of the Employment Exchnages also swells due to multiple registration as also due to the registration of unemployed person from outside Haryana. In many cases after getting employment they do not inform Exchanges as they would like to get Government jobs or even stipend under unemployment scheme. The recent development is that now the industries pick up the young trainees in campus interviews in big ITIs in the State, as a result of which the trainees even do not get themselves registered with the exchanges.

Moreover, the trainees after passing out are taken as apprentices under the Apprentices Act, 1961 and that too without the Employment Exchange after which they get adjusted in the same or other industries & in their case Employer is not under any obligations only to take the candidates supplied by the Exchange. The engagement of apprentices during the previous years is as under :—

Apprenticeship session	Locates seats	Utilised sets	%Utilisation
March, 1980	3991	3097	77
September, 1980	3522	3002	85
March, 1981	3686	2901	79
September, 1981	4124	3106	75
March, 1982	4083	3029	74
September, 1982	3738	3252	78

1	2	3	4
March, 1983	3927	3302	84
September, 1983	3875	3114	80
March, 1984	4034	3251	80
September, 1984	4141	3541	85
March, 1985	4103	3386	82
September, 1985	4313	3544	82
March, 1986	4374	3383	77
September, 1986	4418	3750	80
March, 1987	4937	4025	81
September, 1987	4840	3770	77
March, 1988	5054	3629	71
September, 1988	5035	4025	79
March, 1989	5042	4041	80
September, 1989	5129	4177	81
March, 1990	5018	4055	80
September, 1990	4888	3691	76

“Trades are closed/introduced every year under Diversification programme when the demand of a trade ceases in a particular area, the trade is closed and new trades are introduced keeping in view the demand. In July, 1992 hand weaving of Tape, Dari & Niwar, Draftsman (Civil) etc. have been closed. New trades of Stenography (H), Turner, Machinist, Dress Making, Fitter, Wireman, Welder, Instrument Mechanic, Stenography(E) were introduced.

From April to June every year, Principals of ITIs send their recommendations about the continuance or discontinuance of any trade. At the time of re-organisation of the State 34 trades and 7156 sanctioned seats were in existence. But now 42 trades are available having seating capacity of 13356. This has been done by introducing new popular trades, as a result of which about 80,000 candidates applied against 9340 available seats for admission in the first year of August, 1992.”

After going through the above stated position, the Committee observed that percentage of employment during these years is very low. The Committee, therefore, recommend that some new job oriented trades be introduced in each I.T.I. of the State with a view to improve the employment opportunities among the successful candidates. The Committee also recommend that refresher courses be also made compulsory for the instructors once in a year so that they can impart proper education to the students. The action taken in this regard be intimated to the Committee within a period of three months.

[6] 3.5.9 *Injudicious Purchases*

3.5.9.1 Purchase of Slotting Machines

Against a supply order placed by the Director, Supplies and Disposals (DS&D), Haryana in March 1987, two heavy duty slotting machines were received in ITIs Yamunanagar (One) and Faridabad (One) in January/February 1989 at a cost of Rs. 0.64 lakh (Rs. 0.32 lakh each). Both the machines were inspected by a departmental officer in January 1989 before delivery, and the machines carried a guarantee against manufacturing defects for a period of one year from the date of delivery. Both the machines, when put into operation, failed to function properly. The main body of the machine received in ITI Yamunanagar bore heavy cracks. On this being pointed out (February 1989) by the Department, the firm patched up (March 1989) the cracks by welding process, but still the machine did not function properly and the cracks re-appeared (May 1989). Instead of insisting upon replacement of the machine under the guarantee clause, the Department asked (March 1990) the supplier firm to repair the machine. The guarantee period had expired in January 1990. Further developments were awaited (February 1991).

The slotting machine received at Faridabad was put into operation in May 1989, but during operation its crankpin was broken due to which the machine went out of order. On this being pointed out by the Department (June 1989), the firm attributed the defect to operational fault or accident in the Department which was not covered under manufacturing defect, but agreed to replace the broken part as a gesture of goodwill provided the broken part was delivered at the workshop of the firm by the Department. The Department, however, asked (November 1989) the firm to do the needful at the Institute's premises. Neither had the Department sent the broken part of the machine to the firm nor had the firm repaired or replaced the defective machine as of February 1991. Meanwhile the guarantee period of one year against any manufacturing defect expired in January 1990.

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

“Department of Industrial Training and Vocational Education, Haryana procures machine tools through Director, Supplies and Disposal, Haryana, and the Indents of Machine tools are sent to Director, Supplies and Disposal, Haryana, who invites tenders on the basis of these indents and places

supply order with the responsive firm. The supply order was placed on M/s. Prem Machine Tools Corporation, Ludhiana, for supplying slotting machines on 3-3-1987. As per terms and conditions mentioned in Supply order, 90% payment was to be made by consignee on receipt of R.R. and 10% after 30 days on receipt of machine in good working condition. This slotting machine was duly inspected by Sh. C.L. Kapoor, Assistant Director, Departmental Officer before their despatch. The cost of each of the unit is Rs. 32,000.

One slotting machine was supplied to Industrial Training Institute, Yamuna Nagar on 30-1-89 and 90% payment was released. This machine was under guarantee period upto 30-1-90. The consignee namely Sh. J.L. Bishnoi the then Principal, Industrial Training Institute, Yamuna Nagar pointed out to the firm under intimation to this Directorate on 18-2-89 that a crack has been noticed on the head of the said machine and defect should be removed. Representative of the firm Foreman Sh. Piara Singh repaired the said crack on 9-3-89 and gave the written undertaking on behalf of M/s. Prem Machine Tools Corporation, Ludhiana to replace the defective Head, if the defect re-occurs, the Principal, Industrial Training Institute, Yamuna Nagar released the remaining 10% payment after repair and informed the Directorate on 5-5-89.

On 9-3-90 nearly after one year i.e. after expiry of the guarantee period, Principal informed the firm that the same defect had re-occurred and requested the firm for repair, giving reference of the undertaking furnished by the representative of the firm on 9-3-89. The Director Industrial Training also approached Director, Supplies and Disposal, Haryana on 2-3-93 through whom the machine was procured to intervene in the matter and to expedite the repair of the machine by the firm as the machine is still out of order.

Sh. Bishnoi the then Principal of the I.T.I. Yamuna Nagar should have got the repair done immediately in May 1989 or got the machine replaced. Shri Bishnoi left the Department in July 1989 and is now posted in Labour Department. The Department proposes to recommend disciplinary action against Shri Bishnoi to the Labour Department. Director Industrial Training has also written to Firm to replace the defective machine. The Commissioner & Secretary to Govt. Haryana Industrial Training & Vocational Education has also written to the firm to replace the machine failing which proceedings to black list the Firm will be initiated.

Another slotting machine was supplied to Industrial Training Institute, Faridabad on 4-2-89 and was without any defect, but while the machine was put to use for imparting training one of the pins of the machine was broken on 31-5-89. The pin was manufactured and replaced on 24-10-90 by the

Principal, Industrial Training Institute, Faridabad since the firm failed to replace the pin after requests. The cost of the new pin was estimated to be Rs. 117.37 only. The machine is being used in imparting training."

After going through the facts of this case, the Committee observed that the matter has considerably delayed and therefore, recommend that the action against the then Assistant Director, I.T.I. Yamunanagar Shri J.S. Bishnoi be finalised in consultation with Labour & Employment Department within a period of three months under intimation to the Committee.

[7] 3.5.13 *Inventory*

3.5.13.1 **Shortage of Stock**

(a) In ITI Karnal, articles of stores worth Rs. 0.21 lakh, were found short against two officials at the time of relinquishing charge due to their transfer in April, 1986. Both the officials expired in November 1989. Recovery of Rs. 0.21 lakh had not been made so far (March 1990).

(b) An instructor of ITI Faridabad holding charge of raw material of Turner trade expired in March 1989. As a result of physical verification of stock conducted by a Committee in March 1990 in ITI Faridabad, material worth Rs. 0.04 lakh was found short. No recovery thereof has been made so far (March 1990).

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

- “(a)(i) Shortages worth Rs. 13799.90 (book value) of which equivalent market value tantamounts to be Rs. 19,902.25 were found against Sh. Mewa Singh, Assistant Store Keeper of ITI Karnal. The employee did not make up the shortages, thereafter it was decided to take administrative action against him but due to sudden demise of the employee on 16-11-89, the administrative action could not be taken. In view of the above, the Accountant General has also released full gratuity to the family of the deceased. This para may be dropped. Amount of shortages is being written off.
- (ii) Shortages worth Rs. 749.17 (Book value) of which equivalent market value tantamounts to Rs. 1408/- were found against Sh. Sada Rang Khanna, Moulder Instructor, ITI, Karnal. The employee died on 12-11-89 before making up the shortages. The recoverable amount Rs. 1408/- was withheld from gratuity of the employee.
- (b) Turner Instructor, Sh. Ram Kishan while working in ITI, Faridabad suddenly expired on 12-3-89. His charge case was settled after forming a committee and a shortage worth Rs. 4123.10 was detected. Steps are being taken to get the amount written off.”

The Committee was informed that the matter is under active consideration with the Govt. for taking a final decision in the above said cases. The Committee, therefore, desired that a final report in this regard be sent to the Committee for its information.

[8] 3.5.14 *Insufficient Funds for Training Expenses*

The National Council of Vocational Training (NCVT) had fixed the scale of Rs. 25 per month per trainee for training material nearly two decades ago. Though these norms of expenditure on training were revised for NCVT to Rs. 50 per trainee per month in June 1981 in the work of price inflation, the State Government was still continuing with the old scale of Rs 25 trainee per month.

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

“Despite financial constraints, Haryana Government has already sanctioned Rs. 50/- per month per trainee for Engineering trades and Rs. 40/- per month per trainee for non-engineering trades as training grant since December, 1992 and training grant is being given to all ITI's accordingly. It takes time to make provision for budget. The department itself can-not straight away enhance the amount of the training grant without proper sanction of the F.D. There are financial constraints of the Government also.”

The Committee recommend that the grant of trainees be suitably increased keeping in view the rise in price index under intimation to the Committee.

[9] 3.5.15 *Monitoring*

The Industrial Training scheme envisaged setting up of a Committee at State level for the evaluation of Industrial Training Institute with a view to making definite suggestions for improvements in the standard of training to meet the requirement of Industry. Similarly 10+2 Vocational Education scheme also envisaged evaluation and monitoring of the programme to ensure identification of deficiencies in instructions, administration of financial management so that the functionaries at each level were able to take firm decisions to fill in the gaps in policy making, direction, budgeting etc. No such evaluation had been conducted to ascertain the impact of the scheme on trainees.

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

“Haryana Government has constituted SCVT (State Council for Vocational Training) at State level. The first meeting of SCVT took place on 17.11.92. In this meeting the Crafts-men Training Scheme was reviewed.

As regards Vocational Education Scheme, which commenced in 1983 a review took place in 1990 and NCERT monitored

the whole scheme. The working of the Department was appreciated during review by the Government of India. Besides State Council of Vocational Education also reviews the implementation of Vocational Education Scheme".

After hearing the departmental representatives, the Committee recommend that department should take up the matter with the Government for constituting Monitoring Cells at Divisional Level and also a Evaluation Committee at Head Quarter to monitor the working of monitoring cells and for the effective implementation of the programmes of the Department. The action taken in this direction be intimated to the Committee within a period of three months.

FISHERIES DEPARTMENT

FISH FARMERS DEVELOPMENT AGENCIES

[10] 3.6.1 *Introduction*

With a view to stepping up of inland fish production through improved techniques of fish farming. Fish Farmers Development Agencies were set up in the country on a pilot basis. In Haryana, to start with two such Agencies were set up at Karnal and Rohtak during 1976-77., By the end of 1989-90, seven more agencies were established at Sirsa Kurukshetra, Sonapat, Gurgaon, Rewari, Faridabad and Hisar to strengthen the programme. These agencies were to provide new avocation to rural masses, financial and technical assistance to the farmers to start fish farming for their livelihood. These objectives were to be achieved through the following measures :

- (a) to provide finance to weaker section of the society;
- (b) to produce more per unit] fish production by adopting fish culture on scientific lines;
- (c) to train villagers in fish culture ; and
- (d) to bring available water resources under fish culture under time bound programme.

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

“The Fish Farmer’s Development Agencies have been established in all the 16 districts of the State. It is a Central Sponsored Programme to which Government of India provides more than 30 per cent grant to State Government gets Rs. 30 to 40 lakhs every year from Government of India for providing training, technical and financial assistance to the rural masses.

The main object of the fish farmer’s Development Agencies is to create a class of fish farmer’s in Haryana State to adopt fish farming for livelihood. The agencies have provided to benefit to 6968 persons up till now since the inception of the programme in 1976. The fish production under this programme is 7325 tonne per year valuing Rs. 1465 lakhs. The average per hectare fish production under this programme is 3550 kilogramme which is 2nd highest through out the country. Thus the Fish Farmer’s Development Agencies in Haryana have played a vital role in strengthening the rural economy. Government is fully satisfied with the progress made by their agencies”.

After going through the functioning of the Fish Farmers Development Agencies of the State the Committee recommend that the duration of the training be enhanced to atleast 30 days in two phases of 15 days each and also the amount of incentive given to trainees be also increased to Rs. 50 per day instead of Rs. 25 for the effective implementation of the programme of the scheme. The action taken in this regard be intimated to the Committee.

[11] 3.6.10 *Loan accounts*

A loan of Rs. 1.20 lakhs (Rs. 0.60 lakh each for Karnal and Sonapat agencies) sanctioned (March 1976) by the Government of India was distributed during 1978-79 to 1980-81 among 101 farmers for the purchase of inputs. A moratorium for repayment of the principal was allowed for a period of two years, repayment to be made thereafter, in three equal annual instalments (commencing on the third anniversary of drawal of loan) together with interest at the rate of $5\frac{1}{2}\%$ per cent per annum including the period of moratorium of two years. A sum of Rs. 0.68 lakh (Karnal : 0.28 lakh; Sonapat : Rs. 0.40 lakh) was, however, outstanding as on 31st March 1990. The Agencies stated (June 1990) that efforts would be made to effect the recovery of outstanding dues.

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

“1.7 The inputs loan amounting to Rs. 28,000 is still to be recovered from the 42 defaulters which ranges from Rs. 337.50 to Rs. 937.50 in Fish Farmer Development Agency Karnal. Out of Rs. 40,000 which was to be recovered from the defaulter in FFDA, Sonapat an amount of Rs. 34,601.05 is still to be recovered from the 26 defaulters.

After repeated requests issued of and legal notices the farmers are not repaying the loan to the agency on the plea of Government announcement in the year 1987-88 for waving off the loan.

Thus Department is facing difficulty in recovering even the principle amount of loan given by the agency”.

During the course of oral examination, the Committee was informed that an amount of Rs. 22,000 is still to be recovered from the defaulters and the department is facing difficulty in recovering even the principle amount of loan given by the agency 14 years back. The Committee, therefore, recommend that if this amount is not recoverable than a proposal be sent to Government to waive off the said amount under intimation to the Committee.

[12] 3.6.12 *Re-modelling of fish seed farm*

(a) & (b) * * *

(c) Recovery due from contractors

(i) In Panchayati Raj Division Gurgaon, tenders for the work, “Construction of lining work at fish seed farm Sohna”

(estimated cost of Rs. 5 lakhs) were invited in May 1989. The rates offered by a contractor, being the lowest were approved by the Superintending Engineer in July 1984 subject to technical sanction of detailed estimate and design of work by the competent authority. The work was allotted (July 1984) to the contractor, with a time limit of six months. The contractor, however, left the work incomplete and the Executive Engineer levied compensation and got the residual work executed departmentally in May 1987 at an extra cost of Rs. 0.29 lakh. Against the total recoverable amount of Rs. 0.79 lakh (compensation : Rs. 0.50 lakh; extra cost : Rs. 0.29 lakh) only a sum of Rs. 0.09 lakh on account of security deposit was available with the Division

- (ii) In Faridabad, the work "Construction of houses for class IV employees" was allotted to a contractor in July 1988 at an estimated cost of Rs. 1.23 lakhs, with a time limit of six months. The contractor having failed to complete the work within the stipulated time, a penalty of Rs. 0.12 lakh was levied (July 1989) on him and the balance work got executed from another contractor at the risk and cost of the earlier contractor at an extra cost of Rs. 0.12 lakh. Besides, an amount of Rs. 0.07 lakh being the cost of cement supplied to the contractor was also recoverable from him. Against the total recoverable amount of Rs. 0.31 lakh, only a sum of Rs. 0.06 lakh was lying as security of the contractor with the agency. Further, developments were awaited (June 1990).

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

“(c (i) The Chief Executive Officer, Fish Farmer Development Agencies Gurgaon and Executive Engineer, Panchayati Rai Department Gurgaon have been directed to recover the amount from the concerned contractor. The recovery is still pending and would be informed immediately after the recovery is effected.

- (ii) Out of recoverable amount Rs. 31,000 an amount of Rs. 18,000 has been recovered by FFDA Faridabad. The efforts are being made to recover the balance amount of Rs. 13,000 from the defaulter”.

(i) The Committee recommend that recovery be effected from the concerned contractor without any further delay and the report be sent to the Committee for its information.

(ii) The Committee recommend that strenuous efforts be made to recover the balance amount of Rs. 13,000 from the defaulter under intimation to the Committee.

[13] 3.6 14 *Other points of interest*

(i) & (ii) * * * *

(iii) **Outstanding recoveries on account of sale of fish seed**

There was no provision in the scheme for the sale of fish seed on credit. However, an amount of Rs. 1.12 lakhs was outstanding on 31st March, 1990 on account of sale of fish seed on credit to fish farmers during 1982-83 to 1989-90.

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

“(iii) Out of total outstanding amount of Rs. 1,11,858.55 as cost of fish seed supplied to Panchayats on credit basis Rs. 59054.00 has been recovered and 52804.55 still pending. Action has been taken against the officers who supplied the fish seed on credit basis to the Panchayats”.

The Committee recommend that the balance amount of Rs. 32,000 be recovered within a period of three months under intimation to the Committee.

[14] 3.7. *Intensive Fisheries Development Programme*

3.7.1. to 3.7.8 * * * *

3.7.9. Production, procurement and distribution of fish seed

The scheme provided for procurement and distribution of quality fish seed to the fish farmers @ Rs. 50 per thousand. During February 1987 the rate was increased to Rs. 100/- per thousand fry, but it was subsequently reduce to Rs. 50/- per thousand (April 1987) on public demand. The following points were noticed in audit :—

(i) Credit sale of fish seed

The scheme does not provide for the sale of fish seed on credit. However, in the districts test checked, an amount of Rs. 1.16 lakhs (Rohtak : Rs. 0.75 lakh, Kurukshetra : Rs. 0.08 lakh, Sonapat : Rs. 0.18 lakh and Hisar : Rs. 0.15 lakh) was outstanding (June 1990) against fish farmers and Panchayats on account of sale of fish seed on credit from 1982-83 to 1989-90. Fisheries Development Officers concerned stated (May 1990) that fish seed was sold on credit to avoid mortality. Delay in recovery was attributed to transfers to other stations of the Block Development and Panchayat Officers, on whose assurance fish seed had been supplied on credit.

In reply to the questionnaire issued by the Committee, the

department in their written reply, explained the position as under :—

“The point wise reply of department is given below :—

- (i) It is submitted that out of outstanding amount of Rs. 1.16 lakhs the total recovery of cost of fish seed has been made in Kurukshetra District. The recovery of cost of fish seed is under process in Rohtak Distt. Out of Rs. 75,000/-, only Rs. 28,940/- is pending towards Panchayats. The concerned officer has assured to recover the same as soon as possible.

Out of Rs. 18,000/-, outstanding cost of Fish Seed in Distt. Sonapat 16,000/- has been recovered. The concerned Officer has intimated that the balance of Rs. 2000 would be recovered as soon as possible. In case of Hisar balance amount of Rs. 5250 only is to be recovered from the Panchayats, The recovery is being made. It is submitted that seed was supplied to the Panchayats on credit as per the demand & of the Panchayats that they will pay the cost of fish seed.

The Committee desire that the balance recovery of Rs. 12,880 be also effected expeditiously and a report be sent to the Committee for its information.

HOME DEPARTMENT

[15] 3.8 *Non-recovery of telephone calls*

Government issued instructions from time to time laying down the limit of free-local calls that could be made from the residential telephones installed at the residences of Government officers. Charges on local calls in excess of the limit prescribed were payable by the concerned officers themselves. Officers were advised to make STD calls in emergencies only.

A test check of the records of various offices of the Police Department disclosed that certain officers belonging to six offices (Director General of Police, Chandigarh, Deputy Inspector General of Police (HAP) Madhuban and Superintendents of Police, Sonapat, Ambala, Bhiwani and Hisar) made calls in excess of the prescribed limit from the residential telephones during 1982-83 to 1988-89, Rs. 3.64 lakhs due for recovery from them had not been recovered so far, despite its being pointed out in audit from time to time and the Government turning down in December 1989 the proposal of the Department for regularisation of expenditure on excess calls and insisting on recovery from the official concerned.

The matter was reported to Government in January 1990; reply has not been received (April 1991).

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

“The calls made in excess of prescribed limit were un-avoidable as the same were essential to maintain the law and order situation in the State. The residences of IGPs/DGIs/SPs work as office and residence and they have to keep liaison with the Headquarters as well as their subordinate officers at odd hours. Therefore, the excess local calls were made in public interest in connection with maintenance of law and orders duties in the State and the same were essential keeping in view the prevailing situation.

In two cases a sum of Rs. 10575 and Rs. 95220 (Total Rs. 1,05,795) have been written off/settled by the State Govt. vide their letter No. 1/21/85-4 HG-II dated 27-2-91 and by A.G. (H) vide his letter No. OAD/Civil/ Audit Note/ 92-93/1207-10 dated 6-7-93 respectively. The rest of the cases are under process.

As explained in Para-I above, that the calls made in excess of the prescribed limit were un-avoidable as the same were essential to maintain the law and order situation in the

State. The residences of the IGP/DIsG/SPs work as office and residence and they have to keep liaison with their subordinate officers as well as their headquarters at odd hours."

The latest information as asked for by the Committee during the course of oral examination and supplied by the department later on in this respect is as under :—

"In this connection it is submitted that the local calls made in excess of the prescribed limit were un-avoidable as the same were essential to maintain the Law and Order situation in the State. The residences of I.G.Ps/D.Is.G/S.Ps work as offices and the residence and they have to keep liaison with headquarters as well as their subordinate officers at odd hours. Therefore, the excess local calls were made in public interest in connection with maintenance of Law and Order duties in the State and the same were essential keeping in view the prevailing situation.

It is also submitted that out of total expenditure of Rs. 5,05,545.50 Paise incurred on excess local calls made from the residential telephones, a sum of Rs. 2,55,238.50 paise has since been settled/waived off and to get the remaining amount of Rs. 2,50,307.00 settled/waived off the cases are under process with the State Government as well as with the concerned authorities. A list showing the settled/un-settled amount, with the names of the concerned officers who made the excess telephone calls is enclosed for favour of information.

LIST OF AUDIT PARAS/OBJECTIONS RELATING TO THE RECOVERY OF EXCESS TELEPHONE CALLS (P.A.C. PARA 3.8)

Sr. No.	Name of Unit	Para No.	Period	Amount involved	Position of the case	Names of Officer(s)	Amount settled	Amount pending
1	2	3	4	5	6	7	8	9
1.	SP/Ambala	4	5/87 to 4/88	13,484.00	Case received from DIG/Ambala Range on 2-6-94 which is incomplete.	1. Sh. C.P. Bansal, IPS 1-5-87 to 27-6-87 2. Sh. R.S. Hooda, IPS 28-6-87 to 21-12-87 3. Sh. Sant Parkash, HPS 1-1-88 to 9-1-88 4. Sh. Rakesh Malik, IPS 10-1-88 to 8-4-88 5. Sh. Satender Kumar, IPS 9-4-88 to 30-4-88	—	13,484.00
2.	SP/Bhiwani	8	5/82 to 9/83	21,753.50	Settled	1. Sh. M.S. Malik, IPS 5/82 to 8-7-83 2. Sh. P.V. Rathee, IPS 9-7-83 to 9/83	21,753.50	—
3.	SP/Bhiwani	4	10/83 to 11/84	8,270.00	Settled	1. Sh. P.V. Rathee, IPS 10/83 to 11/84.	8,270.00	—
4.	SP/Bhiwani	4	10/87 to 10/88	89,166.00	Settled	1. Sh. Brijinder Rai, IPS 1-10-87 to 21-2-88 2. Sh. P.V. Rathee, IPS 21-2-88 to 13-5-88 3. Sh. V.B. Singh, IPS 16-5-88 to 16-11-88	89,166.00	—
5.	SP Bhiwani	3	11/88 to 9/89	52,283.00	Case not received from SP/Bhiwani or DIG/Hisar Range.	1. Sh. Man Singh, IPS 21-11-88 to 5-9-89 2. Sh. R.S. Rajain, IPS 5-9-89 to 27-11-89	—	52,283.00
6.	SP/Gurgaon	9	11/82 to 12/83	30,254.00	Settled	1. Sh. Brijinder Rai, IPS 11/82 to 4-2-83 2. Sh. A.S. Bhatotia, IPS 4-2-83 to 12-9-83 3. Sh. S.C. Sinha, IPS 28-9-83 to 12/83/—	30,254.00	—

1	2	3	4	5	6	7	8	9
7.	SP/Gurgaon	3	1/85 to 12/85	27,199.00	Matter pending with SP/Gurgaon vide this office No. 6486/A-3 dated 21-6-94.	1. Sh. S.C. Sinha, IPS 1-1-85 to 13-3-85 2. Sh. P.V. Rathee, IPS 14-3-85 to 12/85	—	27,199.00
8.	SP/Karnal	2A	2/87 to 1/88	17,944.00	Matter pending with State Govt. vide this office memo No. 6315/A-3 dt. 15-6-94	1. Sh. V.B. Singh, IPS 1-2-87 to 27-6-87 2. Sh. Vipin Kumar, IPS 28-6-87 to 1/88	—	17,944.00
9.	SP/Sirsa	4	2/87 to 12/87	42,595.00	Case not received from DIG/Hisar Range so far.	1 Sh. Resham Singh, IPS 30-6-86 to 27-6-87 2. Sh. V.B. Singh, IPS 29-6-87 to 16-7-87 3. Sh. R.K. Shatma, IPS 17-7-87 to 12/87	—	42,595.00
10.	3rd Bn. HAP Hisar	1	9/88 to 9/89	8,304.00	Case has been rejected and the recovery is to be effected from the concerned officers.	1 Sh. Rajeev Sagar, IPS 1-9-88 to 5-11-88 2 Sh. Mulkh Raj, IPS 6-11-88 to 24-3-89 3. Sh. R.S. Rajain, IPS 3-4-89 to 31-8-89	—	8,304.00
11.	DIG/Hisar	2	1/80 to 11/83	30,200.00	Matter pending with DIG/H sar vide this Office memo. No. 10718/A-3 dated 7-9-93	1. Sh. R.S. Yadav, IPS 1/80 to 27-7-80 2. Sh. Lachhman Dass, IPS 2. 6-8-80 to 7-5-81 3 Sh. Ramesh Sehgal, IPS 7-5-81 to 9-7-83 4 Sh. S.P.S. Rathore, IPS 9-7-83 to 11/83	—	30,000.00
12.	DIG/Rly. & Commando (H) Panchkula	4	3/85 to 6/86	7,092.00	Matter pending with DIG/Rlys & Commando (H) P. Kula vide this office memo. fNo. 5594/A-3 dated 24-5-94	1. Sh. Lachhman Dass, IPS 1-3-85 to 24-6-85	—	7,092.00

During the course of oral examination, the Committee observed that a huge amount is still to be recovered/settled from the senior officers of the Police Department in respect of calls made in excess of the prescribed limit. The Committee, therefore, recommend that the remaining amount of Rs. 2,50,307/- be recovered/settled from the concerned officers/officials under intimation to the Committee. During the course of oral examination, the Committee was informed that there is no system of internal audit in the Department. The Committee, therefore, recommend that the internal audit system should also be introduced in the department in order to avoid/check financial irregularities in future.

[16] 3 9. *Outstanding Inspection Reports*

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to the heads of offices and to next higher authorities through inspection reports. More important irregularities are also reported to the Heads of Departments and the Government

One hundred and forty eight inspection reports (Police : 112, Jail : 36,) issued up to December 1989 still contained 305 unsettled paragraphs in June 1990. The yearwise breakup of the outstanding inspection reports/paragraphs was as under :—

Year	Police Department		Jail Department	
	Number of Inspection Reports	Number of Paragraphs	Number of Inspection Reports	Number of Paragraphs
1986-87 and earlier years	40	70	13	26
1987-88	22	46	6	19
1988-89	26	53	7	10
1989-90 Upto December 1989	24	65	10	16
	112	234	36	71

These included 23 inspection reports (Police : 19, Jail : 4) for which even the first replies (required to be submitted within four weeks) had not been received upto June 1990. The delay in the submission of initial replies in other cases ranged from one year to 5 years. The outstanding paragraphs mainly fell under the following categories :—

Nature of Irregularity	Police		Jails	
	Number of paragraphs	Amount involved (In lakhs of rupees)	Number of paragraphs	Amount involved (In lakhs of rupees)
Non-observance of rules relating to	7	18.26	4	8.45

1	2	3	4	5
handling of cash and maintenance of cash book, drawal of money to avoid lapse of funds, reconciliation of departmental receipts and remittances.				
Irregularities connected with stores viz. purchase/non-accountal/shortages/non disposal of unserviceable material	80	49.65	31	68.30
Actual payees receipts	11	10.63	3	1.68
Outstanding recoveries for supply of Police Force to other states, training etc.	11	475.12	—	—
Miscellaneous irregularities	92	67.68	13	25.39

A few instances of inordinate delay in initiating action for the settlement of outstanding paragraphs are indicated below :—

(a) Outstanding dues on account of Police Force supplied to other parties.

According to the Police Rules, no additional force is to be supplied to other parties/Departments until advance payment has been received. Due to non-observance of these instructions, a sum of Rs. 464.66 lakhs had accumulated over a number of years as recoverable from banks, corporations, autonomous bodies and other State for police forces supplied to them. Some of the overdue recoveries date back to 1982-83.

(b) Extra expenditure due to irregular running of Government vehicles.

Despite Government's instructions to restricting the use of Government vehicles after certain fixed mileage, an expenditure of Rs. 15.34 lakhs was incurred between 1983-84 to 1988-89 on using Government vehicles in excess of the prescribed limit. The excess expenditure had not been regularised (June 1990).

Despite their being pointed out in the inspection reports the irregularities at (a) and (b) were still persisting.

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

All the field officers were directed from time to time to get settle the outstanding audit objections. They have again been directed vide TPM No. 9563-9615/C-3 dated 30-9-93 for early settlement of outstanding audit objections.

All the field officers have been directed vide circular No. 9619-60/C-3 dated 30-9-93 that in future it may be ensured that the

initial replies to the Inspection Reports must be furnished to Audit Officer within the stipulated period otherwise disciplinary action will be taken against the defaulters. The Audit has pointed out 112 Inspection Reports containing 234 paras (including Vigilance Department which is a separate Deptt.). Actually 97 Inspection Reports containing 228 paras pertain to Police Deptt. The year-wise position of these Inspection Reports/paras is given as under :—

Year	No. of Inspection reports pointed out by A.G.(H)	No. of Inspection reports settled	Balance	No. of Audit paras pointed out by A. G. (H)	No. of Audit paras settled	Balance
1986-87 & earlier year	38	16	22	66	33	33
1987-88	22	6	16	45	22	23
1988-89	22	7	15	66	28	38
1989-90 upto 31-12-89	15	2	13	51	33	18
	97	31	66	228	116	112

Note :—Out of 112 outstanding audit paras full compliance in 11 Audit paras and partial compliance in 9 Audit paras has been made by the concerned Distt. /Unit authorities and 53,10,990 have been deposited in the concerned Govt. Treasury.

Normally the deployment of force is demanded at a very short notice by the departments/states for the maintenance of law and order situation. The Deptt. can not wait for the advance payments before deployment of the force because of law and order situation.

Out of Rs. 464.66 lacs involved in the deployment of force, a sum of Rs. 48,87,981.00 have been recovered Leaving a balance of Rs. 4,15,78,019 lacs. Efforts are being made to recover the balance amount from the concerned States.

It is correct that, the departments has fixed the limit of running of Govt. vehicles but it is not practically possible to keep vehicles to undertake journey within the prescribed limit because vehicle of Police Deptt. have move frequently, on the visit of VIPs/VVIPs day and night patrolling on Punjab Boarder area to contain terrorist activities and other law & order duties. However, efforts to follow the instructions are made by the Deptt. Simultaneously we have also referred the case to Home Deptt. vide No. 15938/D-I dated 26-8-93, to exempt the Police Deptt. fixing any limit to ply Govt. vehicles.

The letters have been written to the Govt. to write off the excess amount spent for the use of vehicles.

Irregularity	Police		Jail	
	No. of paragraphs	Amount involved (in lacs of rupees)	No. of paragraphs	Amount involved (in lacs of rupees)
Non observance of rules relating to handling of cash and maintenance of cash book, drawal of money to avoid lapse of funds reconciliation of departmental receipts and remittances.	7	18 26	4	8.45
Irregularities connected with stores viz. purchases/non-accountal/shortages/non disposal of unserviceable material	80	49.65	31	68.30 ²
Actual payees receipts	11	10.63	3	1.68
Outstanding recoveries for supply of Police force to other states, training etc.	11	475.12	—	—
Miscellaneous irregularities	92	67.68	13	25.39

A few instances of inordinate delay in initiating action for the settlement of outstanding paragraphs is indicated below :—

- (a) Outstanding dues on account of Police force supplied to other parties. According to the Police Rules, no additional force is to be supplied to other parties/Departments until advance payment has been received. Due to non-observance of these instructions, a sum of Rs. 464.66 lacs had accumulated over a number of years as recoverable from banks, corporations, autonomous bodies and other states for Police forces supplied to them. Some of the overdue recoveries date back to 1982-83.
- (b) Extra expenditure due to irregular running of Government vehicles. Despite Govt.'s instructions to restricting the use of Govt. vehicles after certain fixed mileage, on expenditure of Rs.15.34 lacs was incurred between 1983-84 and 1988-89 on using Government vehicles in excess of the prescribed limit. The excess expenditure has not been regulated (June, 1990). Despite their being pointed out in the inspection reports the irregularities at (a) and (b) were still persisting.

POSITION OF AUDIT & INSPECTION REPORTS/AUDIT PARAS

Sr. No.	Name of Unit	Period	When was the Audit Report received in the Deptt. (a)	When was the action initiated on the Report (b)	Whether any enquiry was conducted into the cases of financial irregularities/defaulters etc. If so, what was the result of such enquiry (c)	Para No.	What action if any has been taken against the defaulter and what is the last position (d)	Present stage
1	2	3	4	5	6	7	8	
1.	SP/Narnaul	8/84 to 7/85	27-10-85	27-10-85	No enquiry was conducted into the cases	—	All the Audit Paras of this Audit & Inspection Report have since been settled by the A.G. (Audit Haryana)	
		8/85 to 8/86	10-11-86	20-11-86	Do	—	Do	
		9/86 to 8/87	23-10-87	23-10-87	Do	1a	(Excess payment of HRARs. 40,331).	
							The matter was referred to the Govt. for clarification vide U.O. No. 1106/C-4 dated 26-11-91. In the mean time Punjab & Haryana High Court in CWP No. 10776/91 held up the recovery of excess payment of HRA from the petitioners to be invalid and accordingly a reference was again sent to Govt. for necessary clarification/detailed instructions vide No. 5227/C-3 dated 20-5-93 but the reply is still awaited despite repeated reminders	
							Rest of paras have since been settled by A.G. (Audit) Haryana	
1.	SP/Narnaul	9/87 to 8/88	27-10-88	27-10-88	No enquiry was conducted into the cases	—	Excess Payment of Rs. 14,873 to contractor Jugal Kishore.	
							A case FIR No. 300 dated 14-10-86 was registered against Jugal Kishore. This case has been decided and the accused has been acquitted by the court. As no action is required to be taken in this para, hence, it may be dropped	

9/88 to 10/89 2-1-90 2-1-90 1B Splitting up of purchase worth Rs. 18,427.

This case for arranging necessary sanction was referred by SP/Narnaul to DIG/Gurgaon in October, 1991. DIG/Gurgaon raised same objection in the matter and reply to the objections have since been sent to DIG/Gurgaon by SP/Narnaul by the sanction is still awaited.

1C Irregular repair of vehicles Rs. 1.14 lacs.

As intimated by SP/Narnaul, the case for arranging sanction was referred to DIG/Gurgaon in December, 1991 and the sanction is still awaited.

2. SP/Ambala 1/83 to 2/85 26-4-85 6-5-85 No enquiry was conducted into the cases — All the audit paras have since been settled by A.G. (Audit) Haryana.

Do

4 Purchase of sports material Rs. 27,214. 10 Ps.

As per A.G. (Audit) Haryana's direction compliance will be shown by SP/Ambala at the time of next audit

Rest of the paras have since been settled.

5/87 to 4/88 20-4-88 10-4-89 Do 1 Excess payment of HRA to Police personnel worth Rs. 2,09,187

The matter was referred to Govt for clarification vide U.O No. 1106/C-4 dated 26-11-91. In the meantime Ph. & Hr. High Court in C.W.P. No. 10776/91 had held up recovery of excess payment of HRA to be invalid and accordingly a reference was again sent to Govt for necessary clarification/detailed instructions vide No. 5227/C-3 dated 20-5-93 and the reply is still awaited despite repeated reminders

Rest of the paras have since been settled.

2B Irregular purchase worth Rs. 17,807.62 (Purchase of G.C. sheet and tyres/tubes)

1	2	3	4	5	6	7
						As intimated by SP/Ambala vide his memo. No. 7767 dated 16-4-94, original bills and NAC from Haryana Roadways are being sent to DIG/Ambala Range
	2C					Surplus store worth Rs. 1600/-
						As intimated by SP/Ambala, the matter was referred to higher authorities but the decision is still awaited.
	4					Non recovery of telephone calls from residential telephone worth Rs. 13,484/- (not Rs. 13,848)
						The matter is under correspondence with the State Govt.
	4A	5/86 to 6/89	28-8-89	15-9-89	No enquiry was conducted into the cases	Irregular expenditure on the repair of vehicles worth Rs. 85,059/- 42 Paise
						As intimated by SP/Ambala, the matter for regular action of expenditure from competent authority was referred to DIG/Ambala Range in December, 1993 but the reply is still awaited despite reminders
	4B					Non-disposal of condemned vehicles Rs. 58,000.
						As intimated by SP/Ambala the matter for accoring approval to fix the expenditure of Staff Car No. HYE-9000 was referred to higher authorities in Feb., 1993 and the reply is still awaited.
SP/Baniwani	5/82 to 9/83	4-12-83	22-5-84	No enquiry was conducted but none was found defaulter		All the audit paras have since been settled by the A.G. (audit) Haryana.
	10/83 to 11/84	11-1-85	21-3-85	Do		
	7/85 to 7/86	22-10-86	29-3-87	Do		
					1	Embezzlement of Rs. 55076/-
						The matter is under correspondence with DIG/Gurgaon Range, Gurgaon but the reply is still awaited

2 Loss to Rs. 5619 .30 paise due to non-receipt of material

Rs. 4,200/- have since been recovered from the firm and deposited into Govt. Treasury. The correspondence for the remaining amount is in progress.

1 Excess payment of HRA Rs. 71,978/-

The matter was referred to State Govt. for clarification vide C.P.O. (H) U.O. No. 1106/C-4 dated 26.11.91. Meanwhile Punjab & Haryana High Court in C.W.P. No. 10776/91 had held up recovery of excess payment of HRA from the petitioner to be invalid and accordingly a reference was again sent to Govt. for necessary clarification detailed instructions vide No. 5227/C-3 dated 20-5-93 but the decision is still awaited despite repeated reminders.

4B Splitting up of purchase to avoid sanction of competent authority Rs. 25,448/-

The articles were purchased for different units and on different dates on the basis of requirement. There was not necessary to obtain sanction from the higher authority. Hence para may be dropped.

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The articles were purchased for different units and on different dates on the basis of requirement. There was not necessary to obtain sanction from the higher authority. Hence para may be dropped.

5A Irregular purchase of new furniture Rs. 7,715 .80 paise

Two men police Stations were created in Distt Bhiwani and started functioning. There was not adequate furniture for the use of SHOs and other investigation officers. Hence this para may be dropped.

1	2	3	4	5	6	7
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5C Purchase of Misc. items Rs. 6,576/-

The para was not included in the audit Report for the period from 10/87 to 10/88. Hence para may be dropped.

Rest of the paras have since been settled.

All the audit paras except the following have since been settled.

**Irregular purchase for splitting up of Supply orders
Rs. 53,053 reg. purchase of furniture**

11/88 to 9/89 8-12-89 19-9-90 No enquiry was conducted into the cases

Office of DSP/Siwani started functioning in the year 1989. Prior to it, this post was being used for Panchkula. On the start of new office to DSP/Siwani, the furniture was very essential for the office staff and purchased locally after observing all usual code of formalities. Hence the para be dropped.

3 Blockade of Govt. money worth Rs. 19,861.70 Ps. (Purchase of tyres & tubes)

The matter is still under consideration. The case was taken up with all SPs/Comdts. of these tyres and tubes are required by them or not. The reply from most of units have been received in negative.

4A Local calls amounting to Rs. 52,283/-

The matter was referred to State Govt. for clarification vide C.P.O. (H) U.O. No. 1106/C4 dated 26-11-90. Meanwhile Hon'ble Punjab & Haryana High Court in C.W.P. No. 10776/91 has helped up recovery of excess payment of HRA from the petitioners to be invalid and accordingly a reference was against to Govt for necessary clarification/details instructions vide No. 5227/C-3 dated 20-5-93 but the reply is still awaited despite repeated reminders.

5A	Excess payment of Rs. 4, 073.62 paise					Recovery has been made and compliance will be shown by SP/Bhiwani at the time of next audit.
5B	Excess payment of Rs. 2,579 30 paise on account of sterilization.					Recovery has been made and compliance will be shown by SP/Bhiwani at the time of next audit.
						All the audit paras have since been dropped.
						All the paras of this Inspection Report have since been dropped except the following —
2						Loss of Rs. 74,084 due to acceptance of highest tender for tailoring.
						The matter stands referred to DIG/GGN vide SP/FBD No. 9996/SpI dated 20-8-92 and the reply is still awaited despite repeated reminders.
						All the audit paras of this Inspection Report have since been settled except the following : —
3						Regarding purchase of Niwar Rs. 29,700/-
						The matter was referred to higher authorities in October, 1992 for arranging ex-post facto sanction but the same is still awaited despite repeated reminders.
						All the audit paras of this Inspection Report have been settled except para No. 3.
3						Irregular purchase by splitting up of Rs. 12,144.15 paise (Purchase of furniture)
						The matter stands referred to higher authorities for arranging ex-post facto sanction and the same is still awaited.

1	2	3	4	5	6	7
		8/87 to 2/88	26-4-88	27-4-88	Do	
All the audit paras of this Inspection Report have been settled except following paras :—						
2B	Excess payment of HRA Rs. 6,30,872					
The matter was referred to State Govt. for clarification vide U.O. No. 1106/C-4 dated 26-11-91. Meanwhile Puniab & Haryana High Court in C.W.P. No. 10776/91 had held up recovery of excess payment of HRA from the petitioners to be in-valid and accordingly a reference was again sent to Govt. for necessary clarification/detailed instructions vide No. 5227/C-3 dated 20-5-93 and the decision is still awaited despite repeated reminder.						
4A	Irregularised of extra material value Rs. 1,31,371/-					
The matter stands referred to higher authorities for arranging ex-post facto sanction and the same is still awaited.						
4B	Splitting up of purchase valuing Rs. 76,544/-					
Out of Rs. 76,544/- sanction of Rs. 33,888.20 paise has been received and sanction for remaining amount of Rs. 43,161.95 paise is still awaited. The matter is pending with State Govt. since June, 1993.						
SP/Faridabad	3/88 to 2/89	16-5-89	No enquiry was conducted into the cases			
All the Audit objections of this Inspections have been dropped except the following paras :—						
2A	Irregular purchase of Niwar amounting to Rs. 58,137/-					
The matter stands referred to higher authorities for arranging ex-host facto sanction but the same is still awaited despite repeated reminders.						
2B	Un-authorized purchase of furniture Rs. 25,332/-					
Matter stands referred to higher authorities for arranging ex-host facto sanction but the same is still awaited.						

2C	Splitting up of purchase of Rs. 38,888/- purchase of glow sign Board								Matter stands referred to higher authorities for arranging ex-post facto sanction and the same is still awaited.
3B	Excess consumption of Petrol/Diesel Rs. 88,033/-								Matter stands referred to higher authorities for arranging ex-post facto sanction and the same is still awaited. All the Audit Paras of this Inspection Report have since been settled except audit para-9 position of which is as under.
	9	No enquiry was conducted into the cases	27-12-84	25-12-84	11/82 to 12/83	SP/Gurgaon			Excess Local calls Rs. 30,254/- The matter is under correspondence with the State Govt.
	3	No enquiry was conducted into the cases	28-12-85	20-12-85	1/83 to 12/85				Irregular expenditure on excess calls amounting to Rs. 27,198 The matter is under correspondence with the State Govt.
	6	Do	31-12-87	10-12-87	1/86 to 1/87				Rest of paras of this Inspection Report have since been settled Non account of articles in P.S. amounting to Rs. 20,441/- In this connection SP/GGN has intimated that enquiry was entrusted to Inspector Welfare and the enquiry report is awaited. Further action will be taken on receipt of enquiry report.
	2	No enquiry was conducted into the cases	6-5-88	1-5-88	2/87 to 2/88				Rest of the paras have since been settled. (Recovery of rent amounting to Rs. 58,698/-) As intimated by SP/Gurgaon that a sum of Rs. 15,875 has been recovered and remaining amount is being recovered through the concerned units.

1	2	3	4	5	6	7
---	---	---	---	---	---	---

3 Expenditure on minor works Rs. 1,10,000.

All the minor works were done with the sanction of the competent authority, hence they may be dropped.

Rest of the audit paras of this Inspection Report have since been dropped.

3/88 to 3/89 28-6-89 1-7-89 Do 2A Irregular drawal of Rs. 23,300.62 paise for minor works.

As intimated by SP/Gurgaon, the matter stands referred to higher authorities for necessary sanction and decision is still awaited.

Rest of the paras of this Inspection Report have since been settled.

6. SP/Karnal 12/85 to 1/87 3-4-87 1-5-87 Enquiry was made by Sh. Suresh Chander IPS, Addl. SP/Karnal so far, as audit para No. 3 is concerned 3 Non accountal of Store items Rs. 5,742.50 paise. A G. (Audit) Haryana has been requested by SP/Karnal vide No. 10069 dated 13-3-94 to drop this audit para. Rest of the paras of this Inspection Report have since been settled.

2/87 to 1/88 9-3-88 25-3-88 No enquiry was conducted into the cases

2A Excess Expenditure on residential telephones Rs. 17,944.

Reply in this para is being sent separately by SP/Karnal.

3B Irregular purchase of Niwar Rs. 7,540.

As intimated by SP/Karnal, the matter is under correspondence with DIG/Rohtak since October, 1993.

All the audit paras of this 'Inspection Report have since been settled except the following paras :—

7. SP/R ohtak	6/86 to 5/87	31-7-87	1-9-87	No enquiry was conducted into the cases	3	Payment of H.R.A. Rs. 1,41,881 un-classified 'stations.
Do	Do	Do	Do	Do	4	Excess payment of H.R.A. Rs. 3,01,292.

The matter was referred to State Govt. for clarification vide C.P.O. (H) U.O. No. 1106/C-4 dated 26-11-91. Meanwhile Hon'ble Punjab & Harana High Court in C.W.P. No. 10776/91 had held up recovery of excess payment of HRA from the petitioners to be invalid and accordingly referred it was again sent to Govt. for necessary clarification/detailed instructions vide No. 5227/C-4 dated 20-5-93 but the decision/reply from Govt. is still awaited despite reminders.

Excess consumption of P. O. L. amounting to Rs. 54,944.20 paise.

The matter stands referred to higher authorities for arranging sanction of the competent authority and the same is still awaited.

4A Non submission of detailed contingent bill vouchers worth Rs. 1,63,767.85 paise.

As intimated by SP/R ohtak same of the contingent bills have been received which will be shown at the time of next audit. The vouchers amounting to Rs. 7435 75 paise are still awaited from the concerned officials who have been directed to send the same at the earliest.

Rest of the paras have since been settled.:

1	2	3	4	5	6	7	8	9
		6/88 to 5/89	17-7-89	27-7-89	No inquiry was conducted into the cases	1	Excessive use of Govt. vehicles wasteful expenditure of Rs. 1.70 lacs incurred on consumption of POL/HSD	
							The matter stands referred to higher authorities since December, 1990 but the reply is still awaited despite reminders.	
8.	SP/Kurukshetra	10/82 to 1/85	22-4-85	10-10-85	Do		All the audit paras of this Inspection Report have been settled.	
		2/85 to 2/86	10-4-86	11-6-86	Do	2	Excess payment of HRA Rs. 1,43,313-85 paise	
		3/86 to 4/87	15-6-87	3-8-87	Do	4	The matter stands referred to State Govt., since 1991 and the decision is still awaited. Irregular purchase by splitting up of sanction Rs. 1,39,482.73 paise.	
							The matter stands referred to higher authorities for arranging necessary sanction of the competent authority and the same is still awaited.	
						1	Excess payment of HRA Rs. 4,71,638	
							The matter stands referred to Govt. since, 1991 and the decision is still awaited.	
						2	Excess payment of HRA Rs. 1,97,977.50 paise	
							The matter stands referred to State Govt. since 1991 and the decision is still awaited.	
		5/87 to 4/88	27-6-88	19-12-88	Do	1	Excess payment of HRA Rs. 1,10,220	
							The matter stands referred to State Govt since 1991 and the decision is still awaited.	
						3A	Irregular purchase worth Rs. 42,313	
							The matter stands referred to higher authorities for arranging sanction of the competent authority and same is still awaited.	

5/88 to 4/89	15-7-89	17-8-89	No enquiry was conducted into the cases.	1A	Un authorised purchase Rs. 49,243.15 paise The matter for arranging sanction of competent authority was referred to higher authorities and the same is still awaited. Rest of the audit paras have been settled.
9. SP/Songpat	5/83 to 12/84	15-2-85	Do		All the audit paras of this inspection Report have been settled.
	1/88 to 1/89	23-3-89	Do	2A	Injudicious purchase worth Rs. 9,010.55 paise The case is being referred to A.G. (Audit) Haryana for settlement of this para. Rest of the paras have since been settled.
10. SP/Jind	4/86 to 4/87	8-7-87	No enquiry was conducted into the cases.	1	All the audit paras of this Inspection Report settled except the following paras :— Over payment of HRA to enrol Police officials @20 percent recovery of Rs. 1,69,528. The matter stands referred to State Govt. since, 1991 and the decision of the Govt. is still awaited.
	4/87 to 4/88	12-7-88	No enquiry was conducted into the cases.	2A	All the audit paras of this Inspection Report settled except the following paras :— Surplus Store worth Rs. 9723.50 paise The matter for condemnation of uniforms articles was taken up with the higher authorities and the decision is still awaited.
	5/88 to 4/89	28-7-87	Do	2C	Short account of store worth Rs. 22800/- Compliance has been made by SP/Jind and will be shown at the time of next audit.
		1989	Do	3	All the audit paras of this Inspection Reports settled except the following paras :— Excess consumption of petrol/diesel worth Rs. 1,58,114.69 paise Matter has since been referred to the State Govt. and the decision is still awaited.

7

5A Irregularities in instructions of boundry wall of Primary Scooh by preparing by 7 and different estimate to avoid sanction of higher authority Rs. 12,902.

As intimated by SP/Jind that a sum of Rs. 12,902 was spent on the instruction of Primary School Boundry Wall in Police Colony, Jind. The estimates was prepared on different days within the competency/the amount was drawn in two instalments on 8 11.88 and 9.12.88. The expenditure was not split up to avoid sanction to higher authority, however, the observation has been noted for further compliance.

11. SP/Sirsa	3/82 to 9/83	27-1-84	15-2-84	No inquiry was conducted into the cases.	4A Excess payment of TA Rs. 13,718.50 paise
					As intimated by SP/Sirsa that a sum of Rs. 11,476 has been recovered and credited into Govt. Treasury. The matter is under correspondence with the retired officials to recover the remaining amount.
	12/85 to 1/87	4-4-87	11-6-87	Do	Rest of the paras of this Inspection Report has since been settled.
	2/87 to 12/87	8-3-88	15-3-88	Do	All the audit paras of this Inspection Report has since been settled.
					Exces payment of residential telephones Rs. 42,595.25 paise.
					Case for obtaining for necessary sanction stands referred to higher authority and the reply is still awaited despite reminders.
					Rest of the audit paras have since been settled.
	1/88 to 5/89	26-7-89	31-7-89	Do	All the audit paras Inspection Report have since been settled except the following paras :—

2 Recovery on account of sterilisation incentive Rs. 42,370

As intimated by SP/Sirsa that a sum of Rs. 41,370 has since been recovered and remaining amount is still to be recovered from HC Krishan Chander No. 355 SP/Rlys. has requested to recover the amount from him.

3B Excess running of vehicles than the prescribed limit Rs. 4,09,815.30 paise.

In this connection a proposal for regularisation of excess Kms was sent to higher authorities in January, 1990 but the sanction is still awaited.

3C Auction/Repair of automatic photostate copier Rs. 46,527.20 paise.

As suggested by the Audit, the matter was referred to higher authorities for arranging necessary sanction of Rs. 6171.04 paise. The repair has been got done. Hence the para may be dropped.

4 Irregular payment of HRA Rs. 94,953/-

The matter stands referred to Govt., since, 1991 for necessary decision/clarification and the same is still awaited despite reminders.

12. SP/Hissar 10/81 to 10/83 7-2-87 7-2-87 No enquiry was conducted into the cases

Difference in Store in Police Station Rs. 48,588.90 ps.

As intimated by SP/Hissar that the register of concerned Police Stations is being got completed the record will be shown at the time of next audit.

Rest of the paras have since been settled.

12/84 to 10/85 31-1-86 18-2-86 Do Outstanding recovery of Rs. 5,66,248/- from village Dhan Piranwali.

As intimated by SP/Hissar that the matter stands referred to DIG/Hissar with the request to send the recovery at an early date.

1	2	3	4	5	6	7
						Rest of the audit paras have since been settled.
11/85 to 10/86	13-1-87	31-1-87	No enquiry was conducted into the cases	2A	OverPayment on account of encashment of Half Pay leave Rs.15,654.36 ps. (Not Rs. 15, 664)	As intimated by SP/Hissar that T.O. through whom the officials have been receiving pension are being requested to effect the recovery from the pension of these retirees @ Rs. 200 p.m.
				2B	Excess payment of encashment of Earned Leave worth Rs. 2661.	
				3	Excess payment of Rs. 6792/- paid to contingent staff of vaarious categories.	As intimated by SP/Hissar that T.O. through whom the officials have been receiving pension are being requested to effect the recovery from the pension of these retirees @ Rs. 200 P.M.
						As intimated by SP/Hissar the defaulter have taken responsibility to—deposit the amount in the treasury and Compliance will be shown at the time of next Audit.
						Rest of the paras of this Inspection Report have since been settled
2/88 to 3/89	25-5-89	25-7-89	Do	2B(ii)	Splitting up of purchase orders to avoid sanction of Higher Authorities Rs. 30,237.40 paise.	As intimated by SP/Hissar that the matter referred to DiG/Hissar for arranging sanction of the competent authority.
				3A	Blockade of Govt. money Rs. 45,100/- for supply of 400 pairs of Durby shoes Black	

The payment of Rs. 45,100 was drawn and paid to the firm on 28-6-89 by SP/Hisar while the supply was received on 14-8-89. The matter is under correspondence.

