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HARYANA VIDHAN SABHA
PART C ACCOUNTS COMMITTEE
(1995-96)
(FORTY SECOND REPORT)
REPORT
ON THE
REPORTS OF THE
Comptroller and Auditor General
of India for the year ended
31 March 1991
31 March 1992
31 March 1993
(CIVIL AND REVENUE RECEIPTS)



Presented to the House on 08th March, 1996

HARYANA VIDHAN S
CHAM

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRMAN

1. Shri Hari Singh Nalwa

MEMBERS

2. Smt. Chandrawati

3. Shri Azmat Khan

4. Dr. Om Parkash

5. Shri Amir Chand Makkar

*6. Shri Satbir Singh Kadian

*7. Shri Jaswinder Singh

8. Shri Chhattar Singh Chauhan

9. Shri Ram Bilas Sharma

**10. Shri Mani Ram Keharwala

**11. Shri Phusa Ram

SECRETARIAT

1. Shri Sumit Kumar

Secretary

2. Shri Kuldip Singh

Deputy Secretary

*Resigned from the Membership of the Haryana Vidhan Sabha w.e.f. 2nd November, 1995.

**Nominated as member of the Committee on Public Accounts for the remaining period of the year 1995-96 against the vacancies caused by the resignations from the membership of the Haryana Vidhan Sabha of Sarvshri Satbir Singh Kadian and Jaswinder Singh MLAs.

(v)

INTRODUCTION

1. The Chairman of the Public Accounts Committee having been authorised by the Committee in this behalf, present this Forty Second Report on the Reports of the Comptroller and Auditor General of India for the years ended 31st March, 1991, 31 March, 1992 and 31st March, 1993 (Civil and Revenue Receipts).

2. The Reports of the Comptroller and Auditor General of India for the years ended 31st March, 1991, 31st March, 1992 and 31st March, 1993 (Civil) were laid on the Table of the House on 21st December, 1992, 30th August, 1993 and 12th September, 1994 respectively. Similarly the Reports of the Comptroller and Auditor General of India for the years ended 31st March, 1991, 31st March, 1992 and 31st March, 1993 (Revenue Receipts) were laid on the Table of the House on 13th July, 1992, 12th March, 1993 and 28th February, 1994 respectively.

3. The Committee during its tenure examined the representatives of concerned departments orally on the Reports of Comptroller and Auditor General of India for the year ended 31 March, 1991, 31 March, 1992 and 31 March, 1993 (Civil and Revenue Receipts). The Committee also made on-the-spot study in order to make an assessment of the actual working of various projects/departments.

4. The Committee considered and approved this Report at their sitting held on 21st February, 1996

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 21st February, 1996

HARI SINGH NALWA
Chairman

REPORT

GENERAL

1. The Committee for the year 1995-96 was nominated by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 7th March, 1995, authorising him to nominate the members of the Committee on Public Accounts for the year 1995-96 on 24th April, 1995.

2 The Committee held 85 meetings in all at Chandigarh and other places upto 21st February, 1996.

PART-I (CIVIL)

IRRIGATION DEPARTMENT

[3] 3.3 *Command Area Development Programme*3.3.1 *Introduction*

The Command Area Development Programme (CADP) was launched in 1974-75 as a Centrally sponsored scheme. The main objective of the programme was to bridge the gap between the irrigation potential created and that utilised and also to improve productivity/production in selected irrigated commands. For implementing the scheme in Haryana, the command area of the following four irrigation projects were selected and approved by the Government of India :

- (i) Gurgaon Canal Command in Gurgaon and Faridabad Districts;
- (ii) Jui Lift Irrigation Command in Bhiwani District;
- (iii) Rewari Lift Irrigation Command in Rohtak and Bhiwani Districts; and
- (iv) Jawahar Lal Nehru (JLN) Lift Irrigation Command in Rohtak, Bhiwani and Mohindergarh Districts.

The programme broadly envisaged; (i) On-Farm Development (OFD) (ii) Land levelling (iii) Development of field channels (iv) Proper system of Warabandi* (v) Selection and introduction of suitable cropping patterns.

3.3.2 *Organisational set-up*

The Administrator, Command Area Development Authority (CADA) Hisar is in overall charge of the programme. Six Command Area Development Agencies were also set up at Bhiwani, Faridabad, Gurgaon, Narnaul, Rewari and Rohtak during 1976 to 1990 to assist CADA in implementing the programme of the projects in their respective districts.

Construction/lining of field channels was earlier being done by the Haryana State Minor Irrigation and Tubewells Corporation Limited (HSMITC) as deposit work of CADA. However, control of the concerned ten Divisions (Rohtak : 4, Jhajjar : 2, Dadri : 2, Faridabad : 1 and Rewari : 1) of HSMITC was taken over by CADA from April 1988.