4A Excess running of Govt. vehicles Rs. 3,45,395/-

The matter is under consideration with the State Govt.

4B(1) Non disposal of out of pattern uniform articles worth Rs. 13,327.70 paise

The matter for arranging auction of Police Uniform articles which are out of patterns stands referred to DIG/Hisar Range by SP/Hisar and the decision is still awaited.

All the audit paras of the Inspection Reports have since been settled

Do

Do

All the audit paras of this Inspection Notes have been settled except the following paras :-

1A Irregular payment on account of L. T. C. Rs. 1,16,632/-

Rs. 54,540 have been recovered by SP/Rlys. (H) Ambala Cantt and rest of the amount is being recovered.

2A Mis-appropriation of Govt. money worth Rs. 1,02,350/-

In this regard a case FIR No. 101/89 u/s 309 IPC has already been registered in P.S.Ambala Cantt. which is still pending in the Court.

1A Irregular purchase of material amounting to Rs. 10,492.48 paise split up of purchase of furniture.

13. SP/Railways (H) Ambala Cantt.

	5/85 to 3/86	5/86	9/86	No enquiry was conducted into the cases
		8/87	11/87	Do
	4/86 to 4/87	6/88	7/88	Do
	5/87 to 9/88	5/89	8/89	Do
	5/88 to 3/89			

14. Commdt. Ist BN. HAP, Ambala City.

	4/87 to 3/88	12-7-88	20-7-88	No enquiry was conducted into the cases

As intimated by the Commandant, 1st Battalion H. A. P., Ambala City, the matter stands referred to higher authorities for ex-post facto sanction since 8/93 and the same is still awaited.

Rest of the paras have been settled.

2B Irregular payment of daily allowance Rs. 8690/-

Recovery of TA has been made by Commandant 1st Bn. H.A.P. Ambala and deposited into Govt. Treasury. The A.G. (Audit) Haryana has also been requested to drop this para.

2 Over payment of City Compensatory Allowance Rs. 14,459.

As intimated by Commandant, 2nd Bn. HAP, Madhuban, the para was got reviewed from the A. G. (Audit) Haryana which conducted the audit recently and the Audit Party has requested to expedite the reply. Ex-post-facto sanction is awaited from higher authorities

All the audit para have since been settled.

2B Idle Store not condemned vehicles Rs. 41,658/-

As reported by Commandant, 2nd Bn. HAP Madhuban that sanction of the competent authority for the disposal of tyres and tubes has been received and the case for its disposal is under correspondence with the Director Supplies a disposal Haryana and the same is still awaited.

16. Commandant 3rd Bn. HAP/Hisar	8/86 to 7/87	7-4-88	14-8-88	No enquiry was conducted into the cases	5	Blockade of Govt. funds to the tune of Rs. 80,000/- Final reply has been sent to A. G. (Audit) Haryana by Commdt. 3rd Bn. HAP Hisar. Rest of para have since been settled. All the audit paras of this Inspections Report have since been settled. Final reply has been sent to A. G. (Audit) Haryana by Commdt. 3rd Bn. HAP, Hisar. Rest of the paras have since been settled.
17. Commandant 4th Bn. HAP, Madhuban	5/83 to 1/86	—	—	Do	2	Re-imbusement of cost statement for HAP force development in the states of Assam & Punjab Rs. 39,90,920 (Rs. 36,90,920) The matter is under correspondence with the concerned states and the A.G.(H). Rest of the paras have since been settled.
18. Commandant 5th Bn. HAP, Madhuban	8/86 to 8/87	13-10-87	20-11-87	No enquiry was conducted into the cases.	1B	Excess payment of Pay & Allowances for Rs. 4004/- Rs. 1360 have already been recovered from the individuals by Commdt. 4th Bn. HAP Madhuban. The matter is under correspondence with S.P. Jind and Rohtak. SP/Rohtak has informed that recovery of Rs. 322 could not be effected because the concerned was found missing due to mental condition from last one month. Rest of the paras have since been settled

1	2	3	4	5	6	7
		9/87 to 8/88	26-10-88	30-11-88	No enquiry was conducted into the cases.	All the paras of this Inspection Reports have since been settled.
		9/88 to 8/89	23-10-89	11-12-89	Do	2 Non-recovery of cost of force supplied to parties corporate bodies Rs. 7,20,520 + Rs. 28,99,880 (total Rs. 36,20,400)
						COMMANDANT 5th Bn. HAP Madhuban has intimated that payment of pending amount against B.B.M.B. Authorities to the tune of Rs. 7,20,520 has been recovered and deposited into Govt. Treasury Further vigorous efforts are being a foot to recover the amount pending against T.P.H. Faridabad to the tune of Rs. 28,99,880/-
						Rest of the paras of this Inspections Report, have already been settled.
19. SP/Telecommunication (H) Chg.		4/82 to 11/83			Do	5 Excess amount of D. A. amounting to Rs. 3269.50 ps
						A sum of Rs. 3269.50 paise for excess payment of D. A. paid to officials was recovered and deposited in the Govt. Treasury and compliance will be shown at the time of next audit.
						Rest of the paras of this inspection Report have been settled.
		2/85 to 1/86			In audit para No. 1, case against Sh. Yoginder Pal then SP/Wireless is pending in the court.	1 Over payment of ADA, HRA, TA to Yoginder Pal formerly SP/Wireless Rs. 29,587 95 paise.
						Recovery has been made by A.G. (H) from the gratuity of the officer but the case is still under consideration in the Court and no action is required at this stage.
		2/86 to 1/87	1-4-87		No enquiry was conducted into the cases.	All the audit paras of this Inspections Report have already been settled.

2/87 to 3/88	—	—	Do	
4/88 to 4/89	26-5-89	—	Do	All the paras of this Inspection Reports have already been settled except the following audit objections :—
				1 Irregular drawal of arrear on account of special Pay amounting to Rs. 1,34,000.
				All the amount of Rs. 1,34,000 has been recovered from the concerned officials and deposited in the Treasury. Compliance will be shown by SP/Telecommunication, Haryana at the time of next audit.
				2A Irregular drawal amounting to Rs. 8.70 lacs.
				Compliance will be shown by SP/Tele. C. Haryana at the time of next audit.
				3A Irregular purchase of Rs. 35,775 clothing and Equipment articles.
				Compliance will be shown by SP/Tele-communication, Haryana at the time of next audit.
				3B Irregular drawal of conveyance Allowance Rs. 6,600.
				Recovery has been made from the concerned officials and compliance will be shown by SP/Tele-communication, Haryana at the time of next audit.
20. Director, P.T.C. Madhuban	7/87 to 8/88	3-11-88	17-11-88	No enquiry was conducted into the cases.
21. IGP/CID, Haryana	12/82 to 11/84	16-1-85	21-1-85	Do
	3/88 to 12/88	2-3-89	8-3-89	Do
22. Director, F.S.I., Madhuban	2/85 to 4/86	—	—	Do
	2/86 to 5/87	—	—	Do

1	2	3	4	5	6	7
		6/87 to 7/88	—	—	No enquiry was conducted into the cases.	All the audit paras of this Inspection Report have since been settled.
		8/88 to 7/89	—	—	Do	Do
23.	DIG/Ambala Range	4/86 to 12/88	—	—	Do	All the audit paras of this Inspection Reports have already been settled.
24.	DIG/Rly. & Commando (H) Panchkula	3/85 to 6/86	2-9-86	19-9-86	Do	Maintenance of telephone register, recovery of Rs. 7092 on account of excess calls from residential telephone No. 4518 installed at the residence of the DIG/Rlys. & Commando, Haryana.
						The matter is under correspondence with the Higher Authorities.
						Rest of the paras of this Inspection Reports have been settled
		7/86 to 6/87	1-9-87	8-9-87	Do	Infructuous expenditure on staff car No. HYX- 999 amounting to Rs. 94,043.
						Matter stands referred to higher authorities for regularisation of the expenditure Rs. 94,043 incurred on the staff car but the decision is still awaited.
						Rest of the audit paras of this Inspection Report have already been settled.
		7/86 to 8/88	4-10-88	21-10-88	No enquiry was conducted into the cases.	Irregular purchase of furniture worth Rs. 48,571.10 paise.
						Matter stands referred to higher authorities for ex. post facto sanction and the same is still awaited despite reminder.
						Rest of the audit paras of this Inspection Report have since been settled.
5.	DIG/HAP/ Madhuban	10/86 to 11/87	11-1-88	6-9-88	No enquiry was conducted into the cases.	Non-recovery of Rs. 1,962 (Telephone calls)
						Matter is under correspondence with the State Govt.

Rest of the paras of this Inspection Reports has since been settled.

12/87 to 9/88 7-11-88 9-12-88 No enquiry was conducted into the cases.

The matter is under correspondence with the State Govt.

Rest of the paras of this Inspection Report have since been settled.

All the audit paras of this Inspection Reports have already been settled except the following para :-

2 Excess expenditure on telephone call amounting to Rs. 30,200.

The matter is under correspondence with the State Govt.

All the audit paras of this Inspection Report have since been settled.

2 Do Excess calls made from residential Telephone Rs. 8,790.

The matter is under correspondence with the State Govt.

Rest of the paras of this Inspection Reports have already been settled.

1 Irregular expenditure of Rs. 33,564.50 paid on account of local calls made from the residential Telephone of DIG/GGN.

The matter is under correspondence with the State Govt.

26. DIG/Hisar Range

1/80 to 11/83

17-1-84

1-3-84

No enquiry was conducted into the cases.

27. Director, SCRB/(H) Madhuban

1/88 to 5/89

20-7-89

9-8-89

Do

28. DIG/Gurgaon Range

6/80 to 7/83

25-8-83

9-9-83

Do

8/83 to 1/85

28-8-85

28-8-85

Do

2/85 to 3/87

14-1-87

14-1-87

No enquiry was conducted into the cases.

1	2	3	4	5	6	7
						Rest of the paras of this Inspection Reports have since been settled.
	4/87 to 8/89	11-10-89	3-6-90	No enquiry was conducted into the cases.	2A	Irregular purchase of furniture worth Rs. 43,259. The matter stands referred to Higher Authorities for regularisation of the expenditure and the decision is still awaited.
						Remaining paras of this Inspection Reports have since been settled.
29. C.P.O. Haryana	12/82 to 1/84	—	—	Do	1	Outstanding amount worth Rs. 98,89,570 (Deployment of Police force). The matter is under correspondence with the concerned states and A.G Haryana
						Remaining paras of this Inspection Report have since been settled.
	2/84 to 1/85	26-3-85	19-4-85	Do	2	Irregular drawal of Rs. 0 43 lacs and non recovery of Rs. 0.66 lacs (total Rs. 1,09,000). The matter is under correspondence with the authorities of Durgapur Steel Plant and West Bengal Govt
	2/87 to 1/88	18-4-88	22-4-88	Do		All the audit paras of this Inspection Reports have since been settled.
	2/88 to 12/88	—	—	No enquiry was conducted into the cases.	3	Non recovery of outstanding amount for Deployment of HAP force Rs. 206.08 lacs. (Rs. 2,58,24,813) Matter is under correspondence with the concerned States and the A G Hr
						Remaining audit paras of this Inspection Reports have already been discussed

At the time of oral examination, the Committee observed that a number of audit objections are still pending for settlement and some of them pertain to the year 1986-87 onwards. The Committee after going through the yearwise breakup of these outstanding inspection reports/paragraphs recommend that a special team of the department be deputed to finalise these outstanding paragraphs with the A.G., Haryana without any further delay.

The Committee, also observed that in certain cases, amount is also to be recovered from other States. The Committee, therefore, recommend that sincere efforts be made to recover the balance amount from the concerned states under intimation to the Committee.

TOURISM DEPARTMENT

[17] 3.10. *Loss due to short realisation*

Lease of Kharif fruit crops for 1988-89 alongwith two fruit shops at Yadvindra Garden Pinjore for the period from May 1988 to March 1989 was given to a lessee in terms of an auction held on 1st May 1988 for Rs. 2.20 lakhs. Terms and conditions of the lease agreement, provided that the lease money was payable in three equal instalments, first instalment payable immediately after the bid; second on 25th May and third and final on 15th July 1988. In addition, the successful bidder was required to pay 10 percent of the final bid as security deposit maintained in Post Office saving bank account, duly pledged in favour of the Director, Tourism, Haryana. Lessee's failure to comply with any of these conditions would render him liable to make good the deficit, if any, along-with interest as well as forfeiture of security deposit.

A test check (November 1989—January 1990) of records of the Haryana Tourism Corporations disclosed that against the total dues of Rs. 2.20 lakhs payable in three equal instalments in the case cited the lessee paid Rs. 1.53 lakhs only in 7 instalments during May 1988 to April 1989, and had also not deposited the security of Rs. 0.22 lakh as envisaged in the Auction Notice. Thus Government sustained a loss of Rs. 0.67 lakh due to failure of the department to enforce terms and conditions of the lease agreement.

The matter was reported to Government in March, 1990; reply has not been received (April 1991).

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

“1. It is correct that there was a clause of security deposit to the value of 10% of auction money in the auction notice. But the deposit of the security amount in this case was not impressed upon for the reasons given below :—

(a) Some part of the garden is in the possession of Agriculture Department and they also dispose off the fruit crops through open auction. But there is no clause of security deposit in the terms and conditions of Agriculture Department. Almost the same contractors take part in the auction of fruit crop with the Tourism Deptt. and their point of not insisting for security deposit has to be considered sympathetically as to keep up their interest in the auction. This is normally done in the case of recognised local contractors.

(b) Mr. Ram Lal Surinder Kumar to whom the contract for the fruit crops for the year 1988-89 was assigned was also

a local party and the party had also taken the contract of this garden during the year 1987-88. They had deposited all the payments in respect of the year 1987-88 as per schedule and keeping in view their good performance and conduct during the previous year, the clause of security deposit was not impressed upon.

- (c) It is also pertinent to mention that had the security money been recovered, it would have ultimately affected further recovery of instalments of Contractor who had and suffered heavy losses due to natural calamity and was not in a position to repay any amount. This was the only instance and that too, due to adverse conditions otherwise no such instance has ever occurred.

- 2 Upto (May 1988 to April, 1989) the Contractor had deposited an amount of Rs. 1,54,345 against the total contract of Rs. 2.20 lacs. On 26-7-88 the contractor requested the Department that due to heavy hail-storm in the area he had suffered heavy loss in the fruit crops and is not in a position to pay balance instalments on the scheduled dates. Keeping this Request of the contractor in view a Committee of the Department had gone into all the details and it was decided that the Contractor may be allowed to pay the balance amount of contract in instalments of Rs. 5,000/- per month. In response to this the Contractor has not deposited any amount.

In the meantime this matter was also discussed in the meeting of Audit Committee held with the D.A.G. and it was revealed during the discussions that if this department is not in a position to recover the balance amount, the matter may be referred to the Govt. for writing off the same. Accordingly a proposal to this effect was sent to the State Govt. on 27.12.91 but decision of the Govt. is yet awaited. Simultaneously the Department also started proceedings for the recovery of the balance amount from the Contractor through District Collector, Ambala. Necessary recovery orders were got issued on 12-7-89 and in response to this an amount of Rs. 5,000/- was recovered and deposited in the Govt. Treasury through Tehsildar, Kalka. The second recovery order to this effect was got issued on 12-7-1991 but no recovery could be made by the District Administration. Similarly, Department has got issue the 3rd recovery orders on 9-2-93 and the matter is being followed vigorously. But the chance of further recovery are very dim as the party is in a very tight position.

3. Keeping in view the position as explained in para 1 and 2 there was no necessity to initiate action against any officer/official. In this case contractor did not deposit the total amount due to loss suffered by him on account of heavy hail-storm in the area during that year.
4. At present an amount of Rs. 61,655 is still recoverable from the Contractor."

After going through the facts of this case, the Committee observed that due to procedural irregularity in accepting the agreement deed by the concerned officer, the department was put to a loss of Rs. 61,655. The Committee is not satisfied with the explanation given by the department in this regard. The Committee after hearing the contractor considered the matter afresh and decided that Commissioner, Tourism may take appropriate action in the matter under intimation to the Committee.

TOWN AND COUNTRY PLANNING DEPARTMENT

[18] 3.13. *Non-realisation of service charges*

Under the Haryana Development and Regulation of Urban Areas Act, 1975, Haryana Urban Development Authority (HUDA) was liable to deposit service charges with the Department of Town and Country Planning at the rate of rupee one per square metre of the plotted area developed by it as residential, commercial or industrial (excluding the areas used by public or general purposes) into a colony.

A test-check of the records of the District Town Planner, Ambala (July 1989) and the Regional Town Planner, Rohtak (November 1989) disclosed that HUDA developed plotted area of 36.30 lakhs square metres (Ambala 16.67 lakhs square metres and Rohtak 18.63 lakhs square metres) during February 1971 to March 1989. But the Department did not realise the service charges amounting to Rs. 36.30 lakhs. The service charges pertaining to these two districts as also other districts (charges for other districts are yet to be worked out by the department) had not been realised ever since the inception of HUDA. The Department, however, raised the demand on tentative basis for these charges against HUDA in February 1990 only.

The matter was reported to Government in February 1988 and September 1989; reply has not been received (April, 1991).

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

“The revised detail indicating the total plotable area for which the service charges are to be paid by HUDA for the period from the date of its creation (1977) to 31-3-89 has been supplied to HUDA vide this office letter dated 7-1-94. According to the detail supplied by this office the plotable area comes to 35365114 sq. metres and accordingly the HUDA was requested to pay the service charges at the rate of Rs. 1 per sq. metre i.e. Rs. 353.65 lacs as per the provisions of the Haryana Development & Regulation of Urban Areas Act., 1975. In response to our letter dated 7-1-94, it was informed by HUDA that the plotable area as mentioned above is being reconciled. The matter is being pursued with HUDA to make the payment of service charges at an early date after reconciliation”.

The Committee recommend that re-conciliation of accounts be completed with the Accountant General, Haryana within a period of three months under intimation to the Committee.

[19] 6.5. *Delay in land acquisition cases*

Land Acquisition Act 1894, provides that any person who has not accepted the award within the time limit specified in the Act require

the matter to be referred by the Land Acquisition Collector to the Court for determination of the award. The applications for this purpose are referred to the Court by the Collector. No time limit for forwarding these applications to the court stands provided in the Act. However, failure to make references promptly to the concerned courts results in the payment of interest at the rate of 9 percent for the first year from the date of award, and 15 percent per annum for the period beyond the expiry of one year till realisation of amount.

Test-check (May, 1989 to October, 1989) of the records of Land Acquisition Collectors, revealed that in 30 cases (Gurgaon : 12; Faridabad : 15; Panchkula : 3) time of 2 to 13 years was taken in forwarding the applications to the courts. This inordinate delay in forwarding applications to the courts resulted in avoidable payment of interest of Rs. 26.22 lakhs by the Haryana Urban Development Authority (HUDA). It was also noticed that HUDA had to bear this additional burden of interest due to non-prescription of any time limit for forwarding such applications to courts.

The matter was reported to Government in June, 1989; reply has not been received (April, 1991).

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

“The delay in submission of cases U/s-18 of the Land Acquisition Act, 1894 to the courts was due to the following reasons :—

- (i) The staff strength of the Urban Estate Deptt. was the same as was sanctioned while the inception of the deptt. during 1970-71. At that time the scope of acquiring land for the creation of Urban Estates was very low and limited upto Faridabad and Panchkula. Since the creation of HUDA during 1977 all acquisition work of land for creation new Urban Estates was allotted to this Deptt. and since then the scope of creation of Urban Estates throughout the State widened from time to time.
- (ii) There is no time limit prescribed in L.A Act, 1894 for submission of cases U/s-18 in the courts.
- (iii) There are approximately 65 Lower Courts besides High Court and Supreme Court in which the cases are to be attended. In view of inadequate strength of staff deployed for this job none can be held responsible for the lapse.

There is no time limit for processing of cases U/s-18 of L.A. Act, 1894 in Courts, as such the beneficiary deptt. on whose behalf the land acquired is bound to bear the enhanced cost as well as interest awarded by the courts. As the enhanced cost of Land is recoupable from the plot-holder of the Estates as per agreement of HUDA, hence there is no additional burden on department.

Efforts are being made to process the cases U/s-18 of the L.A. Act as early as possible. Case for the strengthening of deptt. with adequate staff is also under consideration with the Govt."

The Committee recommend that the vacant posts be filled up as early as possible and the cases which are pending for more than five years be decided on priority basis.

During the course of oral examination the Committee was informed that there is no time limit prescribed in land acquisition Act, 1894 for submission of cases U/s 18 in the Courts. The Committee, therefore, recommend that the department should re-examine the matter with the consultation of the Law Department so that a provision of time limit be made in the relevant Act. The decision taken in this regard be intimated to the Committee in due course.

[20] 6 6. *Extra contractual payment*

Construction of a high-level bridge (HLB) of six spans over Sanghma Choe in Urban Estate Panchkula (estimated cost of Rs. 9.00 lakhs) was entrusted (December, 1982) to contractor 'A' by the Executive Engineer, Haryana Urban Development Authority (HUDA) Division No. 2 Panchkula, with a time limit of six months. Due to certain discrepancies, the Division did not supply approved design/working drawings to the contractor. The latter requested (June 1983) for extension in time on this ground, which was acceded to by the Department; and the completion schedule initially extended upto 15th January, 1984 was further extended upto 30th June, 1984.

Subsequently, certain specifications of work from brick Masonry to stone masonry were also changed due to non-availability of bricks. The contractor after executing the work to the extent of Rs. 3.37 lakhs left (January, 1984) the work incomplete. The Executive Engineer levied (July, 1984) compensation of Rs. 0.90 lakh and got the balance work completed from another contractor at an extra cost of Rs. 3.29 lakhs at the risk and cost of the earlier contractor, who put forth a claim of Rs. 7.90 lakhs (work done : Rs. 2.30 lakhs; Losses due to suspension of work : Rs. 1.35 lakhs; due to idle labour : Rs. 4.25 lakhs; and interest @ 24 per cent on the above claim, with HUDA. The latter appointed (March 1987) an SE as the Arbitrator.

HUDA not only denied (June 1987) all the claims of the contractor, but also filed a counter claim at Rs. 4.31 lakhs (compensation : Rs. 0.90 lakh; risk and cost : Rs. 3.29 lakhs; miscellaneous recovery : Rs. 0.12 lakh) with the Arbitrator. The latter, however, gave (August 1987) a non-speaking award of Rs. 2.45 lakhs along with 18 per cent interest with effect from 1st July, 1984 to the date of payment in favour of the contractor. The award was made (October, 1988) rule of the court and HUDA deposited Rs. 2.45 lakhs (February, 1989) and Rs. 1.82 lakhs (September, 1989) as interest, for the period from 1-7-1984 to 2-9-1989 in the court.

Thus, by allotting the work without finalisation of design/working drawings and changing specifications while it was in progress, HUDA

had to bear an extra expenditure of Rs. 7.56 lakhs (Risk and cost amount : Rs. 3.29 lakhs; Award money : Rs. 2.45 lakhs and interest : Rs. 1.82 lakhs).

The matter was reported to Government in January 1989; reply has not been received (April, 1991).

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

The drawings/design were appended with the DNIT which has been followed for the construction of foundation of wing wall abutment, up streams and down streams, curtain wall etc. except a small change in the depth of foundation under piers. Moreover, no major change in the plan drawing/design was made except a minor change in the depth of foundation under the piers which keeping in view the soil conditions met with during execution had to be adopted and it does not invalidate the contract agreement under clause-12 of the contract agreement.

The structural design of HL bridge on M2 road had been got framed from Regional Engineering College, Kurukshetra in August, 1980. Slight variations due to actual site requirements can not become the reason for litigation on the part of the contractor.

The arbitrator announced the award of Rs. 2,45,120 infavour of contractor alongwith future int. @ 18% without giving any justification. The award is non speaking one and it is not possible to know the reasons as to how this award has been given by the arbitrator. The case was strongly defended in the court by producing relevant record and evidences for getting the award set aside, but the award was made rule of court by the court of justice Berinder Singh, Sub Judge Ist Class Chandigarh vide his order dated 4-10-88. The orders of lower court have also been challanged by filing an appeal into High Court through Sh. K.K. Jagia, Advocate on 10-12-88 and stay has been granted by the High Court on 2-1-89 with the following conditions :—

“Since it is a money decree, there are no sufficient grounds, to stay the execution of the decree. However, in case the amount awarded is deposited within 6 weeks from today, the execution shall stand stayed. The respondent shall be at liberty to withdraw the amount deposited after furnishing security to the satisfaction of the executing court which shall be accepted after notice to the appellant. In case, the amount is not deposited within six weeks, the stay orders shall stands vacated.” In view of the orders of High Court award amount of Rs. 2,45,120 was deposited into the lower court on 7-2-89 vide cheque No. 475954 dated 6-2-89. As such appeal against the orders of lower court is still pending

in the High Court. The decree holder filed an application in the Hon'ble Court for claiming interest on the award of Rs. 2,45,120 @ 18% interest from the date of decree passed by the lower court dated 4-10-88 upon which a sum of Rs. 1,82,073.75 was deposited vide cheque No. 478717 dated 2-9-89, but the decree holder again filed an application on dated 9-11-89 in the Hon'ble Court for claiming compound interest on the due amount. However, the case has been dismissed by the Court of Sh. Gulab Singh, HCS Distt. Court, Chandigarh on dated 18-8-93.

The final decision on award money and interest has yet not been announced by the High Court and the conditional stay stands granted.

The Department was not satisfied with the award given by the Arbitrator. The case was strongly defended in the court for getting the award set aside, but the court vide his order dated 4-10-88 made the award rule of court. The orders of lower court have also been challenged by filing and appeal into the High Court. The legal opinion in this case was obtained. The Distt. Attorney/Assistant Distt. Attorney of the Department were of the opinion that the amount of award be deposited immediately."

The Committee is constraint to note that the matter is pending in the High Court since 1988. The Committee, therefore, recommend that the department should pursue the case vigorously and get it settled as early as possible. The Committee further desired that the outcome of the case be also intimated to the Committee.

HOSPITALITY DEPARTMENT

[21] § 15. *Government dues on account of credit sales*

According to Government's standing instructions applicable to Government-run-canteen, tea, snacks and other food articles are required to be sold to customers by issuing coupons against cash payment, and no credit sales are permitted.

A test-check of the records of five canteens at Chandigarh (January 1988), however, disclosed that instead of issuing coupons against cash payments, food articles were sold on credit by the canteens to individual and Government Departments. Consequently, Government dues amounting to Rs. 1.84 lakhs pertaining to the period 1976 to 1989 (1976-80 : Rs. 0.06 lakh; 1981-85 : Rs. 0.46 lakh and 1986-89 : Rs. 1.32 lakhs) had accumulated for recovery by the end of April 1990. Of these, a sum of Rs. 0.98 lakh (1976-80 : Rs. 0.02 lakh, 1981-85 : Rs. 0.25 lakh and 1986-89 : Rs. 0.71 lakh) were recovered during May 1990 to December 1990, and Rs. 0.86 lakh were still outstanding. The outstanding dues were expected to increase further as the credit sales were still continuing.

The matter was reported to Government in May 1990; who intimated (October 1990) that since most of the dues were recoverable from Government departments and corporations, every effort would be made to effect recovery expeditiously.

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 the sale on credit had been made/is being made by the Hospitality Org. Haryana in favour of Ministers, MLAs, Corps./Board/Depts. & Under Secretary (General) to Govt. Haryana. No credit is given to any private person/customer. Maximum amount of credit sale is in the name of Under Secy. (General). This amount relates to tea, coffee, snacks, cold drinks served by the units of the Hospitality Org.’ Haryana in the official meetings called by the Ministers and senior officers etc.

It is not possible for the Hospitality Deptt. to serve the items on cash basis in the meetings called by the Chief Minister/Ministers/other senior officers of the Govt. The bills relating to these meetings are duly verified by the private Secretary/P.A. of the Ministers and other senior officers. After full satisfaction, the bills are forwarded to Administrative Officer of the Secretariat and then the Administrative Officer recommends the bills to the Under Secretary (General) for making payment.

It is also worthwhile to mention here that the maximum amount of the credit sale is in favour of Govt. Deptt./Corpns. In other words there is no loss to Govt. on a/c of credit sale to Govt. Deptts./Corpns.

With regard to the present position of the outstanding dues, it is submitted that an amount of about Rs. 15.39 lakhs is outstanding upto March, 1993. Out of this an amount of Rs. 14.00 lakhs is payable by the Under Secretary (General), Haryana Govt., on account of tea/snacks served in the official meetings called by the Chief Minister/Ministers and other senior officers from time to time. Another amount of Rs. 30,000/- is payable by the office of the Haryana Vidhan Sabha on account of tea/snacks served in the meetings called by the Speaker/Dy. Speaker and Secretary of Haryana Vidhan Sabha. Similarly, an amount of Rs. 27,000/- is also recoverable from Director, Public Relations, Haryana, on a/c of tea/snacks served in the official meetings called by the Public Relations Deptt., Haryana.

Besides, an amount of Rs. 98,000/- is to be recovered by the Hospitality Organisation Haryana from some Ex-Ministers, Ex-MLAs etc. of Haryana and some of the Deptts. of the Govt. and Corporations/Boards etc. on account of tea, refreshment and meals etc. served by the Hospitality Organisation Haryana.

The above mentioned officers/Ex-Ministers/Ex-MLAs etc. are being reminded regularly to expedite the payment relating to them/their Deptts., which have become over due."

In its written reply, the Department informed the Committee that an amount of Rs. 14,316/- is still to be recovered from various Govt. Departments/Ex-Ministers/Ex-M.L.As. etc. The Committee, therefore, recommend that strenuous efforts be made to recover the outstanding amount and the progress in this regard be sent to the Committee for its information.

IRRIGATION DEPARTMENT

[22] 4.1. *Modernisation of Existing Channels—Phase II*

4.1.1. to 4.1.8. * * * * *

4.1.9. Other point

Faulty execution of lining works

(a) Kabir minor in RD 46000-51835 (Tail) was lined in 1981-82 at a cost of Rs. 2.13 lakhs by Canal Lining Division No. 8 Hisar. The landholders of outlet at RD 46000-R of the minor complained in January 1986 about the shortage of water at the tail end of the minor. Investigations conducted (January, 1986) by the Executive Engineer revealed that the shortage of water was due to faulty design of channel. The lining in RD. 46000-51835 was, therefore, dismantled and relaid during 1986-88, resulting in extra expenditure of Rs. 1.54 lakhs for which no responsibility had been fixed (July, 1990).

(b) Similarly, the lining of Bainsi Minor (RDO-23750) was completed (1982-83) by the Canal Lining Division No. 23 Rohtak at a cost of Rs. 3.56 lakhs. The joint inspection carried out (September 1987) by the Executive Engineer and two Sub-Divisional Officers disclosed excessive silting on bed due to defective lining that had obstructed the flow of water at the tail end. To overcome the problem, fresh estimate of Rs. 1.20 lakhs was sanctioned (January, 1989) by the Superintending Engineer, against which an expenditure of Rs. 0.42 lakh had been incurred upto May, 1990. No responsibility for defective execution of work had been fixed (July, 1990).

(c) The lining of Bhagana Minor RDO-8000 was executed (1982-83) by Canal Lining Division No. 15 (Defunct and merged with construction Division Hansi) at a cost of Rs. 2.83 lakhs. Due to defective execution of work, in Reach 0-8000, the water did not reach the tail end of the minor. To rectify the defect, an estimate for Rs. 3.63 lakhs submitted in August, 1989 was awaiting approval of the Chief Engineer (August, 1989).

(d) In Canal Lining Division No. 13 Rohtak, Kahanaur distributary (length 46.8 Kms) was handed over (April, 1986) to WJC Division Rohtak for running and maintenance. Due to defective lining in a length of 10,000 feet and variation in bed levies in RD 154000 to tail, there was excessive silting in the distributary which caused obstruction in the flow of water. For clearance of the silt in these reaches though an expenditure of Rs. 6.40 lakhs was incurred during 1986-87 to 1988-89, the flow of water of the tail end did not improve. Instead the intensity of irrigation decreased from 10 per cent in 1983-84 to 2 per cent in 1988-89.

(e)

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

- “(a) It is not the case of faulty design of the Channel but the work was done according to approved L-section for full supply discharge. During short supplies the Zamindars in the tail reaches were drawing less discharge, which made the department to tighten the lined section of Kabir Minor from RD 46500 to 51835. Thus none is responsible and expenditure so incurred was in public interest.
- (b) The excessive silt entrance in Bainsi Minor is mainly due to flow of heavy silt laden water from river Yamuna. To overcome the problem only a sum of Rs. 0.33 lacs was incurred against the Sanctioned estimate of Rs. 1.36 lacs on silt clearance and Minor repairs, which was necessary for smooth running of the channel. This was not the case of defective lining and hence no responsibility was to be fixed. The channel is working satisfactorily now.
- (c) The defects in lining of beds were negligible but the share-holders were psychologically reluctant to damage the bed of lining in RD 0-8000 due to less supplies. No expenditure has been incurred by the Department to rectify the damages in bed so far and the channel is running smoothly with its full authorised supplies. The concerned Xens/SDOs who got executed the works have since retired/expired and as such no action against them is possible at this stage.
- (d) Silt Laden Water of River Yamuna flows into Kahanaur Disty. The intensity of silt during rainy season increased abnormally and hence siltation and berming in Kahanaur Disty. and in other Channels of Yamuna system is a natural phenomena. The work of desiltation and Berm cutting are normally done on these channels before the Rabi Sowing period every year in order to feed the tails. Kahanaur Disty. is a lengthy Channel and hence expenditure of Rs. 6.40 lakhs on desiltation was justified and thus unavoidable in public interest.”

(a) Kabir Minor

While going through the facts of this case, the Committee observed that due to faulty design of the channel, the department was put to extra burden of Rs. 1.54 lacs as a extra expenditure on the lining of the channel. The Committee is not satisfied with the contention of the department in this regard and therefore, recommend that the responsibility of officers/officials be fixed who were responsible for the defec-

tive design. The Committee, further recommend that to overcome this problem, proper lining of the channels be made in future so that full supply of water reaches up to the tail end. The action taken in this regard be intimated to the Committee within a period of three months.

(b) Bhainsi Minor

The Committee recommend that the explanation of the concerned officers be called who were responsible for defective lining in this case that had obstructed the flow of water at the tail end. The action taken in this regard be intimated to the Committee in due course.

(c) Bhagana Minor

During the course of oral examination, the Committee observed that the reply in this regard is not in accordance with the questionnaire of the Committee. The Committee, therefore, recommend that full facts of this case be again verified after inspecting the site and a complete report in this regard be sent to the Committee for its consideration.

(d) Kahnaur distributory

While discussing this para, the Committee asked for certain information in respect of disilting of Minors etc. which the department promised to supply within a period of three months. The said information is still awaited from the department.

[23] 4.1 10. *Extra expenditure*

In Canal Lining Division No. 25 Rohtak, tenders for single layer tile lining of Sukhpur minor for RDO-1 5730 (estimated cost Rs. 7.03 lakhs) invited in May 1984 (tendered cost Rs 3 56 lakhs) were rejected (August 1984) by the Superintending Engineer (SE), on the ground that negotiation of rates/non-deposit of earnest money by the agency were contrary to the prescribed procedure of the World Bank. Fresh tenders were opened/invited (November 1984). The rates of lowest tenderer (tendered cost Rs. 3.82 lakhs) recommended by the Executive Engineer (November 1984) were, however, reduced (January 1985) to Rs. 3 48 lakhs by the Superintending Engineer without assigning any reasons. These tenders were filed, as the reduced rates were not acceptable to the contractors. On re-invitation of tenders (October 1987) (tendered cost Rs. 4.56 lakhs), the works were got completed (January—March 1990) at higher rates resulting not only in an extra expenditure of Rs. 0.94 lakh as compared to the tendered rates of November 1984, but also in enhancement of the estimated cost from Rs. 7.03 lakhs to Rs. 11.22 lakhs.

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

“Retendering in this case had to be resorted mainly due to the reason that earth from the existing fields was not allowed to be taken by the land owners of adjoining Delhi Territory. Even longer leads were allowed later on but the Agencies left the work

after doing patch work in a length of 400 ft. only finding unprofitable. Finally the cutting of existing banks were allowed by the competent authority and the work was done accordingly at site. Hence no officer is responsible for extra cost of work which was unavoidable due to price escalation."

During the course of oral examination, the Committee feels certain bungle in the execution of this work. The Committee, therefore, desired that a detailed report in respect of this para be sent to the Committee for its information within a period of three months.

[24] 4.1.11 Avoidable expenditure on cartage and transportation.

(a) The Superintending Engineer, Procurement Circle Panchkula placed 4 supply orders for the supply of 1,53,500 cement bags with the Cement Corporation of India. The consignee was Executive Engineer Canal Lining Division No. 9 Kaithal. After receiving the supply of 29,292 bags in August 1988, the Executive Engineer informed the SE (in September 1988) that due to paucity of storage capacity the supply order for the balance quantity be either cancelled or diverted to other Divisions. But no action in this regard was taken, and further supply of 95,563 bags were received during September 1988 to March 1989. Out of these 45,557 bags were diverted direct from Railway Station to other Divisions, and 49,498 bags were first shifted to store at Kaithal and Pagan then transferred to other Divisions located at different stations. This led to avoidable expenditure of Rs. 0.96 lakh on cartage and transportation from the Railway station to Kaithal/Pagan stores.

(b) In Canal Lining Division No. 12 Kurukshetra 126730 Cement bags were received during July-December 1988 against four supply orders placed by the SE (Procurement) Chandigarh. Out of these, while 25,809 bags were consumed on the works and 49,947 bags were diverted direct to other divisions etc. 54,350 bags were transported to stores in the first instance and subsequently transferred to other Divisions. This resulted in avoidable expenditure of Rs. 1.47 lakhs on loading/unloading and transportation of cement from the Railway station to stores.

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

(a)(i) The storage capacity of cement was assessed before placing orders of Cement in view of allotment of works in 4 divisions.

(ii) Diversion of Cement against supply orders was not considered necessary keeping in view the field requirement of Cement.

(iii) To avoid wharfage/Demurrage charges, the cement was firstly carted to the stores and thereafter it was issued to the Divisions as per their requirements. Thus none is responsible for this lapse.

(b) Four No. Supply orders were placed by the Executive Engineers on various firms keeping in view the requirements of

cement on the basis of works allotted. The firms could not regulate supplies quarterly and made bulk supplies during August/September, 1988 while no lining work was in progress being non-working season. Similarly in 11/88; 81149 bags were received. The consumption during the quarter was only 25000 bags. To avoid wharfage/demurrage charges, the cement was carted to the stores by the consignee. It is further submitted that when the cement was received, there was heavy rains in the area. Having due regards to the consumption, it was considered to transfer the cement to needy divisions. In view of above none is held responsible and the expenditure so incurred was un-avoidable in public interest."

While discussing this para, the Committee asked for certain more information in respect of the receipt of the material, where it was stored and for how many days, and when it was transferred to other divisions together with the details of its utilisation and the difference of rates at the time of utilisation etc. The department promised to supply the said information which is still awaited.

[25] 4.2.6 Injudicious purchases

(a) In the Ujina Remodelling Mechanical Division, Gurgaon, a crane was purchased (February 1981) at a cost of Rs. 3.02 lakhs, for loading/unloading of heavy material for Massani Barrage Project. The life span of the crane was 12 years or 15000 working hours. The crane worked only for 111 hours during 1982-83, and since then had been lying idle. It was declared surplus to the requirement of the Division only in September 1989. The purchase of the crane without assessing the requirement of the work load, thus, resulted in blocking of Government money to the extent of Rs. 3.02 lakhs. The Executive Engineer intimated (June 1990) that the crane could not be put to use as the Department had no such work, and the condition of the machine had deteriorated due to exposure to the weather.

(b) In Loharu Canal (Mechanical Division) Charkhi Dadri, spare parts worth Rs. 2.19 lakhs, purchased during March, 1983 for carrying out urgent repairs of dozers and dragline were declared surplus in March 1989, and were lying unconsumed (June 1990). According to the Executive Engineer (October 1989), the spare parts could not be utilised as the estimates for special repairs of the machine had not been sanctioned by the competent authority. Their purchase in anticipation of sanction of estimate was injudicious, resulting in unnecessary blocking of funds to the extent of Rs. 2.19 lakhs.

(c) In the Canal Lining Mechanical Division No. 20 Karnal, spare parts worth Rs. 3.11 lakhs transferred by the Munak Mechanical Division Karnal (defunct) in March 1979, were lying un-utilised (June 1990).

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

(a) Detail position of each item listed at (i) to (c) is given as under :—

- (i) This crane was not newly purchased but was got transferred from Government Agency i.e. Rehabilitation Re-organ for use at Massani Barrage project. Due to non-availability of Budget the work of erection of Gates and gearing of Massani Barrage could not be taken up. Subsequently the construction activity of Drainage Works changed. This made the machine idle. Finding no further scope for its utilisation, efforts are being made for its disposal, Thus none can be held responsible.
- (ii) The spare parts worth Rs. 2.19 lacs were purchased for up keep of the machinery according to the norms fixed by C.W.C. Due to paucity of funds and consequently less availability of work these spares could not be utilised. Thus none is responsible.
- (iii) On closure of Munak Mechanical Divisions, Karnal the available machinery alongwith spare parts was transferred to the Canal Lining Division No. 20, Karnal. The machinery was put to use as per field requirements. However, these spares could not be utilised fully. Efforts are being made to dispose off surplus machinery alongwith spare parts.
- (b) The machinery/spares parts were purchased for use on works in public interest & hence none is responsible.
- (c) These items are now surplus in construction unit as per directions of the World Bank. Efforts will be made to transfer the machinery/spares to the needy water Supply Unit. In case no requirement is received, it will be auctioned.

During the course of oral examination, the Committee asked for the details of spare parts showing description of each spares, value, date of purchase and storage etc. for the perusal of the Committee. Accordingly the department supplied Division wise details of the balance spare parts. After going through the said information, the Committee decided to make a spot inspection of the stores of Mechanical Divisions at Jansui (Ambala), Karnal, Charkhi Dadri and Nuh during the month of February, 1995. After inspecting the above said stores, the Committee noted that the machinery/spares worth rupees five crores are lying unconsumed/unutilised for the last several years in the different stores of the department. The Committee further observed that in certain cases whereas the machinery stands disposed of, but their spares are still lying unutilised/unconsumed in the department. The Committee thus feels that it is a blockade of Government funds which otherwise could be utilised for the betterment of the State. The Committee is of the view that Government should immediately take steps to dispose of all these spares which are not to be utilised and cannot be consumed by the department. The Committee, further recommend that a Committee of senior officers of the department be constituted to take stock of all these unutilised/unconsumed spares and suggest the measure for their quick disposal through auction or otherwise so that the Government funds be utilised for the development of the State.

The Committee also recommends that machinery which is in working order and can be utilised by the department may be transferred where it is required. The Committee also recommends that department should also initiate action against

all the responsible officers who failed to discharge their duties properly and efficiently in handling these machineries and their spare parts and also failed to inform the Government that the machinery worth crores of rupees was lying idle and remained unutilised from 1982 till today and the same could not be disposed of. A detailed report about the above said observations of the Committee be sent within a period of three months for its information.

[26]4.2.7 Idle operational staff

(a) The Gurgaon Water Supply (Mechanical Division) No. II, which started functioning in February, 1988 was entrusted with the execution of mechanical works of three civil Divisions relating to the Gurgaon Water Supply Project (deposit work). The work of the project was not taken up (position in March 1990) due to non-acquisition of land by the civil Divisions. Meanwhile, expenditure was being incurred on idle operational staff. This amounted to Rs. 22.60 lakhs upto March, 1990, and was still continuing.

(b) Similarly, in Ujina Remodelling (Mechanical) Division Gurgaon, four draglines viz. TATA 1025, 6141, HIND MARINE 325, 328 were under break down condition. The expenditure of Rs. 0.97 lakh incurred on account of pay and allowances of operational staff without any work was rendered unfruitful. The Executive Engineer intimated (June, 1990) that the operational staff was necessary for up-keep of the machinery. The reply is not tenable as up-keep of the machinery which was in break down condition, was of no utility.

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

“The operational staff was engaged on regular cadre and their services can not be dispensed with. Now the department has been re-organised to utilise the available operational staff optimally”.

During the course of oral examination, the department could not justify the huge expenditure incurred on the maintenance of the idle operational staff. After hearing the departmental representatives, the Committee recommends that a fresh survey be conducted in the department to utilise the surplus staff wherever it is required and a report in this regard be sent to the Committee for its perusal within a period of three months.

[27]4.3 Avoidable expenditure on Sirsa Branch

Government approved (September, 1986) a project for lining of Sirsa Branch in reaches RD 316000-342000 to be completed in two years at an estimated cost of Rs. 200 lakhs. The project provided for construction of a temporary diversion channel for maintaining water supply during lining of the Branch. The Department started (February, 1987) the construction of the diversion channel departmentally in anticipation of approval of Longitudinal Section (L-Section) and without sanction of the detailed estimate of Sirsa Branch; and an expenditure of Rs. 20.82 lakhs was incurred upto February, 1988. The diversion channel completed in February 1988 could not, however, be linked till June, 1989 with the main branch due to non execution of its lining works as the L-Section had not been finalised (March, 1990).

During audit (August-September, 1989) of Hathni Kund Barrage Division Narwana, it was noticed that for maintenance of the diversion channel, an expenditure of Rs. 3.36 lakhs had to be incurred on clearance of vegetation growth caused due to non-commissioning of the diversion channel for a long time. Besides, a payment of Rs. 2.59 lakhs was also made to land owners as lease money for the years 1987-88 to 1989-90. Thus, the construction of the diversion channel without completing the preliminary investigations resulted in avoidable expenditure of Rs. 5.95 lakhs (Rs. 3.36 lakhs on maintenance of diversion channel ; Rs. 2.59 lakhs as lease money).

The Superintending Engineer, Canal Lining Circle No. III Kaithal stated (December 1989) that the finalisation of L-Section of the Sirsa Branch had many constraints in the shape of existing railway bridge, other direct roads and village road bridges falling in that portion, and it required discussion at various levels. The reply is not tenable, as these constraints were well known to the Department at the time of conceiving the project for lining the Sirsa Branch, and the work of construction of diversion channel could have been suitably synchronised so as to avoid such wasteful expenditure of Rs. 5.95 lakhs.

The matter was reported to the Government in April, 1990; reply has not been received (April, 1991).

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

“The construction work of Diversion Channel was taken up after completing the required preliminary investigations. In fact the temporary diversion channel was to be constructed as essential job facility as a parallel channel till completion of the lining of Main Sirsa Branch as per provisions existed in the approved Project Estimate. The preparation of detailed estimate was not possible untill supplies through Diversion Channel were passed and main channel became empty for observing X-Section and other data. The Diversion Channel has since been linked with the parent channel. Thus there is no lapse.

The diversion channel was constructed as per planned programme. Its maintenance was absolutely necessary before making it operational to pass the authorised discharge in order to supply Canal Water to Irrigators served by Sirsa Branch. So Rs. 3.36 lakh was spent on clearance of vegetation growth as it falls in the Water logged area”.

After hearing the departmental representatives, the Committee observed that the construction of the Diversion Channel was allowed without completing the preliminary investigations which resulted in avoidable expenditure of Rs. 5.95 lacs. The Committee, therefore, desired that a detailed report with regard to this case be sent to the Committee for its information within a period of three months.

[28] 4.4 Extra expenditure due to delay in finalisation of drawings/tenders

Government accorded (May 1987) sanction for the construction of seven stone studs for providing protection to embankment as well as *‘‘abadi’’ of

*‘‘abadi’’; Inhabitants of a village.

village Mohabatpur and agricultural land on the right side of the river Yamuna, at a cost of Rs. 13.99 lakhs. In anticipation of approval of design for the construction of studs, tenders (valid upto 6th January, 1988) were opened on 8th October, 1987 by the Executive Engineer, Gaunchi Division GC Faridabad, and rates of the lowest tenderers were recommended for approval of the Superintending Engineer (SE) on 31st December, 1987. The SE after getting the validity period extended forwarded (February, 1988) the tenders for acceptance to the Chief Engineer. The CE approved (May, 1988) the lowest rates for studs No. 3—7, and returned the tenders for studs No. 1 and 2 with a directive to resubmit these after studying floods of 1988 and working performance of the studs 3—7. Meanwhile the validity period of the tenders had expired, and the agencies whose rates were approved declined to take up the work due to price escalation. Tenders for 3—7 were, therefore, called afresh in May 1989. The rates approved this time were higher than those approved by the Chief Engineer in May 1988. The studs were completed in August, 1989, and based on the quantities of the final bills, the Department incurred an extra expenditure of Rs. 1.73 lakhs on these works as compared to the rates approved in May, 1988.

The matter was reported to Government in May, 1990; reply has not been received (April, 1991).

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

“The tenders were not finalised for want of Budget provisions/priority of works for the construction of studs. On availability of Budget, the competent authority accorded sanction for execution of works on 5 No. Studs but the tendering Agencies did not agree to execute the works after expiry of validity period due to price escalation. The Deptt could not force the agencies to take up the work under Work Order System.

The work was done as per availability of budget and funds and priority of works fixed by the Govt. Thus no officer was held responsible”.

The Committee is constrained to note that tenders were floated without the sanction of the Budget. The Committee, therefore, desire that responsibility in this regard be fixed and a report be sent to the Committee for its information.

[29] 4.12 Outstanding Inspection Reports and paragraphs

Audit observations on financial irregularities and defects noticed in the initial accounts and record during local audit are communicated to the Heads of offices and their next departmental superiors through Inspection Reports. More important irregularities are also reported to the Heads of the concerned Department and Government for their comments.

A review of the inspection reports issued upto December 1989 pertaining to 113 Divisions of the Irrigation Department disclosed that 977 paragraphs relating to 488 inspection report involving Rs. 6010.12 lakhs remained outstanding at the end of June 1990. These included 11 inspection reports (11 paragraphs) which had remained unsettled for more than ten years,

The yearwise position of unsettled inspection reports/paragraphs was as under :—

Year	Inspection Report.	Paragraphs	Amount involved
Upto			(Rupees in lakhs)
1984-85	149	196	1,122.41
1985-86	40	52	144.87
1986-87	60	188	1839.05
1987-88	58	94	552.31
1988-89	101	206	900.68
1989-90	80	241	1450.80
Total	488	977	6010.12

In respect of 34 inspection reports consisting of 192 paragraphs, even the initial replies though required to be furnished within six weeks were still awaited (June 1990).

important types of irregularities noticed during inspection are summarised below :—

Nature of irregularities	Number of Paragraphs	Amount involved
		(Rupees in lakhs)
Recoverable amounts from contractors on account of excess payment, cost of work done at their risk and cost etc.	63	76.08
Undue aid to contractors	10	5.92
Irregularities in purchases/non-accountal of material/surplus stores	127	803.58
Extra/infructuous/irregular expenditure and blockade of funds	447	2274.73
Execution of sub-standard works	31	101.85
Losses due to theft, misappropriation etc.	189	136.00

Out of total 977 outstanding paragraphs 13 were before courts, arbitrators and police authorities 227 cases were pending with Government/Engineer-in-Chief Superintending Engineers for regularisation. The remaining 737 vested with the Divisional offices.

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

“Out of 977 Inspection Report Paras, 610 No. paras have since been settled with the Accountant General (Audit), Haryana. Action in respect of the observations of Audit on the remaining Paras is being pursued vigorously.

Field officers have been instructed suitably time and again to ensure submission of initial replies to the Inspection Reports within the prescribed period.

Periodical meetings are being arranged by the field officers and even at the level of Chief Engineers for expeditious action to enable settlement of I.R. Para.

Initial reply to each of the remaining 367 outstanding I.R. paras stand sent to Accountant General (Audit), Haryana. The latest position of outstanding I.R. Paras (Yearwise) is given as under :—

(i) Prior to 1985-86	136 Nos.
(ii) 1986-87	55 Nos.
(iii) 1987-88	45 Nos.
(iv) 1988-89	57 Nos.
(v) 1989-90	74 Nos.
Total	367 Nos.”

The Committee recommend that remaining 367 inspection reports be settled within a period of three months under intimation be the Committee.

[30] 5.3 Shortage of material

In Loharu Canal (Mechanical) Division, Charkhi Dadri, a Junior Engineer (JE) in charge of stores since November, 1982 did not hand over charge to his successor on his transfer (October 1987) to another Division at Charkhi Dadri. The Executive Engineer appointed (March 1988) a Committee of three Sub-Divisional Officers to conduct Physical verification of the stores held by him. While report of the Committee was still awaited, an interim report submitted (February 1989) by one of the members of the Committee disclosed a shortage of material valued at Rs. 1.29 lakhs. The amount was placed (March 1989) under ‘Miscellaneous Public Works Advances’ and a charge-sheet framed against the JE in May 1990 which was yet to be served on him (November 1990).

The shortage was facilitated due to failure of the Department in conducting physical verification and recociling balances of Priced Stores Ledger with the bin cards.

The matter was reported to Government in July 1989; reply has not been received (April 1991).

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

“The physical verification of stores could not be conducted timely. For this lapse S/Shri H.R. Soni, V.K. Godara & V.K. Sharma, SDOs have been held responsible.

2. The Junior Engineer has since been chargesheeted under rule 7 of P&A Rules 1987 by the competent authority in 6/92. The reply given by him is under examination.
3. The reconciliation of balances borne on bin cards with Priced Store Ledgers was completed. Only the SDOs failed to carry out physical verification of stores and for this lapse they are being served with a show cause notice under the rules”.

The Committee was informed that physical verification of stores could not be conducted timely and for this lapse, a S.D.O. has been held responsible and a charge-sheet under rule 7 has been issued to him. The Committee, therefore, recommend that action against him be finalised within a period of three months under intimation to the Committee.

PUBLIC HEALTH DEPARTMENT

[31.] 4.20 National Technology Mission on Drinking Water Supply in Villages

4.20.7 (a) to (e) * * * * *

4.20.7 (f) Execution

One of the objective of the programme was to ensure an adequate quantity of water of acceptable quality to the rural population. For this purpose, laboratories were to be set up for creating an infrastructure for water testing. In Haryana, no water-testing laboratories were set up under the programme till March 1990 though four laboratories had been sanctioned in January 1989 to be set up at Gurgaon, Bhiwani, Hisar and Sonapat.

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

“4 Nos laboratories i.e. at Hisar, Karnal, Gurgaon, and Narnaul were sanctioned by Government of India and a sum of Rs. 9.085 lakhs was allocated. The laboratories could not be made functional immediately due to delay in the procedural formalities for recruitment of staff. 1 No Chemist has now been posted in each of the 4 laboratories and the laboratories are being made functional. Instructions have been issued on 7.9.93 for conducting water sample analysis in Faridabad, Sonapat, Jind, Narnaul, Rewari, Gurgaon, Yamuna Nagar and Jagadhri Districts”.

During the course of discussion in respect of laboratories set up at Hisar, Gurgaon, Karnal and Narnaul for water testing, the Committee desired that a list of samples tested by these laboratories together with the number of villages covered under these laboratories be sent for the perusal of the Committee.

[32] 4.20.8 Other points

(i) and (ii) * * * *

(iii) Irregular expenditure

In December 1987, the construction of 2 bunds (Fazalpur and Wazirabad) included in the “Detailed Project Report” (DPR) of District Gurgaon was approved by Government of India for rain water harvesting structures covering 3.90 sq. miles benefiting a total area of 610 acres for 3 water supply schemes at an estimated cost of Rs. 15.52 lakhs. Rs. 10 lakhs were released in March 1988 to DRDA Gurgaon out of funds under Rural Landless Employment Guarantee Programme (RLEGP). The money was to be spent in accordance with guidelines, which inter alia,

provided (i) 50 percent wage component; (ii) distribution of food grains @ 1.5 kg. per manday and generation of 0.64 lakh mandays employment and (iii) completion of the work within 18 months (i.e. upto September 1989) for proper soil investigation, collection and analysis of pre-monsoon and post-monsoon data to know the effectiveness of the structure in consultation with Central Ground Water Board (CGWB)

Audit scrutiny disclosed :—

(a) to (c) * * * *

(d) The scheme was neither got administratively approved from Advisory Board nor were estimates got technically sanctioned from the competent authority.

(e) * * * *

(iv) Fictitious adjustments

In order to show utilisation of funds received under Technology Mission, fictitious adjustments of Rs. 112.07 lakhs in respect of 46 schemes (Ambala : 36— Rs 100.68 lakhs; Gurgaon : 10 — Rs. 11.39 lakhs) were carried out by transferring the works executed/being executed under other schemes such as MNP/ARWSP/World Bank/ Draught Relief and Mewat Development Board to TMP.

(v) Irregular purchases

(a) Four submersible pumps and four motors valued at Rs. 0.63 lakh were purchased by Executive Engineer, P.H. II Gurgaon on a single day by splitting up the supply order to keep the amount of each supply order below Rs. 10,000, to avoid sanction of higher authority. Instead of making purchases from rate contract firms or sending the demand to Director, Supplies and Disposals Haryana, purchases were effected from the open market. Reasons for resorting to purchases from open market were not on record.

(b) A punching and binding machine valuing Rs. 0.21 lakh was purchased during April 1987, though such a purchase was not covered by TMP.

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

“(d) The schemes were approved by Government of India after which funds were released.

The project document of Thechnology Mission envisaged that the existing Project Approval Board under RLEGP would Act as Adisory Board at the State level in respect of Techology Mission Project. However

since the mode of execution of the scheme, as discussed above, got changed and the work was done by the Drainage Department and that Department got the work done, as per their practice, through contractors by employing labour, the work was not executed under R.L.E.G.P. Hence there was no point in getting the estimate approved through the Advisory Board under R.L.E.G.P.

- (iv) At the time of introduction of Mini Mission in Ambala and Gurgaon the work of Providing Water supply was in hand in most of the villages in these Districts under various programmes like, MNP/WB/ARP/Drought affected/Mewat Development Board aided schemes. The work on these schemes was at different stages of completion. With the approval of Government of India in Mini Mission District of Gurgaon and Ambala, a number of on going schemes under various programmes were taken up under TMP as the Mini Mission Projects were for the entire districts to solve various problems of quality and quantity of drinking water. As such there was no fictitious expenditure adjustment and the works were in fact most judiciously planned and executed to attain the objective of T.M.P.
- (v) (a) Under rule 10.2 (Sr. No. 9) of D.F.R. the Executive Engineer was empowered to purchase any material such as machinery etc. for use on any work upto 10,000/-. The pumps and motors in question were separately purchased for four different works/sites noted below :—
1. Providing Watere supply Scheme Rajpura group of villages (Tubewell at Rajpura).
 2. Providing Water supply schmc Balwawa (Tubewell at Khalipur).
 3. Providing Water supply scheme Bhorakalan (Tubewell at Bhorakalan)
 4. Providing Watersupply Scheme Barheri Rehrma (Tubcwll at Jasat).

From above it is clear that machinery so purchased was affixed on different tubewells at different sites/works and there was no splitting of work as mentioned in para as the Executive Engineer was competent to purchase machinery up to Rs. 10,000/- as per rules as such is in order.

- (b) The machinery was required for use on works covered under the Technology Mission. Therefore purchase was justified“.

(d) After hearing the departmental representatives, the Committee observed that the department violated the guidelines of the project and the money was not spent in accordance with its terms and conditions. The Committee, therefore, desired that full facts of this case be sent to the Committee for its satisfaction.

(iv) Fictitious Adjustments

The Committee observed that the funds which were to be spent for a particular purpose or for particular schemes have been spent/diverted for some other

purposes. The Committee was not satisfied with the reply given by the department in this regard and therefore desired that a Complete report in this regard be sent to the Committee for its information.

v) Irregular purchases

The Committee observed that it is a serious lapse on the part of the concerned officers/officials and therefore, recommend that responsibility be fixed and a report to this effect be sent to the Committee.

[33.] 5.1 Stores and stock

5.1.1 Introduction

Stores comprise all articles/material, plant machinery and equipment procured for use on works. On the basis of demand placed by field units, the material is purchased from approved source/market or through Director, Supplies and Disposals. 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 charging to works or other units. The valuation accounts of stores are kept in the Priced Store Ledger (PSL) maintained at divisional level.

Out of 36 Divisions, 23 Divisions were test checked in June-July, 1990 and the following points were noticed:-

- (i) In none of the Divisions, value accounts were maintained and Priced Store Ledger (PSL) closed annually.
- (ii) In 7 Divisions, the value of items posted in PSL was in excess by Rs. 111.58 lakhs of the stock value depicted in the accounts rendered to the Accountant General.
- (iii) In 9 Divisions, the balances in the ledgers were not reconciled with those shown in the Bin Cards. Non-reconciliation of balance was susceptible of shortages remaining undetected.
- (iv) The profit or loss i.e. the difference between the issue rate and cost price was neither worked out nor adjusted in any of the Divisions.
- (v) In 14 Divisions, the preparation of accounts of Tools and Plant was in arrear, and the delay ranged from 2 to 37 years.
- (vi) In 20 Divisions, material valuing Rs. 85.14 lakhs was lying surplus to the requirement of the Divisions and no action to dispose it of or transfer to other divisions was initiated.
- (vii) In 3 Divisions, the value of stock was in minus to the extent of Rs. 14.70 lakhs at the end of March, 1990, due mainly to non-accountal of value of stock material received from Director General, Supplies and Disposals (DGS&D) and non-adjustment of profit/loss account of stock. Delay in adjusting of transactions and existence of minus balances was indicative of defective maintenance of store accounts.

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

- “(i) The value account of stocks are now being maintained in all the 23 divisional offices.
- (ii) The deference in the PSL is due to non adjustment of A.G. Memo's and issue price of the material being on higher side. The material is received earlier whereas the A.G. Memos are received quite late.
- (iii) The balances in the ledger have been reconciled with those shown in the Bin Cards
- (iv) In all the 23 Divisions, profit and loss have been worked out.
- (v) Out of 14 Divisions, 11 Divisions have prepared the T&P Returns and the remaining 3 divisions are also preparing the T&P returns. Instructions have been issued to prepare the same.
- (vi) Out of surplus material of Rs. 85. 14 lakhs, the material worth Rs. 29. 24 lakhs has since been disposed off. For the remaining the list of surplus material has been circulated among all the Divisions of public Health Department and action is being taken to utilise the same.
- (vii) The minus balances have since been cleared by adjustment of A.G. Memos and now the balances are in plus.

All the Executive Engineers have been instructed vide Engineer-in-Chief Haryana, Public Health Branch Chandigarh No. 2274-2325-PH/AC (3) dated 22.9.93 to complete the record and directed to ensure that such lapses should not be repeated in future.”

The Committee recommend that the surplus material be utilized/disposed of within a period of six months and a complete report in this regard be sent to the Committee for its information.

[34.] 5.1.2 Injudicious purchases

Following instances of injudicious purchases/blocking of funds were noticed :—

- (a) Municipal Committee (MC), Ambala City asked (September 1985) the Public Health Department that in view of the financial constraints first priority should be given to water supply instead of sewerage schemes in the town and that the funds of Rs. 16.58 lakhs deposited for the purposes be diverted to the Water Supply Schemes. In spite of the specific request of the MC, the Public Health Department purchased RCC pipes worth Rs. 29.44 lakhs of different sizes during July to December 1987 for executing sewerage schemes. Out of these, pipes valued at Rs. 6.71 lakhs only could be utilised and the pipes worth at Rs. 22.73 lakhs were still lying unconsumed due to suspension of work on sewerage (July 1990).

(b) In Mandi Public Health Division, Naraingarh Prestressed Concrete Cement PCC Poles and Aluminium Cables Steel Reinforcement, (ACSR) conductor valued at Rs. 2.95 lakh and Rs 0.46 lakhs purchased during November-December 1987 for providing independent electric feeder to rural water supply scheme were lying unutilised, Executive Engineer intimated (July 1990) that no demand from the Haryana State Electricity Board had been received for executing the work of independent electric feeder. Thus, the purchase of material in advance of the requirement had resulted in unnecessary blocking of Government money.

(c) ACSR squirrel conductor (27.370 km. in length) and Aluminium conductor (16.950 Km in length) received (June 1986 and November 1987) in Public Health Division Sonapat (value : Rs. 0.63 lakh) and in World Bank Public Health Division Hisar (value Rs. 0.37 lakh) respectively were lying unutilised (July 1990).

(d) In world Bank Public Health Division, Hissar, direct purchases valuing Rs. 2.87 lakhs were made during 1983-84 from local market by Sub-Divisional Engineers in excess of delegation of powers. Charge sheets were served (November-December 1987) on them and a Superintending Engineer was appointed (April 1988) as Enquiry Officer. Further developments were awaited (July 1990).

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

(a) Providing Sewerage scheme Ambala City phase II was Administratively approved by the State Sanitary Board for Rs. 170.65 lakhs on 26-2-79 and the same was revised to Rs. 300.00 lakhs by the Board on 28-6-84. Further its estimate has again been revised to the tune of Rs. 526.00 lakhs due to rise in cost of labour and material which is awaiting administrative approval of the Sanitary Board.

After the scheme was Administratively approved, Administrator, Municipal Committee Ambala City was approached by the D.C. Ambala City on 2.9.85 for laying intercentring sewer as without this, the sewerage system in different areas of Ambala City like Civil Hospital, Old Delhi Road, Session Court and Nadi Mohalla etc., was not functioning properly. Then it was decided to purchase the RCC Pipes through the approved source after placing necessary supply order by the competent authority and accordingly the supply was received against the scheme in question. But in mean while the Administrator Municipal Committee vide his No. 3423/ME dated 24-9-85 intimated that the city was facing accute shortage of water supply and thus the water supply in the town be given first priority and that there was no immediate requirement of laying of sewer unless the water was available in abundance. It was also further mentioned therein that the Director, Local Bodies, Haryana has also been approached by the Municipal Committee for getting the sewer funds diverted to the water supply head. No doubt the Administrator, Municipal Committee Ambala City intimated his consent for not taking up the work of laying sewer for the present and also intimated that the matter stood taken up with the Director, Local Bodies for the diversion of these funds for providing watersupply scheme, but yet upto 4/88 no confirmation for diversion of these funds was finalised by the Local

Bodies Department and the matter remained under correspondence without its finalisation. However during 6/88, a fresh case for diversion of funds amounting to Rs. 18.00 lakhs was again submitted vide the Executive Engineer, Public Health Division Ambala No. 8513 dated 27-6-88 after having necessary advice of the Administrator, Municipal Committee vide his No. 13 dated 20-6-88 for taking the priority of watersupply works. On this the Engineer-in-Chief Haryana P.W.D. Public Health Branch, Chandigarh vide his No. 19918 dated 10-8-88 referred the case to the sanitary Board for diversion of the unspent funds. Out of the funds deposited from their own sources by the Municipal Committee amounting to Rs. 7.50 lakhs, Rs. 3.46 lakhs were however diverted to watersupply schemes, after deducting upto-date expenditure of Rs. 4.04 lakhs on sewerage scheme.

Thus the pipes were purchased against approved schemes, which later circumstantially had to be deferred as per the request of the client department. Therefore, the purchase of pipes cannot be termed as injudicious purchase. Further even the client department did not finalise the case of diversion of funds from the sewerage scheme to watersupply scheme till June 1988, by which date the pipes had already been purchased (S.O. dated 5/87). There is no fault of the department if the priority had been changed by the client department sewerage scheme to watersupply scheme in the City.

Due to escalation in prices from time to time these pipes are an asset with the department. Most of the balance pipes have already been used in the department on other schemes. Balance pipes as detailed below shall also be consumed shortly and there would be no loss to the department on this accounts.

Size	Quantity received (M)	Quantity used (M)	Balance quantity (M)
200	1500	1478	22
250	1000	991.5	85
350	1500	1500	—
400	1500	1500	—
800	2000	667.5	1332.5
900	1000	490	510
1100	1000	1000	—

- (b) In this connection it is stated that the work of providing independent electric feeders to rural water supply schemes was taken up under T.M.P. and was to be carried out by the Haryana State Electricity Board. The said material was to be supplied to them by this Department alongwith the requisite amount in cash. Executive Engineer, Operation Division, H.S.E.B. Naraingarh vide his memo No. 19/D/SAL-17 dated 16.1.92 has asked Public Health Division, Naraingarh to deposit the funds and transfer the material (PCC poles and ACSR conductors) to H.S.E.B. for laying independent feeder lines.

Accordingly a sum of Rs. 2.00 lakhs has since been deposited with the Executive Engineer, Operation Division, H.S.E.B., Naraingarh vide cheque No. 332141 dated 16.1.92 and simultaneously the material is also being lifted by the H.S.E.B. for use on the work. The amount has been put in Misc. Advance of H.S.E.B. and the matter is being pursued with H.S.E.B. for taking up execution of work at the earliest.

(c) (i) In Public Health Division, Sonapat the Material was arranged for providing independent feeders for Rural Watersupply Schemes Chulkhana and Purkhas at an estimated cost of Rs. 4.46 lakhs and Rs. 2.65 lakhs respectively. The material was arranged as H.S.E.B. was short of conductor. But later on H.S.E.B. arranged its own conductors and thus the material is lying unused in the store. 5.894 km has since been consumed and balance 218.534 km shall be consumed during the financial year 1993-94 on other works for providing independent feeder lines.

(ii) In Public Health W.B.P. Hissar, ACSR squirrel conductor 16.950 KM (Value Rs. 0.37 lakhs) was received in 11/87, material would be used on ongoing water works of Kharampur, Sarangpur, Durjanpur, Thaska, Kalwas and Gawar by the end of financial year 1993-94.

(d) The enquiry in this case has been completed and the same is under process.

(a) The department assured the Committee that the rest of pipes will be utilised in the department within a period of six months and utilisation report will be sent to the Committee.

(b) The Committee recommend that the scheme should be restarted at the earliest with the help of H.S.E.B and the remaining material be utilised at the earliest under intimation to the Committee.

(c) The Committee recommend that the remaining aluminium conductors be utilised at the earliest under intimation to the Committee.

(d) The Committee desired that the final decision be taken in this case within a period of three months and inform the Committee accordingly.

[35] 5.1.3 Shortage of material

(i) A junior Engineer while working in Public Health Division No. 2 Gurgaon handed over short material valuing Rs. 1.54 lakhs on his transfer (March 1988) Chargesheet initiated against him was yet to be served (July 1990).

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

“The shortage of material relates to Sh. S. N. Verma. J. E. The charge sheet for the same has already been served upon him vide Engineer-in-Chief Haryana, No. 10103 dated 19-9-91 and the enquiry initiated as per order of the Engineer-in-Chief Haryana, P.W.D. Public Health Branch, Chandigarh No. 496-99-BH/E(3) dated 16-9-92, Shri P.D. Gupta the then Superintending Engineer, Public Health Circle, Deptt. (now Chief Engineer) has been appointed as an enquiry officer, enquiry report is still awaited.”

The Committee desired that the action against the concerned J. E. be finalised within a period of 30 days under intimation to the Committee

[36.] 5.2 Excess issue of material

The Financial rule provide that material should not be issued to a contractor in excess of immediate requirements of the work. The work of providing storm water sewerage in Mandi Town, Sirsa, (estimated cost : Rs. 2.50 lakhs) was allotted in February, 1984, to a contractor 'A' by the Executive Engineer, Public Health Division, Sirsa. The time limit of the work which was to be completed by 28th August, 1984 had to be extended upto 31st March 1985 as the contractor did not adhere to the time schedule. Despite extension in time limit, the contractor left the work in March 1985 after executing it to the extent of Rs. 2.44 lakhs and the balance work was got completed (June-July 1985) from another contractor without involving any extra expenditure. The final bill of contractor 'A' based on from the measurement book (MB) which was not adjusted in accounts, however, disclosed that material worth Rs. 1.14 lakhs (at penal rates) was neither returned by the contractor nor were any efforts made by the Division since March 1985 to recover from the contractor.

Thus, after setting off the value of work done (Rs. 0.07 lakh) and amount of security (Rs. 0.10 lakh) available with the department, the amount recoverable from the contractor 'A' worked out to Rs. 0.97 lakh. No responsibility for excess issue of material had been fixed. The Executive Engineer intimated (May 1990) that a case for effecting recovery due from the contractor 'A' was being referred to the Arbitrator. Further developments were awaited (April 1991).

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

“Shri B.R. Bishnoi, S.D.E./Sh. Sunit Kumar, J.E./Shri N.L. Metha, J.E. were responsible for not making good the recovery from the contractor. The case has been referred to the Hon'ble Court of Arbitrator Public Health Circle, Hisar on 26-4-91. Action has been initiated to charge sheet the officers at fault.

Out of the list of material worth Rs. 41,694/- at penal rates, material to the tune of Rs. 25371/- at penal rates has since been

returned to store of Public Health Division, Sirsa and accounted for. Contractor is being persuaded for the return of balance material of Rs. 16323/-. The executive Engineer had applied for arbitration under clause 26-A on 26-4-91. Next date of hearing has been fixed on 22-11-93."

The Committee was informed that an amount of Rs. 7326/- is yet to be recovered/adjusted. The Committee, therefore, desired that the amount be settled without any further delay and inform the Committee accordingly.

BUILDINGS AND ROADS DEPARTMENT

[37] 4.13 *Extra payment due to incorrect entries in Measurement Books*

According to the Haryana Schedule of Rates (HSR), extra rate for shuttering pattern is to be allowed only if a definite pattern has been specified in the architectural drawings, and not otherwise. For the construction of a bus stand at Sirsa, the drawings (ground floor) approved (May 1985) by the Chief Architect Haryana did not specify a definite pattern for shuttering, but contained a general note that all Reinforced Cement Concrete (RCC) work would be finished in steel shuttering pattern. The work (estimated cost of Rs. 19.54 lakhs) awarded in July, 1985 by the Executive Engineer, Provincial Division No. 1, Sirsa, was completed in October 1987. The contractor was paid Rs. 0.71 lakh in the running payments upto September 1987 at extra rates payable for use of specific pattern of steel shuttering which was neither specified nor used. The Executive Engineer, while finalising (August 1988) the claims of the contractor disallowed the extra rate payment and allowed Rs. 0.22 lakh for using ordinary steel shuttering in RCC work. The contractor went in arbitration (November 1988) against the reduction in the claim on the plea that the Executive Engineer/Sub Divisional Engineer under whose incumbency the work was executed had never objected to this item. The Department in turn maintained that the contractor was paid according to the shuttering actually used. The Arbitrator, however, gave an award (July 1989) of Rs. 0.49 lakh in favour of the contractor on the basis of general note given in the approved drawing.

During audit (November 1989), it was also noticed that extra rate of specified pattern of steel shuttering was paid to the contractor due to incorrect entries regarding use of steel shuttering pattern in the measurement book (MB), which resulted in an extra payment of Rs. 0.49 lakh. The Executive Engineer intimated (March 1990) that action against officials responsible for recording entries was being taken.

The matter was referred to Government in April 1990; reply has not been received (April 1991).

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

“Steel shuttering is required to be used where smooth exposed concrete finish is desired. However, steel shuttering pattern if specified in the Architectural drawings with definite pattern can be provided. In such case the shuttering has to be specifically manufactured in panels of desired size so that their joints give the specified pattern for concrete face payment for shuttering pattern was to be allowed if a definite pattern has been specified in the architectural drawings and not otherwise. For such a work complete rate for providing

steel shuttering pattern has been provided as item No. 9.17 in HSR. Thus the payment allowed for steel shuttering was not justified, and the departmental action against the persons at fault has been initiated as given in (2) below.

It is further added that the Arbitrator appointed in this case gave an award for steel shuttering pattern which was not executed by the agency, and the award has been challenged in the Court of Additional Session Judge, Sirsa.

2. The following officers/officials were found responsible for the excess payments :—

1. Shri K.C. Seth, EE
2. Shri Satbir Singh, EE
3. Shri Kapoor Singh, EE
4. Shri R.K. Nanda- SDE
5. Shri B.R. Gupta- JE
6. Shri S.C. Sidhana- JE

All the above officers/officials are being proceeded against under punishment and Appeal rules.

3. Any loss or extra payment can only be ascertained only after the case is decided by the Additional District Judge- Sirsa where the appeal has been preferred by the Department.

4. The appeal filed by the Department was fixed for hearing on 27-8-93 in the Court of Additional District Judge- Sirsa. Final decision of the court is still awaited."

After going through the facts of the case, the Committee recommend that action against the officers/officials who were responsible for recording incorrect entries in the measurement books be completed within a period of one month and a report to this effect be sent to the Committee for its information. The Committee further recommend that the appeal which has been filed in the High Court be pursued vigorously and the decision of the Court be also intimated to the Committee.

[38] 4.15 *Avoidable extra expenditure due to retendering*

In Provincial Division Naraingarh tenders (valid upto 5th October 1985) for the construction of a solid causeway on link road from Barwala-Raipur Rani road to village Hangola (estimated cost : Rs. 2.10 lakhs) were opened on 8th July 1985. The lowest tendered cost of contractor 'A' was Rs. 1.30 lakhs against the cost of Rs. 2.02 lakhs estimated by the Department. The contractor set forth the following conditions in his tender :—

- (i) Nothing for voids shall be deducted from bills, as work shall be measured as laid work.

- (ii) All payments shall be made through Remittance Transfer Receipt.
- (iii) Being rainy season, the time for completion shall be five working months.
- (iv) Rebate of 0.01 lakh shall be allowed if the Department releases the final payment and security within 30 days from the date of completion.

The Executive Engineer recommended (July 1985) to the Superintending Engineer (SE) the acceptance of the tender, as the cost tendered by the contractor was 36 per cent less than the departmental cost. The SE, however, returned (August 1985) the case unapproved with the directive to get the conditions (i) and (ii) withdrawn and condition (iv) modified. The contractor did not agree to withdraw or modify any of the conditions, but brought (September 1985) an additional condition regarding supply of steel and G.I. wire by the Department, which was not conceded to by the Department. The work was allotted (October 1985) on the original terms and conditions. The contractor did not start the work, and a compensation of Rs. 0.21 lakh was levied and action initiated (May 1986) under clause III of the agreement to get the work completed at the risk and cost of the contractor. On re-tendering, the work was allotted (August 1986) to another contractor at higher rates and got completed in February 1987 by incurring an extra expenditure of Rs. 0.66 lakh.

The Engineer-in-Chief intimated (December 1989) that the then SE Executive Engineer, Circle Head Draftsman and Divisional Head Draftsman were charge-sheeted and that the case for recovery of Rs. 0.87 lakh (compensation : Rs. 0.21 lakh and risk and cost amount Rs. 0.66 lakh) had been referred to the Arbitrator. Further developments were awaited (April 1990).

The matter was reported to Government in May 1990; reply has not been received (April 1991).

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

“(1) S.E. Chandigarh has intimated that the Arbitrator appointed in this case could not announce the award within 4 month's time. Now the case is pending in the Court for extension in time limit. Next date is fixed for 17th August, 1993.

(2) The disciplinary proceedings were initiated against the following officers/officials :—

(i) Sh. S.L. Dhuppar, S.E.

(ii) Sh. S.S. Goel, E.E.

(iii) Sh. B.M. Verma, CHD.

(iv) Sh. Amrit Lal, HDM

The cases of the above officers/officials have been decided and punishment of warning has been inflicted on them.”

After hearing the departmental representatives, the Committee recommend that the matter be examined again and a complete report with all facts of this case be sent to the Committee within a period of one month for its consideration.

[39] 4.16. Extra Expenditure due to splitting up of work

For painting white road markings in two coats on pucca runway airstrip at Hisar (estimated cost of Rs. 0.50 lakh), quotations were called in October 1986 by the Executive Engineer (EE) Provincial Division, Hisar by splitting up the work into three groups, two costing Rs. 0.20 lakh each and the third Rs. 0.10 lakh. In December 1986, the work of all the three groups was allotted to a single lowest tenderer at a negotiated rate of Rs. 1.60 per square feet on work order basis but the contractor refused to execute the work on the ground that the negotiated rate was not workable; and the EE cancelled the work order. In January 1987 the work was split up into 5 groups costing Rs. 0.20 lakh each, and allotted to a single lowest tenderer at his quoted rate of Rs. 6 per square feet. The work was completed at an extra cost of Rs. 0.72 lakh in comparison to the rate approved in December 1986. It was however, noticed that for similar road work on the National Highway (NH) falling in Hisar district, Superintending Engineer, N.H. circle had approved the rate of Rs. 1.40 per square feet in November 1986.

Thus due to injudicious action in splitting up the work into small groups and thereby avoiding sanction of higher authorities, and its allotment on work order instead of on agreement basis at a higher rate than the one already approved for similar work on National highway, the Department had to incur an extra expenditure of Rs. 0.72 lakh. Engineer-in-Chief intimated (August 1990) that action against the officials at fault was being taken.

The matter was reported to Government in June 1990; reply has not been received (April 1991).

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

“For extra expenditure incurred due to splitting up of work for painting two coats on pucca runway, Air strip at Hissar, 3 officers (one S.E., one E E and one SDE) were held responsible. The explanations of these officers were called for. The reply submitted by them was considered and found to be unsatisfactory, EIC vide his memo No. 125-IC-H-92/285/IC-1 dated the 20th August, 1993 has recommended to Government to charge-sheet the above officers under rule 7 of P&A Rules and the case is under process.

(2) The latest inquiry position of the case is given as under :—

Draft charge sheets under rule-7 against S/Shri D.P. Gupta, SE, G.C. Singal EE received vide EIC letter dated 20th August, 1993 under consideration of the Government.

As regards Sh. S.P.Devgon, SDE, it is intimated that he has since retired from Government service and the lapse in this case are more than 4 years old. Further action will be taken against them as per rules.

As disciplinary action has been initiated against the defaulting officers, the para may please be dropped."

During the Course of oral examination, the Committee was informed that extra expenditure was incurred due to splitting up the work and three officers of the department were held responsible. The Committee was further informed that departmental action against these officers is being taken. The Committee observed that the matter has since been considerably delayed in initiating the action against the officers and therefore, recommend that action be completed within a period of three months against the defaulting officers under intimation to the Committee.

[40] 5.4. Injudicious purchase of equipment

With a view to adopting pre-stressing system on bridges, buildings and other structures for reducing the cost of such works, Executive Engineer Provincial Division No. IV, Karnal (formerly Bridge Construction Division Karnal) purchased two complete sets of CCL pre-stressing equipment at a cost of Rs. 3 13 lakhs in August 1988. The Chief Engineer had specifically advised the Superintending Engineer to utilise this requirement on small bridges. However, it was not put to any use because the Department had not evolved structural design of any bridge. The equipment was declared surplus by the Division in July 1989 and was offered for use in other Divisions, but none came up with a demand. Thus procuring it without assessing its actual requirement resulted in blocking of funds to the extent of Rs. 3 13 lakhs.

The matter was referred to Government in July 1990 who intimated (November 1990) that items of equipment which were to be utilised on the bridge over river Yamuna Creek Crossing Nagla to Garhi Bharik in Karnal District could not be utilised as the work was not taken up owing to paucity of funds.

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

"The pre-stressing equipment was purchased against the work of constructing High Level Bridge on river Yamuna on Karnal-Meerut road but it could not be used on that work as the work already stood allotted to contractual Agency and pre-stressing was a part of agreement. It was later proposed to use this on the bridge on Yamuna Creek crossing Nagla to Garhi Basic road but this project could not be taken in hand due to paucity of funds, and now the design of the bridge has been changed. This equipment is an asset of the department and can be used whenever the necessity arises.

2. It is now proposed to utilise this equipment on new small bridges likely to be constructed in future."

After going through the facts of this case, the Committee was constrained to note that a complete set of pre-stressing equipment was purchased by the department at a cost of Rs. 3.13 lacs in August, 1988 but the said equipment was not put to use even for a single day till to date. The Committee feels that it is a completely wastage of funds and therefore, recommends that the responsibility of the officers be fixed, who floated the idea to purchase the said machine without any justification. The Committee, further, desired that a complete report about the present status of the machine and how the department intends to put it in use in future may be sent to the Committee for its perusal within a period of one month.

CO-OPERATION DEPARTMENT

[41] 6.11 *Embezzlement*

During the course of audit (August 1989) of the office of Assistant Registrar Co-operative Society Kaithal an embezzlement of Rs. 6.28 lakhs by a bill clerk was noticed in March 1989, a sum of Rs. 0.41 lakh drawn on two bills was not entered in the cash book, nor was the amount shown in the list of payments for the month, as obtained by the Department from the Treasury. The bill clerk admitted the fraudulent drawals and deposited the amount (August 1989) into the Treasury.

Further scrutiny of records of the Kaithal Treasury also disclosed fraudulent drawals of Rs. 5.87 lakhs against 27 bills drawn during July 1983 to July 1989.

The following lapses facilitated the embezzlement and prevented its earlier detection :—

- (i) Arrears bills on account of pay and allowances of some persons who were not existing on the establishment strength of the office were prepared and drawn by the bill clerk, who managed to obtain incomplete list of payments for treasury omitting the fraudulent amounts in connivance with the Treasury staff.
- (ii) The Drawing and Disbursing Officer neither compared the amount passed by the Treasury officer with the bill register, nor compared the entries in the cash book with treasury schedules and also did not properly reconcile the figures of expenditure with those booked by the Accountant General (A & E)'s office.

An F.I.R. was lodged with the police against the bill clerk and he was placed under suspension in August 1989.

The matter was reported to Government in October 1989; reply has not been received (April 1991).

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

- “1. This was a lapse on the part of Drawing & Disbursing Officers.
2. No. There is no internal Audit system in the Department.
3. The police has put up the Challans in the Court of Chief Judicial Magistrate Kaithal against Sh. Jagdish Narain

Bhatnagar the then Bill Clerk and Seven Asstt. Registrars who have also been implicated by the police in their report.

4. Charge Sheet U/Rule 7 of the Haryana Punishment and Appeal Rules, 1987 has been issued to the then Bill Clerk (Sh. Jagdish Narain Bhatnagar). His reply has been received and enquiry officer has been appointed on 27-6-1991. The findings of the Enquiry Officer are still awaited. As regard action against the then Seven Assistant Registrars, Coop. Societies, namely S/Shri S.P. Kaushik R.L. Bhatla, Maha Singh, Shri Krishan Mudgil, Chander Mohan Singla and R.C. Dagar in whose period the embezzlement took place, Govt. has been requested vide letter 92-Enf.(4), dated 5-5-93 for taking disciplinary action against these officers."

After going through the facts of this case, the Committee recommends as under :—

- (i) The Committee recommends that Finance Department should also initiate a suitable disciplinary action against the concerned Treasury staff who were also involved in the said embezzlement alongwith the Bill Clerk.
- (ii) The Committee further recommends that a criminal case pending in the Court of Chief Judicial Magistrate, Kaithal against the seven officials of the department be pursued to its logical conclusion and the Committee be apprised of its outcome in due course.
- (iii) The Committee desire that responsibility be fixed against the officers, who failed to brought the instructions of the government in the knowledge of the Financial Commissioner and Secretary to Cooperation department while promoting these officials against whom a criminal case is pending in the court of law.
- (iv) The Committee further recommend that vigorous efforts should also be made by the department to effect the recovery from the officials responsible for the embezzlement and the Committee be informed accordingly.

PRINTING AND STATIONERY DEPARTMENT

[42] 72 *Loss on purchase of paper*

Sealed tenders were invited (October 1987) by the Controller, Printing and Stationery Department Haryana for the supply of 250 tonnes creamwove paper 60 G.S.M. 59.5 CM as per I.S.I. specifications required for printing of nationalised text books in Panchkula press. After negotiations with the firms who had quoted their rates, an order was placed for Rs. 25.28 lakhs (November 1987) on a Meerut based firm 'A' @ Rs. 10350 per tonne. The supply order *inter-alia* provided for deposit of 10 per cent security of the goods within 3 days from the date of acceptance of tender; inspection of paper within 7 days of the receipt of supply order failing which 2 per cent penalty per week for delay was to be charged from the firm; and forfeiture of full security or part thereof in case the supply was not made by 31st March 1988.

The firm accepted the supply order (November 1987), deposited security of Rs. 2.59 lakhs and agreed to deliver supply by 31st March 1988. The firm submitted the sample of paper in December 1987, which was not found conforming to the I.S.I. specifications and was rejected by the Department. Thereafter both the Department and the firm remained silent about the supply of paper. In July/September 1988, the Department purchased 500 tonnes of creamwove paper for Rs. 56.50 lakhs @ Rs. 11,299 per tonne from a firm in Delhi after inviting fresh tenders, and incurred an extra expenditure of Rs. 2.37 lakhs on the purchase of 250 tonnes paper. It also showed an undue favour to the Meerut firm by releasing their security deposit of Rs. 2.59 lakhs in March 1989 contrary to legal opinion for forfeiting the same.

The matter was reported to Government in January 1990; reply has not been received (April 1991).

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

“Samples of paper offered by M/s. Sangal Paper Mills, Meerut were failed in 4 tests out of 7 tests. This fact was brought to the knowledge of the High Powered Committee in its meeting held on 28-12-87. The Committee considered the matter thoroughly and decided that since the paper offered by this mill failed in 4 tests and being of poor quality the entire lot may be rejected and decision be conveyed to this mill. Accordingly the Mill was intimated vide this office letter No. P&SH-87/4748 / Sty., dated 30-12-87. Since the paper offered by the Mills was not found of good quality, the department felt no necessity to purchase the paper from this Mill.

401.016 M.T. paper of the same specifications was received from M/s. Partap Paper Mills, Amritsar upto 15-2-1988. Hence the requirement was met out from this supply as well as from the stocks already available with this department.

As stated in para 1 above since the paper failed in 4 tests out of 7 tests, the High Powered Committee in its meeting held on 28-12-87 decided to reject the paper offered by the Mill owing to poor quality of paper. The Mill was not asked for its replacement. However to save Rs. 2.43 lacs in another deal of purchase of paper, the High Powered Committee in its meeting held on 1-1-88 decided to adjust the security. In this deal 163 MT Mottled Paper was purchased @ Rs. 12,437 PMT (against 1st tender) instead of Rs. 13,929 per M.T. (against 2nd tender) & the lowest rate.

So far as the security is concerned, it is intimated that H.P.C. in its meeting held on 1-1-88 decided to adjust the security against the purchase of 163 MT Mottled Paper on the old rate of Rs. 12,437 PMT against the fresh rate of Rs. 13,929 PMT. The H.P.C. by adjusting the security to the Mills have saved Rs. 2.43 lacs. The Security was adjusted for the procurement of Mottled Paper as the same was urgently required for the printing of Bus Tickets.

By adjusting the security against the Mottled Paper, the Govt. not only saved Rs. 2.43 lacs but also got the tickets printed in time which increased the revenue of the State. Hence the para may kindly be dropped".

After going through the facts of this case, the Committee noticed a procedural irregularity in this case. The Committee, therefore, recommend that in future such type of procedure may not be adopted while accepting the tenders. The Committee further recommend that a recovery of Rs. 16,000 be made expeditiously from the firm and latest position be informed to the Committee.

TRANSPORT DEPARTMENT

[43] 7.1 *General*

This chapter deals with the audit of the departmentally managed Govt. commercial and quasi commercial undertakings.

There were 6 departmentally Managed Government Commercial and quasi-commercial undertakings in the State as on 31st March, 1990. Proforma accounts for 1989-90 in respect of these undertakings had not been received (October 1990). The extent of arrears in the submission of proforma accounts is shown below —

Sr. No.	Name of undertaking	Extent of Arrears
1.	x	x
2.	x	x
3.	x	x
4.	Haryana Roadways	1983-84 to 1989-90

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

“The proforma account of Haryana Roadways up to 1986-87 have been audited by the A.G. and for 1987-88 is under type and will be sent to A.G. for audit as early as possible. As regards the balance sheets for the year 1988-89 onwards is concerned efforts are being made to complete these balance sheets at an early date”.

During the course of oral examination, the department informed that efforts are being made to complete the balance sheet of the last five years at an early date. The Committee, therefore, desired that sincere efforts be made by the department to complete these balance sheets within a period of six months under intimation to the Committee.

[44] 7.5 *Avoidable payment of Wages*

Section 25(F) of the Industrial disputes Act, 1947 lays down that a workman employed in any industry who has been in continuous service for not less than one year under an employer shall not be retrenched until he has been given one month's notice in writing indicating the reasons for retrenchment and the period of notice has expired or the workman has been paid in lieu of such notice, wages for the period of notice.

The services of 7 employees (3 drivers and 4 helpers) who were appointed between November 1976 and September 1984 on temporary basis were terminated between August 1983 and July 1986 by the General Manager, Haryana Roadways Kaithal without following the provisions of Section 25(F) of the Industrial disputes Act, 1947. The employees filed an appeal against the termination orders in the Labour Court, who set aside the termination orders and ordered reinstatement of the workmen allowing continuity of service and full back wages. The General Manager, reinstated (October 1988—February 1989) the workmen and paid Rs. 2.42 lakhs as arrears of back wages.

The matter was reported to Government in October 1989; reply has not been received (April 1991).

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

- “1. In this para 7 officials/workers are involved viz. three driver & 4 helpers. S/Sh. Inder Pal and Chhabil Das Driver of Kaithal Depot appeared to be unfit for driving heavy passenger vehicle and the General Manager, H.R., Kaithal referred their cases to Chief Medical Officer, Kurukshetra for medical examination on 17-6-86. The C.M.O. Kurukshetra declared both the Drivers unfit as per report of orthopedic Surgeon in the case of Inder Pal Driver Eye Surgeon in the case of Sh. Chhabil Das, Driver. On the basis of CMO's report, both the drivers were retired from Govt. service on 19-7-86. Further, both the Driver filed appeal to Transport Commissioner, Haryana and the appeals were rejected by the appellate authority on 7-7-87. Thus, it is sufficient evidence that the drivers were rightly retired. Sh. Surjit Singh, Driver met with an accident on 17-4-85 while rashly / negligently driving Bus No. HRQ—2642. His services were terminated on 3-5-85. He also made an appeal to Transport Commissioner, Haryana and the same was rejected on 30-12-86. The Drivers are to run passenger heavy vehicles and these Drivers were found unfit by the G.M. Haryana Roadways, Kaithal to drive the vehicles safely. As such it was in the public interest to retire/terminate the services of drivers.

As regards termination the services of 4 daily wages helpers, it is made clear that they have been appointed on daily wages on every month with the clear terms that their services can be terminated at any time without any prior notices or assigning any reasons. Their services were terminated by G.M. as per conditions laid down in their appointment letter.

But, with the direction of Hon'ble Court, the daily wages workers were taken back.

2. Action regarding fixing responsibility is being taken & final outcome will be intimated to the P.A.C., shortly.”

During the course of oral examination, the Committee observed that the drivers who have become medically unfit for plying the heavy vehicles should have been given some light duty in the department instead of terminating their services. The Committee further observed that by passing the wrong orders by concerned General Manager, the department was put to a loss to the tune of Rs. 2.40 lacs. The Committee, therefore, recommend that the responsibility of the concerned General Manager be fixed in this regard and action taken be intimated to the Committee within a period of three months.

[45] 7.7. *Avoidable penal charges*

Under Motor Vehicles Act 1989 and rules framed thereunder, fitness certificates is required to be obtained from the State Transport Authority before a vehicle is put on the road for public service. Failure to comply with the requirement renders the plying off such a vehicle liable to a penalty of Rs. 50 per vehicle per month.

During Audit (August 1989) it was noticed that Karnal depot of Haryana Roadways, however, plied 172 Buses during October 1986 to May 1989 without fitness certificates, and had to pay (May — August 1989) a penalty of Rs. 1.25 lakhs. General Manager of the depot stated (March 1990) that enquiry against the defaulting officials was under process.

The matter was reported to Government in February 1990; reply has not been received (April 1991).

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

“It is submitted that it is the practice in Haryana Roadways that the buses are got passed from the State Transport Authority by own official who is generally, a driver. The amount of Rs. 1.25 lakhs paid as penalty by the Karnal depot was deposited under the head of account—0041—Taxes on vehicles which is operated by the Department as receipt head. It is like an expenditure on the one side and receipt of the Department on the another side. However, the services of passing clerk, who was responsible for this lapse, has since been terminated by the G. M. H. R., Karnal. As such, PAC is, therefore, requested to drop the para.

While going through the facts of this case, the Committee is not satisfied with the reply given by the department and the Committee, therefore, desired that a detailed report alongwith the action taken in this regard be sent to the Committee within a period of three months.

FOOD AND SUPPLIES DEPARTMENT

[46] 7.8 Avoidable shifting of foodgrains

Wheat procured in Faridabad Circle at Palwal and Katesra mandis was required to be stored at Palwal. Instead of storing wheat at Palwal where the space for the storage of 0.60 lakh bags was available, the circle office transferred 10,124 bags and 3,809 bags of wheat from Palwal and Katesra to godowns at Ballabgarh and Faridabad respectively in June 1987, by incurring an additional avoidable expenditure of Rs. 0.68 lakh on account of transportation and labour charges. The Director, Food and Supplies Department admitted the irregularity and stated (May 1990) that the shifting of this rain affected wheat was not justified, and that the departmental action was being taken against the concerned officials.

The matter was reported to the Government in March 1990; reply has not been received (April 1991).

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

- “1. In fact, the then District Food and Supplies Controller, Faridabad was required to ensure storage of these stocks of wheat of both Katesra (4038 bags) and Palwal (10124 bags) at Palwal itself. However, he shifted the stock of wheat of Katesra to Faridabad and that of Palwal to Ballabgarh without prior permission of the competent authority and without there being proper justification with the result that an additional avoidable expenditure of Rs. 85,387.80 paise on account of transportation and labour charges was incurred.
2. Shri T.S. Bindra, the then District Food and Supplies Controller, Faridabad had been held liable for this financial loss caused to Government. He was, thus, charge-sheeted under Rule-7 of the Punishment and Appeal Rules, 1987. On examination of his explanation to the charge-sheet and finding it unsatisfactory the Govt. appointed Inquiry Officer/Vigilance Department Haryana as Enquiry Officer to conduct regular enquiry against him under rule 2.2(b) of the Pb. C.S.R. Vol. II vide order dated 26-9-91. The enquiry is still in progress. The next date of hearing in this case has been fixed for 13-7-93 by the Inquiry Officer. Further action in this case will therefore, be possible on receipt of the enquiry report,

During the course of oral examination, the Committee was informed that Shri T.S. Bindra, the then District Food & Supplies Controller,

Faridabad was held liable for the financial loss caused to the Government in this case and the said officer was chargesheeted on 27th December, 1989. On a question asked by the Committee, the department informed the Committee that the said officer was retired from service on 31-12-89. The Committee was shocked to know that the officer was charged sheeted just 3 days before his retirement from service and the reply to the chargesheet was submitted by the officer on 27-6-90. The Committee was further informed that enquiry officer of the Vigilance Department was appointed to conduct an enquiry in the said case and the case is still pending with the enquiry officers. After going through the facts of this case, the Committee observed that some officers of the department have helped the concerned officer to retire without serving the chargesheet. The Committee is of the view that the system needs improvement so that such type of inordinate delay be avoided in future. The Committee, therefore, recommend that the department should appoint an independent enquiry officer for dealing with disciplinary cases & for conducting enquiries in such disciplinary matters of the Department. The Committee further recommend that the responsibility be fixed who delayed the matter in issuing the chargesheet to the concerned officer in the instant case within a period of one month under intimation to the Committee.

[47] 7 9 *Damage caused to wheat in storage*

The Director, Food and Supplies, during an inspection of godowns at the Tohana Centre in September, 1985 noticed that 17,775 bags of wheat worth Rs. 45.81 lakhs had been damaged due to negligence of the staff. Of these, 1,728 bags became unfit for human consumption, and the remaining 16,047 bags were categorised as damaged wheat of C & D categories. The entire stock, when offered to FCI during February/April, 1988, was rejected by it.

The State Government accorded approval (February/August 1988) for the disposal of the damaged wheat through auction, with the stipulation that in case sale proceeds were less than the fixed purchase price of wheat, the difference would be recovered from the officials at fault. The wheat was auctioned (March-November 1988) for Rs. 21.54 lakhs thereby resulting in a loss of Rs. 24.27 lakhs. The amount of loss had not been recovered from the officials at fault in compliance with Government instructions of February/August 1988 (June 1990).

The matter was reported to Government in May 1990; reply has not been received (April 1991).

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 who were prima facie found to be responsible for damage of wheat stocks by not properly maintaining/treating the same have since been chargesheeted for disciplinary action including recovery of the

losses in question in this case :—

Sr. No.	Name/Designation	Date of charge-sheet	Rules under which disciplinary proceeding started.
1.	Shri T. S. Bindra, DFSC (Retired)	25-1-93	Rule 2.2 (b) of Pb. CSR Vol. II
2.	Shri T. S. Bhatti, DFSC	25-1-93	Rule-7 of punishment & Appeal Rules 1987
3.	Shri B. D. Bansal, DFSO	25-1-93	Do
4.	Shri B. M. Bohra, DFSO	29-1-93	Do
5.	Shri Angoori Lal, AFSO	4-1-93	Do
6.	Shri B. D. Goel, IFS	4-1-93	Do
7.	Shri N. S. D hingra, IFS	4-1-93	Do
8.	Shri R. L. Sethi, IFS	4-1-93	Do
9.	Shri Harish Chander, IFS	4-1-93	Do
10.	Shri Atma Singh, SIFS	4-1-93	Do

The cases of the following officials who have retired and were also prima facie found responsible for damage of wheat stocks in this case are still under examination necessitated on account of legal considerations/requirements :—

1. Shri Amar Singh, AFSO
2. Shri Mange Ram, IFS
2. The total wheat stocks procured at PR centre, —Tohana, during the year 1985-86 (from 22-4-85 to 25-5-85) were to the tune of 1,33,475 quintals in 1,40,500 bags. Out of these 1,16,116.24.035 quintals in 1,22,227 bags were despatched to the Food Corporation of India during the period August, 1985 to September, 1986, leaving 173 59 quintals in 18273 bags in balance excluding the quantity on account of excess in stocks as per norms,

Efforts were, however, made to ensure despatch of the remaining stocks to the Food Corporation of India in 'C' and 'D' category, but the FCI was not prepared to accept these stocks in view of their being in damaged condition. Therefore, these stocks were auctioned. The amount of loss on account of less realisation of amount of the damaged stocks through auction and the shortages as subsequently detected works out to Rs. 36,49,695.73 paise. Necessary action in terms of recovering the loss from officers/officials will be possible on conclusion of disciplinary proceedings as stated in reply to question No. 1 above.

3. Replies to the charge-sheets have so far been received from two officers, namely Sh. T. S. Bhatti DFSC and Shri T. S. Bindra, DFSC (Retd.) and two officials, namely Shri R. L. Sethi, Inspector and Sh. Harish Chander, Inspector. Replies from the remaining officer/officials are being obtained, failing which they will be proceeded against exparte for further action as per the Rules governing disciplinary proceedings."

During the course of oral examination of the departmental representatives, the Committee observed that the wheat stocks were damaged due to the negligence of the staff. The Committee, therefore, recommend that the action against the concerned officers/officials be finalized within a stipulated period under intimation to the Committee. The Committee further recommend that the amount of losses be also recovered from the officers simultaneously and the progress made in this regard be intimated to the Committee.

SUPPLIES AND DISPOSALS DEPARTMENT

[48] 7.10 *Extra expenditure*

Tenders were invited through advertisement by the Director, Supplies and Disposals for the supply of 40 tonnes of Aluminium Phosphide Tablets, ISI mark indented by the Director, Food and Supplies Haryana and opened on 2nd December 1985. In all, of the three offers received the lowest and the 2nd lowest offers were of two Delhi based firms 'A' and 'B' who had quoted rates of Rs. 103.06 and Rs. 107.50 per kg. respectively. The offers received were evaluated (December 1983) by the High Powered Committee of the Department and it was decided to place an order on the lowest tendering firm 'A'.

Instead of placing order on the lowest tenderer, the Department invited both the firms for negotiations. Firm 'B' reduced its offer from Rs. 107.50 to Rs. 100 per kg. and two members of the High Powered Committee suggested placing an order on firm 'A' if it agreed to make supplies at the rate of Rs. 100 per kg., failing which the order was to be placed on firm 'B' who had agreed to make supplies at this rate.

No action was, however, taken by the Department to place the purchase order. Both the firms were again invited (January 1986) for negotiations, but no negotiations were held. The High Powered Committee decided to place purchase order on firm 'A' at their original quoted rate of Rs. 103.06 per kg., on the ground that it was not a healthy practice to entertain revised offers once a decision had been taken by the Committee. Accordingly, purchase order was placed in February 1986 for the supply of 40 tonnes of Aluminium Phosphide tablets at the rate of Rs. 103.06 per kg., against which 39.79 tonnes of supply was received upto September 1986.

Thus, by not availing itself of the negotiated offer of Rs. 100/- per kg. of firm 'B' the department incurred an extra expenditure of Rs. 1.22 lakhs. The Director Supplies and Disposals stated (September 1988) that the purchase order had been placed on the basis of decision taken by the High Powered Committee. The decision was injudicious and contrary to the financial interest of the Department, as the 2nd tenderer had revised his offer in valid negotiations.

The matter was reported to Government in December 1988; reply has not been received (April 1991).

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

Tenders were invited through press advertisement and opened.

on 2-12-85 for the purchase of 40MT Aluminium Phosphide for 480gms packing.

No.	Firm	Rates	Manufacturer/ Dealer.
1.	M/s. Excel Industries Ltd. New Delhi.	Rs. 107.50 per kg. for 480 gms packing incl. Sales Tax.	Manufacturer.
2.	M/s. K. K. Rajda & Co. Delhi	(i) Rs. 107.90 p. kg. for 960 gms packing incl. S. Tax. (ii) Rs. 109/- p. kg. for 480 gms packing Incl. S. Tax.	Dealer of M/s. Excel Industry
3.	M/s. Sinvent a Corpn; New Delhi	Rs. 101/- p. kg. for 960 gms packnng Plus 2.04% Sale Tax.	Manufacturer.

The case was put up before the Technical Committee and after its recommendations the case was placed before the High Powered Purchase Committee. In the Agenda note it was proposed to accept the offer of M/s. Inventa Corpn; New Delhi at the rate of Rs. 101/- p. kg. + S.T. at the rate of 2.04% being the lowest technically valid offer except that the material offered by the firm was in 960 gms packing instead of 480 gms packing as was mentioned in the NIT. It was further mentioned in the Agenda note that the packing offered by the firm can easily serve the requirement of the Indenting Department and previously the Indenting Officer had been using this item in 960 gms packing. It is also important to point out here that M/s. K. K. Rajda & Company who have quoted their two rates for 480 gms packing as Rs. 100 per kg and for 960 gms packing as Rs. 107 per kg were the dealer of M/s Excel Industries, New Delhi whereas in this case out of 3 tenders M/s Excel Industries themselves have also quoted their rates as Rs. 107.50 per kg for 480 gms packing. It means that out of 3 tenders two offers were of M/s Excel Industries one direct and second through their dealer. The High Powered Purchase Committee in its meeting held on 7-12-85 decided to place order on M/s Inventa Corpn. New Delhi at the rate of Rs. 101/- per kg — S.T. at the rate of 2.04 percent for 960 gms packing. After the decision of High Powered Purchase Committee M/s. Excel Industries informed the office of DS&D offering the item in 960 gms packing at the rate of Rs. 100 per kg nett F.O.R. Desitination. While sending the proceedings to the Chairman of the Committee this fact was clearly brought to the notice of Chairman as per U. O., Note dated 10.12.85 that the i.e. M/s. Excel Industries have reduced their rates as Rs. 100/- per kg. This letter was given to the Director, Supplies & Disposals, Haryana. While sending the proceedings to the Chairman of the Committee this fact was brought to the notice of the chairman as per note dated 10-12-85 as already discussed and two drafts of the proceedings were sent to the chairman of the Committee for his approval and signatures. In one draft it was proposed to accept the offer of M/s. Inventa Corpn; at the rate of Rs. 101 per kg. In other draft it was proposed to give counter offer at the rates of Rs. 100/- per kg nett inclusive of S.T. to M/s. Inventa Corpn; New Delhi and place order on them. It was also suggested

that in case they (Inventa Corpn; New Delhi) do not accept this offer order be placed on M/s. Excel Industries Ltd., New Delhi at the said rate. The proceedings in which it was suggested that order be placed on M/s. Inventa Corpn., Delhi as proposed in the Agenda Note as was the decision of High Powered Purchase Committee were approved by the Chairman and also signed by him as well as by Financial Commissioner, Finance who had also signed the proceedings in which it was proposed to give counter offer to M/s Inventa Corpn; at the rate of Rs. 100/- per kg and if they do not accept this counter offer then order be placed on M/s. Excel Industries.

The case was again put up before the High Powered Purchase Committee in its meeting held on 1-1-86 and the full facts of the case were explained including the reduction/revision in rates by M/s. Excel Industries after the High Powered Purchase Committee meeting on 7-12-85. The meeting of High Powered Purchase Committee was held on 1-1-86 and decision taken was as under :—

“The Committee considered the Agenda Note circulated by the DS&D Haryana and decided to stick to the previous decision taken in its last meeting held on 7-12-85 to place order on M/s. Inventa Corpn; New Delhi at the rate of Rs. 101 per kg. plus Sales Tax at the rate of Rs. 2.04% as in their view it was not a healthy practice to entertain such requests after the decision has once been taken by the Committee.”

Accordingly the decision of the High Powered Purchase Committee was implemented by this office. In this behalf it is stated that the State Govt. has constituted the High Powered Purchase Committee to decide the purchase cases consisting of the following members :—

- (i) Chief Minister, Haryana, Chandigarh.
- (ii) The Industries Minister, Haryana, Chandigarh.
- (iii) The Finance Minister, Haryana, Chandigarh.
- (iv) The Minister of Concerned Department.
- (v) The Commissioner & Secy. to Govt. , Haryana, Finance Department.
- (vi) The Commissioner & Secy. to Govt., Haryana, Industries Department.
- (vii) The Commissioner & Secy. to Govt., Haryana, Concerned Department.
- (viii) The Technical Expert of Industries Department or any other Department.
- (ix) The representative of concerned Department (Purchase)

The High Powered Purchase Committee which is headed by the Hon'ble Chief Minister has full powers to take decision and the

decision of High Powered Purchase Committee is final and the decision has to be implemented by this office. The revised offer of the firm was duly brought out in the Agenda Note which was placed before High Powered Purchase Committee on 1-1-86 and it was for the High Powered Purchase Committee to decide on it. The Committee after consideration the Agenda Note dated 1-1-86 rejected the revised offer of M/s. Excel Industries New Delhi. Moreover, under the Stores Purchase Rules, revised offers cannot be considered.

M/s. Excel Industries Ltd; New Delhi had given a letter by reducing their rates @ Rs. 100 after the meeting of High Powered Purchase Committee dated 7-12-85 whereas the H.P.P.C had decided in its meeting held on 7-12-85 to place order with firm namely M/s. Inventa Corp., New Delhi whose offer were the lowest @ Rs. 101 per kg + 2.04% sales tax. The office of D.S. & D put up the case before the High Powered Purchase Committee meeting again on 1-1-86 wherein the High Powered Purchase Committee decided that the revised offer cannot be considered and stuck to the previous decision taken on dated 7-12-85.