3.3.3 *Audit coverage*

Mention was made about the implementation of this programme in the Audit Report (Civil) 1982-83 Government of Haryana.

Note : The abbreviations appearing in this Review are listed alphabetically and explained in the glossary at Appendix - X, (Page 223—224).

* Warabandi is a system of equitable distribution of water by turn.

The present review covers the results of test-check (December 1990—April 1991) of the records of the CADA Hisar, all six Command Area Development Agencies and ten CADA Divisions for the period from 1985-86 to 1990-91.

3.3.4 Highlights

—Against an outlay of Rs. 4123.53 lakhs, an expenditure of Rs. 4142.01 lakhs was incurred during 1985-86 to 1990-91.

(Paragraph 3.3.5 (a))

—Against the permissible limit of 20 per cent of the total expenditure, expenditure on establishment was 21 per cent and 33 per cent in 1988-89 and 1989-90 respectively.

(Paragraph 3.3.5 (b))

—Irrigation potential created could only be utilised to the extent of 25 per cent to 38 per cent.

(Paragraph 3.3.6)

—Against the target of 15,700 hectares, land levelling on 12,488 hectares of land could be arranged during 1985-86 to 1990-91.

(Paragraph 3.3.8)

—Unspent balance of Rs. 848.51 lakhs had not been got refunded from Haryana State Minor Irrigation and Tubewells Corporation Limited.

(Paragraph 3.3.12 (i))

These points are discussed in detail in the succeeding paragraphs.

3.3.5 (a) Financial outlay and expenditure

The programme is financed through three sources viz, (i) State outlays (ii) Central assistance on matching basis for certain selected activities in the form of grant and loans and (iii) Institutional finance.

Upto 1984-85, an expenditure of Rs. 957.25 lakhs had been incurred on the programme. The position of financial outlay, funds made available by Centre and State Governments (funds from financial institutions were not obtained by CADA) and actual expenditure during 1985-86 to 1990-91 was as under :

Year	Central Assistance		Total Central Outlay	State Outlay	Total Central and State Outlay	Expenditure
	Grant	Loan				
(In lakhs of rupees)						
1985-86	137.73	39.05	176.78	222.69	399.47	399.47
1986-87	139.47	89.93	229.40	198.35	427.75	427.75
1987-88	265.78	—	265.78	235.09	500.87	500.87
1988-89	543.04	—	543.04	442.36	985.40	985.40
1989-90	497.61	—	497.61	292.11	789.72	789.72
1990-91	510.16	—	510.16	510.16	1020.32	1038.80
Total			2222.77	1900.76	4123.53	4142.01

(b) CADA establishment

According to the instructions issued by the Government of India (October 1986) the total cost on establishment of CADA, including that of staff of the Department, should be kept to the minimum and should not exceed 20 per cent of the total expenditure under the programme. It was, however, noticed that cost on establishment of CADA and Secretariat staff was 21 per cent and 33 per cent of the total expenditure incurred on the programme during 1988-89 and 1989-90 respectively as detailed below :

Serial Number	Year	Total expdn-diture	Expenditure on establishment	Percentage over total expenditure
(In lakhs of rupees)				
1.	1988-89	985.40	210.53	21
2.	1989-90	789.72	257.27	33

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

The total expenditure on CAD scheme during 1989-90 was Rs. 1054.87 lacs instead of Rs. 789.72 lacs. The percentage over total expenditure comes to 24 per cent. The excess expenditure on establishment is mainly attributed to increase in Dearness Allowance instalments sanctioned by the Haryana Govt. from time to time which is beyond control due to heavy rise in price index. However, the position of establishment remained within the sanctioned strength

3.3.5 (b) Command Area Development Programme

During the course of oral examination the Committee was informed that the total expenditure on CAD scheme during the year 1989-90 was Rs. 1054.87 lacs instead of Rs. 789.72 lacs. The Committee, therefore, desire that these figures be got reconciled with the AG so that the expenditure incurred on the programme be calculated properly.

[4] 3.3.6 Utilisation of created irrigation potential

The main objective of the programme was to increase utilisation of irrigation potential created.

The position of irrigation potential created and utilised during 1985-86 to 1989-90 was as under :

Year	Potential created	Potential utilised	Percentage of utilisation
(In hectares)			
1985-86	174	44	25
1986-87	176	60	34
1987-88	189	65	34
1988-89	195	65	33
1989-90	202	76	38

Shortfall in the utilisation of potential created was attributed (July 1991) by the CADA to non-availability of water owing to non-construction of Satluj Yamuna Link channel in Punjab territory

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

The Haryana Govt. have recently approved Water Resources Consolidation Project with the World Bank Aid with the following objectives :—

1. To save water by lining of the channels and water courses.
2. To improve the maintenance of the irrigation channels for equitable distribution of water.