This point has been explained in answer to Query No. 1 of the Questionnaire however, it is again clarified that the representative of M/s. Excel Industries gave the letter in the office of Director, Supplies & Disposals, Haryana after the meeting was over by reducing their rates @ Rs. 100 per kg. The office of D.S. & D. again asked the firms to depute their representatives in the meeting of High Powered Purchase Committee on 1-1-86. But the members of the Committee did not call the representatives of firms for negotiation as in their view it was not a healthy practice to entertain such requests after the decision has once been taken by the Committee. Moreover, as per Stores Purchase Rules, the revised offers cannot be considered otherwise there will be no end to such counter offers and the cases cannot be finalized".

After going through the facts of this case the Committee observed that a proper procedure was not adopted by the then Director, Supplies and Disposal in accepting the second offer after the final decision was taken by the High Powered Purchase Committee in this regard. The Committee, therefore, recommend that the department should adhere to the Rules/instructions as framed/adopted by the government in respect of purchase of any material in future.

[49] 7.11 *Extra expenditure due to retendering*

On the basis of an indent placed (June 1988) by the Engineer-in-Chief, PWD Public Health Haryana, tenders for the supply of Asbestos-Cement Pressure Pipe of 250 mm diameter and 200mm diameter were invited. (July 1988) by the Director Supplies and disposals, Haryana and opened on 1st August 1988. The seven offers received were evaluated by a Technical Committee/High Powered Purchase Committee (HPPC). The lower rates were those of a Delhi, based firm 'A' for 250 mm pipes (Rs. 162.66 per metre) and of a Pune based firm 'B' for 200 mm pipes (Rs. 111.10 per metre).

The HPPC, however, decided (September 1988) to re-invite tenders, as even the rates tendered by these two firms were on the high side, as compared to the rates (Rs. 136.50 and Rs. 96.50) at which

pipes had been procured in the previous year in August and November 1987. Fresh tenders were invited (October 1988) and opened on 2nd November 1988. On this occasion, the rates of Rs. 170.79 per metre quoted by the Delhi based firm 'A' for 250 mm and Rs. 112.84 per metre quoted by a Bhubneshwar based firm 'C' for 200 mm were the lowest. Purchase orders were accordingly placed (January 1989 and June 1989) on firm 'A' and 'C' for the supply of 10420 metres of 250 mm and 29420 metres of 200 mm diameter pipes.

While firm 'A' supplied all the 10420 metres pipes, firm 'C' failed to execute the order within the stipulated period of four months. Tenders were again invited (November 1989) and ultimately 29420 metre pipes of 200 mm diameter were purchased from firm 'A' at a rate of Rs. 164.71 per metre. The HPDC had directed the Director Supplies and Disposals in December 1989 to take legal actions against firm 'C' for not executing the supplies, but no such action was initiated by the Department.

Due to the injudicious decision to re-invite tenders without taking into consideration the trend of rising prices the Department actually incurred an extra expenditure Rs. 16.62 lakhs.

The matter was reported to Government in July 1990; reply has not been received (April 1991).

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

"In the meeting of High Powered Purchase Committee held on 22-9-88 under the Chairmanship of Honble Chief Minister, Haryana, the Engineer-in-Chief, PWD Public Health stated that the rates received for A.C. Pipes of size 200mm & 250mm appeared to be on the higher side as compared to the rates on which the purchases were made last year. He further intimated that this material was not required very urgently and his department would wait for re-invitation of tenders. Accordingly, High Powered Purchase Committee decided to re-invite the tenders. The last purchase rates and the rates quoted by the firm 'A' & 'B' in the tenders were as under :—

Sr. No.	Size in mm.	Rates at which S/Os. were placed in the month of Aug./Nov, 1987		Rates quoted by the firms against the tenders opened on 1-8-88	
				Rates per Mtr. (in Rs.)	Name of the Tendering firm.
1.	200	96.50	111.10		M/s. Swastik (Firm 'B')
2.	250	136.50	162.66		M/s. Hyderabad Indus. (Firm 'A')

From the above rates, it was revealed that the rates received against tenders opened on 1-8-88 were substantially on the higher side

as compared to the rates on which purchase were made in the month of August & Nov; 1987.

In pursuance to the decision of the High Powered Purchase Committee, tenders were re-invited and opened on 17-10-1988. This time the lowest valid rates received were as under :—

Sr. No.	Size in mm	Rates received against tenders opened on 1-8-88 (per Mtr. in Rs.)	Rates received against tenders opened on 17-10-88		Total Difference (in Rs.)
			Per Mtr. (in Rs.)	Name of firm	
1.	200	111.10	112.84	M/s. Konark	17626.20
2.	250	162.66	170.79	M/s. Hyderabad Industries	36585.00
					54211.20

The above statement shows that prices were received higher by Rs. 54211.20 in a total purchase of Rs. 25.4 lacs. The rates of increase in prices was quite marginal i.e. 2.1 per cent. With regard to the justification of re-inviting the tenders, it is further added that the purchase committee have to keep this fact in view that the purchase are made at reasonable rates. It is pointed out that negotiations of rates have been banned by the State Govt. In these circumstances, if the purchase committee feels that the lowest valid rates received are on the higher side then there is no option but to re-invite the tenders. Several factors like past purchase rates, present marked demand etc. are taken into account while deciding the case. While taking decision to re-invite the tenders, a risk factor is always there that at the time of re-tendering, the market scenario may change and higher rates may be received, but this does not mean that purchase should be finalized at higher rates. It will be appreciated that future increase in prices cannot be anticipated in advance and decisions are to be taken on the basis of prevalent market rates and circumstances of the case.

In many cases, decisions of re-invitation of tenders were taken by the High Powered Purchase Committee due to higher rates & in re-inviting tenders, substantially lower rates have been received. Hence, it was a more chance in this case that there were fluctuations in the market prices after the decision of the High Powered Purchase Committee and slightly higher rates were received in the re-invited tenders. If the practice of reinviting the tenders due to higher rates, is stopped then Govt. will loose substantial money because normally, lower rates are received in reinvitation of tenders.

In the re-invited tenders, which were opened on 17-10-1988, lowest rates were received @ Rs. 112.84 quoted by firm 'C' for the size of 200mm & @ Rs. 170.79 per metre quoted by firm 'A' for size 250mm. The case was decided by the HPPC in its meeting held on 14-12-88 to place the supply order at these rates.

The firm 'A' has supplied the material whereas firm 'C' did not supply the material and risk purchase order at the risk & cost of the firm 'C' was placed on firm 'A' at the rate of Rs. 164.71 per Mtr. The extra expenditure on account of risk purchase is recoverable from the firm 'C' after following proper legal procedure.

As regards legal action against the firm 'C', it is stated that the case is already pending in the court of law at Chandigarh for the appointment of Arbitrator to recover the risk purchase amount & further action is possible only after the case is decided by the arbitrator/court.

In view of the position explained above, it is requested to drop the para, under intimation to this office".

The departmental representatives informed the Committee that action against the firm is pending in the Court of Law at Chandigarh and request has already been made to appoint an Arbitrator to recover the risk purchase amount. The Committee, therefore, recommend that the decision of this case alongwith the action taken thereon be informed to the Committee in due course.

PART—II
(REVENUE RECEIPTS)

EXCISE AND TAXATION DEPARTMENT

GENERAL

[50] 1.3. Assessment in arrears

The number of assessment cases finalised during the year 1989-90 and pending at the end of 1989-90 alongside figures for the preceding year, are given below :—

	Sales Tax		Passangers and Goods Tax	
	1988-89	1989-90	1988-89	1989-90
(i) Number of assessments due for completion during the year.				
(a) Arrear cases	51994	63491	227	173
(b) Current cases	136664	137997	389	407
(c) Remand cases	1381	1383	4	7
(ii) Number of assessments completed during the year				
(a) Arrear cases	34393	38581	184	107
(b) Current cases	91117	79727	259	264
(c) Remand cases	1038	944	4	2
(iii) Number of assessments pending finalisation at the end of the year.				
(a) Arrear cases	17601	24910	43	66
(b) Current cases	45547	58270	130	143
(c) Remand cases	343	439	—	5

Year-wise break-up of the pending assessments as at the end of 1989-90 is given below :—

		Number of cases	
Upto		Sales Tax	Passangers and goods Tax
	1984-85	161	—
	1985-86	1017	3
	1986-87	5324	14
	1987-88	16583	49
	1988-89	60534	148
	Total	83619	214

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

“Out of 83619 assessment cases pending as on 31-3-90, the assessments have been made in 83285 cases upto 31-5-94. The balance of 334 cases are :—

Upto 1984-85	8
1985-86	2
1986-87	6
1987-88	44
1988-89	274

The main reason for Large pendency of cases is that number of sanctioned Assessing Authorities in 1988-89 was 49 ETOs and 51 AETOs & in 1989-90 was 65 ETOs and 51 AETOs. Together they would have disposed of about one lac cases in 1988-89 and one lac sixteen thousand cases in 1989-90 according to norms. Against this the department disposed of 1,26,548 cases in 1988-89 and 1,19,252 cases in 1989-90. Thus though the department disposed of 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 1,36,664 cases in 1988-89 and 1,37,997 cases in 1989-90. This resulted into mounting pendency.

These 334 cases are in respect of 168 dealers out of which wh. re-abouts of 16 dealers mentioned as per Annexure who have closed down their business are not presently known.

All the assessing authorities have been directed to dispose of their pending cases by 31-8-94.

ANNEXURE

List of dealers who have closed down their business and whose whereabouts are not known.

Sr. No.	Name of Firm	Assessment year
1.	M/s Thakar Dass Ahuja & Sons, Sirsa	1988-89
2.	M/s Subhash Chand Hari Ram, Sirsa	1987-88 and 1988-89
3.	M/s Viney Oil Mills, Sirsa	1988-89
4.	M/s Guggal Mal Balu Ram, Sirsa	1988-89
5.	M/s Vijay Laxmi Dal Mills, Siwani, Hisar	1988-89
6.	M/s Amit Industries, Barwa Hisar	1988-89
7.	M/s Mano Footwear, Hisar	1988-99
8.	M/s Indian Manufacturing Corporation, Hisar	1988-89
9.	M/s Shiv Dhar Rai Khushi Ram, Hisar	1988-89
10.	M/s Shyamji Ind. Vill. Gangwa, Hisar	1988-89
11.	M/s Krishan Kumar Sushil Kumar, Hisar	1988-89
12.	M/s Mohan Steel Works, Hisar	1988-89
13.	M/s Neem Chand Ajay Kumar, Hisar	1988-89
14.	M/s Gauri Shankar Radhey Shyam, Hisar	1987-88 and 1988-89
15.	M/s Jagminder Rai Lalit Kumar, Hisar	1987-88 and 1988-89
16.	M/s Ami Lal Sunil Kumar, Hisar	1987-88 and 1988-89

During the course of oral examination it was brought to the notice of the Committee that 83619 assessment cases were pending as on 31st March, 1990 and out of those 83469 cases were cleared upto 31st December, 1994 through close monitoring at various levels and only 140 cases are now pending for disposal. The Committee appreciate the steps taken for the early settlement of these long pending cases. It was also pointed out by the department that out of these 140 cases, 12 cases are under stay in various courts.

The Committee was further informed that out of 16 cases only three cases of the firms, namely :—

1. M/s Thakur Dass Ahuja and Sons, Sirsa ;
2. M/s Subhash Chander Hari Ram, Sirsa, and
3. M/s Vinay Oil Mills, Sirsa,

who have closed down their business and their where abouts are not known are still pending for disposal.

After reviewing the number of balance cases the Committee observed that in most of the cases the surety bonds accepted were incomplete and improper and no proper procedure was followed while granting Registration Certificates by the concerned officers/officials. The Committee, therefore, recommend that the entire system be reviewed as per provision of Haryana General Sales Tax, Rules, 1975. The Committee also recommend that the procedure of re-verification of sureties be introduced while granting Registration Certificates. The Committee further recommend that instructions be issued to all the assessing authorities to decide the high valued cases on priority basis.

The Committee also recommend that the cases which are under stay in various courts be pursued vigorously so that these may be decided at an early date.

The Committee also desire that three cases whose whereabouts are not known be also settled at the earliest under intimation to the Committee. The action taken by the department alongwith the progress of recovery be intimated to the Committee within a period of three months.

[51] 1.4 Uncollected Revenue (SALES TAX)

As on 31st March, 1990, arrears of revenue pending collection under sales tax, as reported by the department were as under :—

Head of revenue	Total arrears	Arrears outstanding for more than 5 years
(In crores of Rupees)		

Sales Tax	66.40	15.18
Analysis of arrears		

(a) Sales Tax

Sales tax demand raised but not collected as on 31st March, 1990 amounted to Rs 66.40 crores as against Rs. 52.96 crores outstanding on 31st March, 1989. The increase in arrears by Rs 13.44 crores (20.24 per cent) was stated to be mainly due to grant of stay by courts/appellate authorities in more cases. Year-wise break up of outstanding amount as on 31st March, 1990 is given below :—

	Years	Amount (In crores of rupees)
upto	1984-85	15.18
	1985-86	4.89
	1986-87	5.93
	1987-88	10.44
	1988-89	15.74
	1989-90	14.22
		<u>66.40</u>

Recovery of Government dues exceeding Rs. 2 lakhs was outstanding in respect of 280 cases involving an amount of Rs. 51.27 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 Rs.)
1. Karnal	11	1695.19
2. Faridabad (W)	33	882.73
3. Sonapat	10	782.15
4. Faridabad (E)	31	448.80
5. Gurgaon	11	184.49
6. Rohtak	10	140.41
7. Jind	6	134.07
8. Ambala	7	117.23

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

“Out of the arrears of Rs. 66.40 crores as on 31.3.90, an amount of Rs. 19.65 crores has been recovered upto 31.3.94. The year-wise break up of the remaining outstanding arrears are as under :—

		Rs. in crores
upto	84-85	12.74
	85-86	3.40
	86-87	4.91
	87-88	9.65
	88-89	6.99
	89-90	9.06
Total		46.75

Out of these arrears of Rs. 21.10 crore are under stay and arrears of Rs. 2.31 crore are under liquidation proceedings. All these dealers are in existence. The details of individual cases involving Rs. 50,000/- or more are given at Annexure ‘B’.

Annexure-B

(Amount in Lacs)

Name of Distt.	Sr No	Name of Dealer	Assessment Year	Date	Total Demand	Recovery made	Balance	Remark
	1		2	3	4	5	6	7
					HGST	CST	HGST	CST
NARNAUL 1.		M/s. Chhote Lal Chirajni Lal to Narnaul	75-76 to 77-78	18.7.78	1.97	0.97	1.00	Action for writting off is under process in ETC's Office
2.		M/s. Haryana Tube Co.	85-86	23-3-87	3.70	—	3.70	Agricultural Land of Shri Sher Singh, Partner was attached and put of auction for Rs. 1.15 lacs on 15.3.94
3.		M/s. The Narnaul Central Co-op. Store	84-85 to 85-86	31-8-87	0.50	—	0.50	The Co-op. Store has been closed and gone under liquidation. Govt. has appointed liquidator & he has been requested to register the claim of the Deptt.
4.		M/s. Babu Ram Pal Singh & Bros	83-84	6-9-89	1.12	—	1.12	Proceedings under Land Revenue Act were initiated against two partners of the firms. They were arrested and put under Revenue Lock up for 30 days and 10 days respectively Besides this R.C. has been issued to Collector. Chandiagarh in January 1993. No recovery has been made so far.

	1	2	3	4	5	6	7
				HGST CST	HGST CST	HGST CST	
YAMUNA NAGAR							
1	M/s Pacca Arti Association, Sadhora	77-78 to 83-84	28-12-83 to 1-5-85 15-2-85 28-2-85 27-3-85	0.93	—	0.93	The levy is on incidental charges which like Dami, Dalali, loading unloading etc. There is a dispute regarding the levy with FCI. So, the Govt. has satyed the recovery vide No. ST-II 3503, dated 26-10-82.
2	M/s Ajay Oil Mills	87-88	16-10-89	0.51	—	0.51	Stayed by High Court on 18-12-89 in CWP No. 16483/89.
3	M/s Akash Steel Co-op Yamuna Nagar	82-83 to 83-84	19-9-84 to 2-6-86	—	1.59	—	Recovery certificate to collector, Surat stand issued on 30-10-86. On receipt of information from Collector, Surat that the dealer is not available there D.C. Yamuna Nagar has been requested to issue no property certificate so that case is processed for writing off.
4	M/s Satish Kumar Harkesh Kumar Yamuna Nagar	81-82	29-1-85 to 25-02-85	—	0.11	—	Recovery Certificate has been issued to collector Calcutta, No. reply is received from him inspite of issue of reminders.
5	M/s Lal Ji Trading Co.	80-81 to 81-82	30-3-85	1.22	—	1.22	Proprietor is abscondent and stated to be residing at Delhi. Recovery certificate sent to Collector, Delhi vide D.E.T.C. letter No 2798/T.L., dated 26-11-87. Recovery could not be made from sureties.
6	M/s Kiran Metal Store	76-77 to 80-81		9.07	—	8.9	One partner was arrested & detained in lock up for 40 days Rs. 10,000/- were recovered from the sureties. The case is under process for the writing off the balance amount
7	M/s Sharmik Metal Production Co-op. Society Ltd.	66-67 to 24-9-73	0.57	—	—	0.57	The Society went in Liquidation & Inspector Industries Co-op. Society, Yamunanagar was appointed as liquidator. Demand notice was sent to liquidator who informed that no assets were available to meet out the claim.

1	2	3	4	5	6	7
		HGST CST			HGST CST	CST
20.	M/s Bhawnish Steel	79-80 80-81	30-9-85 29-11-85	0.48 —	0.10 —	0.38 —
						Defaulter is not traceable. Case is under process for writing off.
21.	M/s Aggarwal Sugar Agency	81-82	31-7-86	0.69	—	0.69
						As the dealer is untraceable, therefore, the case is under process for writing off.
22.	M/s Lachmi Singh [Singh Sohan Singh to 76-77 31-7-80 30-9-85]	74-75 76-77 31-7-80 30-9-85	26-3-79 2.02	—	0.01	2.01
						The defaulters belongs to H.P. & after closing the business they have migrated to H.P. Rs. 4000/- have been recovered from sureties.
23.	M/s. K.R. Steels	80-81 to 83-84	31-3-83 29-1-88	1.11	—	0.06
						105
						Firm has been closed Prop. of the firm was arrested and kept in Revenue lock up for 40 days. Rs. 2500/- have been recovered from one surety. Efforts are being made to recover the balance amount.
24.	M/s. Mago Watch Co.	78-79 79-80	2-4-81 27-4-85	1.15	—	0.11
						1.04
						The Prop. of the firm is a lady and cannot the arrested. She owns no immovable property. Rs. 10,000/- recovered from the surety. Case is under process for writing off.
25.	M/s. UCO Traders	78-79 to 80-81	25-4-80 22-3-81 8-5-84	7.68	0.15	0.10
						7.58
						0.15
						Case is under consideration for writing off and was put up before the Committee constituted for this purpose on 24-3-94. The Committee desired some more information which is being collected.
26.	M/s Krishna Trading	79-80 to 81-82	25-9-85 31-12-87	1.96	—	0.10
						1.86
						Firm has been closed. Rs. 10,000/- have been recovered from sureties. Case has been referred to Tehsildar/Collector, Yamuna Nagar for issue of no property certificate so that the case is considered for writing off.

	1	2	3	4	5	6	7
				HGST	CST	HGST	CST
27	M/s Singla Rice & Gen. Mills	85-86	31-10-89	0.72	—	—	0.72
							—
							Immovable property (Land) has been attached and permission to auction the same has been given on 15-3-94 by the ETC.
28	M/s Ashoka Rice Mills	88-89	27-12-89	3.45	—	0.18	—
							Deferment allowed vide C.W.P. No. 7887 of 1989 of Pb. and Haryana High Court. Repayment is due from 1/94 onwards.
29	M/s Bhūn- eswari Metal & Rolling Mills	84-85 to 86-87	27-11-85 8-9-87 27-11-87	2.76	—	1.68	—
							Instalments @ Rs. 2000/- P.M. being paid
30	M/s M.K. Enter- prises	79-80 80-81	30-9-85	1.51	—	0.06	—
							Firm has been closed. Proprietor is not trace- able. An Amount of Rs. 6400/- has been received from sureties so far. Now, sureties are also not traceable. Tehsildar, Jagadhri has been requested to issue no property certificate.
31	M/s Tripti Bafaji	83-84 to 86-87	26-6-86 21-9-88	0.88	—	0.16	—
							Defaulters are not traceable and so the proceeding under Land Revenue Act, could not be started.
32	M/s Jayna Sales Corp.	87-88	22-2-89	4.54	—	0.20	—
							Proceedings under Land Revenue Act was started and one of the partners was arrested & detained for 10 days in the Revenue lock-up and for further detention he has filed a civil suit which is still pending. Other partner is a female and cannot be arrested. The partners have no property Rs. 20,000/- have been re- covered from the sureties.
33.	M/s. Jayna Products	87-88	22-9-89	6-75	—	0.10	—
							—Do—

1	2	3	4	5	6	7
			HGST CST HGST CST HGST CST			
3.	M/s. Uttam Chand Ashok Kumar	81-82 to 85-86 21-3-86 25-3-86	7.79	0.80	6.99	Case is under process in ETC's office for writing off.
4.	M/s. D.F.S.C.	84-85	10.70	—	10.70	Amount pertains to levy of tax on incidental charges. Stayed by Govt. vide letter No. 8/STI, dt. 2-1-90.
1.	M/s. Patel Cotton Co.	73-74 to 75-76	2.78	0.15	2.63	Stay granted by Punjab and Haryana High Court on 29.4.87 and 20.5.89 in CWP No 1345/87 and 2475/87 respectively. Application for early hearing is under process and will be filed shortly.
2.	M/s H.M. Mehta & Co	74-75 to 75-76	1.81	—	1.81	Stay granted by Punjab and Haryana High Court on 10.9.87 in CWP No. 3817/87 and 3818/87. Application for early hearing is being filed.
3.	M/s Singla Wine Traders	84-85 to 85-86	3.54	0.15	3.39	Dealer has filed the CWP No. 733 of 1986 in High Court Recovery has been stayed on 18.4.86. Application for early hearing is being filed.
4.	M/s Padmawati Rice & Cotton	67-68 to 68-69	2.21	—	2.21	Stay granted by supreme Court vide CWP No. 11898/82, dt. 27.1.83 against Bank Guarantee. Application for early hearing is being filed.
5.	M/s Harji Ram Balwant Singh,	67-68 to 69-70	1.64	—	1.64	Stay granted by Supreme Court in CWP No. 11352/dt. 21.1.83. Application for early hearing is being filed.
6.	M/s Gupta Cotton and General Mills	68-69	2.15	—	2.15	Stayed by Supreme Court vide CWP No. 11919/82, dt. 27.1.83.
7.	M/s Haryana Vanaspathi Co.	82-83 to 30-3-87	0.48	1.06	0.08	0.40 1.06
						The stay granted by Civil Court got vacated on 10.10.91 Surety was allowed to make payment in instalment but he could not do so. Thereafter, civil appeal was filed before

1	2	3	4	5	6	
			HGST	CST	HGST	CST
8. M/s Harl Ram Bajrang Dass	83-84	20-3-84	2.89	—	—	2.89
9. M/s. Mittal & Co. 79-80	78-79	30-3-81	0.03	1.06	—	0.03 1.06
10. M/s. Moñan Lal Om Parkash	85-86	27-2-89	0.82	0.05 0.09	0.05	0.73
11. M/s. Ganga Cotton Factory.	78-79	27-3-85 and 24-9-88	2.36	0.12	—	2.24
12. M/s. Ranka Agency	84-85	22-4-89	—	0.54	—	0.54

Addl. District Judge and on his direction, the case was decided by lower Court on 2.12.93 that plaintiff should deposit Rs. 30,000/- in the court. Deptt. should not recover the amount till decision of the suit,

Firm has been closed Proceedings under Land Revenue Act were initiated and one partner Sh. Bajrang Dass was arrested and put under Revenue Lock Up for 40 days on 9.12.85. In the mean time the dealer filled a civil suit No. 47 of 1985 on 15-2-85 in Civil Court Sirsa, which was rejected and warrant of attachment No. 31/SSA/84-85 was issued on 13-3-85. Meanwhile, Sh. Mahabir Parshad partner has filled a civil suit on 29.1.92 in the civil court, Sirsa. The Senior Sub-Judge, Sirsa has granted stay. Application for vacation of stay has been filed.

Record of the case was burnt during Ati Mandal Agitation. Efforts are being made to reconstruct the same.

Stay of recovery was granted by Civil Court on 29.2.92. It is stated proceeding fixed on 15.1.94 Report awaited.

The dealer filed a suit and obtained stay orders on 24-2-92. The case is still pending in the Court.

Recovery certificate has been sent to Collector Bhatinda who informed that the dealer had shifted to Jaipur. Therefore, RC has been sent to Collector Jaipur in 12/93.

	2	3	4	5	6	
	74-75	1-12-86	10.41	0.20	10.21	R.C. was sent to Collector Bombay. Defaulter filed a writ petition in Bombay High Court. In the month of December, 93. The writ is still pending.
13. M/s. Information Corp.	74-75 to 76-77					
	74-75	3-2-82	0.58	—	0.58	R.C. has been sent to Collector Hissar on 4-7-87, where the dealer as well sureties are residing. Nothing has been recovered so far.
15. Ms. Lachman Dass Kartar Singh	70-71	28-8-74	0.37	0.87	0.37 0.87	Shop attached vide Collector order dt. 26-3-92 and is to be put to auction after obtaining permission of the EIC in whose office it is being processed.
16. M/s D.F.S.C.	81-82 to 85-86	24-1-84 1-6-84 29-8-85 29-1-86 20-11-86	14.98	—	14.98	The amount pertains to levy of tax on incidental charges and the Govt. has stayed its recovery.
17. M/s Hafed, Sirsa	81-82 to 83-84	28-6-85 31-3-86 20-8-87 26-10-87 11-11-87 29-12-88	21.01	—	21.01	Do
18. M/s Brij Mohan Inder Mohan	79-80 to 81-82	24-5-86 30-9-86 9-10-86	0.97	0.10	0.82 0.10	Firm has been closed. Proceeding under Land Revenue Act was started against the partners and one partner was arrested and kept in revenue Lock Up. Rs. 15,000 have been recovered from the surety. Efforts are still on.
Hissar 1. M/s Vijay Kumar Munish Kumar	77-78	8-3-84	0.38	0.85	—	The firm stands closed. The dealer left Hissar and R.C. issued on 3-8-83 to Collector, Twenty Pargana, West Bengal. No recovery has been made so far.
2. M/s Padam Kumar Sanjay Kumar	76-77 to 78-79	22-8-84 28-2-84	1.93	2.34	— 1.93 2.34	Do

1	2	3	4	5	6	7
			HGST	CST	HGST	CST
3.	M/s Bajrang Dall Mill	78-79	19-12-88	0.40	0.17	—
						0.17
						The firm stands closed. The dealer filed a civil suit at Hisar and obtained stay of recovery, which was vacated in November, 93. The dealer left Hisar for Gauhati. The recovery certificate has been sent to Collector Gauhati in January, 94.
4.	M/s Bejrang Dass Nareesh Kumar	88-89	8-12-89	2.20	—	2.20
						The firm stands closed and dealer left Hisar for Gauhati R.C. has been issued to Collector, Gauhati in 3/91. Nothing has been recovered so far.
5.	M/s Shiv Shankar Trading	74-75	28-2-86	1.16	—	0.10
						1.06
						The firm stands closed and the proprietor Sh. Panna Lal has expired. He did not own any immovable property Rs. 10,000 have been recovered from the surety and case is under process for writing off.
6.	M/s Subhash Chand & Co.	80-81	10-6-86	4.87	—	0.10
						4.77
						The firm stands closed. The proprietor was proceeded against under the Land Revenue Act and was detained in Revenue Lock up by Collector, Jind. He does not own any immovable property Rs. 10,000 have been recovered from the surety. Case for writing off is under process in ETC's office.
7.	M/s Sehgal Coal Co.	86-87	30-8-89	2.41	—	0.20
						2.21
						Firm stands closed. One of the partners, Sh. Bhim Sain Sehgal was expired. Recovery of Rs. 20,000 has been made from the sureties. Further efforts are being made to recover the amount.
8.	M/s Kataria Provincial Store	87-88	28-2-89	1.66	—	0.21
						1.06
						The dealer was proceeded against under Land Revenue Act and arrested. He was kept under Revenue Lock up for 30 days. He does not own any

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9.	M/s Jyoti Parshad Vinod Kumar	88-89	30-1-90	0.57	—	—	—	0.57	—	Recovery certificate was sent to Collector Jind in Aug. 90 but nothing has been recovered so far.
10.	M/s Birla Cotton & Ginning Factory	67-68 68-69	7-9-76 7-9-76	3.87	—	—	—	3.87	—	The Supreme Court of India granted stay in CA No. 2441-42/78 filed by the dealer. The application for early hearing filed on 4-10-93.
11.	M/s J.C. Cotton Mill	67-68 68-69	30-1-75 30-1-75	2.93	—	—	—	2.93	—	Stay granted by Supreme Court of India. An application for vacation of stay has been filed on 4-10-93.
12.	M/s Gaur Gum Chemical India	80-81 81-82	20-3-87 20-3-87	12.76	—	0.31	—	12.45	—	Stay granted in CWP No. 1232/88 by Punjab & Haryana High Court on 26-11-88. An application for early hearing and vacation of stay is being filed shortly.
13.	M/s Hissar Oil & Gen. Mills	82-83	28-2-85	0.79	—	—	—	0.79	—	Stay of recovery granted in CWP No. 5435/85 by the High Court. An application for vacation of stay filed on 26-8-92.
14.	M/s Nathu Ram Neem Chand	76-77	12-3-81	0.52	1.44	—	—	0.52	1.44	Civil suit filed for declaring insolvent. Application for early hearing filed on 4-10-93.
15.	M/s D.F.S.C.	80-81	8-4-85	0.70	—	—	—	0.70	—	The amount pertains to levy of tax on incidental charges. The Govt. has stayed the recovery.
16.	M/s Hafed Dall Mill	83-84	26-10-86	0.52	—	—	—	0.52	—	Do
17.	M/s Golden Enterprises	83-84	12-5-88	12.80	—	—	—	12.80	—	The recovery of the amount and arrest of the dealer have been stayed in the civil court, Ambala City on 14-9-90

2 3 4 5 6 7

HGSI CST HGSI CST HGSI CST

in a civil suit filed by the dealer. The civil suit is still pending in the Court.

Recovery certificate has been issued to Collector Delhi on 28-12-93.

Recovery of the amount has been stayed by Supreme Court of India in SLP No. 2547/86. Application for vacation of stay was filed on 26-8-93.

Case is pending with Jt. ETC (A) Ambala for further action as directed by the Hon'ble High Court.

Firm stands closed. The dealer left India R.C. was issued to Collector Delhi on 28-3-88. The amount is being recovered in instalments from the sons of the dealer.

Firm stands closed. R.C. issued to Collector Delhi on 2-8-89, which was received back to recover the amount from the assets of the firm.

Firm closed R.C. issued to Collector Delhi on 24-8-90, who was granted in instalments of Rs. 1,000 p.m. to the dealer.

Firm closed. R.C. sent to Collector Delhi on 30-1-90 Rs. 49,000 have been recovered from the sureties.

Firm stands closed. R.C. issued to Collector Delhi.

Firm closed R.C. sent to Collector Delhi on 1-8-90.

2. M/s Ramesh Kumar, 83-84
Rajinder Kumar,
A/Cantt.

20-10-93

8.64

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3. M/s G.M. Telecommunication A/Cantt.

30-5-85

21.26

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4. M/s Simplex Cono Pipes (India)

30-11-88

4.09

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SONEPAT 1. M/s Organo Rubber (P) Ltd.

18-1-87
28-3-88
22-8-89

6.24

—

—

—

2. M/s Elasto Chemicals (P) Ltd.

30-3-89
29-12-88

1.88

—

—

—

3. M/s Arunaday Rubber (P) Ltd.

29-6-88
24-6-88
30-3-90

1.89

—

—

—

4. M/s Harison Tyre Co.

7-9-89

4.75

—

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—

5. M/s Organo Chemicals India.

29-12-89

1.64

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6. M/s Bharat Auto Sales Arya Nagar, Sonapat

30-3-90

7.13

—

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—

	2	3	4	5	6	7
	HGST CST HGST CST HGST CST					
7. M/s E.C.E. Industries Ltd., Sonapat	80-81	30-11-87	5.00	—	—	5.00
8. M/s Anil Steel (P) Ltd. G.T. Road, Kundli	81-82 83-84	31-3-88	4.33	—	1.33	3.00
9. M/s Organo Chemicals	81-82	31-3-86	1.00	—	0.03	0.97
10. M/s Hilton Rubber Ltd.	88-89	5-7-88	4.75	—	0.75	4.00
11. M/s Ashoka Motors Ltd.	76-77	8-3-79 8-3-79 25-7-84 29-3-85	11.71	—	—	11.71
12. M/s D.F.S.C	81-82 82-83	26-3-86 20-1-86	14.64	—	—	14.64
13. M/s Hafed	84-85 85-86	14-11-86 11-2-87	5.21	—	—	5.21
14. M/s Abhay Industries	73-74 to 79-80	—	2.18	—	—	2.18
15. M/s Durga Gram Udyog Mandal	86-87	28-10-87 19-11-87	1.34	—	0.75	0.59
16. M/s Haryana Electric Steel	78-79 to 84-85	23-8-81 18-5-85 18-5-85	54.32 54.32 54.32	—	—	54.32

Stayed by Hon'ble Sales Tax Tribunal on 14-7-88.
Stayed by the Tribunal on 13-9-88.

Stayed by the Tribunal on 12-5-88. It is still pending.

It is net recoverable amount.

The case is under process in ETC's office for writing off the amount.

The amount relates to levy of tax on incidental charges on procurement of wheat. The recovery has been stayed by the Govt. because of a dispute with F.C.I.

Do

The case is being processed for writing off the amount.

Case is pending with Civil Court. The District Attorney Sonapat vide letter No. 6374(TI) (HS) dt. 4-10-93 has been requested that the case may be taken up with the Senior Sub Judge Sonapat and stay be got vacated so that the balance amount of Rs. 25,000 which has already been deposited in the court be credited in the Head 040-Sales Tax.

The defaulter company being a corporate person the recoveries from the Director were not permissible under

	2	3	4	5	6	7
	HGST CST HGST CST HGST CST					
	14-1-86					
	31-1-86					
	2-2-86					
	8-10-87					
17. M/s Haryana Rubber Industries Rai	75-76 to 79-80	29-12-80	16.75	--	16.75	--
<p>The firm has gone under liquidation. The claim has been lodged with official liquidator and he has informed that he has obtained orders from Court for sale of plot of the Co. Date of auction has not yet been fixed by the Senior Sub Judge, Sonapat.</p>						
18. M/s Deopro Food Ltd., Rai	73-74 to 79-80	10-5-76 8-4-77 28-8-80 2-3-81 2-2-82	15.98	--	15.98	--
<p>The claims have been lodged with official liquidator and he has informed that mislaccase proceeding against the Ex-Director of the company has been filed in Hon'ble Punjab and Haryana High Court. No action can be taken till the case is decided by the court.</p>						
19. M/s Rama Automobiles	86-87	30-6-88	9.28	--	1.57	--
<p>Stay of recovery granted by High Court in CWP No. 1392/93. An application for early hearing is being filed.</p>						
20. M/s B.C.E. Industries Ltd.	86-87	27-7-89	2.42	--	0.45	--
<p>Levy of purchase tax challenged in the High Court in CWP No. 15912/89 and recovery stayed. It is on regular list of hearing.</p>						
21. M/s Nareesh Trading Co.	89-90	13-9-90	1.08	--	--	1.08
<p>Stay granted by High Court in CWP No. 9168/1989 on 10-7-89</p>						

the Law. Steps to attach the Land, Building and Machines were initiated but it was found that Haryana Financial Corp. Haryana has already taken into possession of the above assets of the defaulter through Court by obtaining decree and auctioned the property for Rs. 38.40 lacs. In view of above facts the recovery was not possible R.C. has been issued to DETC-cum-collector Ambala to recover the Amount from the sureties.

1	2	3	4	5	6	7
			HGST CST	HGST CST	HGST CST	
22.	M/s Ram Sarup Ram Dhan	89-90	21-2-91	0.55	—	— 0 55 — Do
23.	M/s Nand Lal Khushi Ram	89-90	26-7-91	0.69	—	— 0.69 — Do
24.	M/s Kundra Shoes (P) Ltd.	83-84 to 85-86	24-3-87 30-3-88 29-12-89 29-3-90	9.71	— 0.22 —	9 49 — Company has since closed the business. Rs. 22,227 have been recovered by attachment of rent on 15-9-93 Com- pany has no movable/immovable pro- perty R.C. sent to Collector Delhi on 30-3-93.
PANIPAT						
1.	M/s Metal Tubes (P) Ltd.	87-88	7-10-91	0.77	1.83 0 63 1 25 0 03 0 64	Amount is being recovered in instal- ment of Rs. 10,000 p.m.
2.	M/s Steel Kraits, ERW	89-90	5-5-93	0 49 0 63 0 17 0 27 0 32 0 36	—	Instalment of Rs. 5,000 p.m. allowed and being paid.
3.	M/s Atiar Rice & Gen. Mill	88-89	20-9-89	0 67	— — 0 67 —	Stay by High Court in CWP No. 4131/91 in March, 91. Case is still pending.
4.	M/s Sethi Steel Syndicate	84-85 to 85-86	20-8-89 26-9-91	159.01	— — — 159 01 —	Firm stands closed. Defaulter left Panipat to Ghazianad. R.C. issued to Collector Ghaziabad. Nothing reco- vered so far.
5.	M/s Jain Traders	79-80	19-5-80	7.16	— 6.26 — 0.90 —	Firm stands closed R.C. is sued to Collector, Jammu.
6.	M/s Fabrics Processors	89-90	26-3-93	2.11	— 0 52 — 1.59 —	Amount is being recovered in instalment.
7.	M/s Vir Bhan and Sons	89-90	30-11-93	2.85	— — — 2.85 —	Do
8.	M/s Jinal Rice & Gen. Mill	89-90	14-9-91	0.81	— — — 0.81 —	Stay by High Court in CWP No. 1264/90.
9.	M/s Panipat Textile and Handi Crafts	87-88 88-89 89-90	17-1-91 2-7-91 9-7-91	3.06	— — — 3.06 —	Stay by Tribunal Fixed for 27-7-94.

1	2	3	4	5	6	7
			HGST CST	HGST CST	HGST CST	
10.	M/s Shree Tripati Balaji Rice & allied Industries	87-88 to 88-89	16-10-89 30-8-90	6.09	— — — 6.09	— Stay by Hon'ble High Court.
11.	M/s Aggarwal Rice & Gen. Mills	87-88 89-90	1-3-89 7-1-91	8.44	— — — 8.44	— Do
12.	M/s Garg Rice & Gen. Mills	88-89	14-8-89	1 19	— — — 1.19	— Do
13.	M/s Panipat Rice Mill	89-90	7-9-90	1.34	— — — 1.34	— Do
14.	M/s S.S. Trading Co.	88-89 89-90	2-8-90 2-8-90	0.86 2.09	— — — 0.86 — — — 2 09	— Do
15.	M/s Saraswati Rice Mill	89-90	4-1-91	2.17	— — — 2.17	— Do
16.	M/s Nitin Rice Mill	89-90	29-12-90	0 74	— — — 0.74	— Do
17.	M/s Gupta Rice Mill	89-90	29-12-90	1.01	— — — 1.01	— Do
18.	M/s Laxmi Rice Mill	89-90	29-12-90	0.88	— — — 0.88	— Do
19.	M/s Shankar Industries	89-90	4-1-91	0 86	— — — 0.86	— Do
20.	M/s Goel Rice Mills	89-90	10-1-91	0 93	— — — 0.93	— Do
21.	M/s Jai Bajrang Rice Mills	89-90	1-2-91	0 91	— — — 0.91	— Do
22.	M/s Kundan Rice & Gen. Mill	85-86 to 88-89	3-2-93 26-2-93 30-12-93 22-2-94	25.82	— — — 25.82	— Stay by Hon'ble High Court.
23.	M/s Panipat Central Co-op Consumer Store	85-86 to 88-89	31-3-90 31-8-92 4-1-93	4.81	— — — 4 81	— The Co-op Store has gone under liquida- tion.

1	2	3	4	5	6	7
			HGST CST HGST CST HGST CST			
24. M/s Haryana Pharmaceutical (P) Ltd.	73-74 to 77-78	19-3-86	1.52	— 0.08	— 1.44	Firm stands closed. No immovable property at Panipat in the name of the dealer. Director of the company has left for Australia.
ROHTAK						
1. M/s N.R. Industries B/garh	71-72 to 77-78	28-2-77 to 25-3-78 19-3-79	0.15	2.74 0.11	0.03 0.04 2.71	The firm stands closed. An amount of Rs. 12513 stands recovered from the sureties. For the balance amount R.C. has been issued to Collector, Calcutta.
2. M/s Doaba Trading Co.	81-82 to 84-85	22-3-87 to 16-8-88 16-8-88	11.27	— 0.26	— 11.01	Firm has been closed. One of the sureties is paying Rs. 500 p.m. and the other surety has paid his full share.
3. M/s Perfect Suppliers B/garh	82-83	4.45	— 0.50	— 3.96	—	Firm stands closed. R.C. sent to Collector, Delhi. Defaulter has left for an unknown place. Rs. 50,000 have been recovered from sureties.
4. M/s Finochem Lab. B/garh	82-83 to 85-86	30-6-86 to 30-12-86	0.03	3.43 0.01	0.21 0.03 3.22	Firm closed. R.C. sent to Collector Delhi. Recovery effected by way of attachment of rent from M/s Dua Pharmaceutical who is no longer a Tenant.
5. M/s National Gum and Chemicals	81-82 to 82-83	19-12-87 to 30-1-87	3.61	0.20 0.14	0.15 3.47 0.05	Firm stands closed. Proceedings under Land Revenue Act started and sureties paid the amount for which they stood the surety. Balance amount is being recovered in instalment of Rs. 5,000 p.m.
6. M/s Ajay Udyog B/garh	83-84	31-10-87	0.90	3.21 0.31	0.01 0.59 3.20	It is inter state arrears. Defaulters residing at Delhi. R.C. sent to Collector Delhi on 14-7-93.
7. M/s Melt-N-Chemicals B/garh	87-88	2/90	7.41	— 0.49	— 6.92	Defaulter is residing at Delhi. R.C. sent to Collector Delhi on 30-3-90. The sureties have deposited full amount of the surety.
8. M/s Bee Cee Steel Rolling Mills	83-84	—	— 3.16	—	— 3.16	R.C. sent to Collector Delhi on 12-2-90 and it is being pursued. No recovery made so far.

1	2	3	4	5	6	7
			HGST	CST	HGST	CST
9.	M/s Kisan Trading Co., B'garh	84-85	—	4 05	—	4 05
						The case is being processed for writing off in ETC's office.
10.	M/s Bahadurgarh Central Co-op.	84-85	10-8-88	0 85	—	0 85
						Do
11.	M/s Gopiram Tara Chand, Rohtak	77-78	23-3-85	1.55	—	1 55
						Case is under process for writing off in ETC's office.
12.	M/s Royal Body Builders, Rohtak	75-76 76-77	—	3.05	1.55	—
						Do
13.	M/s Sudhan Mal Hans Raj, Sampla	84-85 to 86-87	—	19.58	—	—
						Do
14.	M/s Deepak General Store	83-84 to 87-88	—	3.48	—	—
						Do
15.	M/s Nagpal Oil Cotton Mills	82-83	—	2 86	2.28	—
						Instalments allowed @ Rs. 2,000 p.m which is being paid regularly.
16.	M/s Luxmi Engg. Works, Sampla	84-85	—	0.73	—	0.67
						Instalments allowed @ Rs. 1,500 p.m Not being paid.
17.	M/s Shree Durga Steel Co.	81-82	—	0.30	0.35	—
						Instalment allowed @ Rs. 300 p.m.
KARNAL						
1.	M/s Hari Ram Paras Ram	81-82 to 86-87	10-1-91 1-9-90	1.21	—	—
						Stay granted by Punjab and Haryana High Court in C'yp No. 532-60/89. Application for early hearing being filed.
2.	M/s V.P. Engg. (P) Ltd.	81-82 to 84-85	27-3-87 30-4-87	2 45	—	2 45
						Stay granted in CWP No 9666/87 still continue Application for early hearing being filed.
3.	M/s Jagdamba Rice Mill	84-85	9-2-88	0.60	—	0.60
						Stay granted in CWP No. 5032-62/89. Application for early hearing being filed.
4.	M/s F.C.I. Karnal	77-78 to 87-88	26-12-90 20-12-90	6360.12	—	5475 98
						884 14
						The amount pertains to levy of tax on incidental charges, empty bags and

1	2	3	4	5	6	7
FARIDA- BAD (EAST)			HGST	CST	HGST	CST
1. M/s Yash Paul & Co.	78-79	11-12-81	3 08	— 0.10	— 2.98	— R.C.sent to Collector,Delhi on 16-8-89.
2. M/s D.G.L.(P) Ltd.	74-75 to 76-77	31-8-79 31-8-79 21-2-80	0.13 1.78	0.12 1.02	0.01 0.76	RC sent to Collector Delhi on 6-1-83. The firm owns some shares of M/s J.M.A India (P) Ltd. F/Bad which has been requested to remit the amount of dividend in respect of the firm. It has been intimated that as and when the company declares the dividends the remittance of the same will be made
3. M/s Fritz & Singh Ltd., Faridabad	75-76 to 80-81	2-5-84 23-2-83 20-10-84 29-10-84	0.59 6.52	— —	0.59 6.52	The Company has gone under liquidation. The claim has been lodged with Official Liquidator Calcutta on 3-10-91 and 11-11-93.
4. M/s Maheshwari Wire Ltd	81-82 to 83-84	13-9-85 24-3-86 30-8-88	0.62 0.26	— —	0.62 0.26	R.C. sent to Collector, Calcutta on 19-12-85 and is being pursued Rs.6,000 have been recovered from the sureties & for the balance Rs. 4,000 sureties have sought time to pay the same
5. M/s Bivid Poly Poch Ltd.	84-85	31-3-89	7.33 2.62	— —	7.33 2.62	Firm stands closed R.C. against Sh. Sanjay Lagiwal surety has been issued to Collector. Delhi on 11-1-93 whereabouts of the partners are being investigated.
6. M/s Shiv Sheel Traders Ltd.	83-84	29-12-89	7.00	— 0.35	— 6.65	— R.C. issued to Collector Delhi on 8-3-90.
7. M/s Khem Chand Ajay Kumar	74-75 to 76-77	6-4-80 26-3-81	0.40 0.18	— —	0.40 0.18	The dealer has closed the business R.C. has been sent to Collector, Delhi on 3-12-81 Sureties are not traceable
8. M/s Sahani Bros.	72-73 to 73-74	29-7-78 30-7-79	0.79	— —	0.79	— The dealer has closed the business. R.C. was sent to Collector Bombay on 3-12-81. Sureties are not traceable.

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			HGST CST HGST CST HGST CST			
9. M/s Vedakkurkkal	87-88	20-7-88	0.88	—	—	0.88 —
						The dealer has closed the business R.C. was sent to the Collector, Dakki (Kerla) on 31-3-89.
10. M/s G. Authorton	78-79 to 81-82	6-2-22 18-2-83 12-1-86 27-10-88	1.42	0.08	0.06	1.36 0.08
						R.C. sent to Collector, Calcutta who has granted instalments to dealer @ Rs. 500 p.m. Rs. 13000 has been re-covered.
11. M/s Haryana Footwear Co.	71-72 to 75-76	30-9-77 17-3-78 20-2-78 20-3-79 26-3-80	1.31	2.16	—	1.31 2.16
						Firm has closed down business and all assessment was made on ex-parte basis and later R.C. was sent to Collector, Calcutta on 9-12-88.
12. M/s Golden Polyester Inds	81-82	21-7-84	1.08	0.88	—	1.08 0.88
						Recovery stayed by the High Court in CWP No 5896/91 on 22-4-91.
13. M/s Hindustan Indus. F/Bad	71-72 to 75-76	6-4-78 26-10-78 28-2-79 28-2-79 26-2-79	0.30	0.86	0.26 0.35	0.04 0.51
						R.C. sent to Collector, Calcutta on 5-5-78. Thereafter, several reminders have been sent to him.
14. M/s Chemical Vessels & Fabricators F/Bad.	81-82 to 83-84	30-9-85 30-1-86 16-10-85 13-7-84 3-9-82 14-1-83 18-2-85 28-3-86	—	3.29	—	0.31 2.98
						R.C. was sent to District Magistrate, Calcutta on 2-4-86 Regular reminders are being issued.
15. M/s Rajdhani Points	76-77	6-3-81	0.71	0.27	—	0.71 0.27
						The firm closed down its business R.C. has been issued to Collector, Delhi on 17-11-93 and sureties are not available.
16 M/s Scalpal India	80-81 to 83-84	28-12-84 14-3-85 29-1-86 19-9-85	—	0.84	—	— 0.84
						R.C. has been issued to Collector, Delhi & Kanpur. one surety is not traceable & other has filed a suit in the court.

1	2	3	4	5	6	7
		HGST CST HGST CST HGST CST				
17. M/s Mehar Corp Faridabad	81-82 83-84	10-9-85 20-9-88	5.51	—	—	5.51 —
						All out efforts were made but no success could be achieved as neither dealer nor the sureties are traceable.
18. M/s Maheshwari Fastners, F/Bad	77-78 to 82-83	14-3-84 29-1-85 29-1-85 26-3-85 24-3-86	2.13	0.90	—	2.13 0.90
						R.C. sent to Collector, Calcutta on 18-12-85.
19. M/s Acharya Associates (P) Ltd. F/Bad	83-84	14-3-88	0.26	1.52	—	0 10 0 26 1.42
						R.C. was issued to Collector, Delhi on 24-3-89. Rs. 10,000/- has been re-covered from sureties. Efforts are being made to recover the balance amount from the sureties.
20. M/s Haryana Steel	74-75 75-76	17-3-81 23-3-81	0.86	2.19	—	— 0 86 2 19
						The firm is closed R.C. was sent to Collector, Jullundar & Delhi on 7-8-84 & 6-8-84. One surety has expired and the other has refused to accept his signatures on the surety bond. He filed a civil suit which was decided in his favour Appeal filed by the deptt. was accepted by Session Court. Now the surety has gone to the High Court.
21. M/s Goodyear India Ltd	73-74 to 77-78 87-88	20-10-86 9-6-89	28.45	—	—	— 28.45
						Stayed by High Court. Levy of purchase tax challenged. The case is on regular list of hearing.
22. M/s Super Parts (P) Ltd.	84-85 85-86	14-12-88 31-3-88	9.68	—	—	— 9.68 —
						Stayed by High Court. Levy of purchase tax challenged. The case is on regular list of hearing.
23. M/s Indian Gas Cylinder	74-75 to 76-77 and 79-80 to 83-84	15-3-82 21-4-84 19-2-85 13-1-89	—	14 35	—	— 14 35
						Stay by High Court in CWP No 6180/86, 6597/86, and 5783/89. Penalty u/s 10 of CST Act challenged.

	2	3	4	5	5	7
			HGST CST	HGST CST	HGST CST	
24. M/s Golden Polyester Ltd.	74-75 to 76-77	22-2-80	2.06	6.12	—	Stayed by High Court in CWP No. 5896/91 on 24-4-91. Tax on polyester yarn charged at general rate of tax.
25. M/s Amarpali Structural (P) Ltd.	82-83	21-9-88	0.35	9.70	—	Stayed by High Court in CWP No. 7251/93 on 11-6-93.
26. M/s Superya Inds.	84-85	27-9-88	—	3.10	—	Stayed by High Court in CWP No. 896/91 on 18-2-91
27. M/s Silver Flame Appliances	83-84 84-85	27-12-88 8-8-89	1.36	3.36	—	Stayed by High Court in CWP No. 3500/91 on 7-3-91.
28. M/s S.K. Coal Traders	87-88	30-3-88	1.66	—	—	Stayed by High Court in CWP No. 200-1/91-92 on 4-9-91.
29. M/s S.G. Steel (P) Ltd.	82-83	29-4-84	2.01	—	—	Stayed by High Court in CWP No. 4704/84 on 17-10-84.
30. M/s Swadeshi Rubber	75-76 to 78-79	26-12-77 23-1-79 7-4-79	1.00	2.42	—	Stayed by High Court in CWP No. 309/87 on 6-5-87
31. M/s Khaitan India Ltd.	87-88	28-2-90	3.58	—	—	Stay granted by Tribunal vide order dt. 1-8-90.
32. M/s Indogan Pharmaceutical	78-79	13-1-88	0.91	—	—	Stay granted by Tribunal vide order dt. 26-4-88.
33. M/s Frick India Ltd.	83-84	31-5-88	1.35	—	—	Stay granted by Tribunal vide order dt. 24-9-88.
34. M/s Subhash Traders, Ballabgarh	82-83 83-84	24-9-86	2.71	—	—	Stay granted by Tribunal vide order dt. 28-2-89.
35. M/s Snowtemp Engg.	85-86	22-8-89	10.44	—	—	Stay granted by Tribunal vide order dt. 14-12-92.
36. M/s Karnataka Consumers Store, F/Bad.	88-89	24-2-90	0.86	—	—	Stay granted by JETC(A) vide order dt. 22-3-91.
37. M/s Sidhartha Papers Ltd. F/Bad.	85-86	27-11-89 31-8-89	0.54	6.59	—	The Company was a sick unit and taken over by M/s. Rolle Talner Ltd. Arrears have been deferred by the Govt.

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			HGST CST HGST CST HGST CST			
38.	M/s Hafed	80-81 to 83-84	18-11-85 30-1-87	2 21	—	2.21
						The Company was a sick unit and taken over by M/s Ralle Tainer Ltd. Arrears have been deferred by the Govt Tax on incidental charges involved.
39.	M/s. Anil Traders Ram Nagar, F/Bad.	87-88	28-2-89	0 02	5 92	Prop. of the firm remained in civil imprisonment for 40 days. One surety died and other has filed civil suit in the court and the case is pending.
40.	M/s Sirroco Auto (P) Ltd.	79-80 83-84	29-1-87 18-3-87	18 13	7.00	11.13 — Dealer is paying instalment of Rs 10,000 p.m. regularly.
41.	M/s Godavri Trading	84-85	30-8-88	20 44	0 30	20 14 — Prop of firm was arrested and was kept in revenue Lock-up for 40 days. An Amount of Rs 30,000/- has been recovered from surety.
42.	M/s Acharya India Ltd.	83-84 84-85	21-3-86	0 01	0 64	0 01 0 64 Recovery stayed by civil court on 18-2-89
43.	M/s Mahesh & Co. L-2, F/Bad.	81-82 82-83	8-9-82 9-12-82	15 63	—	15.63 — Recovery stayed by civil court on 18-2-89
44.	M/s Sheela Devi L-2	74-75	21-11-86	6.09	—	6.09 — Recovery stayed by civil court on 13-3-82.
45.	M/s Trans Auto Indus. 83-84	78-79 to 83-84	5-1-82 4-3-83 1-8-83 16-7-88 12-3-86	1 91	0 51	0 10 — 1 81 0 51 Recovery stayed by civil court on 8-4-88.
46.	M/s Nascent Pharmaceutical, F/Bad.	81-82 82-83	12-12-83 31-3-86	—	0.93	— 0.13 — 0.80 Recovery stayed by civil court on 15-4-87
47.	M/s Rockman Auto (P) Ltd. F/Bad.	73-74 to 77-78	16-12-88	15.52	9.43	— 4.09 — Amount of arrear is being recovered by attaching the rent of the company payable by the tenant, CWC, Chandigarh-17

	1	2	3	4	5	6	7
				HGST CST			
				HGST CST			
				HGST CST			
48.	M/s Prestolite of India Ltd. F/Bad.	70-71 to 78-79	18-7-78 8-11-81	0 40 22.81	—	0 40 22.81	Firm has been closed due to fire. All the record has been destroyed. Immovable property of Company has been attached. Case for auction is under process.
49.	M/s Gallant Engg. Enterprises, F/Bad.	77-78 to 82-83	25-1-80 6-10-81 31-10-81 28-3-84 28-2-86	1.12 1.33	—	1.12 1.33	Sureties are not available Machinery has been attached. A dispute between dept. & State Bank of India is going on as machinery was already pledged/hypothecated by the Bank. The dealer has filed a writ in High Court Delhi and the court has granted interim stay on 28-9-90
50.	M/s. Ganesh Packaging Inds. F/Bad.	73-74 to 78-79	15-10-75 17-3-81	1.29 1.02	—	1.29 1.02	Fifteen marla of land has been attached and the Bank authorities of Bank of India have claimed preference over the arrears of sales tax. Litigation is pending in civil court.
51.	M/s Metal & Printing works, F/Bad.	83-84	14-3-88	1.19	—	1.19	House of the dealer has been attached.
52.	M/s Inspi Auto Indus. (P) Ltd.	73-74 to 78-79	13-7-77 31-7-80 30-1-80 31-1-80 20-11-79 28-9-79	0.04 2.02	—	0.04 2.02	The dealer has filed a suit in the civil court against auction which is still pending.
53.	M/s Amarjit Singh & Co.	81-82	9-12-82	21.63	—	21.63	The case is under process for writing off.
54.	M/s United Traders	82-83	30-3-88	2.65	—	2.65	The case is under process for writing off.
55.	M/s Haryana Television Ltd.	82-83 to 85-86	26-3-86 31-3-87 14-12-88 27-11-89	2.05 9.58	—	2.05 9.58	The case is under process for writing off.
56.	M/s Associated Industry	70-71 to 71-72	20-9-78	11.06	—	11.06	The case is under process for writing off.
57.	M/s V.K. Gupta & Co.	81-82 to 82-83	31-12-82 8-1-82	4.98	—	4.98	The case is under process for writing off.

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	HGST CST HGST CST HGST CST					
58.	M/s Precision Steel & Engg. work, F/Bad.	76-77 to 78-79 83-84	26-9-85	3.82	— 1.91 — 1.91 —	Stay by Supreme Court in CWP No. 1437 and 1440 of 1986 dt. 2-2-87.
59.	M/s D.L.P. Universal Ltd. Faridabad	83-84	3-6-86	10.73	— — 10.73 —	Stay granted by Supreme Court in writ 976/85 on 10-7-86.
60.	M/s Indian Gas Cyl/nder	83-84	3-5-87	1.19	— — 1.19 —	Writ No. 823/87 dt. 19-10-87. Stay granted by Supreme Court.
61.	M/s Super Parts (P) Ltd	73-74 to 82-83	18-11-85 3-3-86	12.83	— — 12.83 —	Stay granted by Supreme Court on 20-10-86.
62.	M/s Goodyear India Ltd. Ballabgarh	78-79 79-80 81-82 to 83-84	5-9-85 5-9-85 30-4-85 11-4-86 29-4-85	24.78	— — 24.78 —	Stay granted by Supreme Court in writ No 13214/86 on 6-5-86.
63.	M/s S.G. Steel (P) Ltd.	81-82	27-10-83	— 0.69 —	— — 0.69 —	Stay by Supreme Court vide order dt. 24-2-84.
64.	M/s Top Style Appetis (P) Ltd.	76-77 to 78-79	27-3-80 28-2-84 8-3-82	— 7.72 —	— — 7.72 —	Under liquidation proceedings
65.	M/s Bull Workers (P) Ltd.	75-76 to 79-80	4-10-78 15-11-83	0.35 5.30	— — 0.35 5.30	Under liquidation proceedings.
66.	M/s Shakhon Inds. F/Bad.	70-71 to 71-72	10-12-71 12-7-72	0.03 1.27	— — 0.03 1.27	Under liquidation proceedings.
67.	M/s Usha Spinning Mills Ltd.	81-82 to 83-84	6-10-86 27-12-86	0.56	— — 0.56 —	Under liquidation proceedings.
68.	M/s Atlantic Engg. Ltd.	81-82 to 83-84	16-10-85 31-8-87	0.15 7.46	— — 0.15 7.46	Under liquidation proceedings

1	2	3	4	5	6	7
			HGSTCST	HGSTCST	HGSTCST	
69	M/s Globe Motor Workshop (P) Ltd.	67-68 to 71-72	30-3-71 to 26-9-78	3.53 1.06	— — 3.53 1.06	Under liquidation proceedings.
70.	M/s Globe Steel India Ltd.	67-68 to 79-80	20-11-78 to 6-1-86	— —	— — 22.22	Under liquidation proceedings.
71	M/s Forgings Ltd., F/Bad	77-78 to 82-83	16-10-85 to 31-8-87	1.25 9.64	— — 1.25 9.64	Under liquidation proceedings.
72	M/s Anand Synthetics (P) Ltd.	79-80 to 82-83	28-2-85 to 16-4-85	2.30 0.11	— — 2.30 0.11	Under liquidation proceedings.
73	M/s Handa Steel Pen (P) Ltd.	—	14-1-87	— 0.70	— — 0.70	Under liquidation proceedings
74.	M/s Bertem Scot India (P) Ltd	71-72 to 73-74	14-12-76 to 24-3-76	0.29 1.25	— — 0.29 1.25	Under liquidation proceedings.
75.	M/s Usha Forging & Stamping	70-71 to 76-77	3-2-77 to 6-4-78	1.07 1.09	— — 1.07 1.09	Under liquidation proceedings.
76.	M/s Ganga Engg. Works	73-74 to 76-77	—	0.29 1.90	— — 0.29 1.90	Under liquidation proceedings.
77.	M/s Steel Poineers Faridabad	Do	—	1.25 0.19	— — 1.25 0.19	Under liquidation proceedings.
78.	M/s B.K. Enzg (P) Faridabad	89-81 to 88-89	28-3-83 to 31-3-89	0.29 25.34	— — 0.29 25.34	Under liquidation proceedings
1.	M/s Haryana Paper Mill, Faridabad.	85-87	—	4.37 — 0.90	— 3.47 —	Appeal is pending with Appellate Authority, F/Bad who has been requested to decide the case early.
2.	M/s Bristol Paints Faridabad	77-73 to 83-84 to 84-85	—	0.15 3.10 0.03	0.42 0.12 2.63	Firm stands closed R.C. has been issued to Collector, Delhi which has been received back. Further efforts are being made to recover the amount.
3.	M/s Bharat Carpet	81-82 to 83-84	—	0.91 62.59	— — 0.91 62.59	Sureties have filed suits No. 21 dt 15-1-88 and No. 22 dt. 15-1-88. Date fixed for 18-8-94.
4.	M/s Chandok Auto Store	81-82 to 82-83	27-11-83 to 27-11-83	19.29	— — 19.29	Civil suit filed by Shri Tajinder Singh on 1/91, Case fixed for 25-7-94.

FARIDA-
BAD
(WEST)

1	2	3	4	5	6	7
		HGST CST HGST CST				
5.	M/s Manoj Trading Co. Hodel	84-85 85-86	6-3-87 29-8-88 & 31-8-88	0.26 0.11	0.25 0.15	2.95
						Firm stands closed. Surety has filed a civil suit at F/Bad which is still pending.
6.	M/s Marshal Distributors Ltd. F/Bad	84-85 to 86-87	29-9-89 23-1-90	0.29 0.08	0.18 0.21	0.65
						R.C. sent to Distt. Magistrate, Baroda (Gujarat) on 26-11-93.
7.	M/s Jindal Alloys Cart (P) Ltd., F/Bad	86-87 to 87-88	30-11-87 14-11-91	6.81 2.86	0.50 —	6.31 2.86
						The firm has gone into liquidation vide Delhi High Court order dt 25-1-91. The Director has left Haryana and residing in Delhi R.C. was sent to Collector, Delhi on 11-1-91 Recovery of Rs. 50,000/- made from surety.
8.	M/s Santosh Associates, F/Bad.	77-78 to 82-83	—	1 29	— 0 32	— 0.97
						The firm stands closed Dealer resides in Delhi R.C. was sent to Collector, Delhi on 9-2-94, which has been returned by the Collector, Delhi with the remarks that defaulter is not residing at address supplied to him. Sureties had withdrawn their sureties. So, no recovery could be made from them.
9.	M/s P. Kharas & Co. F/Bad.	79-80 to 82-83	—	50.40	—	— 50.40
						R.C. was sent to Collector, Delhi but no recovery has been made. Proprietor has expired in an accident on National Highway and whereabouts of the family is not known. Recovery from the sureties could not be made as one of the sureties expired and other is not traceable
10.	M/s Hindustan Refrigerator, F/Bad.	86-87	—	3 04	—	— 3.04
						R.C. was sent to Collector, Palgar (Kerala) on 29-3-91. Sureties have closed down their business and their whereabouts are not known.
11	M/s Baba Electronics, Faridabad	85-86 86-87	—	2.83 0.44	—	— 2 83 0 44
						R.C. was sent to DETC. Y/Nagar & Collector, Delhi on 28-2-91. One of

1	2	3	4	5	6	7
			HGST CST HGST CST HGST CST			
12.	M/s Bliss Advertising (P) Ltd., F/Bad.	87-88	1.88	—	0.10	—
					1.78	—
13.	M/s Rajinder Sood, Faridabad	87-88	0.43	—	—	0.43
14.	M/s Gamsha Pipe Ltd.	64-65 to 77-78	2.11	—	0.65	—
					1.46	—
15.	M/s Oswal Steels	76-77 to 81-82	7.16	2.66	7.16	2.66
					—	—
16.	M/s Pe Ech Forgings, F/Bad.	82-83 to 84-85	0.64	—	0.03	—
					0.61	—
17.	M/s UPL Electronics	83-84 to 86-87	1.54	3.02	—	1.54 3.03
18.	M/s Polytex Enterprises	75-76 to 79-80	0.59	3.31	—	0.59 3.31
19.	M/s Avery India Ltd.	77-78 to 82-83	—	—	—	—
			—	—	—	—

the partners has filed a suit in the court of Senior Sub-Judge, Faridabad which was dismissed on 5-1-94. Appeal filed before the Session Judge is pending.

The case is pending with Session Judge Faridabad after being dismissed by Lower Court.

Stay by High Court in CWP No. 8655 of 1991.

This case pertains to old period when no surety was obtained because there was no provision at that time. Recovery of Rs. 65000/- has been effected by the Collector, Bombay. Efforts are being made to recover the balance amount.

The dealer has got stay from High Court in CWP No. 5676 to 5679 of 87 and 9257/88.

Balance amount has been stayed by civil court order dt. 2-1-88. The civil suit is still pending.

Firm has gone under liquidation and claim has been lodged with the official liquidator on 22-10-91.

R.C. issued to Collector, Calcutta on 12-11-91. Surety has filed civil suit in the court of Sh. V.P. Gupta, Addl Sub-Judge, Faridabad which is still pending.

Stay by High Court

49.95

1	2	3	4	5	6	7
			HGST CST	HGST CST	HGST CST	
20.	M/s Driplex Water Engg. (P) Ltd. F/Bad	82-83	20-2-82	—	3.11	Stay by High Court in CWP No. 5760/93 on 20-5-93.
21.	M/s U.K. Builder	71-72 to 77-78	2-11-76 to 19-9-83	—	0.19 4.65	The firm filed writ in Punjab & Haryana High Court (No. 121 of 1988) and stay was granted by the court vide order dt 7-2-89.
22.	M/s Jindal Alloy Cast (P) Ltd.	86-87	30-11-87	0.50 0.98	— 0.50 0.98	R.C. was sent to Collector, N/Delhi on 3-9-92. Reminders are being issued to him.
23.	M/s Haryana Ispat (P) Ltd. F/Bad.	84-85 to 86-87	28-7-88 to 27-12-89	0.36 0.24	— 0.36 0.24	The Company went into liquidation. Sh. H.S. Bawa was appointed official liquidator. The claim has been lodged with official liquidator on 19-11-90.
24.	M/s Saraswati Chemicals & Refractories (P) Ltd.	84-85 to 86-87	31-8-89 to 20-3-90	0.97 0.26	— 0.97 0.26	The firm was closed down. Plot of firm was attached Coal of form was also attached Case for auction is under process.
25.	M/s Deepak Automobile	86-87	12-1-90	2.74	— 2.74	The dealer went into appeal before Joint ETCA and stay was granted against surety of Rs. 275000/- which was furnished by dealer on 27-9-90. The case is still pending.
26.	M/s Cobra Shoe Co., Faridabad	88-89 to 89-90	31-10-89	1.87 — 0.65	— 1.22	Out of total recovery of Rs. 1.87 lac, Rs. 0.65 have been recovered leaving a balance of Rs. 1.22 lacs. Efforts are being made to recover the balance amount
27.	M/s Haryana Paper Mills. F/Bad.	85-86	10-4-89	24.11	— 24.11	Stay granted by High Court vide CWP No. 8139/89 dated 20-6-89.
28.	M/s Kelvinator of India	82-83 to 87-88	17-4-89 to 9-5-89	128.89	— 128.89	Stay given by High Court in CWP No. 6191, 6192, 6193 and 8537.

1	2	3	4	5	6	7
			HGST CST	HGST CST	HGST CST	
29. M/s Hindustan Wire Ltd.	86-87	29-12-89	6.38	—	—	Stay given by High Court in CWP No. 3261/90
30. M/s Venus Electrical	76-77 77-78	31-3-80 31-5-83	1.31	0.17	0.20	Under process for writing off.
31. M/s Vikas Stone Cr. Co.	81-82 82-83	5-5-83 25-3-85	3.43	0.04	—	The proprietor remained in revenue lock up for 40 days. One surety is not traceable and the other has filed a civil suit in the court of Sr. Sub Judge. F/Bad. denying having stood surety. Case is pending.
BHIIWANI 1. M/s Dalima Cement Factory, Charkhi Dadri	67-68 to 78-79	24-7-79 30-10-75 12-3-76 5-10-81 27-10-78 28-9-81 22-3-76 18-5-79 7-3-80 12-5-80 28-9-81 26-3-76	80.13	16.32	—	The company went into liquidation and was taken over by Cement Corporation of India in March, 89. The claim of the Department was rejected by the official liquidator as the assets were not sufficient to meet the outstanding liability of the Company.
2. M/s Atma Ram Ram Lal	77-78	29-3-84	6.59	—	—	The proprietor as well as one of the sureties are not traceable. The second surety is financially weak & not in a position to pay the amount.
3. M/s Sushil Trading Company	77-78	29-3-84	2.50	—	—	The Proprietor is not traceable Both the sureties were bogus. Efforts are being made to trace out the proprietor.
GUR- GAON 1. M/s Fixwell Pushing Cards	85-86	11-2-87	—	5.14	—	High Court vide order dated 18-11-93 remanded the case to Tribunal for fresh decision.
2. M/s Maruti Heavy Vehicles Maruti Complex	79-80 to 80-81	30-6-84 13-11-85	0.07	0.45	—	Dealer has filed writ No. 217 of 1988 on 28-12-87 & stay has been granted by High Court on 12-5-88. Application for early hearing filed on 14-10-93.

1	2	3	4	5	6	7
		HGST	CST	HGST	CST	HGST
3. M/s Vijay Kumar Rajinder Kumar	77-78 to 80-81	18-12-81 12-2-82 12-3-82 30-7-82	3.14	2.38	—	3 14 2.38
						Stay granted by Civil Court. There were two Partners Sarvshri Rajinder Kumar Vijay Kumar. Both the partners have filed Civil Suit in the Court of Senior Sub-Judge, Gurgaon Shri Vijay Kumar filed for temporary and Sh. Rajinder Kumar for permanent injunction as he retired from firm Suit filed by Shri Vijay Kumar has been dismissed and the suit of Shri Rajinder Kumar accepted. The sureties have also filed suit that they are not liable to make the payment of newly constituted firm which was upheld by the Civil Court. The department has filed an appeal before the Session Judge in the case of Rajinder Kumar which is still pending. Since the department was not informed about the dissolution of the firm, the department has filed an appeal before the additional Session Judge, Gurgaon.
4 M/s Shiv Oil Mills, Nuh	80-81 81-82	31-3-83 23-3-84	1.6	—	0.08	1 08
						Recovery certificate sent to Collector Delhi has been received back on 10-7-91 as Prop. of the firm was not residing at given address. Both the sureties of the assessee went in litigation against the recovery proceedings initiated by the Deptt., Civil Suit decided in favour of surety Shri Hari Krishan on 10-3-83 and the Civil Suit of the other surety Shri Suresh Kumar was dismissed by Civil Court Gurgaon but he filed appeal against the order of lower court on 20-2-92. But Shri Suresh has deposited Rs. 1000/- on 1-10-93 and has agreed to withdraw the case with the request that he should be allowed to deposit the amount in instalments of Rs. 1000/- per month which has been allowed vide

1	2	3	4	5	6	7
		HGSS CST HGST CST HGST CST				
5.	M/s Hafed Gurgaon 80-81 to 83-84	16-3-85 26-12-85 27-6-85 17-8-87 29-2-88 20-10-87 29-2-88	4.25	—	—	—
				4.25	—	—
						Asstt. Collector 1st grade orders 1-10-93. In total Rs. 7500/- recovered from surety till date. The demand created relates to Tax on incidental Charges and interest thereon and the same was stayed by Government.
6.	M/s Bags and Cartoons, Gurgaon 70-71 to 73-74	2-1-74 12-6-74 24-2-76 30-3-77 10-3-79 7-12-84 7-12-84 31-12-84 4-6-87	—	4.73	—	1.74
					—	2.99
						Instalments are being paid with some default.
7.	M/s Bareja Knipping Fastners Ltd. Gurgaon 80-81 to 82-83	7-12-84 7-12-84 31-12-84 4-6-87	3.29	—	0.20	—
					3.09	—
						The company has gone into liquidation w.e.f. 27-10-83 but so far claims have not been invited from the official Liquidator attached to Punjab & Haryana High Court Chandigarh. However the claims of recovery have been initiated to the Official Liquidator on 28-5-85. Amount of Rs. 20000/- has been recovered from surety in October, 1993.
8.	M/s Dular Pharma- ceuticals 75-76 to 83-84	20-7-83 28-2-84 30-4-84 30-1-85 18-9-85	1.65	1.68	—	1.65
					—	1.68
						The dealer has closed down its business and is residing at Delhi. So the reco- very certificate was issued to the Collect- or, Delhi vide his office memo No. 6381/T.I(SKR) dated 6-5-85 which was received back with the report from the Collector Delhi that the dealer has filed insolvency suit in the Court of Smt Kamal Inder Judge, Delhi Both the sureties are also not traceable. How- ever, efforts are being made to trace out the whereabouts of the surety and to effect recovery.
9.	M/s Maruti Limited 73-74 to 77-78	8-6-77 11-7-77	4.65	10.50	—	4.65
					—	10.50
						The company went in liquidation and Commissioner of Payments was appointed by the Government of India who has

1	2	3	4	5	6	7
HGST CST HGST CST HGST CST						
						heard of the claims and allowed payment of Rs. 39.43 lacs in accordance with the additional demand created for the aforesaid assessment years and the same has been received. The additional demand created subsequently for non payment of additional demand in time was raised in the form of levy of penalty and interest u/s 39 and 30(2) of the HGST Act but the same were disallowed now the case is under process for writing off in ETC's office.
10.	M/s Rahi Trading Company	79-80	18-12-81	9.10	—	—
				—	—	9.10
11.	M/s Ego Metal works	69-70 to 71-72	28-5-74 28-5-75 18-8-78	1.52	—	—
				—	—	1.52
12.	M/s Capital Sales Co.	81-82	30-6-87	0.90	—	—
				—	—	0.90
						Do
						Smt. Saneh Lata Jain, the sole prop. of the firm has no property in her name & the surety bond being bogus, no recovery could be effected from the surety. An Addl. demand of Rs. 89560/- created as a result of re-assessment for the year 1981-82 is still outstanding. The firm was closed down in 1981-82, the proprietor of the firm is lady and as such no action can be taken against her.
13.	M/s Capital Co.	81-82	27-5-87	0.96	—	—
				—	—	0.10
				—	—	0.86
						Rs. 10000/- recovered from the surety and for balance amount, efforts are being made to recover the same
14.	M/s National Drugs	68-69 to 71-72	7-5-76 31-3-77 6-10-77	0.18	0.43	—
				—	—	0.18
				—	—	0.43
						Recovery certificate was issued to Collector Amritsar vide No. 6418, dated 23-7-76 and 1628 dated 21-4-80. The Collector Amritsar replied vide his memo No. 1923 dated 16-8-88 that Sh. Narinder Pal Prop. of the firm has left Amritsar long ago without giving address of Bombay.

1	2	3	4	5	6	7
	HGST CST HGST CST					
						Thereafter it was tried to prepare the case for write off but no property certificate was issued by the Municipal Committee Gurgaon. On the receipt of the same the case will be moved for writing off, because no assets are available and no business activities are in Haryana.
15. M/s Vinil Tyres	81-82 to 83-84	—	1.63	—	0.86	— 0.77 —
						Recovery certificate was sent to Collector, Delhi who has allowed the dealer to pay the amount in instalments of Rs. 2500/- per month but the dealer is paying Rs. 1500/- monthly. Recovered till date Rs. 85578/-.
16. M/s Bhagwan Tyres & Spares	83-84	21-8-86	2.96	—	—	2.96 —
						Both the partners are residing at Delhi. So the recovery certificate was issued to Collector Delhi. When Collector Delhi pursued the defaulters Sh. Tej Pal Singh S/o Shri Hira Singh one of the partners filed civil suit in the Court of Delhi alleged that the name of the father is not correct and hence denied partnership in the firm and the case is still pending.
17. M/s Special Steel	82-83 to 86-87	28-2-86 (23-3-87 31-8-89	1.24	0.55	—	1.24 0.55 —
						The firm is lying closed since 1985-86 There is no surety bond available on the file. Efforts are being made to locate the dealer and recover the amount.
18. M/s Gold Field Mfg. Company	79-80 80-81	27-2-84 31-1-85	2.79	—	0.21.	— 2.58 —
						The firm has since been closed long back and the machinery is lying in the rented shed. There is a charge of bank and other financial institutions on the machinery. The partners of the firm reside at Delhi. Accordingly a recovery certificate was sent to the Collector Delhi vide this office memo. No. 7013/SLG/TL, dated 11-3-80 and the subsequent reminders were issued time to time. Recovery of Rs. 20957/- has been effected

1	2	3	4	5	6	7
			HGST	CST	HGST	CST
28. M/s. Amrit Refractories.	84-85	31-10-88	—	3.08	—	3.08
						The appeal is pending before the Appellate Authority Faridabad for hearing on merit after it was remanded by the Supreme Court of India on 19-9-92. The balance amount is under stay by the Supreme Court of India.
29. M/s. Unibors Engineers and Contractor	87-88 (Re-assessment) 88-89	31-5-89 31-3-89	16.80	—	4.20	—
						The dealer preferred an appeal before the Jt. ETC(A) Faridabad who rejected the appeal vide her orders dated 23-10-92. The 2nd appeal was filed before the sales tax tribunal who directed the appellant to make the 25% payment of additional demand. The time was extended by one month vide High Court orders dated 22-6-93. The balance 75% amount is stayed by the sales Tax Tribunal vide orders dated 24-3-93. Rs. 4.20 lacs stands recovered.
30. M/s. Sanjay Trading Co.	88-89	27-3-89	2.82	9.46	—	2.82 9.46
						The firm stands closed. Recovery effected from two sureties to the extent for which they executed the surety bonds. The property of the dealer has been attached vide orders dated 19-1-93. The defaulter has been arrested and sent to revenue lock up for 10 days, and thereafter for another 30 days.
31. M/s. Asthetic Export	88-89	20-8-90	0.53 138	0.45	—	0.08 1.38
						The dealer filed an appeal before the Jt. ETC(A) but directions were not complied with, hence the appeal was rejected. The dealer preferred the appeal before the Sales Tax Tribunal, but his directions too were not complied with in-toto. Resultantly, the appeal was dismissed. Thereafter under the Land Revenue Act rent receivable by the dealer was attached and recovery of Rs. 30,000/- has been made. Out of the balance, recovery of Rs. 15000/- has been made from the dealer, leaving a balance of Rs. 8340/- under the HGST Act and Rs. 137880/- under the CST Act.
32. M/S. Maruti Impex	85-86	30-11-88	0.17	0.39	—	0.17 0.39
						The firm is lying closed. One of the surety has withdrawn surety lying on the record and the other surety is not traceable, but on enquiry it was revealed that the defaulter residing at Bombay. So R.C. was sent to Collector, Bombay.

1	2	3	4	5	6	7
HGST CST HGST CST HGST CST						
33.	M/S. Senior Ind.	88-89 89-90	30-3-90 —do—	3.36 —	0.30 —	3.06 —
An amount of Rs. 30000/- has been recovered from the surety and efforts are being made to recover the balance amount.						
KURUKSHETRA						
1.	M/s. Shiv Shankar Rice Mills, Pehowa.	82-83	—	0.55 —	—	0.55 —
Stayed by Govt. vide ETC's letter No. STI/389/M 82/3503/dated 26-10-82.						
2.	M/s. Mohan Rice Mills, Ladwa.	84-85 85-86	—	1.91 —	—	1.91 —
—do—						
3.	M/s. Kisan Bhatta Co. Morthala.	84-85	—	1.86 —	—	1.86 —
Inter-District arrear Recovery Certificate has been sent to DETC Ambala vide DETC Kurukshetra memo No. 5266 Dt. 26-10-87. Efforts are being made to recover the amount						
4.	M/s. Krishana Tyres Ladwa.	84-85	—	13.07 —	—	13.07 —
The recovery Certificate was sent to the Collector, Delhi which was received back with the remarks that the defaulter did not possess any immovable property and his financial position is very weak. Therefore the recovery of arrears could not be made.						
5.	M/s. Krishna Solvent Shahabad.	84-85 88-89 89-90	—	8.89 3.36	—	8.89 3.86
Under liquidation. Claim stand lodged with the official liquidator on 6-11-92.						
6.	M/s. Thanesar Co-op. Society, Ltd.	76-77	—	0.51 —	—	0.51 —
Stayed by Govt. vide ETC's Letter No. STI/389/M 82/3503/dated 26-10-82.						

At the time of oral examination the Committee was informed that out of the arrear of Rs. 66.40 crores as on 31st March, 1990, an amount of Rs. 19.65 crores has been recovered upto 31-3-94. Out of the balance arrear of Rs. 46.75 crores, Rs. 21.10 crores were under stay and arrear of Rs. 2.31 crores were under liquidation proceedings.

The Committee was constrained to observe that still huge amount of recovery was pending in these cases due to inordinate delay on the part of departmental appellate authorities for not disposing off these cases timely, the arrears were accumulating in crores. The Committee reiterated its earlier recommendations as contained in the 38th Report for constituting a whole time tribunal so that these cases could be disposed off quickly. The Committee further recommend that those cases which were pending with the departmental authorities be also finalised on priority basis. The Committee further recommend that the monitoring at district/head-quarter level be intensified regularly so that the recovery be made effectively from these long pending cases. The Committee also recommend that the responsibility of the assessing authorities be also fixed who failed to recover the outstanding arrears within their jurisdiction within a period of three months under intimation to the Committee.

The Committee also recommend that the department should accelerate the pace of recovery and latest position (Yearwise) of cases of recovery be intimated to the Committee regularly.

[52] 1.4 *Uncollected Revenue (State Excise)*

As on 31st March, 1990, arrears of revenue pending collection under State Excise as reported by the department were as under :—

Heads of revenue	Total arrears	Arrears Outstanding for more than 5 years (In Crores of Rupees)
State Excise	4.13	3.46

Analysis of arrears

State Excise

Arrears of revenue under State Excise as on 31st March 1990 amounted to Rs. 4.13 crores as against Rs. 3.97 crores outstanding on 31st March, 1989. Year-wise details of the outstanding dues are given below :—

	Year	Amount [(In Cores of Rupees)]
upto	1984-85	3.46
	1985-86	0.10*
	1986-87	0.02
	1987-88	0.02
	1988-89	0.14*
	1989-90	0.39
	Total	4.13

*The increase in figures of arrears during 1989-90 with those shown in audit report 1988-89 is due to certain arrears under State Excise which were not shown in the information supplied by the department.

According to the information supplied (August 1990) by the department, the amount of arrears as on 31st March 1990 was in the following stages of action —

	Amount (In Cores of Rupees)
(i) Recoveries stayed by the Appellate Authorities/ Courts	1.05
(ii) In process of recovery by issue of recovery certificate.	0.81
(iii) Amount likely to be written off	0.23
(iv) Other Stages	2.04
Total	4.13

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

“Out of the arrears of Rs. 4.13 crores, arrear of Rs. 1.64 crore are under stay by various courts. Out of the remaining 2.49 crores, the department has recovered Rs. 0.50 crore leaving a balance of Rs. 1.99 crores. Out of these, Rs. 0.55 crore are being recovered in instalments and efforts are being made to recover the balance amount.

Details of cases where the amount outstanding is more than Rs. 50,000 in each case are given in Annexure ‘C’, indicating there in the reasons for non-recovery. The latest position of the cases which were under process of recovery by issuing recovery certificate and which were stayed by various courts is also indicated against each case in the Annexure ‘C’.

Annexure—C

Name of District	Sr. No.	Name of Licence	Year	Amount	Recovered	Balance (Rs. in lacs.)	Remarks
	1	2	3	4	5	6	7
SONEPAT	1.	M/s. Daulat Singh Inder Singh & Co. Ex- 14-A, Farmana	1975-76	0.59	—	0.59	The appeal of the dealer was dismissed by Senior Sub-Judge, Rohtak on 16-8-93 DCJC. Rohtak has been requested to recover the amount on 24-8-93.
	2.	M/s. Ajay Obroi & Co. Ex. L-2 Licence Sonepat	1984-85	4.59	—	4.59	In the case of one defaulter recovery has been stayed by Judicial Magistrate, Sonepat on 25-2-91. In the case of other defaulter arrest of the petitioner has been stayed by Hon'ble High Court on 3-7-87.
	3.	M/s. Haryana Breweries, Ltd. Murthal.	1974-75 to 1976-77 1977-78 to 1980-81	4.81	—	4.81	Stay has been granted by FCET vide order dated 20-5-84.
			1983-84 to 1986-87	4.26 3.33		4.26 3.33	Stay has been granted by FCET vide order dated 4-7-85. —do—
	4.	M/s. Nand Lal & Co. Ex. CL Licensee, Kharkhoda.	1969-70	1.00	—	1.00	Recovery Certificate issued to Collector Delhi on 18-11-88.
	5.	M/s. Hem Raj & Co. Ex. CL Licensee, Bishwan Mill	1968-69	3.66	—	3.66	The case for writing off the amount is under process.
SIRSA	6.	Prem Chand & Co. Sonepat	1968-69	6.21	—	6.21	—do—
	1.	M/s. Balbir Singh & Co. Sirsa	1979-80	4.86	0.69	4.17	Three partners are making payment in instalments @ Rs. 3000/- each half yearly. Fourth has challenged the recovery by filing a civil suit which has been decided in his favour. Appeal has been filed by the deptt. which is pending. Fifth partner was kept in lock up for forty days and has no property

1	2	3	4	5	6	7
2.	M/s. Prithvi Singh & Co. Sirsa	1979-80	2.14	0.74	1.40	All the partners are making half yearly payment of Rs. 4000/-
3.	M/s. Ramesh Kumar & Sirsa.	1979-80	7.62	0.83	6.79	All the partners are making payment in instalments of Rs. 22000/- annually.
4.	M/s. Tilk Raj & Co. Ellnabad.	1979-80	5.77	0.56	5.21	All the partners are making payments in instalment of Rs. 16600/- annually.
5.	M/s. Tilk Raj & Co. Rania	1979-80	3.96	0.38	3.58	—do—
6.	M/s. Brij Lal & Others, Ellnabad	1969-70	1.30	—	1.30	Matter is pending Rajasthan High Court.
7.	M/s. Munshi Ram & Others Sakta Khera.	1969-70	0.67	—	0.67	Matter is pending in Civil Court, Sangria (Rajasthan) and Dabwali.
8.	M/s. Lal Cand & Others, Rania.	1969-70	2.10	—	2.10	The case of wr.ting off the amount is under process.
9.	M/s. Mangat Ram & Co. Nehran & Rania.	1982-83	1.42	0.05	1.37	R. C. issued to Collector, Hissar.
10.	M/s. Lachman Singh & Co. Rania.	1982-83	1.18	—	1.18	R.C. issued to DETC-Cum-Collector, Bhiwani
11.	M/s. Wine Agencies Sirsa	1983-84	3.86	—	3.86	R C. issued to Collector, Hisar.
12.	M/s Joginder Singh & Co. Jamal	1979-80	0.97	—	0.97	Two partners expired and efforts are being made to recover the amount from third partner
13.	M/s. Ram Lal & Others, Khairpur, Sirsa.	1979-80	13.54	—	13.54	All the partners were kept in revenue lock up for forty days Efforts are being made to attach the property
14.	M/s. Kundan Lal & Others, Odhan.	1969-70	1.30	0.09	1.21	Both partners are making payment of Rs. 1000/- quarterly.
1.	M/s Tarlochan Singh & Co. Karnal.	—	0.93	—	0.93	The case for writing off the amount is under process.

KARNAL

		1	2	3	4	5	6	7
BHIWANI	2	M/s Mahadev & Co. Indri.	—	0.91	—	—	0.91	R.C. issued to Collector, Gaziabad on 6-8-89.
	1	L-14 A Mundhal	1969-70	0.83	—	—	0.83	R.C. issued on 6-6-88 to DETC, Hisar.
	2	L-14 A Chang	1969-70	0.93	—	—	0.93	R.C. issued on 12-11-89 to DETC, Hisar.
	3	L-2 Bichla Bazar, Bhiwani	1980-81	2.37	1.49	—	0.88	Two partners have paid their share and third has been detained in revenue lock up for forty days Proceedings are going on to recover the balance amount under the land Revenue Act.
JIND	4	L-14 A sanwar	79-80	0.80	—	—	0.80	Under process for writing off.
	5	L-14 A Dinod Devsar & Lohani	82-83	1.60	—	—	1.60	Two, out of the three partners in the vends were arrested and sent in revenue lock up, Case is under process to attach & auction the property of the surety.
	6	L-14 A Devsar	82-83	0.64	—	—	0.64	R.C. sent to DETC. Narnaul.
	1	M/s. Harbila Prem Chand & Co. L-14 A Narwana.	68-69	4.39	3.50	—	0.89	Amount is stayed against bank guarantee by Supreme Court of India.
	2	M/s. Surjit Singh & Co. Ujhana L-14 A.	88-89	1.01	0.33	—	0.68	Recovery stayed by Addl. Senior Sub Judge. Narwana on 7-1-93 Appeal filed before Distt. Judge Jind,
	3	M/s. Tara Singh Fateh Singh & Co. Uchana L-14 A.	79-80	1.38	0.16	—	1.22	Defaulter is untraceable.
	4	M/s Ram Chander Chander Bhan Didwara.	82-83	0.51	—	—	0.51	R.C. issued to DETC, Kaithal
	5	M/s. Mela Ram Baldev Singh L-14 A Vend Naguran.	82-83	0.65	—	—	0.65	—do—
	6	M/s. Satnam & Co. Jind.	79-80	3.49	0.05	—	3.44	Under process for writing off.
	7	M/s Chander Bhan- L-2 Gohana Road, Jind.	82-83	0.96	—	—	0.96	—do—
	8	M/s Ram Phal, L-2, Jind.	82-83	1.42	—	—	1.42	—do—

1	2	3	4	5	6	7
9	Bharat Singh Niranjani Dass L-14A, Berta and Datta Singh Wala	87-88	1.77	—	1.77	Three Partners were sent to revenue lock up for forty days each. One partner expired and fifth partner is not traceable.
10	M/s Surjit Singh & Co. L-14A, Datta Singh Wala	88-99	0.96	—	0.96	Partners are not traceable. Efforts are being made to trace out the defaulter.
11	M/s Kaku Ram & Co. Narwana	79-80	2.04	0.91	1.13	One partner has paid his share and whereabouts of other partner is not known.
12	M/s Krishan Lal Gurmohan	80-81	1.39	0.53	0.86	One partner expired and other has paid his share
JAGADHRI	1 M/s Haryana Distillery Yamuna Nagar	78-79	1.55	—	1.55	The amount pertains to levy of excise duty in excess wastage of rectified spirit in distillery Stayed by the High Court on 30-1-87. Application for early hearing and vacation of stay was filed on 5-9-93. Not listed so far.
GURGAON	1 M/s Kanshi Ram Madan Lal, L-1 Gurgaon	—	5.00	—	5.00	Stayed by High Court against surety bond Case was heard by the Hon'ble Court but judgement has been reserved
2	M/s Ram Phal & Co.	—	3.46	—	3.46	The case is pending in the Civil Court, Gurgaon.
HISAR	1 M/s Raghubir Singh & Co L-14A, Bhagana	86-87	1.45	0.05	1.40	Recovery has been stayed by Civil Court on 12-9-88.
2	M/s Ramdhan & Co. Mangali	69-70	0.73	—	0.73	Recovery has been stayed by Civil Court on 28-4-90.
3	Kishori Lal & Co., Hansi	69-70	2.99	0.26	2.73	Amount is being recovered in instalment of Rs. 2000/-.
4	M/s Indraj Singh & Co. Saligarh	69-70	0.90	0.66	0.24	Being Recovered in Instalment of Rs. 4000/- quarterly.
5	Indu Ram & Co.	69-70	2.03	0.18	1.85	Being recovered in monthly instalment of Rs. 1200/-.

1.	2.	3	4	5	6	7
6	M/s Narendar Kumar & Co. Assanga,	88-89	1.13	0.43	0.70	Being recovered in monthly instalment of Rs. 2000/-
7	M/s Chandet Singh & Co. Bhatol Jattan,	69-70	0.68	—	0.68	Efforts are being made to recover the amount.
8	M/s Walat Ram & Co. Uklana,	69-70	1.87	—	1.87	Efforts are being made to recover the amount.
9	M/s Vijay Singh & Co. Pabra.	69-70	1.58	—	1.58	—do—
10	M/s Sh. Raghubir Singh & Co. Bhuna.	69-70	1.15	—	1.15	—do—
FARIDABAD (WEST)	M/s Ishwar Das Tilak Raj Faridabad.	68-69	2.80	—	2.80	Two partners expired. One partner filed civil suit which has been decided in favour of department.
2	M/s Harnam Singh Kartar Chand Palwal.	67-68	2.34	—	2.34	Efforts are being made to recover the amount
FARIDABAD (EAST)	M/s Mahesh Chand & Co. L-2, Faridabad	81-82	0.92	0.20	0.72	Sh. Mahesh Chand partner of M/s Mahesh Chand & Co. was detained for forty days but he was not in a position to pay any thing. The case for cancellation of mutation through a collusive decree has been filed in the civil court. The proceedings are continuing.
NARNAUL	M/s P. L. Malik & Co. Kanina.	87-88	0.87	—	0.87	Recovery certificate issued on 11-9-92.
KURU-KSHETRA	M/s Dogar Mal Ram Singh & Co. Pehowa.	79-80	1.92	—	1.92	Stay by Supreme Court of India in SLP No 15936 of 1988 Application for early hearing and vacation of stay is being filed
REWARI	M/s Dharam Chand Bodh Raj.	68-69	3.34	—	3.34	Recovery certificate has been issued to Collector-cum DETC. Gurgaon.
ROHTAK	M/s Subhash & Co. Ex. L-2 Licensee, Badli.	83-84	1.31	—	1.31	Stayed by High Court in CWP No. 4877/85, dated, 27-1-86 against bank guarantee.
2	M/s Kartar Singh & Co. Ex C.L. Licensee Samayan,	86-87	0.95	—	0.95	Stayed by the High Court in CWP No. 9532/85, Application for early hearing and vacation of stay is being filed shortly.

1	2	3	4	5	6	7
3	M/s. Liberty Sales Ex. BWH 2. Licensee, Rohtak	83-84	133-71	13.97	119.74	Stayed by High Court in CWP No. 2916-17/85. Case was heard by the Hon'ble court but judgement has been reserved.
4	M/s. Banwari Lal & Co., Bahadurgarh.	86-87	1.30	—	1.30	Recovery stayed by Distt. Judge, Rohtak on 24-9-93 on request of one partner. Second partner was kept in revenue lock up for forty days.
5	M/s. Suresh Chand S/o Nand Lal & Others, Meham.	69-70	0.90	—	0.90	R.C. issued to Collector, Hisar. Defaulters filed a civil suit in a court at Hisar and recovery has been stayed by the Court. Application for vacation of stay is being filed shortly.
6	Des Raj & Co., Rohtak.	68-69	11.05	0.41	10.64	Two partners are making payment in monthly instalments of Rs. 2000/-. Third partner got the stay from Sub Judge, Narwana. Application for vacation of stay filed by the deptt. was dismissed on 18-11-91.
7	M/s. Hans Raj & Milky Ram Bahadurgarh.	68-69	2.66	—	2.66	The case for writing off the amount is under process.
8	M/s. Hans Raj Milky Ram, Ashauda.	68-69	1.38	0.18	1.20	—do—
9	M/s. Jai Narain S/o Sh. Dhani Ram, Dulhera.	68-69	1.11	—	1.11	—do—
10.	M/s Jai Dev S/o Mool Raj & Others, Jhajjar.	68-69	1.01	—	1.01	—do—
11.	M/s Rohtash Singh S/o Hira Lal Meham.	68-69	2.70	—	2.70	—do—
12.	M/s Jai Singh S/o Bhola Ram Madina.	68-69	1.01	—	1.01	—do—
13.	M/s Fateh Singh S/o Shish Ram, & Others, Beri.	68-69	0.91	—	0.91	—do—

1	2	3	4	5	6	7
						The case for writing off the amount is under process.
14.	M/s Panna Lal & Others, Kahnaur.	68-69	0.92	—	0.92	
15.	M/s Satya Dev S/o Fateh Singh.	69-70	0.53	—	0.53	—do—
16.	M/s Jai Narayan & Co. Beri & Bhakli.	79-80	4.41	—	4.41	Two partners expired. Third partner kept in lock up for forty days, Efforts are being made to attach his property.
17.	M/s Rishal Singh & Others.	69-70	0.61	0.08	0.53	Beng recovered in monthly instalments of Rs. 410.70.
18.	M/s Ram Chand and Raja Ram & Others, Hasangarh.	68-69	1.28	—	1.28	Three partners kept in lock up for forty days and fourth partner has got stay from civil court, Sonapat.
19.	M/s Om Parkash S/o Hira Lal & Others, Kulana.	68-69	0.81	0.17	0.64	Being recovered in monthly instalments from one partner. Other partner was kept in revenue lock up for forty days. His gitwara was attached but none came forward to offer a bid.
20.	M/s Dilibag Singh S/o Daryao Singh, Kalanaur.	69-70	0.75	—	0.75	Both partner expired. Property is being auctioned after completing legal formalities.
KATTHAL						
1.	M/s Hava Singh Phaul Singh Kaithal.	—	2.93	—	2.93	Recovery recertification issued to Collectors.
2.	M/s Satnam Singh Jai Narayan, Kaithal.	—	1.60	—	1.60	—do—
3.	M/s. Satnam Singh Jai Narayan, Kaithal.	—	1.32	—	1.32	—do—
4.	M/s. Hans Raj Surender Kumar, Karara.	—	0.81	—	0.81	—do—
5.	M/s. Ajit Singh Cheema & Co. Ex. L-2, Cheeka.	—	0.86	—	0.86	—do—
AMBALA						
1.	Jagan Nath Licencees, L-14A, Panchkula (Majri)/Kalka.	79.80	10.93	8.69	2.24	Recovery is being made in instalments.

1	2	3	4	5	6	7
2.	M/s. Jawahar Lal & Co L-2, Panchkula.	79-80	2.14	0.71	1.43	Recovery is being made in instalments.
3.	M/s. Satya Parkash Madan Lal L-14A, Sahazadpur Majra/ Tabber	68-69	2.22	0.56	1.66	Out of six partners four have expired. Recovery is being made from two partners and legal heirs of deceased in monthly instalments.
4.	M/s. Iqbal Singh & Co L-14A, Motni.	67-68	0.50	—	0.50	Defaulters not available. However efforts are being made to locate them.
5.	M/s. Budh Parkash Om Parkash L-14A, Ambala Cantt.	68-69	1.60	0.52	1.08	Out of four partners three have expired. However efforts are being made to recover the amount from the fourth defaulter.
6.	M/s. Mehar Chand Avtar Singh & Co., Ambala Cantt	68-69	1.45	0.37	1.08	Out of four partners two have expired. Efforts are being made to recover the amount.
7.	M/s. Tilak Ram Chander Mohana. Ambala City.	79-80	2.33	1.74	0.59	Recovery is being made in instalments.
8.	M/s. Kishori Lal Ramashwar Dass, Ambala City.	82-83	1.06	0.27	0.79	—do—
9.	M/s. Faquir Chand Om Parkash Radha Krishan, A/City.	68-69	1.68	0.58	1.10	Out of four partners three expired. Recovery is being made in instalments of Rs. 500/-.
10.	M/s. Doggar Mal Krishan Lal A/City.	79-80	2.43	0.86	1.57	Recovery is being made in instalments.
11.	M/s. Tilak Raj C.L. Vendi A/City.	68-69	3.47	—	3.47	R.C. sent to Collector Delhi
12.	M/s. Rattan Singh Bedi A/City.	79-80	0.72	0.02	0.70	Defaulter filed civil suit against recovery which has been dismissed. R. C. issued to Jagadri, Ropar and Karnal. Efforts are being made to recover the amount
13.	M/s. Paramjit Singh & Co. Ambala City.	82-83	0.56	—	0.56	R.C. sent to Collector, Patiala Efforts are being made to locate his whereabouts

After hearing the departmental representatives the Committee observed that the main reason for accumulation of huge arrears of Excise duty is due to connivance of the departmental officers with the Contractors as the departmental officials failed to collect the contract money from the Contractors regularly resulting a huge arrears of excise duty. The Committee is not satisfied with the explanation given by the departmental representatives in this regard and therefore, recommends that action should be initiated against those officials who failed to recover the contract money regularly from the dealers and if the amount is not recovered within a reasonable period then the recovery be effected from the defaulting officers under intimation to the Committee.

During the course of oral examination the Committee desired that details of the cases alongwith the recovery statement where the amount outstanding is more than Rs. 50,000 of districts namely Sonapat, Sirsa, Karnal, Bhiwani, Jind, Hisar be sent to the Committee for its perusal.

[53] 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 the department and to the Government. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to the Government to expedite their settlement.

(i) At the end of June, 1990, 1779 inspection reports (issued upto December 1989) containing 5116 audit objections with money value of Rs. 2876.51 lakhs remained outstanding, out of which 484 inspection reports containing 1081 objections with money value of 1157.14 lakhs were outstanding for more than 5 years.

(ii) In respect of 136 inspection reports, issued between April 1989 and March 1990, even the first replies had not been received (August 1990). The matter regarding non-receipt of initial replies from the above departments was reported to the Government in August 1990; reply has not been received (January 1991).

(iii) Relatively large number of audit objections were outstanding under the following major heads.

	Year	Number of inspection Reports	Number of audit objections	Amount (in lakhs of rupees)
	1	2	3	4
1. Sales Tax Upto	1984-85	43	77	90.73
	1985-86	22	133	131.00
	1986-87	22	167	17.25
	1987-88	22	279	76.37
	1988-89	22	256	183.00
	1989-90	16	217	206.47
	Total	147	1129	704.82

	1	2	3	4
2. State Upto	1984-85	36	53	204.45
Excise	1985-86	12	18	21.25
	1986-87	11	26	5.10
	1987-88	9	17	4.55
	1988-89	13	25	52.88
	1989-90	33	48	27.17
	Total	114	187	315.40

(vi) The more important types of irregularities noticed during local audit of Sales Tax (Gurgaon and Sonapat districts), which are still (July 1990) to be settled are given below :—

(a) Sales Tax

Nature of irregularity	Number of cases	Amount involved (In lakhs of rupees)
1. Under assessment under Central Sales Tax Act.	17	15.01
2. Incorrect computation of turnover	104	41.44
3. Non-levy/short levy of penalty	22	61.91
4. Non-levy of interest	91	20.99
5. Application of incorrect rate of tax	4	0.75
6. Others	23	79.29
Total	261	219.39

These objections remained unsettled mainly due to :—

	Number of case;	Amount involved (In lakhs of rupees)
(i) Non-submission of final replies	123	157.13
(ii) Delay in finalising assessment by the appellate authorities	19	10.68
(iii) Others	119	51.58
Total	261	219.39

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

Out of 1779 inspection reports and 5116 audit objections, 261 inspection reports and 1316 audit objections pertain to this department under sales Tax and Excise Acts upto 31.5.94 the deptt. has disposed of 165 inspection reports and 869 audit objections which amount to 63% of total audit reports and 66% of the total audit objections. For the remaining inspection reports and audit objections, instructions have been issued to all DETCs to dispose them of by 31st December, 1994. The main reason for non-settlement of outstanding objections is the lack of adequate monitoring by DETCs.

The position of outstanding inspection reports audits paras as on 31.5.94 is as under :-

EXCISE

Year	Inspection reports			Audit paras			Amount (Rs in lac)		
	Pointed out by A.G.	Settled	No. of inspection reports balance	Pointed Out by A.G.	Settled	No. of audit paras balance	Pointed out by A.G.	Settled recovered	Balance
Upto 1984-85	36	36	—	53	53	—	204.45	204.45	—
1985-86	12	12	—	18	18	—	21.25	21.25	—
1986-87	11	10	1	26	25	1	5.10	1.30	3.80
1987-88	9	1	8	17	12	5	4.55	1.05	3.50
1988-89	13	9	4	25	18	7	52.88	39.54	13.34
1989-90	33	24	9	48	25	23	27.17	9.99	17.18
TOTAL	114	92	22	187	151	36	315.40	277.58	37.82

SALES TAX

Year	Inspection reports			Audit paras			Amount (Rs. in lac)		
	Pointed out by A.G.	Settled	No. of inspection reports balance	Pointed Out by A.G.	Settled	No. of audit paras balance	Pointed out by A.G.	Settled recovered	Balance
Upto 1984-85	43	33	10	77	56	21	90.73	71.07	19.66
1985-86	22	18	4	133	122	11	131.00	128.54	2.46
1986-87	22	12	10	167	134	33	17.25	9.48	7.77
1987-88	22	6	16	279	189	90	76.37	10.92	65.45
1988-89	22	2	20	256	139	117	183.00	67.23	115.77
1989-90	16	2	14	217	78	139	206.47	68.22	138.25
TOTAL	147	73	74	1129	718	411	704.82	355.46	349.36

At the time of oral examination, the Committee was informed that more than 65% audit objections under the Head "Excise and Sales Tax" have been settled. The Committee was satisfied with the pace of clearance of outstanding inspection reports and desired that department should take more effective steps to settle the outstanding objections by 31st March, 1995. The Committee further desired that the progress made in this regard be also intimated to the Committee

[54] 2.1 *Results of Audit*

Test check of sales tax assessments and other records of 24 units, conducted during the year 1989-90, revealed under assessment of tax of Rs. 361.40 lakhs in 879 cases, which broadly fall under the following categories :—

	Number of cases	Amount (In lakhs of rupees)
1. Incorrect computation of turnover	395	162.10
2. Non-levy/short levy of penalty	72	84.35
3. Interest not charged	198	24.31
4. Under-assessment of tax under Central Sales Tax Act	77	12.93
5. Application of incorrect rate of tax	26	4.28
6. Other irregularities	111	73.43
	879	361.40

Out of 879 cases, in 223 cases the department raised additional demand amounting to Rs. 12.68 lakhs. A few important cases noticed during 1989-90 and earlier years and findings of audit reviews on "Delay in re-assessment of remand cases" and "loss of revenue due to delays in assessment of tax and in demanding tax" 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 879 cases, 629 cases have been reviewed with the following results :

	No. of cases	Amount pointed out by Audit (Rs. in lacs)	Result of review
Settled without additional demand	362	217.60	These have been settled without any additional demand.
Settled with additional demand	267	14.11	Settled with additional demand.

250 cases involving an amount of Rs. 129.69 lacs are under review. The department reviews assessment of cases through its Inspection Wing. During the year 1989-90 the Inspection Wing detected irregularities in 632 cases and revised assessment in 543 cases, creating additional demand of Rs. 151.03 lacs.

- (ii) & (iii) The irregularities pointed out are diverse. The reasons vary from inadvertent error to negligence. The action to initiate disciplinary proceedings against the defaulting officers is underway."

During the course of oral examination, the Committee was informed that 173 cases are still under review involving an amount of Rs. 105.45 lacs. The Committee, therefore, recommend that all these pending cases be settled by 31st March, 1995. The progress made in this behalf be also intimated to the Committee.

[55] 2.2 Delay in re-assessment of remand cases

2.2.1 to 2.2.5

2.2.6. Cases remanded

(i) During the three years 1986-87 to 1988-89 the Appellate Authorities at Rohtak and Ambala having jurisdiction over Rohtak, Sonapat, Bhiwani, Jind, Hisar, Sirsa, Ambala, Karnal, Jagadhari and Kurukshetra districts remanded 2036 cases back to the assessing authorities for re-assessment. In addition to this 214 remand cases pertaining to the previous years were also pending with the assessing officers. The break up of these cases is given below :—

	1986-87	1987-88	1988-89
(a) Number of remand cases brought forward	214	550	1246
(b) Number of cases remanded by Appellate Authority	419	978	639
(c) Number of cases finalised	83	282	430
(d) Balance pending	550	1246	1455

(ii) As against 1455 remand cases actually pending, the number of cases shown pending by the department was only 581. The non-availability of information in respect of 874 cases was due to the fact

that 589 cases were not shown to have been received from the appellate authorities and 285 cases involving an amount of Rs. 114.34 lakhs though received in the office of the assessing officers were not registered and were lying with the assessing authorities.

The difference in remanded cases, pending cases and non-availability of information in respect of remaining 589 cases was attributable to poor record keeping in the offices of the assessing officers and non-maintenance of ineffective maintenance of control registers by them.

(iii) Out of 581 cases involving Rs. 835.87 lakhs shown pending by the department and 285 un-registered cases involving Rs. 114.34 lakhs not shown pending but actually available with the Assessing Authorities, 458 cases involving Rs. 477.66 lakhs were more than one year old as per details given below :—

Serial No.	Period of Delay	Number of cases	Amount (In lakhs of rupees)
1.	More than one year	320	389.56
2.	More than two years	72	62.43
3.	More than three years	66	25.67

Reasons for non disposal of remand cases so far were not intimated by the department. The delay in re-assessment was attributable to there being no time limit in the Act for re-assessment of the remand cases. Remaining 589 remand cases (874 cases less 285 cases) were yet to be accounted for by the department.

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

“The specific reasons for variation in the number of remand cases actually pending and the No. of cases shown pending in records are the improper maintenance of records in the Distt. offices and late receipt of remand orders from the office of Appellate Authorities. The Appellate Authorities remanded the cases and entered the same in their disposal registers but send the remand orders late to Distt. offices. In order to avoid such lapses, instructions have been issued to all DETCs on 7-2-94 to maintain a Central Register in their offices wherein all remand cases should be first entered before sending the orders to A.As., who should enter them in their pendency-cum-institution registers. At present 106 remand cases are pending for disposal out of the 1455 remand cases as on 31st March, 1989. The concerned DETCs have been directed to get these cases decided by 31st August, 1994.”