3.3.6 Utilisation of created Irrigation potential

The Committee after going through the figures of Irrigation potential created and utilised during the year 1985-86 to 1989-90, recommends that where there is no feasibility the department should stop the wasteful expenditure in those area till the SYL Channels is got completed.

[5] 3.3.8 Land levelling and shaping

The primary objective of land levelling/shaping is to ensure

even spread of water into the fields and drainage of excess irrigation/rain water from the fields without water-logging and soil erosion. Against the provision of Rs. 63.40 lakhs for land levelling on 15,700 hectares of land during 1985-86 to 1990-91, land levelling was done on 12,488 hectares of land with a total cost of Rs. 54.06 lakhs. CAD Agencies attributed the shortfall to deployment of insufficient number of tractors by the Haryana Land Reclamation and Development Corporation Limited (HLRDC).

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

As already submitted in reply to questionnaire no. 3.3.7 supra, the farmers are showing a little interest in levelling of their lands. Preferring Sprinkler irrigation system to have change in cropping pattern. In this way, no time is left for levelling of the land. Thus none is responsible for the minor shortfall.

3.3.8 Land Levelling and Shaping

After hearing the departmental representatives the Committee observed that the farmers are taking little interest in levelling of their lands. The Committee, therefore, recommends that no amount be spent on this scheme in future keeping in view the less interest taken by the farmers and the said scheme be disband.

[6] 3.3.11 Activities not implemented

A provision of Rs. 16.56 lakhs was made during 1987-88 to 1989-90 for (i) Management subsidy for farmer's participation (Rs. 6.56 lakhs), (ii) Setting up of farmer's training institute (Rs. 6.00 lakhs) and (iii) Water Management (Rs. 4.00 lakhs). These activities were not taken up. (July 1991).

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

According to the instructions issued by Govt. of India the Watercourses on their completion are to be handed over to farmers societies for maintenance and to smooth running purposes. The farmers are not ready to come forward to become members of the societies with a view to spend extra amount from their pocket for maintenance; while the Haryana State Minor Irrigation Tubewells Corporation is maintaining watercourses constructed by them at the cost of State exchequer. All possible efforts are being made to move the Govt. to review its policy as per pattern implemented by HSMITC. However 162 farmers societies have so far been registered for the purpose.

3.3.11 Activities not implemented

The Committee was informed that a provision of Rs. 16.56 lacs was made during the year 1987-88 to 1989-90 for various activities

but the said activities were not taken up till July, 1991. The Committee is not satisfied with the explanation given by the department and therefore desire that a break up of this amount i.e. Rs. 16.65 lacs be submitted to the Committee for its consideration.

(7) 4.1 *Purchase of bricks at higher rates*

In the Construction Division, Panipat, tenders for the supply of 18 lakh bricks required for the lining of Second Feeder Channel of Thermal Power Plant Panipat (envisaged to be completed by 31st March, 1989) were opened on 6th December 1988. The lowest tendered rate was Rs. 525 per thousand bricks. The Executive Engineer (EE), however, recommended (19th December 1988) a uniform rate of Rs. 515 per thousand bricks to the Superintending Engineer (SE) for his approval, and also requested him repeatedly to expedite approval as the rates of bricks were likely to increase and the work was to be completed in a short span.

The EE purchased 5 lakh bricks on 10th January, 1989 in anticipation of sanction of rates and also sought permission (11th January, 1989) of the SE to get the bricks reserved at any kiln site where available to meet any contingency. The SE accorded approval for purchase of 4 lakh bricks on 18th January 1989 and again for 4 lakh bricks on 23rd January 1989 against the tendered quantity of 18 lakh bricks. By that time, the rates of bricks went up and the contractors refused to make further supply on the sanctioned rates.

Tenders for the balance quantity of 13 lakh bricks were invited (May 1989) and the lowest tendered rate of Rs. 620 per thousand bricks was approved (June 1989) by the Superintending Engineer. The contractor supplied 1.82 lakh bricks only and thereafter suspended the supplies due to further rise in rates. To meet with the requirements, the Division purchased 8.18 lakh bricks from the market (February 1990) at the rates (ranging between Rs. 652 and Rs. 693 per thousand) fixed by the Deputy Commissioner.

Thus, delay in the approval of rates by the Superintending Engineer, despite repeated requests and a specific indication of rising trend of market rates of bricks by the Executive Engineer, resulted in an extra expenditure of Rs. 1.46 lakhs on the purchase of 10 lakh bricks at higher rates.

The matter was reported to Government in May 1991; reply has not been received (February 1992).