During the course of oral examination, the Committee was informed that only 65 cases out of 1455 remand cases are pending for disposal, the Committee recommends that the pending cases be got settled by 31st March, 1995 under intimation to the Committee.

[5.6] 2.2.7. Cases not initiated/initiated late

(i) Consequent upon demands amounting to Rs. 31.70 lakhs relating to sales made during 1972-33 to 1982-83 having been raised, 5 dealers (2 of Jind, one of Hisar and 2 of Sirsa) appealed against the demands and the Appellate Authority on payment of nominal amount or without payment of any amount entertained the appeals in contravention of the provisions of Section 39 of Haryana General Sales Tax Act, 1973 and remanded the cases between February, 1979 and May, 1987 back to the assessing officers for re-assessment which were still pending (June 1990) resulting in delay of 2 to 11 years in re-assessment. In three cases of Sirsa and Jind involving Rs. 1.43 lakhs even first notice to the dealers were issued after a lapse of 2 to 5 years. In other two cases of Jind and Hisar involving Rs. 30.27 lakhs, the dealers had closed down the business.

(ii) Consequent upon demand for Sales Tax, interest and penalty amounting to Rs. 11.89 lakhs relating to sales made during the assessment years 1978-79 to 1982-88 being raised against them by sales tax officers between 26th March 1984 and 30th September 1985, three dealers of Bhiwani, Narwana and Sirsa appealed against the demands after lapse of 6 to 14 months as the assessment order could not be served to the dealers for 4 to 12 months. One of the partners of the dealer of Bhiwani refused to receive the order but this point was not contested before the Appellate Authority. The Appellate Authority remanded between December 1985 and December 1986, the cases back to assessing officers which were lying un-assessed (June 1990). In the case of the dealer of Sirsa even first notice had not been issued to him after a lapse of more than 4 years and the dealer had closed down the business. First notice to Narwana dealer was issued on 13 January 1989 after a lapse of more than two years.

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

" This para relates to the following dealers :

1. M/s. Brij Mohan Inder Mohan, Sirsa A. Y. 1977-78.
2. M/s. Namdhari Rice Mills, Sirsa A. Y. 1977-78.
3. M/s. Jain Bros., Jind A. Y. 1972-73, 73-74, 77-78, 80-81 and 1982-83.
4. M/s. Shiv Lal Rattan Lal, Safidon, A. Y. 1974-75, 80-81, 81-82 and 1982-83.
5. M/s. Haryana Brick Kiln Suppliers, Hisar. A. Y. 74-75 and 75-76

Under the law, the appellate authority, if satisfied that the dealer is unable to pay the amount, may if the amount

of tax and interest admitted to be due by the dealer has been paid, stay the recovery of the balance amount against surety bond/bank guarantee.

The latest position of pending cases is as under —

(a) The remand case of M/s. Brij Mohan Inder Mohan, Sirsa for the year 1977-78 has been decided on 31-5-94, creating an additional demand of Rs 84,792. The amount is yet to be recovered.

(b) In the case of Namdhari Rice Mills, Sirsa the dealer filed CWP No. 1965 of 1981 in the Punjab and Haryana High Court which stayed the proceedings in the case on 2-6-81. The case is still pending. An application for early hearing is being filed shortly.

(c) The year-wise position of remand cases of M/s. Jain Bros., Jind is as under :—

Sr. No.	Assessment Year	Date of decision of remand case	Amount of additional demand	Amount recovered
1.	1972-73	31-3-93	22,393	Nil
2.	1973-74	26-11-93	89,787	Nil
3.	1977-78	26-11-93	14,09,711	Nil
4.	1980-81	24-12-85	10,453	Nil
5.	1981-82	26-11-93	2,15,153	Nil

(d) The latest position of remand cases of M/s. Shiv Lal Rattan Lal, Safidon is as under :

Sr. No.	Assessment Year	Date of decision of remand case	Amount of additional demand	Amount recovered
1.	1974-75	29-5-92	49,172	Nil
2.	1980-81	15-9-92	37,509	37,509
3.	1981-82	29-10-92	2,48,453	2,48,453
4.	1982-83	Not yet decided	Fixed for 30-6-94	

(e) The position of remand cases of M/s. Haryana Bricks Kiln, Hisar is as under :—

Sr. No.	Assessment Year	Date of decision of remand case	Amount of additional demand	Amount recovered
1.	1974-75	27-1-92	5,749	Nil.
2.	1975-76	27-1-92	10,187	Nil.

Action to initiate disciplinary proceedings against the defaulting assessing authorities who failed to decide the remand cases in time and recover the amount of additional demand is underway.

(ii) This para pertains to the following firms—

- (1) M/s Jhandu Ram Gogi Ram, Narwana A.Y. 1982-83.
- (2) M/s Ganesh Gum and Chemical, Bhiwani, A Y. 1980-81
- (3) M/s Sajjan Udyog, Sirsa, A.Y. 1978-79 & 1979-80.

Case of Narwana was decided on 27-3-91 without any additional demand. Four Assessing Authorities namely Smt. Surekha Sharma, Sh. M.P. Jain, Sh. R.S. Kalsen and Sh. M.S. Pawar are responsible for delay Action to initiate disciplinary action against them is under way. Case of Bhiwani was decided on 5-7-91 and an additional demand of Rs. 8/- only was raised. Sh. J.C. Vashisht, ETO is responsible for delay. Action to initiate disciplinary proceedings against him is under way.

The file of M/s Sajjan Udyog, Sirsa is stated to be burnt in anti Mandal agitation. The file could not be reconstructed as dealer has closed down the business and he is not traceable. However, efforts are being made to reconstruct the file. Action to initiate disciplinary proceedings against defaulting officer is under way.

Cases not initiated/initiated late

(i) While reviewing the cases of M/s. Brij Mohan Inder Mohan, Sirsa (Assessment Year 1977-78), the Committee was informed that in the said case additional demand of Rs. 84,792/- was created and the amount is yet to be recovered. The Committee, therefore, recommend that the efforts be made to recover the balance amount from M/s. Brij Mohan Inder Mohan, Sirsa at the earliest under intimation to the Committee.

M/s. Namdhari Rice Mills, Sirsa (Assessment Year 1977-78)

In the above said case, the Committee was informed that the dealer filed an appeal in the Punjab and Haryana High Court and got stay orders in the year 1981 and the case is still pending in the Court.

The Committee strongly recommend that the department should file an application in the High Court for the early hearing of the case so that it may be decided at an early date. The efforts made in this behalf be also intimated to the Committee.

(ii) M/s. Sajjan Udyog, Sirsa (Assessment Year 1978-79 & 1979-80).

The Committee was informed that the entire record of this case was destroyed during the Anti-Mandal Agitation and the file of this case could not be reconstituted as the dealer has closed down his business and he is not traceable. The Committee, therefore, recommend that efforts be made to reconstruct the file and disciplinary proceedings be also initiated against the defaulters. The Committee further recommends that a report to this effect be sent to the Committee within a period of one month.

[57] 2.2.8 Appeals entertained without deposit of tax

(i) On inspection of business premises of a dealer of Jagadhri evasion of tax by the dealer during the assessment year 1983-84 was detected and additional demand of Rs. 5.82 lakhs vide assessing officer's ex-parte order dated 21st August 1986 was created. Being aggrieved with the order the dealer filed an appeal which was entertained without payment of the amount demanded and the Appellate Authority remanded the case on August 1987 for re-assessment. The case was re-assessed ex-parte even 2nd time on 26th October 1989 as the dealer failed to appear in response to the notice issued to him. The tax already levied was confirmed but penalty was reduced and demand of Rs. 4.11 lakhs was raised. The dealer filed yet another appeal which was also entertained without payment of tax in contravention of the provisions of Haryana General Sales Tax Act 1973 and case remanded for re-assessment in January 1990 on the ground that the dealer was not given proper opportunity to explain his case. The remand case is yet to be decided and the dealer has already closed down his business in December 1985 and left the place.

(ii) * * * * *

(iii) Two dealers of Ambala and Kaithal having failed to produce the accounts books and C Forms for the assessment year 1981-82 and 1984-85 were assessed to additional demand of Rs. 1.98 lakhs on 19th September 1985 and 28th March 1986 respectively. Aggrieved by the orders the dealers filed appeals which were entertained without payment of the additional demand and the Appellate Authority remanded between April 1986 and July 1988, the cases back to assessing officers for re-assessment. Both the remand cases were still (June 1990) pending even after a lapse of more than two to three years. One of the dealers (Kaithal) is stated to have closed down his business.

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

“M/s Panipat Metal Industries Jagadhri (A.Y. 1983-84)

(i) Under the law appeal can be entertained without payment of disputed amount of tax and penalty subject to furnishing of security to the

satisfaction of the appellate authority. In this case security was obtained by the appellate authority Shri R. N. Koshia, Joint E.T.C. in the form of surety bond accepted by the assessing authority Shri Gurdial Singh. E. T. O.

(ii) The case remanded in appeal was decided on 19-10-92 creating an additional demand of Rs. 4,25,070/- Amongst the partners one Shri Rakesh Aggarwal was proceeded against and arrested and kept under detention for 40 days but nothing could be recovered from him, other partner Smt. Luxmi Devi can not be arrested under law. None of the partner holds any property or has capacity to pay. Sureties were found to be Persons of no means and nothing could be recovered from them also Disciplinary action against Shri Gurdial Singh E.T.O. who accepted the surety bond without proper verification of the solvency of sureties to the extent of the bond is under process in the E.T.C.'s Office.

(iii) 1. M/s. Kohli Bottle Store Ambala Cantt, A.Y. 1984-85.

2. M/s. Lachman Das Des Raj, Kaithal A. Y. 1981-82.

(ii) The remand case of M/s Kohli Bottle Store Ambala Cantt. could not be decided as the assessment record alongwith other record of the office of DETC. Ambala as well as of the Joint ETC (Appeal). Ambala was burnt during Anti-Mandal Agitation during the 1990. Efforts were made to re-construct the record which could not be done as the firm had closed down and the prop. namely Shri Lal Chand had expired. His family left Ambala for un-known place. DETC. Ambala was asked to investigate the entire matter and submit a special report. The special report submitted by him also corroborates the above facts. In the second case of M/s Lachman Dass Des Raj, Kaithal, the remand case for the year 1981-82 was decided on 25-10-91 and additional demand of Rs. 24,916 was created. An amount of Rs. 3500/- has since been recovered and efforts are being made to recover the balance amount. Action to initiate disciplinary proceedings against the assessing authorities who delayed the decision of the remand case is also under way.

(iii) Under the law the Appellate Authority, if satisfied that appellant is unable to pay the whole amount, may, if the amount of tax and interest admitted by the appellant to be due has been paid, entertain the appeal and stay the recovery of the balance amount against bank guarantee or adequate security to the satisfaction of the Appellate Authority.

(i) The Committee was informed that additional demand of Rs. 4,25,070/- is still to be recovered from the partner of the firm. After going through the facts of the case, the Committee recommend that efforts be made to recover the amount from the other partner of the firm and also initiate disciplinary action against Shri Gurdial Singh, E.T.O. who accepted the surety bond without proper verification of the solvency of sureties to the extent of the bond. The action taken in the regard be also intimated to the Committee within a period of three months.

(iii) During the course of oral examination, the Committee was informed that the remand case for the year 1981-82 was decided after nine

years and an additional demand of Rs. 24916/- was created. It was further informed that only Rs. 3500/- has since been recovered at the rate of Rs. 500/- per month. The Committee observed that the instalment of recovery is very less and recommend that efforts be made to recover the entire amount within a period of three months. The committee also recommend that disciplinary action should be initiated against the Assessing Authority who delayed the decision of remand case. The action taken in the matter alongwith the position of recovery be intimated to the the Committee.

[58]. 2.2.9 Refund allowed prior to decision of remand cases

Demand for sales tax and penalty amounting to Rs. 94,763 for the years 1978-79 to 1981-82 being raised between March, 1981 and December 1986 against them by Sales Tax Officers, 3 dealers (2 of Ambala and one of Sirsa) appealed against the demand and the Appellate Authority remanded (between July 1983 and 12th November 1987) the cases back to concerned assessing officers for re-assessment. However, Rs. 46,216 deposited by the dealers were irregularly refunded to them (between February 1983 and June 1988) even though there was no direction by the Appellate Authority to that effect. The re-assessment has not been done so far (June 1990). Even first notice in respect of 3 dealers (2 of Ambala and one of Sirsa) for re-assessment was issued after a lapse of more than 2 to 4 years.

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

“This para pertains to the following dealers :—

- 1 M/s. Chandu Mal Ram Kishan, Rori (Sirsa) A.Y. 1979-80
2. M/s. Shree Amar Trading Co Ambala A.Y 1981-82
3. M/s Virender Bros. Ambala. A.Y. 78-79 and 79-80.

There is no legal bar in allowing the refund of the tax demands which stand quashed in appeal and cases remanded for fresh assessment.

- (a) In the case mentioned at Sr. No. 1 orders of assessment creating tax demand of Rs. 16500 was set aside by the appellate authority on 28-7-83 with the direction for de-novo assessment of the case. Thus, refund of Rs. 8,000/- was allowed. But due to burning of record of DETC office during anti-Mandal agitation, de-novo assessment could not be made as the dealer had closed down business and later expired. Action to initiated disciplinary proceeding against Sh. B.N Singh and Sh. T S Turkiya, Assessing Authorities is underway.
- (b) In the case of dealer of Ambala at Sr. No. 2, No. demand was created on 11-5-91 in re-assessment
- (c) The case of dealer at Sr. No. 3 was decided on 29-6-93 Additional demand of Rs 163/- was created for the assessment year 1978-79 which stands recovered and no addition demand was created for the assessment year 1979-80”

M/s Chandu Mal, Ram Kishan, Rori (Sirsa) A. Y. 1979-80.

The Committee recommend that efforts be made to reconstruct the file of this case so that de-novo assessment could be made. The Committee further desire that action against the Assessing Authority Shri B. N. Singh and Sh. T. S. Turkiya be intimated to the Committee.

[59] 2.2.10 Other interesting cases.

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|-------|---|---|---|---|
| (i) | * | * | * | * |
| (ii) | * | * | * | * |
| (iii) | * | * | * | * |

(iv) On the basis of the information received by the assessing officer that a dealer of Ambala imported coal from outside the State which he had not accounted for in his books for the year 1982-83, an additional demand of Rs. 1.16 lakhs on account of tax and penalty was raised (February 1986). Aggrieved by the order, the dealer filed an appeal in July 1986. On payment of Rs. 3,000 and furnishing of surety bond for the balance amount by the dealer, the appellate authority remanded the case back to the assessing officer in January 1987 for a thorough investigation and for bringing cogent evidence on record. The remand case was still lying undecided (June 1990) even after lapse of more than three years. The dealer is stated to have closed down the business and the firm dissolved. The surety could also not be approached for payment of balance amount of tax as the remand case had not been decided so far (January 1991).

- | | | | | |
|-----|---|---|---|---|
| (v) | * | * | * | * |
|-----|---|---|---|---|

(vi) A department of the Central Government at Karnal did not deposit tax treating itself as not a registered dealer, but the assessing officer assessed the sale of medicines made during the year 1973-74 to 1977-78 and created a demand of Rs. 134.29 lakhs against the department. Aggrieved the department filed appeals and the first Appellate Authority (Joint Excise and Taxation Commissioner) as well as second Appellate Authority (Sale Tax Tribunal Haryana) rejected the appeals. However, the second Appellate Authority remanded all cases on 12th November, 1987 with the direction that the department be given an opportunity to produce declaration forms to claim the concessional rate of tax. The remand cases were re-assessed after two years (between 10th November 1989 to 28th November 1989) and additional demand of Rs. 224.82 lakhs on account of tax, interest and penalty was created out of which Rs. 80.51 lakhs was yet to be recovered (January 1991).

The above cases were reported to Government in July 1990; their reply has not been received (January 1991).

In reply to the questionnaire issued by the Committee, the depart-

ment in their written reply, explained the position as under :—

“(iv) M/s Boota Ram Ashok Kumar, Natwal, Ambala A.Y. 1982-83

No query with regard to this para. However, latest position of the case is as under :—

The remand case has now been decided on 12-1-1994 creating an additional demand of Rs. 1.13 lac. The dealer has been granted instalment of Rs. 15,000 P.M. The instalment for the month of May, 94 has been paid. Action to initiate disciplinary proceedings against the defaulting Assessing Authorities who have delayed the decision in the remand case are under way.

(vi) M/s Government Medical Store Depot, Karnal (A.Y. 1973-74 to 1977-78)

The actual position of the case as confirmed from the record is that aggregate of additional demand created as a result of assessment for the year 1973-74 to 1977-78 comes to Rs. 1,48,62,465/-. The entire amount is under stay by order of the High Court dated 13.2.90. An application praying for vacation of stay and for posting the case for final hearing has been filed in the High Court on 21.4.94. The Court has yet to pass an order on the application.”

(iv) M/s. Boota Ram Ashok Kumar, Natwal, Ambala (Assessment Year 1982-83)

The Committee recommend that intimation be sent to the Committee after recovering the entire amount from the dealer. The Committee further recommends that action taken against the defaulting officer who have delayed decision in the remand cases be also intimated to the Committee

(vi) M/s. Government Medical Store Depot, Karnal (Assessment Year 1973-74 to 1977-78)

During the course of oral examination the Committee was informed that the entire amount which is to be recovered is under stay by order of the High Court and an application praying for vacation of stay has been filed in the High Court. The Committee desired that matter be pursued vigorously so that stay be vacated and the recovery of Rs. 1,48,62,465/- be effected at the earliest.

[60] 2.3. Loss of revenue due to delays in assessment and demand of tax.

2.3.1. to 2.3.5.

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2.3.6. Delay in finalising assessments

1. A test check of records of 3 districts out of 16 sales tax districts in Haryana revealed that returns were being taken up for assessment after prolonged delays which resulted in non recovery of additional tax demand

of Rs. 54.38 lakhs in 19 cases as per details given below :—

	Faridabad		Sonipat		Gurgaon	
	Cases	Amount (In lakhs)	Cases	Amount (In lakhs)	Cases	Amount (In lakhs)
Assessments taken up after 12 months but before 24 months	4	14.54	—	—	2	5.21
Assessments taken up after 24 months but before 36 months	5	15.55	3	2.10	1	13.63
Assessments taken up after 36 months but before 48 months	1	1.98	2	0.71	1	0.61
	10	32.07	5	2.81	4	19.50

However, out of the tax demand of Rs. 54.38 lakhs (19 cases), a part recovery of Rs. 0.67 lakh only could be made in 4 cases as the assesses had already closed down their business by the time the assessments were framed.

Other cases of non-recovery of tax due to delayed finalisation of assessments mentioned below :

(i) A dealer of Faridabad district suppressed his purchases worth Rs. 84.80 lakhs during the year 1983-84. The case was assessed (April 1987) on best judgement basis after 3 years and a demand of Rs. 10.96 lakhs (excluding penalty) was raised, although the dealer had closed down his business in November 1984. In the meantime the registration certificate of the dealer who had stood surety was cancelled in May 1984. The dealer was asked to furnish fresh surety and on his failure to do so, his Registration Certificate was cancelled in February 1985. No fresh sureties were obtained.

Delay in assessment coupled with cancellation of registration certificate of the dealer and his sureties, without finalising the assessment resulted in non-recovery of the tax demanded. Besides, action to levy minimum penalty of Rs. 21.92 lakhs was held in abeyance as the dealer was being treated as a dead entity. However, recovery certificate for the amount of tax due had been issued (May 1988) to the Collector, Pori-Gharwal (U.P.). Further progress has not been received January 1991.

(ii) A dealer of Faridabad did not file his first and second quarterly returns for the year 1984-85. Returns for the third and fourth quarters were also filed late. Although as per departmental instructions issued in September 1983, assessments of such cases are required to be taken up immediately yet assessment in this case was finalised (March 1989) after 4 years. Due to delay in assessment, demand of Rs. 10.56 lakhs including interest of Rs. 2.40 lakhs and penalty Rs. 5.13 lakhs could not be realised as the dealer had in the meantime closed down his business. Recovery certificate for the amount due was issued (September 1989) to Collector Delhi. Further progress has not been received (January 1991).

(iii) A dealer of Hisar suppressed his sales valuing Rs. 60.28 lakhs during the year 1980-81. Tax amounting to Rs. 17.941 was also not paid voluntarily by the dealer along with the returns. Though the Excise and Taxation Commissioner, Haryana, Chandigarh directed the D.E.T.C. Hisar (February 1982) to take action against the dealer, the assessment proceedings were started after 3 years during March 1985 and assessment made on best judgement basis in June 1986 raising tax demand of Rs. 4.87 lakhs. No action to levy penalty of Rs. 9.74 lakhs for suppression of sales was taken. Only Rs. 10,000 could be recovered from the sureties and for the balance amount irrecoverable in the normal course, recovery certificate was issued (December 1986) to Collector Jind. Report on recovery has not been received (January 1991).

(iv) The assessment of a dealer of Faridabad for the years 1981-82 to 1983-84 were finalised late by 4 to 6 years ex-parte, during March 1988 and an additional demand of Rs. 50.34 lakhs was raised. Meanwhile, the firm had already gone into liquidation (May 1985) and the amount could not be realised. The claim was, however, lodged with the official liquidator during May 1988. Further progress has been received (January 1991).

(v) In the case of a dealer of Ambala, assessment for the year 1981-82 was finalised ex-parte during April 1986 creating an additional demand for Rs. 0.65 lakh. As a result of delay in assessment the tax demand remained unrealised as the dealer had closed down his business. The department did not take any action to recover the amount as arrears of land revenue and instead moved (February 1989) the case for writing off the loss. Final outcome of the case has not been intimated so far (January 1991).

(vi) * * *

(vii) Assessment of a dealer of Hisar for the year 1975-76 was made after 4 years in March 1980 and an additional demand for Rs. 0.35 lakh was raised and recovered. However, penal action for the default of suppression of sales was delayed abnormally and finalised in September 1989 imposing a penalty of Rs. 0.70 lakh which remained unrealised as the dealer had already closed down his business and settled outside Haryana. Recovery certificate was, however, issued to the Collector Balangir (Orissa) during December 1989.

Report on recovery has not been received (January 1991).

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

“2.3.6.1 The Assessing Authorities are at fault for delay in deciding these cases Action to initiate disciplinary proceedings against them is under process.

Out of additional demand of Rs. 54.38 lacs in 19 cases an amount of Rs. 21.10 lacs stands recovered/deleted. Efforts are being made to recover the balance amount.

(i) M/S. Punjab Auto Store, Palwal A. Y. 1983-84

Against the additional demand of Rs. 10.96 lacs. an amount of Rs. 12500 has been recovered from one surety. The other surety has filed suit in the Court of Addl. Senior Sub Judge, Faridabad which is still pending. The Prop. of the firm Sh. Jai Parkash was kept in revenue lock up for 40 days but no amount was recovered from him Recovery Certificate was issued to Collector Pori Garhwal on 17-1-92 followed with reminder dt. 9-11-93 to effect the recovery by attaching the agricultural land and house of the prop. at village Languri. No recovery has yet been effected Sh. L. S. Yadav, TInow AETO and Sh. S. P. Singh AETO now ETO who allowed the transfer of business in this case without framing the upto date assessment and without conducting the enquiry into the extent of business of dealer are responsible for causing loss to the to the State. They are being charge sheeted under rule 7.

(ii) M/s, Vividh Poly Packing, Faridabad.

Nothing has been recovered so far out of total demand of Rs. 10.56 lacs. Action to initiate disciplinary proceedings against the defaulting officers is underway.

(iii) M/s, Subhash Chand and Company.

Uklana A. Y. 1980-81.

Out of an amount of Rs. 4.87 lakhs of additional demand a sum of Rs. 27293 stands recovered. There is no question of recovery of penalty of Rs. 9.74 lacs as the same has not been imposed so far.

Proceedings under the Land Revenue Act were started and an amount of Rs. 10,000 was recovered from the sureties. The Prop. Shri Subhash Chand was also kept under Revenue Lock up for 40 days. No amount could be recovered from him as he did not own any immovable property in jind District. Case for writing off the balance amount of Rs. 4.60 lac. has been received in ETC's office on 2-3-94 and is under process.

(iv) M/s, Fibre Processors, Faridabad A. Y. 1981-82 to 1983-84.

Out of total amount of Rs. 50.34 lakhs an amount of Rs. 10,000 has been recovered from the sureties. The company has closed down and gone in liquidation. The claim has been lodged with the official liquidator on 19-11-90 and is being pursued.

(v) M/S Mahavir Traders, Ambala, City A. Y. 1981-82

The original assessment was framed ex-parte by the then Assessing Authority, Sh. S. L. Verma, creating an additional demand of Rs. 65,129 vide order dated 16-4-1986. The amount could not be recovered as the dealer had closed down his business. The case was referred to DETC(I)-cum-Revisonal Authority, Ambala, for suo-motu action on 28-1-92. He remanded the case on 2-7-1992. The remand case has not yet been decided DETC has been directed to get the remand case decided by 31st July, 1994 Action to initiate disciplinary proceedings against the defaulting officer is under process.

(vii) M/S Goyal Cotton Ginning and Dal Mills, Hisar A. Y. 1975-76.

The case stands remanded to the Assessing Authority, Hisar vide order of Appellate Authority, Rohtak dated 4-1-1994 The Assessing Authority has been directed to decide remand case early.

The Assessing Authority kept the penal action under section 48 pending at the time of assessment as the dealer had closed down his business in 1976 and was not available at Hisar. Action to initiate disciplinary proceedings against the defaulting officer is under way."

The Committee was informed that an amount of Rs. 33.28 lacs is still to be recovered. The Committee, therefore, recommend that efforts be made to recover the balance amount under intimation to the Committee. The Committee further recommend that the disciplinary action against the Assessing Authorities who delayed the cases be also initiated and inform the Committee accordingly.

(i) The Committee was informed that no recovery has yet been effected from the surety and Shri L. S. Yadav, AETO and Shri S. P. Singh, AETO who allowed the transfer of business in this case without framing the upto date assessment and without conducting the enquiry were responsible for causing the loss to the State and they are being charge-sheeted. After going through the facts of the case, the Committee recommend that action be initiated against these officers at the earliest and report be sent to the Committee for its information. The Committee further desired that efforts be made to recover the amount under intimation to the Committee.

(ii) M/s, vividh Poly Packing, Faridabad

The Committee is constrained to note that nothing has been recovered so far out of total demand of Rs. 10.56 lacs. The Committee, therefore, recommend that strenuous efforts be made to recover the amount in a stipulated period and also initiate strict disciplinary action against the defaulting officers who delayed the assessment in this case under intimation to the Committee.

(iii) M/s Subhash Chand and Company Uklana, (Assessment year 1980-81)

The Committee recommend that efforts be made to recover the balance amount from the dealer if it is not possible to recover this amount from the dealer than this entire amount be recovered from the defaulting officer under intimation to the Committee.

(iv) M/s Fibre Processors, Faridabad, (Assessment Year 1981-82 to 1983-84)

The Committee recommend that the case be pursued vigorously which is pending with the official liquidator since 1990. The Committee further recommend that outcome of the case alongwith latest position of the balance recovery be intimated to the Committee within a period of three months.

(v) M/s Mahavir Traders, Ambala City, (Assessment Year 1981-82)

The Committee is constrained to note that the remand case has yet not been decided by DETC which is pending since 1992. The Committee recommend that the case be got decided by the concerned DETC within a period of 30 days and efforts be made to recover the additional demand from the dealer under intimation to the Committee.

(vii) M/s Goyal Cotton Ginning and Dal Mills Hisar (Assessment Year 1975-76)

The Committee recommend that efforts be made to recover the amount from the dealer and also initiate disciplinary proceedings against the defaulting officer under intimation to the Committee.

[61] 2.4 Application of incorrect rate of tax.

In one case involving short levy of tax due to application of incorrect rate of tax, an amount of Rs. 30912 was recovered on being pointed out in audit. A few other cases are given below:

(i)

(ii) Under the Central Sales Tax Act, 1956 on inter State sale of goods (other than declared goods) which are not supported by valid declarations in Forms 'C' from the purchasing dealers, tax is leviable at the rate applicable under Central Sales Tax Act or at the rate applicable to the sale or purchase of such goods inside the appropriate State, whichever is higher and for the purpose of making any such calculation, any such dealer shall be deemed to be a dealer liable to pay tax under the sales tax law of the appropriate state, notwithstanding that he in fact, may not be so liable under that law. In Haryana, wheat and its products are liable to sales tax at the rate of four per cent plus two per cent (10 per cent w.e.f. 1-1-1988) surcharge on the amount of tax payable.

Three dealers (one each of Faridabad Panchkula and Jind) made inter-State sales of wheat products valued at Rs. 821.98 lakhs to dealers outside the State of Haryana between 1984-85 and 1987-88. The assessing authorities while finalising assessments for these years between August 1986 and December 1988, levied tax on these sales at the lower rate of 4 per cent instead of correct rate of 4.08 per cent (4 40 per cent from January 1988) chargeable under Haryana General Sales Tax Act, 1973, by ignoring the element of surcharge which partakes the leviability of tax in the State. The mistake resulted in short levy of tax by Rs. 75,809. Besides penalty, an interest of Rs. 24,365 was also chargeable for short payment of tax alongwith the returns.

On the omission being pointed out (between August and October 1989) in audit, the department created (September 1989) an additional demand of Rs. 47,936 in one case and referred (January 1990) another case to the Revisional Authority for suo-motu action. Reply in the third case has not been received (January 1991).

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

“This para pertains to:—

- (1) **M/s Capital Flour Mills, Faridabad (East) A. Y. 1984-85 and 1985-86.**
- (2) **M/s Haryana Roller Flour Mills (P) Ltd., Jind A. Y. 1984-85, 1985-86 and 1986-87.**
- (3) **M/s Kapoor Brothers Roller Flour Mills, Panchkula- A. Y. 1987-88.**

The matter regarding the levy of surcharge on Atta, Maida and Suji was in dispute and under litigation. The issue was settled by the Hon'ble Supreme Court of India in 1993 which held that surcharge on Atta, Maida and Suji was leviable. The Assessing Authorities had applied the correct rate of tax at the time of framing assessment.

- (a) In the cases of M/s Capital Flour Mills, Faridabad (East) additional demand of Rs. 47,932 was created on 8-9-89 by the Assessing Authority. The dealer filed an appeal before Jt ETC(A), Faridabad who quashed the orders of Assessing Authority vide his order dated 6-11-1990. The dealer also filed an appeal before the Member, Sales Tax Tribunal on the levy of surcharge on Atta, Maida and Suji on the same point for the year 1986-87, Member, Sales Tax Tribunal vide his order dated 16-7-1992 in STA No. 670 and 671 of 1990-91 quashed the levy of surcharge. The review petition filed by the department was rejected by the Tribunal vide his order dated 18-2-1993.
- (b) In the case of M/s Haryana Roller Flour Mills (P) Ltd., Jind additional demand of Rs. 22578 was created by the Revisional Authority vide his order dated 19-2-1992. The dealer filed a civil writ petition in Hon'ble Punjab and Haryana High Court vide CWP No. 15674-A of 1990 and recovery has been stayed by the Hon'ble court. Application for the vacation of stay has been filed on 3-3-1994.
- (c) In the case of M/s Kapoor Brothers Roller Flour Mills, Panchkula, additional demand of Rs. 34,414 was created by the Revisional Authority vide his order dated 31-5-1990. The dealer filed an appeal before Member, Sales Tax Tribunal who upheld the levy and surcharge vide his order dated 14-1-1994.

In view of the reply above, the assessing authorities are not responsible for the omissions and therefore, no disciplinary action is required.”

- (ii) M/s Capital Flour Mills, Faridabad (East) - Assessment Year 1984-85 and 1985-86.

The Committee was informed that in the said case review petition filed by the department was rejected by the Tribunal during the year 1993. The Committee is not satisfied with the action taken by the department as the Committee feels that department should go in appeal in the High Court against the orders of the Tribunal. The Committee, therefore, recommend that department should now file an appeal in the High Court in this particular case and a disciplinary action be initiated against the concerned officer who failed to file an appeal in the High Court. The action taken in this regard be intimated to the Committee.

M/s Haryana Roller Flour Mills (P) Ltd., Jind Assessment Year 1984-85, 1985-86 and 1986-87.

The decision of the Court togetherwith the position of recovery in this case be intimated to the Committee.

M/s Kapoor Brothers Roller Flour Mills, Panchkula-Assessment Year 1987-88.

The Committee recommend that additional demand of Rs. 3441/- be recovered within a stipulated period under intimation to the Committee.

[62] 2.5 Non-levy of tax

(a) * * * * *

(b) As per Haryana General Sales Tax Act, 1973 and Central Sales Tax Act, 1956 turnover includes the aggregate of the amounts of sales and purchases and parts of sales and purchases made by a dealer including any sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof. Further Haryana Sales Tax Tribunal has also held that incidental charges are part of sale price.

A dealer of Karnal made inter-State sales of food grains valued at Rs. 70.60 lakhs during the year 1983-84. The assessing authority while framing assessment (August 1988) deducted incidental charges of Rs. 14.06 lakhs from the turnover on the ground that these did not form part of taxable turnover. The mistake resulted in short levy of tax of Rs. 56,221 Interest of Rs. 43,555 and penalty for non-payment of tax alongwith the returns was also leviable.

On the omission being pointed out (August 1989) in audit, the department referred (January 1990) the case to the Revisional Authority for *suo-motu* action. Further report has not been received (January 1991).

The case was reported to Government in March, 1990; their reply has not been received (January 1991).

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

“The District Food and Supplies Controller, Karnal- A Y. 1983-84.

The Assessing Authority Sh. N. M. Malhotra, ETO was at

fault in allowing deduction comprising incidental charges from the turnover of the Inter-State sales made to F. C. I. Disciplinary proceedings against him for this lapse is under process in the ETC's office.

The recovery of additional demand of Rs. 1,37,479 created by the revising authority vide order dated 28-11-1991 by levying tax and interest on incidental charges is under stay under instructions of the department circulated by Memo No. ST-1-329184/409 dated 28-2-1984 because the food and Supply Department was not in a position to make payment as FCI did not make payment of this tax to the former FCI has contested the levy of sales tax on incidental charges in CWP No. 9678 of 1988 before the High Court. The Court has stayed the recovery of tax by order dated 17-2-1988. The case is on regular list."

The Committee was informed that the recovery in the said case has been stayed by the Court. The Committee, therefore, recommend that the matter be pursued to get the stay vacated at the earliest. The Committee, further recommend that action against Shri N. M. Malhotra, ETO be finalised without any further delay under intimation to the Committee.

[63] 2.6 Incorrect computation of taxable turnover

(a) * * * * *

(b) Tax is leviable at the point of first sale on sale of rice and on purchase of paddy at the point of last purchase in the State under the Haryana General Sales Tax Act 1973. The tax levied on rice is, however, reduced by the amount of purchase tax paid in the State on paddy out of which rice is husked but no deduction is admissible in respect of rice procured from paddy imported from outside the State.

A dealer of Karnal sold 3550 quintals of rice valued at Rs. 27.23 lakhs in the local market during 1986-87 which included 2570 quintals of rice valued at Rs. 22.12 lakhs procured from paddy imported from outside the State. The assessing authority while framing (February 1989) assessment incorrectly allowed deductions of Rs. 22.12 lakhs from the taxable turnover on the ground that rice procured from imported paddy was not liable to tax. The mistake resulted in under assessment of tax of Rs. 88,484 apart from the interest of Rs. 28,763 leviable for non-payment of tax alongwith the returns. Further, while determining the taxable turnover of local sales of rice, another deduction of Rs. 8.63 lakhs representing value of imported paddy (1637.78 quintals) in stock was wrongly allowed resulting in under assessment of tax of Rs. 34,529 apart from an interest of Rs. 11,212 for non-payment of tax alongwith the returns.

On the omission being pointed out (August 1989) in audit, the department raised an additional demand of Rs. 1,68,021. Report on recovery has not been received (January 1991).

The case was reported to Government (March 1990); their reply has not been received (January 1991).

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

“M/s. Gaba Rice Mill, Taraori, Assessment Year 1986-87

Sh. H. S. Chauhan, A. A. who framed the original assessment in this case, is responsible for incorrect assessment.

Action to initiate disciplinary proceedings against him is underway.

The additional demand of Rs. 1.68 lacs stand quashed by the Tribunal vide his order dated 30-6-93, and therefore, there is no question of any recovery.”

M/S. Gaba Rice Mills, Taraori Assessment Year 1986-87.

The Committee was informed that Shri H. S. Chauhan, Assessing Authority who framed the original assessment is responsible for incorrect assessment in this case. The Committee, therefore, recommend that disciplinary action against him be taken within a stipulated period under intimation to the Committee. The Committee further recommends that this matter be taken up again for taking suo-motu action. A report to this effect be sent to the Committee for its information.

[64] 2.7 Irregular grant of exemption .

(a) & (b)

* * * *

(c) Under Haryana General Sales Tax Act, 1973, goods specified in Schedule B to the Act are exempted from levy of tax. Haryana Government vide their notification of 14th May 1987 declared wheat bran as tax free item and included the same (item 34) in Schedule B. This commodity was however, taxable at the rate of four per cent prior to 14th May 1987.

A dealer of Panchkula, sold wheat bran valued at Rs. 6.51 lakhs (Rs. 4.21 lakhs under Haryana General Sales Tax Act and Rs. 2.30 lakhs under Central Sales Tax Act) during 1986-87 and claimed the transaction as tax free sale. The assessing authority while finalising the assessment (March 1988) allowed the exemption on the belief that wheat bran was a tax free commodity resulting in short realisation of tax of Rs. 26,553. In addition, interest of Rs. 4,256 was also leviable for short payment of tax alongwith the returns.

On the mistake being pointed out (January 1990) in audit, the department referred (February 1990) the case for suo motu action. Further report has not been received (January 1991).

The case was reported to Government in April 1990; reply has not been received (January 1991).

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

“M/S Kapoor Bros. Roller Flour Mills, Panchkula. A. Y. 1986-87.

The case stands referred to DETC(I) for taking suo-motu action it is still pending with him DETC (I) has been directed to decide the case at the earliest.

The assessing authority who framed the assessment for the year 1986-87 did not levy tax on wheat bran for the period from 1-4-86 to 31-1-87 is at fault and action to initiate disciplinary proceedings against him is underway.”

M/s. Kapoor Bros. Roller Flour Mills, Panchkula Assessment year 1986-87.

The Committee recommend that action be initiated against the Assessing Authority who did not levy tax on wheat bran immediately under intimation to the Committee.

[65] 2.8. Loss of revenue due to deficiency in Sales Tax Law .

Under the provisions of Haryana General Sales Tax Act 1973, Cotton Seed when obtained from the self ginned cotton was liable to tax at the stage. of last sale upto December 1987. Subsequently the levability of tax on cotton seed purchased in the State of Haryana was changed to the stage of first sale vide Government notification dated 1st January 1988. These provisions were silent in relation to cotton seed obtained from self ginned cotton. Government vide their notification dated 17th May 1988 further amended the Act and the cotton seed obtained from self ginned cotton was made liable to tax at the stage of first sale with effect from the date of issue of notification without giving retrospective effect. Consequently the stage of tax on such cotton seed remained undefined and unprescribed between 1st January 1988 and 17th May 1988.

In Hisar sale of cotton seed (from self ginned cotton) valued at Rs. 40.75 lakhs made by fifteen dealers during 1987-88 was not taxed on the plea that no stage for levy of tax on self ginned cotton seed was specified under the State Sales Tax Act. The Omission to make necessary provision in the Act/Rules to prescribe the stage of levy of tax in the Act though for a short duration of 4—5 months, resulted in a loss of revenue amounting to Rs. 1.63 lakhs.

The case was brought to the notice of the Excise and Taxation Commissioner Haryana and Government of Haryana in February 1990 and March 1990 but reply has not been received (January 1991).

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

“Under the Law if a ginner of cotton in the State of Haryana himself crushes the cotton seeds obtained out of ginning he is not liable to pay any tax on cotton seeds as there is no transa-

ction of sale involved. But if he sells the cotton seeds to other dealers, the stage of levy of tax on cotton seeds is provided in schedule 'D' appended to the HGST Act, 1973. During the period from 1-1-88 to 17-5-88 the stage of levy of tax on cotton seeds was at the stage of first sale for imported cotton seeds and last sale for cotton seeds purchased from within the state. Thereafter, the stage of levy on cotton seeds was first sale in all cases except when purchased from unregistered dealers. It was last purchase if the cotton seeds were purchased from un-registered dealers. Subsequently, Section 17 of the Act was amended in January 1990 with retrospective effect from 5-5-73 providing for the levy of tax at the stage of last purchase of declared goods where no stage had been specified in schedule 'D'. Thus, during the period from 1-1-88 to 17-5-88 cotton seeds were leviable to tax at the stage of last purchase by the dealer liable to pay tax. Thus there was no Lacuna in Sales Tax Law."

The Committee is not satisfied by the explanation given by the Department in this regard. The Committee, therefore, asked for a detailed report regarding these entries i. e. how these books of accounts maintained etc. The department promised to send a detailed report in this regard for the perusal of the Committee.

[66] 2.9. Incorrect deduction on account of sales to registered dealers

According to Haryana General Sales Tax, Act, 1973, a registered dealer may deduct from his gross turnover sale value of goods sold to registered dealer after furnishing the prescribed declaration from (S. T. 15). According to section 27 (a) (ii) of the Act, the assessing authority, for the purpose of allowing deduction, may examine the genuineness or otherwise of any such sale or declaration form, with reference, among other things to the financial position, capacity to make purchases, nature and extent of business and subsequent disposal of goods by the registered dealers to whom the sale is shown to have been made against the declaration form. Further according to this Act, a minimum penalty equal to twice the amount of tax involved is leviable on the assessee for the offence of maintaining false or incorrect accounts or for producing before the assessing authority (AA) any account return or information which is false or incorrect. Further according to Haryana General Sales Tax Rules 1975, declaration forms shall be printed under the authority of State Government and each form shall be serially machine numbered or bear a printed serial member.

In the assessment of a dealer of Hisar for the year 1984-85, sales of Rs. 83.73 lakhs to registered dealers (R. D. Sales) out of the total R. D. sales of Rs. 398.68 lakhs were disallowed being sales made to non-existent dealers and the declarations produced in support of these sales being not on forms issued by the department but R. D. sales worth Rs. 268.15 lakhs made to seven registered dealers (Gurgaon : 2 Faridabad : 4 and Rohtak : 1) supported by declarations not issued to the purchasing dealers by the department were not disallowed even though the goods had not been accounted for by the purchasing dealers. The assessing authority instead of disallowing the claim, allowed the deduction on the plea that the goods were sold and payments were also received by bank drafts/

cheques without, however, verifying the genuineness of the cheques/bank drafts. It was further argued that it was not the duty of the selling dealer to prove the genuineness of the declarations as given by the purchasing dealers which was contrary to the spirit of decisions of the Courts and Tribunals as it was never intended to allow a deduction where the assessing authority had come to know that the Registration certificate of the purchasing dealer had been cancelled or he had closed down the business or declaration produced were not genuine and the purchases had not been accounted for in the books. The deduction of Rs. 268.15 lakhs thus allowed due to incorrect interpretation of law, resulted in under assessment of tax of Rs. 32.82 lakhs. As the assessee had wilfully tried to evade tax by filing false and incorrect returns, minimum penalty of Rs. 65.64 lakhs was also leviable.

On the omission being pointed out (September 1989) in audit the assessing authority reiterated that the deduction had correctly been allowed. However on a subsequent reference in June 1990 the Deputy Excise and Taxation Commissioner informed that in view of the illegality and impropriety of the assessment order, the case had been taken up for suo-motu action. The Deputy Excise and Taxation Commissioner, Rohtak confirmed that the purchasing dealer of Rohtak was not issued declaration forms nor had the dealer at Rohtak issued any declaration to the assessee of Hisar and as per pass book the draft and cheques were also not issued by the dealer at Rohtak. The Deputy Excise and Taxation Commissioner Faridabad had also furnished a certificate that no declarations were issued to the dealer at Faridabad as claimed by the assessee at Hisar.

The case was reported to Government in August 1990; their reply has not been received (January 1991)

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

“M/s Parkash Pipes and Industries-Hisar A. Y. 1984-85.

The Tribunal in several of its judgements has quashed the levy of tax in cases where the assessing authorities have levied tax after disallowing the R.D. sales on the ground that the purchasing dealers were bogus dealers and the declaration forms ST-15 furnished by them were not issued to them by the department. It has held that it is not the duty of the selling dealer to enquire about the genuineness of the declaration forms (ST -15) furnished by the purchasing dealers.

The case was referred to the Revisional Authority for suo-motu action. He remanded the case on 30-5-1991. Meanwhile the dealer filed a writ petition No. 18279/91 in the Punjab and Haryana High Court which granted stay of proceedings in the case. The case is still pending for decision. An application for early hearing and vacation of stay is under process and will be filed shortly.

The following steps have been taken by the department to curb such evasion of tax—

- (a) The inspection wing of the department examines the assess-

ment orders passed by the assessing authorities to detect such irregularities and evasion of tax.

- (b) Instructions have been issued from time to time to the assessing authorities to allow deduction of sales to R. D.s after due verification.
- (c) The list of goods leviable to sale tax at the first stage of sale has been enlarged from 17 items in 1987 to 64 at present.
- (d) The issue of declaration forms like ST-14 and 15 has been rationalised by issuing the instructions to the field staff to verify the previous use and estimate the future use of these forms before issuing fresh declarations.
- (e) The procedure for the issue of R. Cs. to the dealers has been streamlined and no R. C. is issued to any dealer without prior approval of the DETC Incharge of the district."

M/s Parksh Pipes and Industries, Hisar, Assessment Year 1984-85.

The Committee recommend that strenuous efforts be made to get the stay vacated at the earliest and a report to this effect be sent to the Committee for its information.

[67] 2.10. Suppression of purchases

Under a Government notification issued under the provision of the Haryana General Sales Tax Act, 1973 a cottage industry unit, is granted exemption from payment of tax on the purchase or sale of any goods in the State of Haryana, subject to the condition that the goods, so purchased should be used in the manufacture or production of goods for sale. This implies that the unit should be a manufacturing unit. Further if a dealer has maintained false or incorrect accounts or documents with a view to suppressing his sales, purchases, stocks of goods or has concealed any particulars of his sale 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 tax to which he is assessed, an amount which shall not be less than twice and not more than five times (three times w.e.f. 1-1-1988) the amount of tax which would have been avoided, if the turnover as returned by such dealer had been accepted as correct.

An exempted unit of Panipat filed a return by showing its purchases at Rs. 4.59 lakhs and sales at Rs. 4.99 lakhs in the trading account for the year 1984-85. The assessing authority finalised assessment with Nil demand in June 1985, by accepting the return. As a result of cross verification by Audit it was noticed in March, 1988, that the dealer had not accounted for purchases of Rs. 3.23 lakhs made from three dealers of Haryana. As the goods purchased were not used for production and were sold as such, the unit was not eligible for exemption from tax which amounted to Rs. 12,920. In addition penalty of Rs. 25,840 for suppression of purchases and sales was also leviable.

On the mistake being pointed out in audit the assessing authority issued notice on 18th April 1988 for reassessment and fixed the hearing for 5th May 1988 but the assessee did not turn up. No action was taken thereafter by the department for two years. On further enquiries by the department the dealer was found to have made total purchases of Rs. 9.57 lakhs instead of Rs. 4.59 lakhs and was reassessed (June 1990) to additional tax of Rs. 20,280 and penalty of Rs. 40,560. Particulars of recovery have not been intimated so far (January 1991).

The case was reported to Government (August 1990); their reply has not been received (January 1991):

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

M/s Dehati Gram Udyog Mandal, Panipat. A. Y. 1984-85.

It is a case of evasion of tax by suppressing the purchases. For detecting such cases, an inspection wing has been created in the department. The wing examines the assessment cases and removes any illegality in the assessment orders.

The additional demand of Rs. 20,280 as tax and Rs. 40,560 as penalty was created and recovered. However, subsequently the appeal filed by the dealer was accepted by the Tribunal vide order dated 15-10-1993 and orders of Assessing Authority were quashed."

Ms/ Dehati Gram Udyog Mandal, Panipat, Assessment year 1984-85.

After going through the facts of this case, the Committee observed that the case was not properly dealt with at the department level. The Committee therefore, recommend that the matter be again initiated for taking suo-motu action and a report be sent to the Committee for its information.

During the course of oral examination the Committee observed that still huge amount is pending for recovery under various heads of the Department. In most of the cases the main reason of accumulating the arrears is due to the misinterpretation of rules and regulations by the Assessing Authorities.

The Committee, therefore, recommend that all the Assessing Authorities should be given refresher courses once in a year so that they were fully conversant with the rules and regulations of the Department and recovery be effected within a stipulated period.

[68] 2.14. Non-levy of penalty

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

information which is false or incorrect in any material particular, he is liable to pay, by way of penalty, in addition to the tax which he is assessed, or is liable to be assessed an amount, which shall not be less than ten times (five times from 17th April 1984, and two times from 1st January 1988) the amount of tax which would have been avoided, if the turnover as returned by such dealer, had been accepted as correct.

(i) Three dealers of Jagadhari claimed deduction of Rs. 18.05 lakhs during the years 1977-78, 1978-79 and 1979-80 on account of sales either to exempted units or to registered dealers but the purchasing dealers in two cases denied having made such purchases or issued declarations and in two cases the department found on verification that declaration forms produced by the assesseees were invalid. The assessing authority while finalising these cases (between September 1979 and October, 1985) rejected these sales and additional demand of Rs. 1.03 lakhs was created. Penalty under Section 48 was also leviable but not levied. The dealers however appealed against the assessment orders and the cases were remanded for re-assessment which was completed (October 1988 and January 1989). The demands originally raised were confirmed but penal action was still not taken. The minimum penalty leviable worked out to Rs. 2.06 lakhs.

On the omission being pointed out (June 1989) in audit the department stated (April 1990) that the dealers had again filed appeals against the re-assessment orders and in two cases appeals had been rejected (December 1989) and the other two cases had again been remanded (December 1989) for re-examining the genuineness of the declarations produced by the dealers. Action to levy penalty (Rs. 70,650) in two cases in which appeals were rejected, as also further action taken in other two cases remanded for re-examination has not been intimated so far (January 1991)."

(ii) A dealer of Hisar holding Exemption Certificate purchased during the year 1987-88 goods valued at Rs. 76.47 lakhs and sold them, as such, without undertaking any manufacturing process to the exempted units (Rs. 69.47 lakhs) and to registered dealers (Rs. 7.00 lakhs). The assessing authority disallowed (February 1989) these sales for misusing the registration certificate and levied tax of Rs. 4.20 lakhs on these sales.

While finalising (July 1989) penal action, the assessing authority, however, ignored the sales of Rs. 7.00 lakhs made to the registered dealers and levied a penalty of Rs. 7.51 lakhs only as against the minimum leviable penalty of Rs. 8.40 lakhs. The omission resulted in short levy of penalty of Rs. 0.89 lakh.

On the omission being pointed out (September 1989) in audit the department rectified the error by raising an additional demand of Rs. 0.89 lakh and further stated that the dealer has filed (November 1989) an appeal against these orders. Further progress has not been received (January 1991).

(iii) The assessment of a dealer of Faridabad for the year 1984-85 was framed in June 1988 by making an addition of Rs. 5 lakhs as suppressed sales. While additional tax of Rs. 40,800 was levied on suppressed sales turnover no action was taken to levy penalty for suppression of sales. The minimum penalty leviable amounted to Rs. 81,600.

On the omission being pointed out (February 1990) in audit, the department levied (July 1990) penalty of Rs. 1.21 lakhs (Rs. 1,20,000 under Section 48 and Rs. 500 under Section 51). Particulars of recovery have not been received (January 1991).

The cases were reported to Government between June and August 1990; their reply has not been received (January 1991).

(b) Under the Haryana General Sales Tax Act 1973, if a dealer has maintained false or incorrect accounts with a view to suppressing his sales, purchases or stocks of goods or has concealed any particulars of his sales or purchases or has furnished 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 three times (with effect from first January 1988), the amount of tax which would have been avoided, if the turnover as returned by such dealer, had been accepted as correct. Further the assessee is liable to pay penalty at the rate of Rupees five per day in case of delay in filing of returns.

In the case of a dealer of Faridabad, the assessing authority while framing assessment for the period April, 1987 to March 1988 (July 1988) detected suppression of sales of Rs. 3.25 lakhs and levied a tax of Rs. 26,586. Penal action for suppression of sales and late filing of monthly returns was proposed to be taken separately but action to levy penalty was not taken even after a lapse of more than one year.

On the omission being pointed out (August 1989) in audit the department created (December 1989) an additional demand of Rs. 62,162.

The case was reported to Government (July 1990); their reply has not been received (January, 1991).

(c) Under the Central Sales Tax Act 1956, inter State sales of goods to registered dealers are taxable at the rate of four per cent if these are supported by the valid declaration in the prescribed forms. The goods purchased should, however, either be for re-sale or for use in the manufacture or processing of taxable goods for sale. In case the goods are not so used, the dealer, if not prosecuted, shall be liable to pay by way of penalty a sum not exceeding one and a half times of the tax which would have been levied in respect of the sale of goods to an unregistered dealer.

A dealer of Gurgaon purchased, during the year, 1985-86 and 1986-87 goods valued at Rs. 114 lakhs and Rs. 132 lakhs respectively at the concessional rate of four per cent against C-Forms. The goods so purchased were used in the job work done for other dealers. As the goods purchased were neither resold nor used in the manufacture of other goods

for sale, the dealer was not entitled to purchase these goods at concessional rate of four per cent and was liable to pay tax at the rate of ten per cent. While framing assessments for these years in December 1987 and January 1989, the assessing authority failed to levy penalty for mis-use of C-Forms. The maximum penalty leviable on the basis of differential amount of tax of Rs. 14.76 lakhs worked out to Rs. 22.14 lakhs which was not levied.

On the omission being pointed out (December 1989) in audit, the department stated (June 1990) that the case was under examination. Further reply has not been received (January 1991).

The case was reported to Government in August 1990; their reply has not been received (January 1991).

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

"2.14(a) Under the law it is not mandatory to impose penalty at the time of making assessment. Assessment and penalty proceedings are two separate proceedings though the two could be simultaneous. In case of invalid declarations while tax can be imposed without going into the intention of the dealer to evade tax, it would be necessary to prove mensrea to impose penalty.

The latest position of cases is as follows:—

Sr. No.	Name of the dealer and assessment year	Remarks
1	2	3
1.	(a) M/s Kalpna Industries 1979-80	Remand case decided on 31-8-1993 on the basis of the report from Forensic Science Lab. Madhuban raising a demand of Rs. 1,08,636 including penalty.
	(b) 1977-78	Appeal of the dealer accepted by the Tribunal vide his order dated 30-5-91 in STA No. 129/90-91.
2.	M/s Sushil Kumar Garg Industries, Jagadhri 1978-79	Appeal of the dealer accepted by the Tribunal vide his order dated 30-5-91. In STA No. 130/90-91.
3.	M/s Ishwar Parkash and Bros. Jagadhari 1979-80	Remand case decided on 31-8-93 on the basis of report received from Forensic Science Lab., Madhuban raising addl. demand of tax and penalty of Rs. 94,217

In appeal the Jt. ETC (A) Ambala vide order dated 5-1-94 has quashed the penalty of Rs. 72,424 in the case of M/s Kalpna Industries & Rs. 62,818 in the case of M/s Ishwar Parkash & Bros. Efforts are being made to recover the balance amount of Rs. 31,212 in the case of former and Rs. 31409 in the later case.

2.14 (a) (ii) This para pertains to M/s Vikas Dall and General Mills, Bhodia Khera, Hisar—A. Y. 1987-88.

The dealer preferred an appeal against the levy of tax as well as penalty and the Appellate Authority, Rohtak quashed the levy and remanded the case to Assessing Authority for fresh assessment vide his order dated 31-12-1990. The remand case was decided on 17-2-1994 creating additional demand of Rs 1,435/- which stands recovered.

2.14(a) (iii) M/s Green Stone Crushing Co. Faridabad A. Y. 1984-85.

It is a lapse on the part of Shri M L. Gupta A.A. Action to initiate disciplinary proceedings against him is under way.

Out of arrear of Rs 1,20,500 an amount of Rs. 30,000 has been recovered and balance amount of Rs 90,500 has been stayed by the Tribunal on 13-8-92

2.14.(b) M/s Veddekal Parekal Rubbers, Faridabad (E) A. Y. 1987-88.

Sh. N. S. Dhankar, Assessing Authority is responsible for non-levy of penalty at the time of assessment Action to initiate disciplinary proceedings against him is under way.

No recovery has yet been made as neither the dealer nor the sureties are traceable in Haryana They are stated to be in the State of Kerala and recovery certificate has been sent to Collector, Idukki on 31-1-1991.

2.14 (c) M/s Best and Crompton Engineers Limited, Gurgaon A. Y. 1985-86 and 1986-87.

No penalty was leviable, as there was no misuse of 'C' forms. The case was referred to the Revisional Authority who created tax liability of Rs. 9.99 lacs for the year 1985-86 and Rs. 11.04 lacs for the year 1986-87 vide his order dated 8-9-1992.

The recovery of the aforesaid amount has been stayed by the Punjab and Haryana High Court on 8-9-1992. The case is still pending in the High Court. Application for early hearing and vacation of stay has been filed.

No officer is at fault as the assessments were framed as per existing provisions."

(a) The Committee recommend that strenuous efforts be made to recover the balance amount from the concerned dealers under intimation to the Committee.

(ii) The Committee recommend that strenuous efforts be made to recover the balance amount from the concerned dealer's under intimation to the Committee.

(iii) The Committee recommend that strenuous efforts be made to recover the balance amount from the concerned dealers under intimation to the Committee.

(b) The Committee recommend that strenuous efforts be made to recover the balance amount from the concerned dealers under intimation to the Committee.

(c) The Committee was informed that the matter is under stay in the High Court. The Committee, therefore, recommend that application be filed in the High Court for early hearing of this case. The action taken in this regard be intimated to the Committee in due-course.

[69] 2.15 Interest not charged

(a) Under the Haryana General Sales Tax Act, 1973 and Central Sales Tax Act, 1956 a dealer is required to pay the full amount of tax due according to his returns, required to be submitted by the prescribed dates. In the event of default, the dealer is liable to pay interest on the amount of tax due at one per cent per month for the first month and at one and a half per cent per month thereafter, so long as the default continues. Further for failure to pay the tax due according to the returns, the prescribed authority after affording the dealer a reasonable opportunity of being heard, may impose a penalty not exceeding one and half times the amount of tax to which he is assessed or is liable to be assessed.

In five districts, in respect of the assessment years 1980-81 to 1985-86, assessed between April 1987 and March 1989, eleven dealers either did not pay tax due or paid the tax short. The Assessing Authorities, however, failed to charge the interest. Interest not charged amounted to Rs. 13.70 lakhs as detailed below. Besides this penalty is also leviable.

Serial number	Name of District/unit	Number of dealers	Assessment year	Date of Assessment	Amount of tax not paid	Interest chargeable
1.	2	3	4	5	6	7
1.	Faridabad	3	1983-84 to 1985-86	November 1987 to March 1989	898120	282759
2.	Gurgaon	1	1984-85	February 1988	28034	14140
3.	Sonipat	2	1982-83 to 1985-86	September 1987 to May 1988	635926	245800
4.	Karnal	4	1980-81 to 1983-84	April 1987 to November 1987	744511	718550
5.	Bhiwani	1	1984-85	December 1988	155633	109150
11					2462224	1370399

On the omissions being pointed out (between July 1988 and December 1989) in audit, the department raised (between August 1988 and March 1990) additional demands for interest aggregating to Rs. 2.42 lakhs in four cases (including penalty of Rs. 28280 in one case) and recovered Rs. 25000 and referred (between February 1990 and April 1990) three cases involving interest of Rs. 3.53 lakhs to the Revisional Authorities for taking suo-motu action. Report on action taken to levy interest in remaining four cases involving interest of Rs. 8.04 lakhs has not been received (January 1991).

The case was reported to Government (June 1990); their reply has not been received (January 1991).

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

“This para pertains to non-levy of interest in respect of the following dealers :—

Sr. No.	Name of the dealer	Assessment year	Amount
1.	M/s Davis & White India (Pvt.) Ltd., Faridabad	1983-84	1,06,937
2.	M/s JMA Industries Ltd., Faridabad	1985-86	70,394
3.	M/s Gupta Industries, Nuh, Gurgaon	1984-85	14,140
4.	M/s Jagdamba Rice Mills, Tarori	1983-84	23,287
5.	M/s Hindustan Everest Tools Ltd., Sonapat	1985-86	28,371
6.	M/s Jagdamba Rice Mills, Karnal	1981-82	34,711
7.	M/s D.F.S.C. Karnal	1980-81 & 1981-82	5,23,129
8.	M/s VP Engg., (Pvt.) Ltd. Karnal	1982-83	1,37,423
9.	M/s Gian Chand Harbans Lal, Bhiwani	1984-85	1,09,150
10.	M/s Golden Polyester Industries, Faridabad	1983-84 & 1984-85	1,05,428
11.	M/s E.C.E. Industries Ltd., Sonapat	1982-83	2,17,429

Out of these 11 cases, interest of Rs. 2.14 lacs has been levied and recovered in cases mentioned at Sr. No. 1 to 4. In cases mentioned at Sr. No. 5 to 9, no interest is leviable. In case at Sr. No. 10, the recovery from the surety has been stayed by the Civil Court. Case at Sr. No. 11 has been remanded by the Appellate Authority and the remand case is still pending.

In cases at Sr. No. 1 to 4, the Assessing Authorities are at fault for non levy of interest. Action to initiate disciplinary proceedings against them is under process.

**M/s Golden Polyester Industries, Faridabad,
Assessment Year 1983-84 & 1984-85.**

**M/s E.C.E. Industries Ltd. Sonapat,
Assessment Year 1982-83.**

The Committee recommend that strenuous efforts be made to effect the recovery from the above said dealers under intimation to the Committee.

OTHER TAX RECEIPTS

70] 4.1. *Result of Audit (State Excise)*

Test check of records in departmental offices, conducted in audit during the year 1989-90, revealed short recovery/non-recovery of excise duty amounting to Rs 146.90 lacs, in 111 cases.

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

“Out of 111 cases 76 cases have been reviewed with the following results :—

No. of case	Amount pointed out by AG (in lakhs)	Result of review
8	3.46	These cases have been settled without any additional demand.
62	9.44	Amount of Rs. 9.44 lacs in 62 cases has been recovered and the paras were settled by the A.G.
6	132.29	These cases pertain to loss of excise duty due to low yield of rectified spirit from molasses, transit/storage loss of molasses and excess wastage of beer etc.

35 cases involving an amount of Rs. 1.71 lacs are under review. The record of excise in the field offices has been checked and no other case of irregularity has come to notice.

Action to initiate disciplinary proceedings against the negligent officials is under way.”

During the course of oral examination, the Committee was informed that only six cases are pending which are under review at present. The Committee, therefore, recommend that these cases may be decided at the earliest under intimation to the Committee.

[71] 4.1 *Result of Audit (Entertainment duty of show tax)*

Test check of records in departmental offices conducted in audit during the year 1989-90, revealed short recovery/non-recovery of entertainment duty and show tax amounting to Rs. 15.70 lacs in 20 cases.

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

“Out of 20 cases, 19 cases have been reviewed with the following results :—

No. of cases	Amount pointed out by AG (in lacs)	Result of review
6	12.69	These cases have been settled without any additional demand.
13	2.41	Amount of Rs. 2.41 lacs has been recovered and paras settled by the A.G.

In one case of M/s Hind Video Vision, Siwan involving an amount of Rs. 0.60 lacs, the recovery has been stayed by civil court on 13-7-1990. The next date of hearing is 28-7-1994. The record of field offices has been checked and no other case of irregularity has come to notice.”

In the case of M/s Hind Video Vision, Siwan, the Committee was informed that the recovery has been stayed by the court and the next date of hearing has been fixed for 21st February, 1995. The Committee desired that outcome of the case be sent to the Committee for its information.

A-STATE EXCISE

[72] 4.2. Working of distilleries and breweries

4.2.1 to 4.2.6. * * * * * *

4.2.7. Production and utilisation of molasses

In 8 sugar mills in Haryana, the production of molasses during the year 1986-87 to 1988-89 was as follows:—

Sugar year (1st December to 30th November)	Quantity of sugar cane cru- shed (In lakh tons)	Production of mola- sses (In lakh tons)	Molasses used by distil- leries (In lakh tons)	Percentage of mola- sses used
1986-87	29.16	1.12	0.73	65.18
1987-88	27.39	1.04	0.72	69.23
1988-89	28.38	1.06	0.78	73.58

65.18 per cent to 73.58 per cent of molasses produced in the State were used for manufacture of spirit. The balance quantity of molasses was released for open sale.

Non/short accountal of molasses

(a) In Panipat, molasses produced in the sugar mill were transported to an attached distillery through pipes. As per records of the sugar mill 1,84,356 quintals of molasses were removed during the year 1987-88 and 1988-89. However, as per records of the distillery only 1,81,356 quintals of molasses had been received. As per norms fixed under the Punjab Distillery Rules 1932, 3000 quintals of molasses short accounted for would have yielded 1,09,830 proof litres of rectified spirit on which excise duty of Rs. 7.68 lakhs at the rate of Rs. 7 per proof litre would have been realised. Physical verification of stock of molasses had also not been conducted at any stage which resulted in the short accountal remaining undetected.

On the short accountal being pointed out in audit in February 1990 the Excise and Taxation Officer stated (June 1990) that the distillery management has accounted for the short quantity of molasses in the year 1989-90 (February 1990). The manner in which the management has procured the molasses to make good the shortage of 1987-88 (2000 quintals) and 1988-89 (1000 quintals) in February 1990 was not specified.

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

“(a) The short accountal of 3000 qtls. of molasses during 1987-88 to 1988-89 was due to oversight which was accounted for during Feb., 1990.

(b) The physical stock taking of molasses is taken by dip method as it is not possible to physically check each tank.

Action to initiate disciplinary proceedings against the defaulting officers is under way.

Actually, there was no loss of molasses, as the short accountal was due to over sight. In fact, the 3000 quintals molasses was lying in the tank”.

The Committee is not satisfied with the explanation given by the Department and therefore desired that a complete report with full facts of the case be sent to the Committee for its perusal.

[73] 4.2.12. *Loss of excise duty due to redistillation*

There is no provision in the Punjab Distillery Rules 1932 laying down any limit for wastage on account of redistillation of rectified spirit. The Public Accounts Committee also in its twenty ninth report for the year 1989-90 has held that distilleries responsible for faulty distillation are accountable for wastage in re-distillation and recommended that in the absence of any provision in the Act for allowing wastage on redistillation, the amount of duty on such wastage should be recovered.

In three distilleries the percentage of wastage of redistillation during 1986-87 to 1989-90 ranged between 0.904 per cent and 4.178 per cent. Variation in these distilleries was as under :

Name of Distillery	Percentage wastage on redistillation			
	1986-87	1987-88	1988-89	1989-90
Panipat	1.132	2.268	1.227	4.178
Hisar	2.359	1.233	1.802	1.322
Yamunanagar	0.904	0.958	0.989	0.945

The table shows that the wastage is the highest in the Panipat co-operative distillery. The wastage in redistillation in 3 distilleries was 13,85,449.87 proof litres (2,42,886.35 PL in Hisar ; 4,38,835.70 PL in Yamunanagar and 7,03,727.82 PL in Panipat) involving excise duty amounting to Rs. 96.98 lakhs. The matter was reported to the department between July 1987 and July 1990. The department stated (May 1990) that notices for recovery have been issued to the distilleries.

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

“No wastage allowance has been prescribed during the process of re-distillation under the Punjab Distillery Rules 1932. Therefore, there is no question of allowing wastage in excess of the norms. During the process of re-distillation when the plain spirit is converted into spiced spirit by adding colours, flavours and spices, there is bound to be some wastage. Duty can be charged only when the spiced spirit is fit for use /issue for consumption. No duty can be charged on the spirit which is lost during the process of re-distillation as there is no charging provision under Punjab Excise Act or rules, made thereunder. According to section 31 of the Punjab Excise Act, 1914, duty on excisable article becomes leviable when the spirit is removed from the distillery.

There can be several reasons for wastage in Panipat Co-op. Distillery being more than in other two distilleries. It can be ascribed to conditions of plant and machinery. The capacity of pot-still in Panipat Distillery is much less as compared to pot still of other two distilleries and, therefore, they have to put plain spirit, spices, colours, and flavours every time they manufacture spiced spirit from plain spirit, resulting in excess wastage as compared to other distilleries. Since there is no wastage allowance prescribed under the rules, duty on excess wastage if any, during the process of re-distillation can not be charged.

There is no provisions either for wastage allowance or for recovery for excise duty on excess wastage of spirit during the process of redistillation and therefore, the loss cannot be made good by way of recovery on account of such wastage.

Notice was issued to Haryana Distillery, Yamuna Nagar for the years 1979-80 to 1982-83 on 18-7-1990 and decision is still pending. A proposal is under consideration of Government to provide for a norm for wastage during the process of re-distillation”.

During the course of oral examination, the Committee was informed that the Committee constituted for fixing the limit of wastage on account of redistillation submitted his report which is under examination with the department. The Committee, therefore, recommend that the said report be processed at the earliest and a report to this effect be sent to the Committee for its information.

[74] 4.2.13 *Non-recovery of duty on Wastage in excess of norms*

As per provisions contained in the Punjab Fiscal Orders 1932, an allowance of 7 per cent for wastage on total production is admissible. In case wastage in any brewery is found to be in excess of the scale fixed, the licensee shall pay duty as on issue in respect of all losses in excess of the prescribed limit.

In case of Haryana Brewery at Murthal wastage of 17,96,065 bottles of beer for the year 1987-88 to 1989-90 was claimed in excess of norms fixed which resulted in loss of excise duty of Rs 44.90 lakhs.

On this being pointed out in audit in June 1988 and July 1990, the department issued notice (October 1989) for the recovery of excise duty of Rs 21,25,737 for the year 1988-89.

The department further stated in September 1990 that recovery of duty relating to the years 1987-88 and 1988-89 has been stayed by the Government and the case regarding 1989-90 was yet to be processed and finalised.

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

‘M/s Haryana Brewery Ltd., Murthal

The excise duty as excess wastage was levied as under :—

S. No.	Year	Date of order	Amount
			(Rs in lacs)
1	1987-88	2-11-1989	21.54
2	1988-89	10-1-1990	21.26

The case for the levy of excise duty on excess wastage for the year 1989-90 is under consideration. The recovery proceedings were initiated to recover the above amount but the Licensee has obtained stay from the Government and the same still continues.

The cases for excess wastage are reviewed by the Financial Commissioner every year and excise duty on excess wastage was levied in case of default

The wastage claimed in excess of norms is not justified and that is why the excise duty was levied for excess wastage. However, the appeal of the Brewery is pending with the Government”.

The Committee observed that as the matter is pending for more than 7 years and still no action has been taken by the department in this regard. The Committee, therefore, direct that matter be decided at the earliest under intimation to the Committee.

[75] 4.6 Interest not charged

The Haryana Liquor Licence Rules, 1970, provide for payment of monthly instalment of licence fee by the 20th of each month, by a licensee holding licence for vending country liquor or Indian made foreign liquor. Failure to do so render him liable to pay interest at the rate of 15 per cent per annum from the first day of the relevant month upto the date of payment.

A licensee in Jind district failed to pay the monthly instalments of licence fee by the prescribed dates during 1988. On belated payments of licence fee interest of Rs 21,065 was chargeable which was not demanded.

On the omission being pointed out in audit (February 1990), the department stated (June 1990) that efforts were being made to recover the amount. Report on recovery has not been received (January 1991).

The matter was reported to Government in August 1990; their reply has not been received (January 1991).

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

**“M/s Albel Singh and Company, Dhanori & Dhabhi
Tek Singh Wala, Jind-A.Y. 1988-89. :**

Nothing has been recovered so far, Action to initiate disciplinary action against the defaulters is under way.

Recovery of licence fee is reviewed every month by E.T.C. in monthly meeting with the DETCs.”

The Committee is constrained to note that no recovery has been effected in the said case so far. The Committee, therefore, recommend that efforts be made to recover the amount of interest from the dealer and also initiate disciplinary action against the concerned Assessing Authority under intimation to the Committee.

C—Entertainment Duty and Show Tax

[76] 4.11. Non/short recovery of entertainment duty

Under the Punjab Entertainment Duty Act, 1955 and the rules framed thereunder, as applicable to Haryana, the proprietor of a video set exhibiting video shows on payment is required to make advance payment of entertainment duty, every quarter at the rates prescribed by the Government from time to time. By a Government notification issued in June 1984, the entertainment duty is payable on the basis of the population of the town in which the video house is located. For towns with population of more than ten thousand but less than 25,000, duty is payable at the rate of Rs. 15,000 per quarter. The census figures of the year 1981 are taken as the basis for determining the population of any place.

In Kaithal district, entertainment duty in respect of two video houses was recovered at the rate of Rs. 10,000 per quarter instead of at correct rate of Rs. 15,000 per quarter for various quarters between October 1987 and March 1990. This resulted in short recovery of entertainment duty of Rs. 55,000.

On the omission being pointed out (March 1990) in audit, the department stated (May 1990) that show cause notices have been issued to the concerned parties for effecting recovery. Report on recovery has not been received (January 1991).

The case was reported to the Government (July 1990); their reply has not been received (January 1991).

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

“1. M/s Milap Touring Theatre, Kalayat

2. M/s Hind Video Vision, Siwan

Entertainment duty at the rate of Rs. 10,000 per quarter was charged for both Video Houses situated at Kalayat and Siwan under the belief that the population of these towns was less than 10,000.

Action to initiate disciplinary proceedings against the officer at fault is under way.

The entire short payment of entertainment duty in respect of M/s Milap Touring Theatre amounting to Rs. 40,000 has been recovered. The recovery of short payment in respect of M/s Hind Video Vision has been stayed by Civil Court, Kaithal.”

M/s Hind Video Vision, Siwan.

The Committee recommend that the matter be pursued to get the stay vacated from the civil court, Kaithal so that recovery of the short payment be realised from the proprietor of the firm at the earliest.

TRANSPORT DEPARTMENT

[77] 18. *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, there-to are required to be sent within six weeks from the date of issue. The more important irregularities are also reported to the heads of the departments and to the Government. Half-yearly reports of audit objection outstanding for more than six months are also forwarded to the Government to expedite their settlement.

Relatively large number of audit objections were outstanding under the head "Taxes on Vehicles" as per details given below :—

Year	Number of Inspection reports	Number of audit ob- jections	Amount (in lakhs of Rs.)
1984-85	26	28	34.85
198 -86	13	65	0.05
1986-87	17	30	0.98
1987-88	29	40	35.58
1988-89	32	40	1.68
1989-90	43	54	2.19
Total :	160	257	75.33

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

- “(i) The main reasons for non settlement of a large number of out-standing audit objections were that most of the owners of vehicles from whom token tax etc. was to be recovered have shifted to the unknown, places/other states and their present whereabouts were not known, to the concerned Registering Authorities. The owners can deposit further token tax any where in India without obtaining any NOC or getting their vehicle transferred. Despite all these difficulties the Registering Authorities have made serious efforts to recover the amounts pointed out by audit and got a fairly large number of paras settled as would be clear from the position given in the succeeding paragraphs. Number of present staff dealing with this work was also not commensurate with the manifold increase in the work load

- (ii) Vigorous efforts have been made for the settlement of old objections by way of arranging of meetings with the registering authorities & A G for on the spot disposal. Special reviews were also conducted by the A G Audit party in collaboration with the Internal Audit Cell of this department. Audit objections clearance week/fortnight were/are being observed for speedy disposal of these audit paras each year.

However no time schedule has been fixed to get the audit paras settled. The latest position of pending paras is as under :—

Year	No of Audit objection pending	Amount involved in pending audit objection
		Rs
1984-85	4	1,74,137.00
1985-86	12	76,712.00
1986-87	11	8,74,321.00
1987-88	17	5,96,516.00
1988-89	40	6,49,621.00
1989-90	86	7,37,601.00
	170	Rs. 31,08,908.00

Initially, the department imparted training to the staff of R.A. offices regarding various Motor Vehicle Act/Rules as a result of which there is considerable improvement in the working of the staff of Registering Authorities."

During the course of oral examination, the Committee was informed that still number of old paragraphs are pending for settlement involving an amount of Rs. 11 lacs which is to be recovered under the head "Taxes on Vehicles". The Committee observed that most of the amount relates to more than 10 years old. The Committee, therefore, desired that atleast more than 5 years old cases be settled by the department at its own level and the remaining cases be also settled within a stipulated period so that the recovery be effected at the earliest. A report in this regard be sent to the Committee within a period of three months.

[78] 4.1. Results of Audit

Test check of records in departmental offices, conducted in audit during the year 1989-90, revealed short recovery/non recovery of Taxes on vehicles amounting to Rs. 13.10 lakhs, as detailed below :—

Taxes on vehicles	Number of cases	Amount (in lakhs of rupees)
	1009	13.10

Some of the important cases noticed in 1989-90 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) During the year 1988-89, the new Central Motor vehicle Act 1988 came into force and the staff posted by the Deputy Commissioner in the Registering Authorities offices was not well conversant with the Act & Rules made thereunder and it led to short recovery/non recovery of taxes. Apart from this, the posted in R.As. is frequently transferred even after six months by the D.C. concerned, as they are administratively, under the D.C. New entrants are unaware of the Rules.
- (ii) Besides, auditing by A.G., the account of R.As. are also checked by the Internal Audit of this Deptt. and the cases of irregularities/recovery are watched by the Audit Cell and pursued vigorously.
- (iii) Out of total amount of Rs. 13.10 lakh pointed out by the A.G.(Audit), only an amount of Rs. 04.08 lakhs is outstanding as on 30-6-1993.”

During the course of oral examination, the Committee was informed that out of the total amount of Rs. 13.10 lacs, an amount of Rs. 3.85 lacs is still to be recovered. The Committee, therefore, recommend that this amount be recovered within a period of three months under intimation to the Committee.

REVENUE DEPARTMENT

[79] 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 the departments and to the Government. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to the Government to expedite their settlement.

(i) At the end of June, 1990, 1779 inspection reports (issued upto December 1989) containing 5116 audit objections with money value of Rs. 2876.51 lakhs remained outstanding, out of which 484 inspection reports containing 1081 objections with money value of Rs. 1157.14 lakhs were outstanding for more than 5 years

(ii) In respect of 136 inspection reports, issued between April 1989 and March 1990, even the first replies had not been received (August 1990). The matter regarding non-receipt of initial replies from the above departments was reported to the Government in August 1990; reply has not been received (January 1991).

(iii) Relatively large number of audit objections were outstanding under the following major heads:

Stamps and Registration Fees Upto 1984-85	82	139	24.33
1985-86	42	71	15.07
1986-87	43	89	17.92
1987-88	57	124	20.16
1988-89	66	198	65.03
1989-90	57	172	13.90
Total	347	793	156.41
Land Revenue Upto 1984-85	10	12	9.60
1985-86	6	9	3.14
1986-87	10	15	1.53
1987-88	16	20	1.16
1988-89	19	30	1.32
1989-90	11	14	20.68
Total	72	100	37.43

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 the Indian Stamp Act 1899.

The latest position in respect of the inspection reports/Audit objections of more than 5 years is given as under :—

	No. of Inspection reports	No. of Audit objections	Amount involved (Rs. in lacs)
Pending	124	210	39.40
Settled	93	144	30.88
Balance	31	66	8.52

Efforts are being made to recover the balance on priority basis. The Deputy Commissioners have been directed to bring down the number of cases pending in the courts of Collectors and get the decisions expedited so that more recoveries could be possible. An amount of Rs. 2.62 lacs out of the above balance of Rs. 8.52 lacs has been declared as “Arrears of Land Revenue”

In the CAG report for the year 1988-89, the outstanding amount of Rs. 52.53 lacs was shown against the year 1988-89. But now this amount has been shown as Rs. 5.03 lacs which appears to be incorrect. A.G. has been requested to reconcile this figure. Thus an amount of Rs. 12.50 lacs has been shown in excess as outstanding. The latest position out of the Actual recoverable amount is as under :—

	No. of Inspection Reports	No. of Audit objections	Amount involved (Rs. in lacs)
Pending	347	793	143.91
Settled	124	319	46.06
Balance	223	474	97.85

The Collectors have been advised to review the position at their level and fix responsibility in such cases for taking action against the delinquents

Main reasons for non-settlement of Audit objections are non-traceability of defaulters due to incomplete/change of addresses and sometimes pendency of cases in Courts.

No specific time schedule for settlement of outstanding objections has been framed by the Govt. As per procedure in vogue, on receipt of objections from the A.G. The same are forwarded to the concerned field office for settlement thereof and Govt. continues to remind/impress upon them to expedite disposal from time to time till final settlement.

As per latest information made available by the A.G. on 13-6-94 out of total audit objections only 21 objections involving outstanding amount of Rs. 5.26 lacs only are still outstanding upto the year 1990-91. With a view to settle these 21 objections, concerned D.Cs. have been requested on 5-7-94 to settle the same at the earliest."

The latest information as asked for by the Committee during the course of oral examination and supplied by the department later on in this respect is as per statement given at Annexure-D.

ANNEXURE—D

Statement showing the latest position of Tehsilars/Naib Tehsilars chargesheeted as per directions of P.A.C. in the last meeting

Sr. No.	Name of the officer	Date of chargesheet under Rule-7	Latest position.
1	2	3	4
S/Shri			
1.	Rajinder Singh Ahlawat, Teh.	21-12-93	Comments on the reply of Sh. Ahlawat are awaited from Commissioner, Gurgaon who was last reminded on 2-9-94. He is being reminded dem-officially to expedite comments
2.	Joginder Singh Lathar, the then Teh. Jind.	10-6-93	He has been warned to be more careful in future vide order dated 5-9-94.
3.	Mohinder Singh Kadiyan, the then Teh., Ganaur.	[4-6-93	Comments on the reply of Sh. Kadiyan are awaited from Commr., Rohtak Division from whom an interim reply has been received on 16-9-94.
4.	Gopi Chand, the then Teh., Gurgaon.	6-1-94	After consideration of the reply of Tehsildar the chargesheet has been dropped on 26-9-94.
5.	Sanjay Raj, the then Teh. Gurgaon.	6-1-94	—do—
6.	Satish Kumar, the then Teh., Bahadurgarh.	6-1-94	Sh. Satish Kumar, Tehsildar has been censured vide order dated 31-5-94.
7.	P. K. Chaudhary, the then Teh., Gurgaon,	—	The draft chargesheet under Rule 7 has been received from D. C., Gurgaon on 10-10-94 which is being processed for service to the concerned Tehsildar.
8.	Amir Chand, the then Teh., Gurgaon.	—	—do—
9.	Ashok Kumar Bishnoi, the then Teh., Rewari.	—	Comments on the explanation of Sh. Bishnoi are awaited from the Deputy Commissioner, Rewari who was last reminded on 14-9-94.
10.	Habib-ul-Rehman, the then Naib Tehsildar, Rewari.	—	Commissioner, Gurgaon Division has been requested to take necessary action against this Naib Tehsildar. Intimation regarding final action is still awaited despite reminder on 15-7-94.

The Committee reiterate its earlier recommendation as contained in the 38th Report of the Committee and further recommend that the action against these officers be finalised within a period of six months under intimation to the Committee.

The Committee further recommend that department should take other suitable remedial measures to effect outstanding recovery expeditiously.

STAMPS AND REGISTRATION FEES

[80] 3.1. *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1989-90, revealed short levy and non levy of stamp duty and registration fee and other irregularities amounting to Rs. 135.09 lakhs in 1892 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	1102	122.74
2. Evasion of stamp duty and registration fee	60	4.31
3. Short/non levy of stamp duty and registration fee	86	2.85
4. Loss of stamp duty and registration fee due to misclassification of instruments	8	1.69
5. Irregular exemption of stamp duty and registration fee	72	1.56
6. Other irregularities	564	1.94
	1892	135.09

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

“Department has checked cases of similar nature. Internal audit has checked 4595 cases of such nature involving a deficiency of Rs. 161.45 lacs.

Latest position in respect of 1892 cases is as under :—

1. Loss of stamp duty and registration fee due to under valuation of properties

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	4.00	59
2. Amount dropped by A.G. in the subsequent audit	2.26	56
3. Amount dropped by Collectors/D.Cs.	22.02	158
4. Amount recovered by the Deptt.	13.09	237
5. Cases in courts	52.78	248
6. Balance	28.59	344
Total	122.74	1102

2. Evasion of Stamp duty and Registration fee

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	—	—
2. Amount dropped by A.G. in the subsequent audit	0.92	16
3. Amount dropped by D.Cs./Collectors	—	—
4. Amount recovered by the Deptt.	0.55	10
5. Cases in courts	0.03	1
6. Balance	2.81	33
Total	4.31	60

3. Short/Non levy of Stamp duty and Registration fee

1. Recovery already mentioned in CAG's report	—	—
2. Amount dropped by A.G. in the subsequent audit	0.94	26
3. Amount dropped by D.Cs./Collectors	0.02	1
4. Amount recovered by the Deptt.	0.96	48
5. Cases in courts	0.29	7
6. Balance	0.64	4
Total	2.85	86

4. Loss of Stamp duty and Registration fee due to misclassification of instruments

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	—	—
2. Amount dropped by A.G. in the subsequent audit	0.36	1
3. Amount dropped by D.Cs./Collectors	—	—
4. Amount recovered by the Deptt.	—	—
5. Cases in courts	0.43	2
6. Balance	0.90	5
Total	1.69	8

5. Irregular Exemption of Stamp duty and Registration fee

1. Recovery already mentioned in C.A.G's report	0.06	6
2. Amount dropped by A.G. in the subsequent audit	0.49	31
3. Amount dropped by D.Cs./Collectors	—	—
4. Amount recovered by the Department	0.77	31
5. Cases in courts	—	—
6. Balance	0.24	4
Total	1.56	72

6. Other Irregularities

	Amount (Rs. in lacs)	No. of cases
1. Recovery already mentioned in CAG's report	0.29	65
2. Amount dropped by A.G. in the subsequent audit	0.36	153
3. Amount dropped by DCs/Collectors	0.02	1
4. Amount recovered by Deptt.	1.00	202
5. Cases in courts	0.07	2
6. Balance	0.20	141
Total	1.94	564

The overall picture of recovery is as under :—

1. Recovery already mentioned in CAG's report	4.35	130
2. Amount dropped by A.G. in the subsequent audit	5.33	283
3. Amount dropped by D.Cs./Collectors	22.06	160
4. Amount recovered by Deptt.	16.37	520
5. Cases in Courts	53.60	260
6. Balances	33.38	531
Total	135.09	1892

Details are as under :—

(a) Loss of stamp duty and Registration fee caused due to under valuation of properties

	Amount (Rs. in lacs)	No. of cases
1. Amount recovered/settled	41.37	510
2. Cases in courts	52.78	248
3. Balance	28.59	344
Total	122.74	1102

(b) Evasion of Stamp duty and registration fee etc.

1. Amount recovered/settled	1.47	26
2. Cases in courts	0.03	1
3. Balance	2.81	33
Total	4.31	60

(c) Short/Non levy of stamp duty and registration fee

1. Amount recovered/settled	1.92	75
2. Cases in courts	0.29	7
3. Balance	0.64	4
Total	2.85	86

(d) Loss of Stamp duty and registration fee due to misclassification of instruments

	Amount (Rs. in lacs)	No. of cases
1. Amount recovered/settled	0.36	1
2. Cases in courts	0.43	2
3. Balance	0.90	5
Total	1.69	8

(e) Irregular Exemption of stamp duty and Registraton fee

1. Amount recovered/settled	1.32	68
2. Cases in courts	—	—
3. Balance	0.24	4
Total	1.56	72

(f) Other Irregularities

1. Amount recovered/settled	1.67	421
2. Cases in courts	0.07	2
3. Balance	0.20	141
Total	1.94	564

The overall picture of recovered/settled cases is as under :

	Amount (Rs. in lacs)	No. of cases
1. Amount recovered/settled	48.11	1101
2. Cases in courts	53.60	260
3. Balance	33.38	531
Total	135.09	1892

After going through the overall picture of the pending cases, the Committee recommend that come effective measures should be adopted by the department to finalise all these cases by 31st March, 1995. The progress made in this regard alongwith the position of recovery be intimated to the Committee within a period of three months.

3.2 Stamp duty & Registration Fee

3.2.1.to 3.2.5 * * * * *

[81] 3.2.6. Under valuation of immovable property

Under Section 47-A of the Indian Stamp Act, 1899 and the rules made thereunder, as applicable to Haryana, if the Registering officer has reasons to believe that the value of the property of the consideration as the case may be, has not been truly set forth in the instrument of transfer, he may refer the same to the Collector for determination of the value or consideration of the property and the proper duty payable thereon. Further Section 64 of the Indian Stamp Act, 1899 provides that any person, who with intent to defraud Government, executes any instrument in which all the facts and circumstances required to be set forth in such, instrument under the Act are not fully and truly set forth, is punishable with fine which may extend to five thousand rupees.

(i) In 242 sale deeds registered in registering offices at Ambala, Gurgaon, Faridabad, Sonapat, Jind, Kurukshetra, Mohindergarh, Karnal and Hisar districts during the period from April 1986 to March 1989, the value of the properties set forth in the sale deeds had been shown less than those agreed upon between the parties as per agreements, to sell executed by them earlier and recorded with the document writers. This resulted in stamp duty and registration fee being realised short by Rs. 14.27 lakhs. Besides, penalty upto Rs. 12.10 lakhs for under valuation done with intent to defraud Government was also leviable, but was not levied.

On this being pointed out (between December, 1987 and February 1990) the department recovered Rs. 0.96 lakh in 33 cases, issued notices for recovery in 101 cases involving duty of Rs. 6.49 lakhs and referred 106 cases involving Rs. 6.22 lakhs (between June 1988 and April 1990) to the Collector for determination of the value of the properties and proper duty payable. Reply in respect of the remaining two cases (Rs. 0.60 lakh) was awaited. Out of 106 cases referred to the Collector, six cases were decided by the Collector with nil amount. It was, however, seen in audit that the cases had not been properly presented before the Collector in as much as the copies of the agreements to sell recorded with the document writers (licensees) were not produced. The decision of the Collector in the remaining 100 cases as also final action taken for recovery in respect of remaining 103 cases has not been received (January 1991).

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

“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 the complete details to the respective Sub Registrars to enable them to compare the value of property set forth therein with the sale deeds presented for registration. The Officer exercising the powers of collector applies his mind before deciding the cases, irrespective of the fact that the cases are not presented properly before him. Hence the Department did not consider necessary to enquire the matter. Moreover, the Collector decides the cases referred to him in quasi Revenue Judicial, capacity (As a court) where Government’s intervention is not called for. Government issued instructions in May, 1993 that only the officials who have passed the Departmental examination should be posted for doing registration work, 6 cases involving Rs. 15118/- pointed out by A.G. have not been accepted by the Deputy Commissioner. The amount of Rs. 0.96 lacs involved in 33 cases has already been recovered.

The latest position is as under :—

	Amount (Rs. in lacs)	No. of cases
Amount dropped by A.G.	0.46	5
Amount dropped by D.C.	1.13	16

1	2	3
Amount recovered by the Deptt.	4.39	67
Pending U/S 47-A	4.31	62
Cases in Civil Courts	0.31	3
Balances	2.56	50
Total :	13.16	203

The Committee recommend that instructions be issued to the Collectors to decide these long pending cases within a stipulated period and a progress report in this regard be sent to the Committee by 31st March, 1995.

[82] 3.2.7. Misclassification of instruments.

(i) Under the Indian Stamp Act, 1899, a Deed of Settlement, inter-alia, includes a non-testamentary disposition, in writing, of movable, or immovable property made for any religious or charitable purposes and is chargeable to stamp duty at the rate higher than that chargeable on a Deed of Declaration of Trust, which indicates expression of the desire by the author of the trust to vest the property in a body for administering the trust as per his directions contained in the deed itself.

In Sub-Registrar office, Hansi, numerous inhabitants of Mandi Maliyan had donated immovable property to a trust created for public/charitable purposes and the document was erroneously registered as deed of declaration of trust, instead of as a deed of settlement and assessed to stamp duty at lower rates. Stamp duty and registration fee levied short as a result of this misclassification amounted to Rs. 21,680 (stamp duty Rs. 21,225 and registration fee Rs. 455).

On the mistake being pointed out (December 1989) in audit, the department referred (February 1990) the matter to the Collector. The decision of the Collector has not been received (January 1991).

(ii) * * * * *

(iii) As clarified by Government in November 1986, tripartite agreement is a mortgage deed requiring compulsory registration and stamp duty thereon is payable in terms of Article 40 of the Schedule I-A to the Indian Stamp Act, 1899.

In 5 registering offices of Gurgaon, Jind, Mohindergarh and Hissar districts, 8 mortgage deeds were executed (between July 1987 and December 1989) through a tripartite agreement between a firm, a corporation and a Bank (Joint mortgages) (3 cases) and a firm, a corporation and HSIDC (5 cases) for securing loans by the firms from

the Corporation/Banks by depositing all the deeds and documents. The instruments were incorrectly clarified as Memorandum of Agreements instead of Mortgage Deeds and stamp duty amounting to Rs 6,51,930 was not charged.

On the mistake being pointed out (July 1987 and December 1989) in audit, the department recovered part amount of Rs. 68.000 in one case during December 1989, issued notices for recovery in four cases and referred for decision to Government (3 cases) and to Collector (1 case) between September 1989 and April 1990. Further reply has not been received (January 1991).

(iv) Usufructuary mortgage treated as Agreement to lease.

Under the Transfer of Property Act, 1882 where the mortgagor delivers possession expressly or by implication, binds himself to the Mortgagee and authorises him (Mortgagee) to retain such possession until payment of the mortgage money and to receive the rents and profits accruing from the property and to appropriate the same in lieu of the mortgage money and interest, the transaction would be a usufructuary mortgage.

In the registering office at Ambala an instrument wherein the lessee received a loan of Rs 3 22 lakhs from a Bank for the construction of building to be leased out to the bank on a monthly rent of Rs. 7350 adjustable towards the loan, till it was finally liquidated was incorrectly treated and registered as agreement to lease instead of usufructuary mortgage. Mistake resulted in short levy of stamp duty amounting to Rs. 20,625.

On this being pointed out (August 1989) in audit the department approached (February 1990) the party for recovery. Further reply has not been received (January 1991).

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

- “(i) (a) As a result of mis-interpretation the settlement deed was registered by Sub-Registrar Hansi as trust deed.
- (b) This was a lapse on the part of Sub-Registrar Hansi who did not classify the document properly also not keep the rules in view. The DC has been directed vide letter dated 6-7-94 to intimate action taken against the Sub-Registrar but it is still awaited. This case is yet to be decided by the Collector.
- (ii) (a) Tripartite agreements were registered as memorandum of agreements instead of as mortgage deeds by the Sub-Registrar due to negligence and oversight. But according to D.C. Gurgaon this deed was registered on 1-4-86 whereas Govt. issued clarification in November, 1986. So Sub Registrar can not be considered at fault.
- (b) The then Sub-Registrars Rewari, Bawal, Hissar and Jind were responsible for this lapse. No action has been taken against

them as yet. Now, SRs Hisar and Jind have Small Scale Industries certificates produced to the Audit party. In connection with Hisar case, Govt. have also clarified vide endst. No. 1007-STR-I-91/4093 dated 22-2-91 that Hisar Flour Mill is small scale unit & exempted from Stamp duty.

(c) The recovery position of four cases is as under :—

	Amount (rupees in lacs)	No. of cases
Amount recovered by the Deptt	0.67	1
Pending in Civil court	0.51	1
Amount not leviable	2.50	2
	3.68	4

(iv) It was a lapse on the part of Registering authority to have treated it as lease deed whereas audit treated it as a usufructuary mortgage deed. Moreover, it is matter of difference of opinion. This case is pending in Civil Court and action will be taken after decision of the court.

(ii) The case is pending in civil court for decision and recovery. stands stayed till decision of the court. Amount will be recovered after courts decision."

(i) The Committee recommend 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 recommend that upto date copies of the Rules/Instructions should be made available to every Registering Authority in the State to avoid such type of lapses in future. The Committee also desired that this case be settled within a period of three months and a report in this regard be submitted to the Committee.

(iii) After going through the latest statement depicting the latest position of recovery in 8 cases. The Committee recommend that the cases which are pending in Court be pursued vigorously so that these may be decided at an early date and recovery be effected expeditiously.

(iv) The Committee desired that the decision of the Court be intimated to the Committee in due course.

[83] 3.2.8. Irregular grant of exemption

(i) By two notifications issued in October 1983 under the Indian Stamp Act, 1899, Government remitted the stamp duty and registration

fee leviable on the deeds of mortgage without possession which are executed by Agriculturists in favour of any Commercial Banks for securing loans upto Rs. 1 lakh for the purchase of tractors with its accessories, tractor trolly and thrasher, installation of tube wells, based on diesel Engine, boring and electrification of tubewell, laying in under ground pipes, lining of water courses, levelling and reclamation of land and development of horticulture and for securing loans up to Rs. 60,000 for the purchase of pumping sets, cane crushers, bullocks ploughs, spray equipments, sprinkler irrigation for agriculture purposes, dairy, piggery, poultry and crop loans or any other allied purposes.

In 15 offices of sub-Registrars at Ambala, Gurgaon, Faridabad, Sonapat Jind, Kurukshetra, Karnal and Hisar districts on 39 deeds of mortgage (in which possessions of property was not given) executed during the years 1986-87 to 1988-89 by agriculturists in order to secure loans from the Banks levy of stamp duty and registration fee was exempted even though the loans secured were either not covered by the aforesaid notifications or exceeded the prescribed limit for exemption. The irregular grant of exemption resulted in stamp duty amounting to Rs. 33855 and registration fee amounting to Rs. 9,595 not being realised.

On the mistake being pointed out in audit (between July 1987 and December 1989) the department recovered Rs. 8,682 in 12 cases and issued notices (between January 1990 and March 1990) for recovery of the balance amount of Rs. 34,767 in 27 cases. Further progress has not been intimated (January 1991)

(ii) Government vide their notification dated 6th August 1981 remitted stamp duty chargeable under the Indian Stamp Act 1899, in respect of instruments of mortgage deeds without possession executed by Small Scale Industrial concerns in favour of Haryana Financial Corporation, for loans secured by them from the Haryana Financial Corporation.

As per Import and Export policy (April 1982-November 1983) Volume-I small scale industries mean all industrial units with a capital investment of not more than Rs. 20 lakhs revised to Rs. 35 lakhs from 18th March 1985 irrespective of the number of persons employed.

In the offices of Sub-Registrar Ballabgarh and Jind two documents were executed in favour of Haryana Financial Corporation by the firms which were not small scale industries during the month of February 1988 and May 1988 but no stamp duty was levied, which resulted in a loss of revenue of Rs. 51,900.

On the mistake being pointed out (October 1988 and September 1989) the department issued notices for recovery in February 1990. Reply has not been received (January 1991).

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

“(i) (a) It was a lapse on the part of the Registering Officers. Notifications issued in October, 1983 were in their notice. The Collectors have been advised to review the position at their level and fix responsibility in such cases for taking action against the delinquents. Internal audit is

being conducted by the stamp Auditors on the spot for detecting such lapses on the part of registering officials.

(i) (b) Latest position of 27 cases is as under :-

	Amount (in rupees)	No. of cases
1. Amount dropped by A.G	10925/-	7
2. Amount recovered by the Deptt.	17520/-	17
3. Balance	6323/-	3
Total	34768	27

(ii) This was a lapse on the part of Sub Registrar Jind and Ballabgarh. As regards Ballabgarh, the amount of Rs. 30525/- has been recovered by the Deputy Commissioner Faridabad. So far as Jind is concerned, after receiving the Audit objections from A.G., the concerned firm stated that the total cost of the Plant & Machinery was Rs. 27.12 lacs and they produced small Scale Industries certificate & requested that in view of this certificate, the duty of Rs. 21375/- is not leviable. A.G. Haryana has, however, not settled this objection as yet

(iii) Latest position of recovery is as under :-

	Amount (in rupees)	No. of cases
i) Amount recovered	30525	1
ii) Amount not leviable	21375	1 (A.G. has yet to drop this objection)
Total	51900	2

(i) The Committee was informed that it was a lapse on the part of the Registering Officers and the Collectors have been advised to review the position at their level and fix the responsibility in such cases. The Committee, therefore, recommended that the responsibility be fixed within a period of two months and the balance amount be recovered within a stipulated period. The progress made in this regard be intimated to the Committee.

(ii) After hearing the departmental representatives the Committee recommend that the details of this case alongwith the relevant documents be sent to the A.G. office for early settlement of this case and a report be sent to the Committee within a period of one month.

[84] 3.2.9 Non/short levy of stamp duty.

Under the Indian Stamp Act, 1899 and Indian Registration Act,

1908, stamp duty and Registration fee are leviable on the consideration set forth in the instruments.

(i)	*	*	*	*	*	*
	*	*	*	*	*	*
	*	*	*	*	*	*

(ii) In 14 cases registered at Faridabad, Sonapat and Karnal districts (between April 1987 and February 1989) loans were advanced to various loanees by the bank for the construction of buildings, purchase of machinery and other miscellaneous purposes. The loanees had agreed to repay the loan with interest by deposit of the original title deeds with the bank for creating equitable mortgage in their favour. The documents were, thus, chargeable to stamp duty at the rate of one and a half per cent and registration fee at the rates applicable to mortgage deeds without possession. Stamp duty and registration fee in these cases was either not levied (2 cases: Rs 7,850) or was levied short (12 cases : Rs 29,620). This resulted in loss of Rs. 37,470 including registration fee of Rs. 1,000.

On this being pointed out in audit (between September 1988 and February 1990) the department recovered Rs. 2,505 in one case, issued notices for recovery in 9 cases and referred 2 cases involving Rs. 6,850 to the Collector for decision. In the remaining two cases civil suits were stated to have been filed by the parties. Further reply has not been received (January 1991).

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

“It was a lapse on the part of registering authorities. No action has yet been taken against them.

Latest position of recovery is as under :—

	Amount (in Rupees)	No. of cases
(a) 1. Amount dropped by A.G.	3540	2
2. Amount recovered by Deptt.	19330	7
4. Pending in civil court	5245	2
5. Balance	6850	2
Total	34965	13

(b) Two cases for Rs. 5245/- are still pending in Civil Court."

The Committee was informed that the recovery of Rs 5245/- in two cases has been stayed by the Court and the balance amount of Rs. 6850/- will be recovered as arrears of land revenue within a period of six months. The Committee, therefore, recommend that the latest position of the recovery alongwith the decision of the pending cases be intimated to the Committee.

[85] 3.2.10 Irregular registration of supplementary deeds

Rule 159 of the Haryana Registration Manual, inter alia, provides that re-registration of a document may take place where a deed is altered after registration by consent of parties to correct an error of description and in furtherance of their original intention. Such alteration in fact, makes the document a new one, different from the one already registered, and if it is a document covered by Section 17 of the Act, re-registration becomes obligatory.

In the office of Sub-Registrars, Ambala and Gurgaon districts, in respect of 9 cases of supplementary deeds executed during the years 1987-88 to 1988-89, in order to make corrections in the original deeds, stamp duty and registration fee worth Rs. 20,095 (SD Rs. 19,921 and RF Rs. 174) was short levied between 1987-88 and 1988-89.

On the mistake being pointed out in audit (between July 1988 and June 1989) the Department recovered Rs. 5,850 in 2 cases and issued notices (January 1990 and February 1990) for recovery of the balance amount of Rs. 14,245 in 7 cases. Report on recovery has not been received (January 1991).

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

"It was a lapse on the part of the Registering officers. This error occurred due to mis-interpretation of rules.

Latest position of recovery is as under:—

	Amount (in rupees)	Number of cases
1. Amount dropped by A.G.	3691	5
2. Amount recovered by the deptt.	1372	1
3. Balance	9182	1
Total	14245	7"

The Committee was assured that the balance amount of Rs. 9182/- will be recovered within a period of six months under intimation to the Committee.

[86] 3.2.11. Short levy of stamp duty on lease deeds

Under the Indian Stamp Act, 1899, as applicable to Haryana, on instruments of lease, stamp duty is chargeable on the basis of period of lease and the amount of the average annual rent reserved.

On 18 instruments registered (between June 1987 and March 1989) in the offices of 8 Sub-Registrars of Ambala, Gurgaon, Faridabad, Kurukshetra, Hissar and Karnal districts stamp duty and registration fee amounting to Rs. 1,03,243 (Stamp duty Rs. 1,01,513 and registration fee Rs. 1,730) was levied short.

On the mistake being pointed out (between October 1988 and February 1990) in audit the department recovered Rs. 2,722 in two cases and issued (between January 1990 and April 1990) notices for recovery in 15 cases. The remaining one case had been referred to Government in March 1990. Further reply has not been received (January, 1991).

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

“Generally such deficiencies remain undetected due to oversight and the revenue officers, sub-registrars being busy with multifarious duties. They are responsible for such lapses. D.Cs have been directed to intimate action taken against the defaulters.

No action has been taken against them as yet

Latest position is as under:—

	Amount (in rupees)	No. of cases.
Amount dropped by A.G	19716	4
Amount dropped by D.C.	9522	2
Amount recovered by Deptt.	55161	6
Pending in civil Court	5061	1
Balance	7010	2
Total	96470	15

An amount of Rs. 4051 involved in the case has been recovered.”

The Committee was assured that the remaining amount of Rs 7010/- will be recovered within six months under intimation to the Committee.

[87] 3.2.12 Evasion of stamp duty and registration fee through power of attorney.

The Indian Stamp Act 1899 and Indian Registration Act, 1908 as applicable to Haryana, require that where power of attorney is given for a consideration authorising 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. Further as per Government's instructions issued in October 1976, if 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 terms of Article 48 (f) read with Article 23 of Schedule I-A to the Indian Stamp Act 1899.

In 13 offices of Sub Registrars in Ambala, Gurgaon, Faridabad, Jind, Kurukshetra, Bhiwani and Hisar districts, 42 agreements were executed with document writers (between September 1986 and January 1989) 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. 4.09 lakhs and Rs. 0.17 lakh respectively was leviable on the amount of consideration as applicable to sale deeds against the stamp duty of Rs. 0.01 lakh and registration fee of Rs. 0.01 lakh actually levied. This resulted in short levy of stamp duty of Rs. 4.08 lakhs and registration fee of Rs. 0.16 lakh

On the omission being pointed out (between November 1987 and December 1989) in audit the department issued notices for recovery in 35 cases (between January 1990 to February 1990) and referred 6 cases to the Registrar (August 1989). Reply in one case as also progress of recovery in other cases has not been received (January 1991).

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

“It was a lapse on the part of registering authorities and document writers who did not specify the fact detected by them.

Deputy Commissioners have been asked to follow the instructions of October 1976 strictly and same were reiterated in November, 1992.

Latest position of 42 cases is as under :—

	Amount (rupees in lacs)	No of cases
1. Amount dropped by A.G.	1.61	10
2. Amount recovered by the deptt.	0.18	4
3. Balance	2.47	28
	<u>4.26</u>	<u>42</u>

The Committee recommend that the amount of Rs. 2.47 lacs be recovered within a period of six months and report to this effect be sent to the Committee for its information.

[88]. 3.2.14 Arrears of stamp duty and Registration fee.

As per information supplied by the department, arrears outstanding for recovery at the end of March 1988 were Rs. 35 93 lakhs. Information regarding arrears outstanding at the end of March 1989 and March 1990 was not available with the department. Year wise break up of arrears of Rs. 35.93 lakhs was as under —

Year	Amount	Progressive amount
Upto 1984-85	29,41,034.97	29,41,034 97
1985-86	89,700 24	30,30,735 21
1986-87	1,08,138.24	31,38,873 45
1987-88	4,54,437.00	35,93,310 45

Non availability of figures of outstanding arrears with the Government for the year 1988-89 and 1989-90 indicates that neither effective steps for the recovery of arrears were being taken nor any proper control was being exercised for ascertaining the upto date position of arrears.

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

“Arrears of Stamp duty & registration fee upto 1989-90 were Rs. 1,62,96,920.25

Most of the cases involving such arrears are pending in the Collectors Courts for decision. Deputy Commissioners have been requested to get the cases pending u/s 47-A of Indian Stamp Act, 1899 decided expeditiously and send a monthly progress report to Government. Actual position of the arrears will come to light after the cases are decided by the Collectors.

Yes, It is recoverable. But steps for recovery can be taken only after the cases are decided by the Collectors.

No Target has been fixed by the department to liquidate the arrears.”

After hearing the departmental representatives, the Committee observed that the cases are lying pending for the last 11 years and the Collectors are not taking action to decide these cases within a stipulated period. The Committee, therefore, recommend that fresh directions be issued to the all the Collectors to decide these long pending cases within a period of three months. The Committee further recommend that a detail of yearwise position upto the year 1993-94 of the recovery effected in each case be sent to the Committee for its information.

[89] 3.2.15. Embezzlement of Government revenue

During the course of test check of records i.e. fee books and receipt books in one Registering office at Shahbad for the year 1988-89. It was noticed.

that the amount collected by way of registration fee on instruments was not correctly accounted for and deposited in Government account leading to embezzlement of Rs. 13,094 25.

On the omission being pointed out (May 1989) in audit the department recovered the full amount in June 1989 and further stated (July 1990) that action against the defaulter was being taken separately.

The above cases were reported to Government in July 1990; their reply has not been received (January 1991).

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

“Embezzled amount of Rs. 13094/- recovered from the concerned official and deposited in Government treasury vide chalan No. 27 dated 26-6-89. Registration Clerk Shahbad was responsible for this lapse.

The official concerned was suspended and on thorough enquiry was found guilty. As such he was warned to be careful in future.

With a view to avoid embezzlement of Government revenue, the department issued instructions in November 1986 to all the Registrars/Sub Registrars/Joint Sub Registrars/Internal Audit Agency to the effect that they should tally the amounts entered in the recovery register with the amount of Challan pasted and reconcile from the record of Bank of any two months in a year and to ensure that recovered amount has been deposited in the Government Treasury correctly.”

~~After going through the facts of this case, the Committee desired that the file of this case be sent to the Committee for scrutiny.~~

OTHER TAX RECEIPTS

[90] 4.1 Results of Audit

Test check of records in departmental offices conducted in audit during the year 1989-90, revealed short recovery/non-recovery of Land Revenue amounting to Rs 7 46 lakhs in 180 cases.

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

“Most of the D.Cs have pleaded that Government, Instructions dated 31-5-88 regarding charging of 5% of recovery were received in their offices very late. D.C. Kurukshetra particularly stated that these instructions were received in Tehsil office in April, 1989 i.e. after 11 months. This version of the D.C. was not convincing. On verification at personal level it has been found that policy letter dated 31-5-88 issued by Government has been duly received in D.C.'s office on 6-6-88. Hence for sending wrong information, D.C. Kurukshetra has been asked to fix responsibility for this lapse and take suitable action against the defaulting officials.

Internal Audit Parties of the department also conduct audit. During the year 1989-90, audit parties have detected recoverable amount of Rs. 18,80,293.

Out of Rs. 7.46 lakhs, an amount of Rs. 4.57 lakhs has been recovered. Out of remaining amount of Rs. 2.89 lakhs, Rs. 0.31 lakhs has been dropped as settled by the A.C. Another sum of Rs 0.12 lakhs remitted as per direction of High Court whereas a sum of Rs. 1.56 lakhs is still pending recovery due to litigation in Court. Leaving a balance of Rs. 0.48 lakhs to be recovered. Strenuous efforts are being made to effect the recovery.

*Note ;—*Out of this amount of Rs. 1.56 lakhs, D.C. Faridabad has reported that a sum of Rs. 3130 is not recoverable as the land in question, was not giving on lease during the year 1986-87.”

During the course of oral examination, the Committee asked for a complete detail of this case. The department assured the Committee that the full facts of this case will be sent to the Committee for its consideration. The Committee also recommend that intimation be also sent to the Committee after effecting the recovery of Rs. 4,000/-.

D—LAND REVENUE

[91] 4.12. Non-recovery of departmental charges

Under Section 98 of the Punjab Land Revenue Act 1987, dues of Banks, Boards and Corporations remaining unrecovered are recoverable as arrears of land revenue.

Further as per Haryana Government instructions issued in May 1988, 5 per cent of the amount recovered as arrears of land revenue on behalf of Banks/Boards/Corporations will be retained by the Revenue Department as Collection charges.

(i) * * * *

(ii) In Kurukshetra, an amount of Rs. 5.02 lakhs was recovered (between June 1988 and April 1989) as arrears of land revenue by Revenue authorities on behalf of Banks and the Haryana Financial Corporation but Collection Charges of 5 per cent amounting to Rs. 25,117 were not retained.

On the omission being pointed out (August 1989) in audit, the department recovered Rs. 4,618 and further stated (April 1990) that efforts were being made to recover the balance amount. Report on recovery of the balance amount of Rs. 20,499 has not been received.

The cases were reported to Government between September 1989 and May 1990; their reply has not been received (January 1991).

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

“As reported by D.C. Kurukshetra, no responsibility at this stage can be fixed on account of late receipt of Government instructions, closing of account by the Banks and return of record to the concerned Department. Out of a sum of Rs. 20,499, an amount of Rs. 8406 has been recovered leaving a balance of Rs. 12,093. Efforts are being made for the recovery of balance amount.”

The Committee desired that a detailed information of this case be sent to the Committee within a period of one month.

[92] 4.13. Non-recovery of rent of Nazool land

Under the Punjab Tenancy Act, 1887, as applicable to Haryana, any person in unauthorised occupation of Government land shall be liable to pay rent for the use of occupation of that land at the rate of rent payable in the preceding agricultural year or if rent was not payable in that year, at such rate as the Court may determine to be fair and equitable.

In Hansi, district Hisar, Nazool land measuring 19.3 acres was transferred by the Haryana Irrigation Department to the Revenue Department during the year 1977-78. The land under unauthorised occupation of an individual cultivator was not vacated and the cultivator filed a suit in June 1977 in the Punjab and Haryana High Court. The case was finally decided by the Punjab and Haryana High Court in favour of the Government of Haryana in February 1986 but no action to recover the rent was taken by the department till February 1989. The rent on the basis of Jharpedawar* for the period 1977 to 1988 worked out to Rs. 97,779.

On the omission being pointed out (February 1989) in audit, the department filed (April 1989) a civil suit for recovery of the amount of Rs. 97,779. Further progress has not been intimated (January 1991).

The case was reported to Government in August 1990; their reply has not been received (January 1991).

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

“The case is pending in the Court of SDO(C) Hansi exercising the powers of Asstt. Collector Ist grade for the recovery of rent of Rs. 97,779.”

During the course of oral examination, the Committee was informed that the appeal of this case is pending before Collector, Hisar against the decision of the S.D.O. (Civil) Hansi and the next date is 22nd February, 1995. The Committee, therefore, desired that the decision of the Collector alongwith the position of recovery of rent of Rs. 97,779/- be informed to the Committee.

*Jharpedawar means agricultural produce from the land.

MINES AND GEOLOGY

[93] 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 the departments and to the Government. Half yearly reports of audit objections outstanding for more than six months are also forwarded to the Government to expedite their settlement.

Relatively large number of audit objections were outstanding under the head "Non Ferrous Mining Metallurgical Industries" as per details given below :—

Mining up to 1884-85	23	48	405.90
1885-86	2	2	61.42
1886-87	11	32	53.44
1887-88	8	40	63.65
1888-89	14	62	21.92
1889-90	12	64	12.43
Total	70	248	618.76

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

"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 rupee 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 first only then para will be settled.

(ii) Following steps are being taken for the settlement of the paras :—

- (a) The Accountant General Haryana has transferred 67 paras to the Department to ensure the recovery of the amount mentioned in these paras. The field officers have been requested to send the progress report every quarterly.
- (b) The meeting with Officers of Accountant General, Haryana (Audit) is being arranged for the settlement of the paras.
- (c) The field Officers of the department in the district are making efforts to ensure that the outstanding amount is recovered

expeditiously, so that same is not pointed as irregularity in audit reports to avoid accumulation of audit paras.

The latest position of outstanding audit objection 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.)
Upto 1984-85	60	600	553	47	7,43,21,279/-
1985-86	12	57	46	11	1,24,48,499/-
1986-87	12	79	61	18	98,77,850/-
1987-88	12	84	58	26	1,97,82,748/-
1988-89	12	63	36	27	97,65,717/-
1989-90	10	69	38	31	89,54,460/-
Total	118	952	792	160	13,21,50,553/-

The latest information as asked for by the Committee during the course of oral examination and supplied by the department later on in this respect is as under :—

LATEST RECOVERY POSITION OF 67 PARAS TRANSFERRED BY A. G. (AUDIT) TO THE DEPARTMENT

(1) NON RECOVERY OF ROYALTY FROM BRICK KILN OWNER

Sr. No.	Para No. year	Amount of para	Amount recovered as on 8-11-94	Latest position of recovery	Balance amount	Remarks
1	2	3	4	5	6	7
BHIWANI						
1.	2/81-82	1564000/-	1564000/- NC	1564000/- NC	—	In this case royalty was calculated on stock which is not chargeable. Royalty become chargeable on the sale of bricks which was effected subsequently and royalty was charged.
2.	5/81-82	59218/-	56029/-	56029/-	3189/-	This amount pertains to closed kilns whose owners are residing outside Bhiwani district. Efforts are being made to recover the balance amount.
FARIDABAD						
3.	2/81-82	211227/-	121615/-	181615/-	29612/-	Efforts are being made to recover the amount.
SONEPAT						
4.	5/78-81	839367/-	824725/-	829118/-	10249/-	Efforts are being made to recover the amount
KURUKSHETRA						
5.	1/80-82	987425/-	972798/-	972798/-	14 27/-	A sum of Rs. 10625/- is being recovered by Mining Officer, Panipat. For the recovery of balance amount Rs. 4302/-, the matter has been referred to Collector Patiala for recovery.
AMBALA						
6.	2/80-82	915425/-	915425/-	915425/-	—	Full recovery has been made.
HISSAR						
7.	3/81-82	995422/-	995422/-	995422/-	—	Full recovery has been made

PANIPAT

Royalty is not recoverable as it pertain to period prior to 5-8-1976 when mineral rights did not vest in State Govt. Haryana Mineral (Vesting of Rights) Act, 1973 was upheld by Hon'ble Supreme Court of India in March 1976 para is settled

Recovery is to be made in respect of closed brick kilns.

Recovery is to be made in respect of closed brick kilns.

Efforts are being made to recover the amount.

Efforts are being made to recover the amount.

Recovery made para dropped

Recovery effected para dropped.

Recovery effected para dropped.

Recovery made para dropped.

Amount is recoverable in respect of closed kilns. Efforts are being made to recover the balance amount.

SONEPAT

8. 4/78-80	908426/- NC	908426/- NC	—	
9. 5/78-80	958627/-	786435/-	160727/-	
10. 3/80-82	1456861/-	1352225/-	98512/-	
SIRSA				
11. 2/78-81	500713/-	421636/-	79077/-	
12. 3/81-82	119621/-	111282/-	8339/-	
ROHTAK				
13. 1/79-80	13479/-	13479/-	—	
14. 5/79-80	42008/-	42008/-	—	
15. 4/79-80	459534/-	459534/-	—	
16. 6/79-80	5449/-	5449/-	—	
(II) VALUE OF BRICK EARTH NARNAUL				
17. 5-C/81-82	246005/-	243227/-	2778/-	
18. 6/81-82	37575/-	37575/-	—	

1	2	3	4	5	6	7
AMBALA						
19.	9/79-80	2240478/-	2240478/- NC	2240478/- NC	—	This is the penalty amount not chargeable in view of Govt. letter dated 2-9-89 as brick kiln owners paid royalty due and Govt. accepted. This penalty is not chargeable in not obtaining mining lease as no pecuniary loss to Govt. is caused
20.	3/80-82	1068000/-	1068000/- NC	1068000/- NC	—	—do—
PANIPAT						
21.	6/78-80	2900029/-	2900029/- NC	2900029/- NC	—	This is the penalty amount not chargeable in view of Govt. letter dated 9.2.89 as brick kiln owners paid royalty due and Govt. accepted. This penalty is not chargeable in not obtaining mining lease as no pecuniary loss to Govt is caused.
22.	2/80-82	1699671/-	1699671/- NC	1699671/- NC	—	—do—
ROHTAK						
23.	3/79-80	5337901/-	5337901/-	5337901/-	—	Para dropped.
(III) MISC, PENDING, PARAS						
GURGAON						
24.	9/78-81	9225/-	9225/-	9225/-	—	Audit had objected about non transfer of security amount to the receipt head which has now been done by Book transfer.
25.	13/78-81	18337/-	18337/-	18337/-	—	—do—

26. 14/78-81	41387/-	41387/-	41387/-	—	—do—
27. 8/81-82	109429/-	109429/-	109429/-	—	—do—
FARIDABAD					
28. 12/78-81	23675/-	23675/-	23675/-	—	—do—
29. 18/78-81	162000/-	162000/-	162000/-	—	—do—
30. 20/78-81	22525/-	22525/-	22525/-	—	—do—
SONEPAT					
31. 8/78-81	8187/-	8187/-	8187/-	—	Audit had objected about no transfer of security amount to the receipt head which has now been done by book transfer.
AMBALA					
32. 23/79-80	49937/-	49937/-	49937/-	—	—do—
KURUKSHETRA					
33. 2/80-82	9030/-	1830/-	1830/-	7200/-	The defaulter is a patient of cancer and is not having any property. State Govt. is being approached for writing off the amount.
34. 7/80-82	6200/-	—	—	6200/-	The matter is pending in the Court.
PANIPAT					
35. 4/80-82	7597/-	—	—	7597/-	—do—
SIRSA					
36. 5/78-81	13200/-	13200/- NC	13200/- NC	—	Revocation of the bids were valid as were made before acceptance. Thus amount was not payable.

1	2	3	4	5	6	7
37.	1/81-82	49175/-	49175/- NC	49175/- NC	—	Revocation of the bids were valid as were made before acceptance. Thus amount was not payable.
	NARNAUL					
38.	17/79-80	4200/-	4200/-	4200/-	—	
IV. NON RECOVERY OF INTEREST ON BELATED PAYMENT OF CONTRACT MONEY/ROYALTY.						
	BHIWANI					
39	1/81-82	134166/-	134166/- NC	134166/- NC	—	Non recovery of interest on belated payment of royalty from Dalmia Dadri Cement Works which is not chargeable.
	NARNAUL					
40.	24/78-81	5875/-	5736/-	5736/-	139/-	Efforts are being made to recover the balance amount
41.	8/81-82	3483/-	1509/-	2282/-	1201/-	The amount pertains to recovery of interest from 5 parties.
	FARIDABAD					
42	7/78-81	93708/-	54289/-	63211/- Stay 25656/-	4841/-	There is stay in the recovery of Rs. 25656/- pertaining to M/S.Nihal Singh & Co. Efforts are being made to recover the balance amount of Rs 4841/-
43.	5/81-82	66941/-	64000/-	64000/-	2941/-	Efforts are being made to recover the balance amount.
(V) NON RECOVERY OF ROYALTY FROM MINERAL/DEAD RENT						
	BHIWANI					
44.	2/78-81	2299143/- NC	2842542/- NC	2842542/-	633849/-	The para pertains recovery of royalty by M/S Dalmia Dadri Cement Works which have been taken over by Cement Corporation of India. Commissioner of payment appointed by Central Govt to discharge the liability of M/S Dalmia Dadri Cement Limited did not entertain. The claim of the Department as whole of the amount

of Rs. 84 lacs placed at his disposal exhausted in the discharge of the claim of 1st category. Matter has been referred to Govt. for writing off this amount.

—do—

Surface rent is not chargeable as land revenue had been abolished in Haryana.

Efforts are being made to recover this amount.

Para dropped.

Para dropped.

(VI) PARA RELATING TO NON/SHORT RECOVERY OF CONTRACT MONEY TO BE RECOVERED IN QUARTERLY MONTHLY INSTALMENT

45. 3/81-82	1177248/-	—	—	122115/-	(i) A sum of Rs. 44963/- is recoverable from following defaulter who have since died. Efforts are being made to recover the amounts from their legal heir.
NARNAUL					1. Sh. Bharat Singh 1248-40
46. 16/81-82	5489/-	1160/-	5489/-		2. Sh. Roshan Lal Chinarya 225-65
47. 19/78-81	3112/-	3112/-	3112/-		3. Sh. Maha Singh 11904-00
48. 7/81-82	4772/-	2287/-	4772/-		4. Sh. Jagat Ram 1792-00
GURGAON					5. Sh. Shamsher Singh 17410-00
49. 8/78-89	14592/-	—	—		6. Sh. Mathura Parshad 252-54
ROHTAK					7. —do— 12134-00
50. 2/81-82	19915/-	19915/-	19915/-		
51. 2/81-82	50725/-	50725/-	50725/-		
					Total 44963-54

1	2	3	4	5	6	7
						(ii) A sum of Rs 19844 is to be recovered from the defaulter residing outside the State and their present address are not traceable.
						1. Sh Suraj Bhan 2678-00
						2. Sh Mangat Ram 753-00
						3 Sh. Bhagwan Dass 930-00
						4. M/S Bhiwani Mining Association 15483-00
						Total 19844-00

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(iii) Efforts are being made to recover the balance amount of Rs 70540/- as arrears of land revenue

NARNAUL

53.	4 A/81-82	24500/-	—	—	24500/-	The amount pertains to Kharkhra quarry whose contract was taken by one Sh. Attar Singh in the name of his brother Sh. Satbir Singh who was a college student at that time, Sh Attar Singh died in an accident and contract was terminated for non-payment of contract money Shri Satbir Singh is representing that he was not liable to pay the contract money as his brother was the actual contractor and he did not derive any benefit from the contract
54.	4 B/81-82	29250/-	29250/- (stay)	29250/- (stay)	—	The contractor of Zerpur quarry has filed a Civil suit in Mohinderghar and

obtained the stay. The matter was fixed up for plaintiff's witness on 15.12.1994.

Para has been settled.

Detail of the defaulter of the balance amount is given below —

Name of defaulter	Name of quarry	Amount	Particular
1. Sh. Rabim Khan	Ravli	818.30	R.C. issued on 11.11.83 latest summons issued on 17.11.94. Efforts are being made to effect the recovery.
2. Sh. Mangtu Ram	Sampi-ki-Nagli	797.75	R. C. issued on 11.11.83 latest summons issued on 17.11.1994. Efforts are being made to recover the amount
3. Sh. Rahim Khan	Shahpur	395.85	R. C. issued on 11.11.83 latest summons issued on 17.11.94. Efforts are being made to recover the amount.

55. 7/79-80 9631/- 9631/- 9631/-

GURGAON

56. 5/78-81 116617/- 92350/- 102415/-

1	2	3	4	5	6	7
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Name of defaulter	Name of quarry	Amount	Particular
4. Sh Din Mohd.	Thekraka	905-40	R C. issued on 11-1-83 summons issued on 17-2-1983 & latest on 12.11.94. Party residing in district Faridabad Collector Gurgaon has been requested to send the R. C. to Collector Faridabad.

57. 4 (a)/81-82 276778/- 42334/- 91371/- 185407/-

Out of 18 parties recovery has been effected from 2 parties Position regarding remaining is as under :—

Name of defaulter	Name of quarry	Amount	Particular
1. Sh. Mangtu Feroze-Ram	'pur	2873/-	R C. was issued on 11-1-83 & latest on 19-11-94 summons were issued on 25-3-89 & 13-11-90 & 19-11-94. Efforts are being made to arrest the defaulter.
2. Sh. Ram Niwas	Nagla Devla	2333/-	R C. was issued on 11-1-83 latest summons were

issued on 8-2-83, 31-1-92 and latest on 17-11-94. Efforts are being made to arrest the defaulter.

3. Sh. Deen Mohd. Tbekraka 657/-
R.C. was issued on 14-1-83 latest summons were issued on 17-2-83, 17-4-83 Defaulter is residing in district Faridabad. Collector Gurgaon has been requested to send the recovery certificate to Collector Faridabad for recovery
4. Sh. Sharbat Hathan 4903/-
Gaon.
R.C. was issued on 11-1-83 summons were issued on 8-2-83, 10-3-84 and latest on 21-11-94. Efforts are being made to arrest the defaulter.
5. Sh. Krishan Gudhola 1583/-
Lal
R.C. issued on 14-2-1983 summons were issued on 18-2-83 and latest on 17-11-94. Efforts are being made to arrest the defaulter.
6. Sh. Kamsudin Khori 10150/-
R.C. was issued on 14-2-83 summons were issued on 18-2-83, and latest on 17-11-94 Efforts are being made to arrest the defaulter.
7. Sh. Samer Dhadoli 37639/-
Kalan.
R.C. was issued on 14-2-83 summons were issued on 18-2-83, 30-3-84 and latest on 17-11-94. Efforts are being made to arrest the defaulter.
8. Sh. Shel Shah 10356/-
Chaud
R.C. was issued on 7-3-86 summons were issued on 16-8-83, 12-84, 27-1-92 and latest on 17-11-94. Efforts are being made to arrest the defaulter
9. Sh. Sham Khor 13833/-
Kasdan Khurd
R.C. was issued on 7-3-86 summons were issued on 8-2-83, 21-1-86, 6-6-90 and latest on 17-11-94. Efforts are being made to arrest the defaulter.

1	2	3	4	5	6	7
	10. Sh. Abdul Gaffer	Sonkh	10139/-		R.C. was issued on 11-1-83, summons were issued on 8-2-83, 21-1-86 on 6-6-90 & latest on 17-11-94. Efforts are being made to arrest the defaulter	
	11. Sh. Khem Chand	Khor	30886/-		R.C. was issued on 14-2-83 summons were issued on 18-2-83, 16-8-84, and latest on 17-11-94. Effort are being made to arrest defaulter & surety.	
	12. Sh. Hanuman Dass	Tapkan	28415/-		Sub Judge Sirsa held that contracts granted were void and plaintiff was not liable to pay the contract money as possession of the quarries was not delivered. Appeal of State is fixed for arguments before Addl District Judge, Sirsa	
	13. Sh. Hanuman Dass	Khanpur Ghata.	20622/-		—do—	
	14. Sh. Mohd. Ilyas	Charora	26250/-		R C was issued on 11-1-83 summons were issued on 8-2-83, 10-3-84 & latest on 21-11-1993. Efforts are being made to effect the recovery from defaulter & surety.	
	15. Sh. Mohinder Singh	Gairatpur	1450/-		R.C. was issued on 11-1-83. Summons were issued on 8-2-83 whole of the contract money has been recovered. Efforts are being made to recover the balance amount of interest by persuasion	
	16. Sh. Kamal Khan & Associate.	Hazipur	12484/-		R.C. was issued on 14-3-86 and sent to Collector Delhi for recovery. A sum of Rs. 10,500/- has been recovered by Collector Delhi. Collector Delhi is being reminded to recover the balance amount	

Position regarding balance of Rs. 14387/- is as under :-			
58. 4(b)/81-82	40921/-	19650/-	26534/-
14387/-	14387/-	Name of defaulter	Name Amount of quarry
1. Sh Ram Niwas	Bhulawat	3592/-	R.C. was issued on 11-1-1983 summons were issued on 8-2-84, 27-7-85, 8-1-92 and latest on 17-11-94. Efforts are being made to arrest defaulter
2. Sh. Kupia Pehwan	Aminabad	5000/-	R.C. was issued on 30-3-83 summons were issued on 2-12-83 and latest on 17-11-94. Efforts are being made to recover the amount as arrears land revenue
3. Sh. Krishan Lal	Phlendi	5875/-	R.C. was issued on 31-3-83 Summons were issued on 7-12-83, 31-12-91 and latest on 17-11-94. Efforts are being made to arrest the defaulter
59. 7/81-82	97959/-	68591/-	82022/-
15937/-	15937/-	Position regarding balance Rs	15937/- is as under :-
Name of Depositor	Name of quarry	Name of Amount	Particulars
1. Sh. Raja Ram	Kota Khandewala	2912/-	R.C. was issued on 11-83 Summons were issued on 8-2-83 and latest on 17-11-94. Efforts are being made to arrest the defaulter.
2. Sh. Ram Niwas	Harchandpur	1125/-	R.C. was issued on 10-12-94. Summons were issued on 9-5-85 and latest on 17-11-94 Efforts are being made to arrest the defaulter.
3. Mohan Singh	Rehna	5250/-	R.C. was issued on 2-8-83. Summons were issued on 16-9-83. Defaulter is residing in district Rewari, Collector Gurgaon is being requested to send the R.C. to Collector Rewari.
4. Sh. Ibrahim Tapkan	Tapkan	1659/-	R.C. was issued on 12-8-83. Summons were issued 22-9-83, 28-2-84 and latest on 17-11-94. Efforts are being made to arrest the defaulter.

1	2	3	4	5	6	7
FARIDABAD						
60.	17/78-81	171126/-	153761/-	167593/-	3523/-	Efforts are being made to recover the amount
61.	9/78-81	704915/-	158971/- 256000/- NC 48080/-	384691/- 256000/- NC 48080/-	16144/-	Rs. 48080/- The defaulter Sh Keshav Dutt has expired. There is no property in the name of his legal heir. State Government is being approached for waiving off the amount. For Rs. 16144/- efforts are being made to recover the amount.
62.	10/78-81	286980/-	121000/-	154110/- Stay 104896/-	27974/-	The recovery of Rs 1,04,896/- pertaining to M/S Nihal Singh & Co. which has been stayed by the Hon'ble High Court. Efforts are being made to recover the balance amount of Rs 27974/-
SONEPAT						
63.	8/79-80	45521/-	38243/-	38243/-	7278/-	Warrants have been issued
AMBALA						
64.	18/79-80	14310/-	—	—	14310/-	Contractor and surety have expired There is no property in the name of legal heirs State Govt is being approached for writing off
65.	5/80-82	766791/-	763205/-	763905/-	2886/-	Recovery is being effected from Sh Dharam Pal by Collector Chandigarh in instalments
66.	8/80-82	51153/-	—	—	51153/-	The lessee Sh. M.L. Bathi has expired There is no property in the name of legal heirs. State Govt is being approached for writing off this amount.
67.	13/80-82	158298/-	32774/-	32774/-	125524/-	Out of Rs 125524/- a sum of Rs. 74260/- relates to defaulter residing outside the State Efforts are being made to recover the amount in other cases. A lessee is liable to pay royalty on the mineral despatched.
Grand total		3,11,49,909	28803487	2,94,38,389	17,11,520	

After going through the latest recovery position in respect of 67 paras the Committee recommend that a time schedule be fixed to settle the remaining 58 paras. The progress made in this regard alongwith the position of recovery be intimated to the Committee within a period of three months.

NON-TAX RECEIPTS

[94] 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 1989-90, revealed under assessment for losses of revenue amounting to Rs. 116.07 lakhs in 486 cases

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

“A sum of Rs. 116.07 lacs has been shown as recoverable in 486 cases of the department of Mines and Geology. This para has further been sub divided into following categories :—

	No. of cases	Amount (Rs. in lacs)
1. Non/Short recovery of royalty and interest	371	48.69
2. Non recovery of interest on belated payment	51	9.38
3. Non recovery of dead rent	17	1.95
4. Non recovery of contract money	41	47.73
5. Other irregularities	6	8.32
Total	486	116.07

Out of Rs. 116.07 lacs a sum of Rs. 27.89 lacs has been recovered leaving a balance of Rs. 88.18 lacs. Paras pertaining to 11 cases involving a sum of Rs. 16 thousand have been settled. Detail of communications from office of Accountant General (Audit) intimating settlement of the concerned para is given in the later part of the reply. Out of the balance of Rs. 88.02 lacs a sum of Rs. 1.18 lacs is not recoverable as per the advice of Law Department as permits were issued for this period of 1988-89. This amount was proposed to be recovered as penalty for non-obtaining of mining leases/ permit though BKO's had paid the due royalty regularly and obtained permit.

A sum of Rs. 15.51 lacs is not chargeable in view of quasi-judicial orders in the case of Pat Ram, Bar Gujjar Naurangpur quarries case, Ugrakheri zone of district Panipat and of Hazari Lal's case. A sum of Rs. 94245/- has been shown as the amount of para No. 2 pertaining to District Kurukshetra under the category of non recovery of dead rent.

Actually there is no such amount recoverable. For the remaining amount of Rs. 70.40 lacs, strenuous efforts are being made to recover the same.

The detail of each of the category separately is as under :—

1. Non Recovery of Royalty and Interest :

Under this category the cases pertaining to non/short recovery of royalty and interest from the lessee of minerals, royalty from brick kiln owners, contract money and 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 pecuniary loss to the Government. The plea of the brick kiln owners differentiate their cases from the normal cases of unauthorised extraction of other minerals on the ground that they 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 Government 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 lumpsum basis.

Out of Rs. 48.69 lacs a sum of Rs. 14.31 lacs has been recovered leaving a balance amount of Rs. 34.37 lacs. Out of this amount, a sum of Rs. 10.16 lacs is not chargeable in view of State Government letter dated 9-2-1989 and the advice of Law Department, and in view of quasi-judicial orders in the case of Ugrakheri, zone in Pat Ram's case etc. Paras involving a sum of Rs. 0.16 lacs has been dropped vide A.G. letter No. RAW/S/92-93/720-22 dated 9-11-92. For the remaining amount of Rs. 24.05 lacs strenuous efforts are being made to liquidate the amount.

2. Non recovery of Interest

This category relates to non recovery of Rs. 9.38 lacs from 49 parties in the form of interest on delayed payments, royalty from B.K.O. royalty on major mineral. 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. 9.38 lacs, a sum of Rs. 6.56 lacs have already been recovered. A sum of Rs. 57001/- from ACC' is not recoverable as they pay the royalty on the limestone by bank drafts and it took sometime in getting these drafts encashed and credited in the Government account. According to Audit interest for the period during which drafts were encashed is recoverable. Whereas company deposited the drafts on due dates thus are not liable to pay extra interest. The interest is chargeable upto the date of submission of bank draft. It was only the procedural delay. Strenuous efforts are being made for the recovery of balance amount of Rs. 2,25,108/-.

3. 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. 1.95 lacs was shown as recoverable. A sum of Rs. 0.94 lacs as dead rent has been shown as recoverable in respect of Kurukshetra district in para No. 2 of the inspection note, but there is no such para. A sum of Rs. 0.57 lac has been recovered leaving a balance amount of Rs. 0.44 lac for which strenuous efforts are being made for liquidating the same.

4. Non Recovery of Contract Money and Interest

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 upto Rs. 5 lacs or 1/12th of the bid amount in cash 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 at the rate of 24% (15% at the time of audit) per annum is charged on the delayed payments. In the instant case sum of Rs. 47.73 lacs has been shown to be recoverable in 41 cases. A sum of Rs. 4.84 lacs has already been recovered. A sum of Rs. 0.25 lacs is not recoverable in view of quasi-judicial decision in the case of Atela Kalan Plot No. 1 of district Bhiwani. One para of district Mohindergarh involving a sum of Rs. 0.36 lac has been dropped by A.G. Haryana vide their RAW/3/Other receipt/778-81, dated 7-12-1990. For balance amount of Rs. 42.28 lacs, recovery certificates have been issued against the defaulting parties for recovering these amounts as arrears of land revenue.

5. Other Irregularities

Under this category, the cases pertaining to deposit of security in the post office saving, short deposit of security and non forfeiture of security are included. Out of Rs. 8.32 a sum of Rs. 1.61 has been recovered. A sum of Rs. 5.35 is not chargeable pertaining to para No. 6 of district Mohindergarh and the audit team has dropped this para vide their communication No. RAW/S/OR/92-93/356-58 dated 15-8-92. For the remaining amount of Rs. 1.37 lacs, Haryana Minerals Limited a State Government undertaking has been requested to deposit the balance amount of security.

(i) The complete position has been explained above category wise. In view of the facts explained in the proceedings paras, collection of royalty/contract money is done at district level. Mining Officer posted in the district is assisted by Mining Clerk, Mining Accountant and Mining Inspector in this work. In view of the clarification given in the proceedings paras, there is no malafide or intentional lapse on the part of any one in not taking action for the recovery of the amount.

In reply to questionnaire (ii), it is stated that it is 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.

Remedial measures adopted by the Department to minimise the short/non recovery of royalty etc. are as under:—

- (i) An interest of 24% per annum is charged on delayed payment of royalty/contract money etc.
- (ii) To avoid assessment of No. of bricks sold by brick kiln owners for working out the royalty, now on the pattern of charging of lumpsum sales tax, royalty on brick earth is also being charged on lumpsum basis as per the category of brick kiln

depending upon kiln size. Now the system of charging royalty on brick earth is simplified which will go a long way in eliminating the short recovery/non recovery. The field Officers of the Department posted at district level have been directed to ensure that no amount be left in arrears which form part of audit paras later.

- (iv) Out of Rs. 116.07 lacs a sum of Rs. 27.89 lacs has been recovered leaving an amount of Rs. 88.18 lacs. Paras pertaining to one case involving Rs. 0.16 lacs have been settled. Out of remaining amount, a sum of Rs. 1.18 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 B.K.Os. had paid the royalty regularly and obtained quarrying permit. A sum of Rs. 43,225/- has been shown as the amount of para No. 2 pertaining to district Kurukshetra under the category of short/non recovery of dead rent. Actually there is no such amount. A sum of Rs. 15.51 lacs is not chargeable. For the remaining amount of Rs. 70.40 lacs, strenuous efforts are being made to recover the same."

During the course of oral examination, the Committee was informed that a sum of Rs. 70.39 lacs is still to be recovered under various categories. The Committee was further informed that a recovery of Rs. 11.92 lacs was stayed by the Courts. The Committee, therefore, recommends that strenuous efforts be made by the department to recover the balance amount within a stipulated period under intimation to the Committee. The Committee further desired that the cases which are pending in the Court be also pursued vigorously.

COOPERATION DEPARTMENT

[95] 5.1 Result 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 1989-90 revealed under assessment of losses of revenue amounting to Rs. 31 44 lakhs in 754 cases.

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

“In fact the audit objections in this para mainly falls in two categories i.e. non assessment/Short assessment of audit fee and non recovery/Short recovery. Regarding the assessment it is initially assessed provisionally at the minimum rates after close of the year. During the year the account of the societies are audited and the audited profits are available. It is only when the audited profits are available the final audit fee is assessed. Thus, there is a time gap between the initial assessment and the final assessment. Thus, there is no under assessment or short levy of audit fee. It may be added that the objection contained in para 5.6 regarding Asstt. Registrar Jind has also been taken in para 5.1. The matter has been fully investigated and explained in para 5.6.

The recovery of audit fee assessed depends upon the financial position of the Society. The financial position of some of the Cooperative Societies are not always sound. Thus the audit fee is realised when funds are available with the society. The instruction has been issued to the Assistant Registrar vide No. 29/3/85. Audit (6) dated 18-2-91 to examine the case of each and every cooperative Societies in whose case the audit fee is pending for more than 5 years and are brought under winding up then the audit fee is recovered on the realisation of assets.

There is an inbuilt system of checking of the audit fee as initial audit fee is always checked and it is revised on the availability of audited profits. Additionally there is a regular system to conduct review of assessment and recovery of audit fee under para 4.17 of the Consolidated Circulars of the Cooperative Department and others departmental instructions.

Out of the recoverable amount of Rs. 3144 lakhs Rs. 28.72 lakhs has been recovered and Rs. 2.72 lakhs are yet to be recovered. Efforts are being made by the Assistant Registrars to recover the amount and show it to auditors at the time of next audit. However, the recovery of the balance amount is watched

in the subsequent reports by the C.A.G. and thus it is requested that para may please be dropped.

During the course of oral examination, the Committee was informed that out of 754 cases of non assessment short assessment of Audit fee, 677 cases has since been settled and efforts are being made to settle the remaining 77 cases. The Committee, therefore, recommend that strenuous efforts be made by the department to settle these cases so that the balance amount of under assessment/non or short levy of tax etc. be recovered without any further delay and the progress made in this regard be also intimated to the Committee. To improve the efficiency and streamline the working of the field offices, the Committee recommend that senior officers of the department should make surprise checks in the field offices so that such type of irregularities be avoided in future.

During the course of oral examination held on 22nd August, 1994, the Committee asked for certain information in respect of the break up of the Co-operative Societies, but the department failed to furnish the required information till the finalisation of the report. The Committee further desired that the same may be sent within a period of one month for the persual of the Committee.

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
		6th report	
1.	Industries	8 (Sub para 1 to 6, 12, 13)	Investments.
		7th report	
2.	P.W D. (B&R)	33	Payment of work done.
		9th report	
3.	Industries	5 (2)	Credit facilities for development of small industries.
		11th report	
4.	Welfare of SC&BC	26	Loan for Social Welfare.
		14th report	
5.	Industries	16	Purchase of Cotton Yarn.
6.	Co-operation	44	Haryana State Co-operative supply and Marketing Fed., Ltd., Chandigarh.
		15th report	
7.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
		16th report	
8.	Industries	2 (a), (b) (i) and 2 (d)	Subsidy of setting up Industries Units in selected backward areas (Cases of M/s. B. K. Steel Rolling Mill, Tohana and M/s. Modern Industries, Charkhi Dadri)
		18th report	
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.
13.	Revenue	44	Under-valuation of immovable property.
		19th report	
14.	Public relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).

1	2	3	4
15.	Co-operation	25 (ii)	Co-operative Consumers stores.
16	Agriculture	28	Social conservation and water management works.
17.	Excise and Taxation	40	Loss of duty on excess wastage
18.	Transport	45 (a)	Short levy of token tax due to incorrect classification of vehicle
21st report			
19.	P.W.D. (Public Health)	12	Outstanding Recoveries against contractor
20.	Irrigation	14	Excess payment to contractor
21	Irrigation	15	Outstanding Recoveries against contractor.
22.	Irrigation	23	Arrears of water rates for supply of water for Irrigation/non-irrigation purpose
23.	Revenue	25	Result of Audit.
24	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
25.	Excise and Taxation	28	Result of test Audit in General.
26.	Excise and Taxation	29	Incorrect deductions.
27.	Excise and Taxation	30	Short levy of purchase Tax.
22nd report			
28.	Industries	10 (ii)	Industrial Estate.
29.	Industries	13 (iii)	Excess grants.
30.	Co-operation	16	Co-operative Consumer stores.
31	Co-operation	17	Haryana State Federation of Consumers Co-operative Wholesale Store Limited, Chandigarh.
32.	Irrigation	18	Remodelling and lining of Hansi Branch.
33.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement..
34	Agriculture	29 (5&6)	Alleged mis-appropriation of cash and stores.
35.	Revenue	39(6 (ii), 8)	Land holding tax
36.	Revenue	40	Non-levy of registration fee.
37.	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation.
38.	Excise and Taxation	53	Loss of duty on excess storage wastage.
39.	Excise and Taxation	54	Shortfall in duty.

1	2	3	4
40.	Excise and Taxation	56	Recovery due from contractor
		23rd Report	
41	Irrigation	29	Avoidable loss
42	Irrigation	31	Shortages.
43	Co-operation	34	Co-operative Consumer Stores.
44.	Co-operation	35	Haryana State Federation of Consumer, Co-operative wholesale Stores Limited Chandigarh.
45	Revenue	40	Undervaluation of immovable property
46.	Excise and Taxation	47	Uncollected Revenue
47.	Excise and Taxation	55	Result of test audit in general.
48	Excise and Taxation	57	Failure to initiate section to recover the licence fee
49	Excise and Taxation	58	Loss of duty on excess storage wastage.
50.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation
		25th report	
51.	Co-operation	5	Co-operative Consumer Stores.
52.	Colonization	9	Encroachment of Land.
53.	Colonization	11	Recoveries from plot holders
54.	Food and Supplies	15	Abnormal shortage/quality cuts on damaged wheat stocks.
55.	Transport	18	Theft of cash.
56.	Education	30	Embezzlement.
57.	Fisheries	31	Development of Fisheries.
58.	Irrigation	34	Pandit Jawahar Lal Nehru Lift Irrigation Scheme
59.	Irrigation	36	New Tajewala Barrage at Hathnikund.
60.	Excise and Taxation	54	Un-collected revenue
61.	Excise and Taxation	58	Incorrect computation of tax on interstate sales
62.	Excise and Taxation	65	Result of Audit.
63.	Excise and Taxation	66	Internal audit of tax assessment and collection
64.	Excise and Taxation	67	Irregular allowance for wastage.
65.	Excise and Taxation	68	Interest not recovered.
66.	Excise and Taxation	69	Failure to enforce licence conditions.
		26th report	
67.	Printing and Stationery	3	Loss due to fire.
68.	Revenue	10	Gratuations relief for cops/houses damaged

1	2	3	4
69.	Irrigation	20	Injudicious purchase of G.I. pipes.
70.	Irrigation	21	Defective Execution of earth work.
71.	Irrigation	22	Faulty measurements of work resulting in over payments.
72.	Civil Aviation	28	Irregular payment of customs duty.
73.	Transport	33	Fabrication of Bus bodies.
		Sub Para (5&6)	
74.	Transport	38	Irregular grant of exemption from Motor Vehicles Tax
75.	Revenue	40	Short recovery of stamps duty and registration fees due under valuation of immovable property.
76.	Revenue	41	Short levy due to mistake in computation.
77.	Excise and Taxation	49	Uncollected revenue.
78.	Excise and Taxation	55 (Food corp., Karnal)	Interest not charged.
79.	Excise and Taxation	61	Duty not recovered on split loss in bottling operation in excess of norms.
80.	Excise and Taxation	63	Non-recovery of licence fee and interest.
		28th report	
81.	Education	5	Irregularities in release/utilisation of grant.
82.	Irrigation	10	Masani Barrage Project.
83.	Irrigation	11	Excess payment.
84.	Irrigation	12	Avoidable expenditure on breach.
85.	PWD (B&R)	14	Shortage of Steel.
86.	Printing and Stationery	22	Stationery Branch.
87.	Printing and Stationery	23	Printing and issue of forms (Form Bianch).
88.	Police	26	Over-payment of daily allowance.
89.	Industrial Training	28	Avoidable expenditure.
90.	Development	29	National Rural Employment Programme.
91.	Development	30	Selection of works.
92.	Development	32	Irregular release of subsidy.
93.	Co-operation	34	Co-operative consumer store.
94.	Excise and Taxation	41	Registration of dealers under Sale Tax Act.
95.	Excise and Taxation	44	Non-recovery of licence fee and interest.
96.	Excise and Taxation	45	Interest not charged.
97.	Transport	48	Short levy of tax.
98.	Transport	49	Irregular grant of exemption or rebate.

1	2	3	4
99.	Revenue	52	Non-recovery of stamp duty
		29th report	
100	Education	6	Universal Elementary Education in the age group of 6—14 and Adult Education age group 15—35
101	Forest	8	Afforestation, Social Forestry & (including Rural fuel wood plantation) and farm forestry.
102	Irrigation	13	Major and medium irrigation projects.
103.	Irrigation	14	Financial results of Irrigation projects.
104.	Irrigation	15	Modernisation of existing channel
105.	Irrigation	16	Water logging
106	Irrigation	17	Excess issue of coal.
107	Irrigation	18	Injudicious purchase
108	Irrigation	21	Misappropriation
109	Irrigation	22	Miscellaneous Public Works Advances.
110.	Development	32	Forestry sector.
111	Excise and Taxation	41	Assessments in arrears.
112.	Excise and Taxation	46	Application of incorrect rate of tax.
113.	Excise and Taxation	47	Non levy of penalty.
114.	Excise and Taxation	50	Non levy of penalty.
115.	Excise and Taxation	51	Non levy of penalty.
116.	Excise and Taxation	52	Short levy of surcharge.
117.	Excise and Taxation	53	Interest not charged.
118.	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion.
119	Transport	58	Result of Audit
120.	Revenue	62	Results of Audit.
121	Revenue	63	Under valuation of immovable property.
122.	Revenue	64	Under valuation of immovable property.
123	Revenue	65	Non levy of stamp duty.
124.	Revenue	66	Mistake in calculations.
125	Revenue	67	Misclassification of Instruments.

1	2	8	4
126.	Revenue	68	Short levy of line on late Presentation of documents for registration.
127.	Revenue	69	Other topics of interest.
128.	Revenue	70	Arrears of stamp duty and registration fee.
129.	Industries	71	Result of Audit
32nd report			
130.	Industries	4	Development of Small Scale Industries.
131.	Industries	6	Outstanding recovery of loan.
132.	Industries	7	Shortages of power connections.
133.	Industries	8	Alleged Misappropriation.
134.	Irrigation	9	Un-authorised purchases.
135.	Irrigation	10	Excess measurements.
136.	Irrigation	11	Injudicious purchase of machinery.
137.	Irrigation	12	Misappropriation.
138.	Irrigation	13	Wasteful expenditure on purchase of tractors.
139.	Irrigation	14	Recovery due from contractors.
140.	Irrigation	15	Remodelling of Chandeni Drain.
141.	Irrigation	16	Wasteful expenditure.
142.	Irrigation	18	Shortage of material.
143.	Irrigation	19	Misappropriation of lime
144.	Irrigation	20	Shortage of stores.
145.	Animal Husbandry	21	Expansion of existing and opening of new Intensive Care-Cattle Development Project (ICDP).
146.	Home	24	Blockade of funds/nugatory expenditure.
147.	Revenue	25	Inadmissible payment.
148.	P W D (B&R)	30	Avoidable extra expenditure.
149.	Town & Country Planning (HUDA)	32	Avoidable expenditure/over payment to a contractor.
150.	Town & Country Planning (HUDA)	33	Recoveries due from a contractor.
151.	Town & Country Planning (HUDA)	34	Non-Completion of reservoir.

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152.	Town & Country Planning (HUDA)	35	Alleged embezzlement
153.	Town & Country Planning (HUDA)	36	Loss due to defective storage of cement.
154.	Town & Country Planning (HUDA)	37	Shortages.
155.	Town & Country Planning (HUDA)	38	Fictitious consumption of material
156.	Public Health	41	Urban water supply and sewerage scheme.
157.	Public Health	42	Commencement of work without sanction
158.	Public Health	43	Extra expenditure due to defective work.
159.	Public Health	44	Inflated measurements.
160.	Industries	47	Uncollected revenue.
161.	Industries	48	Result of Audit.
162.	Industries	49	Short recovery or non-recovery of royalty on bricks.
163.	Irrigation	54	Non-recovery of lease money.
164.	Agriculture	56	Embezzlement of licence fee money
165.	Revenue	59	Result of Audit
166.	Revenue	60	Incorrect application of rates
167.	Excise and Taxation	61	Uncollected revenue.
168.	Excise and Taxation	69	Irregular levy of tax at concessional rate.
169.	Excise and Taxation	71	Interest, penalty not charged
170.	Excise and Taxation	74	Non-levy or short levy on duty on excess wastage.
171.	Excise and Taxation	76	Non-pursuance of demand drafts.
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172.	Animal Husbandry	3	Special employment to educated Youngmen/ Women in rural area through Dairy Development.
173.	Animal Husbandry	4	Non-recovery of dues.
174.	Development and Panchayats	6	Over due recoveries.
175.	Development and Panchayats	7	Loss of plants.
176.	Development and Panchayats	8	Irregular and wasteful expenditure on books.
177.	Industries	11	Misutilisation and excise release blockade of funds.

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178.	Industries	12	Review of the functioning of a few Industries.
179.	Transport	21	Record of old spring leaves.
180.	Home	24	Modernisation of State Police Force
181.	Home	25	Absence of area/Project approach.
182.	Home	26	Police station without vehicles
183.	Education	27	Outstanding inspection reports.
184.	Revenue	29	Land reforms
185.	Revenue	30	Compensation to landowners
186.	Revenue	31	Consolidation of holding.
187.	Irrigation	32	Payment for work not measured.
188.	Irrigation	33	Substandard Work
189.	Irrigation	34	Injudicious purchase
190.	Irrigation	35	Idle/Under utilised draglines.
191.	Irrigation	36	Defective lining
192.	Irrigation	37	Extra liability due to retendering.
193.	Irrigation	39	Recovery due from contractor.
194.	Irrigation	41	Defective/fictitious-earth work
195.	Irrigation	42	Shortages.
196.	Irrigation	43	Shortage of material.
197.	Food & Supplies	45	Avoidable payment of interest.
198.	Food & Supplies	47	Under Storage of wheat.
199.	Food & Supplies	48	Excess cartage payment.
200.	Local Government	49	Slum clearances and economically weaker sections housing programme.
201.	Social Welfare	51	Haryana State Social Welfare Advisory Board.
202.	Medical and Health	52	Uncollected revenue.
203.	Medical and Health	53	Embezzlement of fees and other dues
204.	Industries	54	Interest not charged.
205.	Mines and Geology	55	Uncollected revenue.
206.	Mines and Geology	56	Non-recovery/short recovery of royalty.
207.	Mines and Geology	58	Short assesment of royalty.

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208	Excise and Taxation	62	Assessments in arrears
209	Excise and Taxation	63	Uncollected revenue
210.	Excise and Taxation	64	Internal control and internal audit.
211.	Excise and Taxation	66	Short levy/non-levy of purchase tax.
212	Excise and Taxation	67	Irregular grant of exemption.
213	Excise and Taxation	68	Incorrect computation of taxable turnover
214.	Excise and Taxation	69	Non-Levy of penalty.]
215.	Excise and Taxation	70	Not filing the quarterly returns.
216.	Irrigation	71	Receipts from Canal waters
217.	Irrigation	72	Arrears of Revenue.
218.	Irrigation	73	Short recovery of water charges.
219.	Irrigation	74	Non-raising of demand.
220	Irrigation	75	Revenue forgone due to non levy of special rate.
221.	Transport	77	Application of incorrect rates of tax.
222.	Chief Electrical Inspector	78	Uncollected revenue
223	Chief Electrical Inspector	80	Arrears of electricity duty.
224	Chief Electrical Inspector	81	Reconciliation of treasury receipts.
225.	Public Health	82	Results of Audit
226.	Revenue	83	Results of Audit.
227.	Revenue	84	Under valuation of immovable property
228.	Revenue	85	Incorrect exemption.
229.	Revenue	86	Short recovery of stamp duty on exchange deeds

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230.	Local Self Government	3	Non-recovery of Government dues
231.	Printing and Stationery	5	Idle printing machine.
232.	Printing and Stationery	6	Infructuous expenditure.
233.	Food and Supplies	7	Loss due to storage of wheat.
234.	Food and Supplies	8	Availible incidence of interest.
235.	Transport	9	Irregular payment of overtime allowance.

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236	Social Welfare	10	Integrated child development services
237	Social Welfare	11	Rescue Homes, rehabilitation Centres and other similar Institutions
238	Social Welfare	12	National Project on the demonstration of improved Chulhas
239	Industries	13	Non-utilization of loan.
240	Town and Country Planning	14	Integrated development of small and medium towns
241	Town and Country Planning	15	Implementation of Projects
242	Town and Country Planning	16	Loss on auction of a shop-cum-flat
443	Industrial Training	17	Implementation of the Apprentices Act, 1961
244	Revenue	18	Inadmissible gratuitous relief.
245	Civil Aviation	19	Procurement operation and maintenance of aircraft
246	Public Health	20	Acceptance of sub-standard material
247	Public Health	21	Recovery due from a contractor.
248	Public Health	23	Construction of a water tank
249	Public Health	24	Mis-appropriation of stores
250	Haryana State Lotteries	25	Suspected misappropriation of Government money
251	P.W.D. (B&R)	26	Defective work
252	P.W.D. (B&R)	27	Extra liability due to retendering
253	P.W.D. (B&R)	29	Excess measurements.
254	P.W.D. (B&R)	30	Injudicious purchases
255	P.W.D. (B&R)	31	Mis-appropriation of stores
256	Agriculture	33	Assistance to small and marginal farmers for increasing agricultural production.
257	Agriculture	34	Evaluation.
258	Irrigation	35	Western Jamuna Canal Augmentation Project.
259	Irrigation	36	Non-recovery of Government dues of Rs. 0.70 lakh.
260	Irrigation	37	Shortage of stores.

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261.	Irrigation	38	Unfruitful expenditure
262.	Irrigation	39	Outstanding Audit observations
263.	Power (HSEB)	41	Acquisition of land.
264.	Revenue	42	Outstanding Inspection report.
265.	Revenue	43	Results of Audit.
266.	Revenue	44	Under-valuation of immovable property.
267.	Revenue	45	Irregular grant of exemption.
268.	Revenue	46	Misclassification of instruments.
269.	Revenue	47	Mistakes in calculation
270.	Revenue	48	Uncollected Revenue.
271.	Mines and Geology	50	Non-recovery/short recovery of royalty.
272.	P.W.D. (B&R)	51	Results of Audit
273.	Excise and Taxation	52	Assessments in arrears.
274.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
275.	Excise and Taxation	54	Uncollected Revenue (State-Excise)
276.	Excise and Taxation	55	Uncollected Revenue (Sales Tax)
277.	Excise and Taxation	57	Outstanding inspection reports.
278.	Excise and Taxation	58	Result of Audit (Sales Tax)
279.	Excise and Taxation	59	Short levy/non-levy of purchase tax.
280.	Excise and Taxation	62	Incorrect computation of taxable turnover.
281.	Excise and Taxation	63	Incorrect grant of exemption
282.	Excise and Taxation	65	Exemptions allowed in assessment.
283.	Excise and Taxation	67	Results of Audit.
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284.	Social Welfare	1	Education and Welfare of the Handicapped
285.	Social Welfare	2	Scholarships (Centre) to Physically handicapped.
286.	Social Welfare	3	Un-employment allowance to physically handicapped student.
287.	Social Welfare	4	Handicapped persons pension scheme
288.	Social Welfare	5	Monitoring and Evaluation
289.	Public Relations	7	Field Publicity.

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290	Public Relations	8	Publicity campaign regarding welfare of Scheduled Castes (SC)
291	Public Relations	9	Rural Community Theatre Unit (RCTU)
292	Public Relations	10	Promotion of Cultural Activities.
293	Public Relations	11	Monitoring and evaluation.
294	Science and Technology	12	Integrated Rural Energy Programme.
295	Science and Technology	13	Physical Progress.
296	Science and Technology	14	Distribution/accountal of solar cookers.
297	Science and Techonology	15	Infructuous expenditure on installation of wind mills.
298	Science and Technology	16	Evaluation and monitoring.
299	Medical and Health	17	Embezzlement.
300	Medical and Health	18	Stores and Stock.
301	Labour and Employment	19	Inadmissible payments.
302	Home	20	Injudicious purchase of cloth.
303	Revenue	21	Irregular drawal of Grautitous relief.
304	Revenue	22	Embezzlement.
305	Education	23	Embezzlement.
306	Agriculture	25	Outstanding inspection reports and paragraphs.
307	Irrigation	26	Sub standard execution of work.
308	Irrigation	27	Under utilisation of Crawler Tractors.
309	Irrigation	28	Excess payment of Earth Work.
310	Irrigation	29	Misappropriation of cement.
311	Irrigation	30	Introductory.
312	Irrigation	31	Reserve stock limit.
313	Irrigation	32	Surplus material.
314	Irrigation	33	Tools and Plants/T & P returns.
315	Irrigation	34	Other point of interest.
316	Irrigation	35	Shortage/misappropriation of material.
317	Irrigation	36	Shortage of tiles,

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318.	P. W.D. (B&R)	37	Fictitious measurements.
319.	P W.D (B&R)	38	Outstanding inspection reports and paragraphs
320.	Public Health	39	Rural Water Supply Scheme
321	Public Health	40	Extra expenditure due to defective execution of work.
322.	Public Health	41	Excess payment to the contractor
323.	Public Health	42	Excess Payment
324.	Public Health	43	Shortage of material
325	Town & Country Planning (HUDA)	44	Allotment of work without tenders
326.	Town and Country Planning (HUDA)	45	Acceptance of tender at higher rate
327.	Sports	46	Excess payment of giants.
328.	Food and Supplies	47	Extra Expenditure.
329	Mines and Geology	49	Outstanding inspection reports
330	Mines and Geology	50	Results of Audit
331	Mines and Geology	51	Receipts from Mines and Minerals
332	Mines and Geology	52	Non-realisation/short realisation of royalty.
333	Mines and Geology	53	Non-realisation/short realisation of contract money.
334	Mines and Geology	54	Non-recovery of price on mineral illegally extracted
335	Agriculture	55	Results of Audit
336.	Agriculture	56	Interest not charged on Belated payments.
337.	P.W.D. (B&R)	57	Outstanding inspection reports
338	P W.D. (B&R)	58	Recovery of rent in respect of Government residential buildings.
339	P.W.D (B&R)	59	Irregular allotment of accommodation to private persons and non-recovery of rent at market rates.
340.	P W.D. (B&R)	60	Short recovery of rent.
341.	P.W.D. (B&R)	61	Arrears of rent.
342.	P.W.D. (B&R)	62	Sale of empty bitumen drums.
343.	Revenue	63	Outstanding inspection reports.

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344	Revenue	64	Results of Audit
345.	Revenue	65	Under-valuation of immovable property
346	Revenue	66	Evasion of stamp duty and registration fee as a result of mis-classification of instruments.
347	Revenue	67	Evasion of stamp duty and registration fee through power of attorney
348.	Revenue	68	Misclassification of instruments
349	Revenue	69	Recovery at the instance of audit
350.	Excise and Taxation	70	Assessments in arrears.
351	Excise and Taxation	71	Uncollected revenue.
352.	Excise and Taxation	72	Outstanding inspection reports.
353	Excise and Taxation	73	Results of Audit
354.	Excise and Taxation	74	Registration of dealers under the Sales Tax Acts
355.	Excise and Taxation	75	Delay in disposal of applications for registration.
356.	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court..
357.	Excise and Taxation	77	Non-levy/short levy of purchase tax.
358.	Excise and Taxation	78	Evasion of tax.
359	Excise and Taxation	79	Suppression of purchases
360	Excise and Taxation	80	Incorrect deduction from turnover.
361.	Excise and Taxation	81	Irregular stay of tax and interest
362.	Excise and Taxation	82	Non-levy of penalty.
363.	Excise and Taxation	83	Non-production of assessment files
364.	Excise and Taxation	84	Results of Audit
365.	Excise and Taxation	85	Non recovery of loss on re-auction of Vend.
366	Excise and Taxation	86	Loss of Excise duty due to issue of forged permit
367.	Excise and Taxation	87	Recovery at the instance of Audit.
368.	Excise and Taxation	88	Non-levy of goods tax on vehicles belonging to State Govt. Undertakings.

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