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

1.3 The tenders for the supply of 18 lacs bricks required for the lining of 2nd-Feeder Thermal Channel for Panipat

Thermal Power Plant were invited to be opened on 6-12-1988. The then Superintending Engineer, Construction Circle No. I, Rohtak had accorded necessary sanction for the purchase of 10.40 lac bricks according to his best judgement taking into account the immediate requirements on the works under execution at that time and consumable within next 3-4 months in view of the restrictions imposed by the C.E./E.I.C. before the expiry of validity period of the tender, as under :-

Sr. No.	Qty. of bricks	Sanction No.	Date
1.	2.40 lacs	No. 9463/118W	dated 5-12-88
2.	4.00 lacs	No. 295/14-W/R	dated 18-1-89
3.	4.00 lacs	No. 485/14W/R	dated 23-1-89.

The Brick Kiln Owner could supply only 7.40 lacs bricks against these sanctions on account of heavy increase in the cost of bricks due to rise in the cost of the Coal by the Government of India. The supply of bricks as on Work Order basis conditions of which do not force the Agency to complete the supplies. In this case tenders were again approved for 13.00 lacs bricks during 6/89 at the rate of Rs. 620/ per thousand of bricks but the Brick Kiln Owner suspended further supplies of bricks after making supply of 1.82 lacs bricks only. The main reasons for suspension of supplies was heavy rise in the cost of bricks.

Finding no alternative and to ensure completion of works, it was considered to purchase the bricks from the open market at the prevalent D.Cs rates. Thus the action on part of each officer was in public interest and as such no action is called for against them.

4. The incurring of extra expenditure of Rs. 1.46 lakh has been explained fully in the preceding replies. Moreover the material was purchased against the deposit works of Haryana State Electricity Board, the cost of which has since been recovered.
5. The works have since been completed and handed over to Panipat Thermal Power Plant, for feeding the Thermal Power Plant.

4.1 Regarding purchase of bricks at higher rates

After going through the facts of this case the Committee observed that the said work should be allotted on the contract basis instead of work order basis. The Committee is not satisfied with the explanation given by the department and therefore, recommends that the brief facts of this case be sent to the Committee at the earliest for its consideration.

[8] 4.2 *Extra expenditure due to injudicious decision*

In the Canal Lining Division No. 26, Bhiwani, tenders for supply of 34.50 lakhs bricks (for Pillana Minor : 13.50 lakhs and for Katasara Minor : 21 lakhs) were invited and opened in July 1987. The lowest negotiated rate of Rs. 385 per thousand bricks offered by contractor 'A' for both the works were recommended by the Executive Engineer to the Superintending Engineer (SE) in December 1987.

The SE recommended the rate of contractor 'A' for supply of 13.50 lakh bricks required for the Pillana Minor to the Chief Engineer (CE) for approval. But he returned the tender case relating to supply of 21 lakh bricks required for Katasara Minor to the Executive Engineer, stating that the rates were on the higher side (December 1987). The rates relating to supply of 13.50 lakh bricks for Pillana Minor were approved by the CE (January 1988).

In the mean time, tenders for the supply of 27 lakh bricks for another work, 'Lining of Kalanaur Minor' were invited (August 1987) and the lowest rate of Rs. 385 per thousand of contractor 'B' was approved by the Chief Engineer in January 1988 with instructions that any increase in quantity would be subject to his prior approval.

The Executive Engineer, instead of resubmitting the tender case relating to supply of bricks for Katasara Minor, sought approval of the SE for closing the tender case of contractor 'A' and also proposed (June 1988) for enhancement of the quantities from 27 lakhs to 50 lakhs of contractor 'B' to meet with the requirement of bricks required for Katasara Minor too. Ignoring the condition imposed by the Chief Engineer, while approving rates of contractor 'B' for not enhancing the quantity without approval, the enhancement was approved by the SE (July 1988).

An agreement for supply of 40 lakh bricks was executed in October 1988 according to which supplies were to be completed by June 1989 according to the following supply schedule :

April 1988	2 lakhs
May 1988	3 lakhs
June 1988	3 lakhs
November 1988	6 lakhs
December 1988	6 lakhs
January 1989	3 lakhs
February 1989	4 lakhs
March 1989	4 lakhs
April 1989	3 lakhs
May 1989	3 lakhs
June 1989	3 lakhs

Total : 40 lakhs

The contractor 'B', however, supplied only 9.04 lakh bricks upto January 1989 (viz. 1.27 lakhs for Katasara Minor and 7.77 lakhs for Kalanaur Minor) against the quantity of 23 lakh bricks which should have been supplied by them under the agreement. The Executive Engineer rescinded the contract in February 1989, viz. 5 months before the expiry of the time limit, on the grounds of the contractor's failure in adhering to the supply schedule. The earnest money/security deposit of Rs. 0.36 lakh was forfeited.

It was noticed in audit (July 1990) that the Executive Engineer procured 11.27 lakh bricks from December 1988 to March 1990 for Katasara Minor from the local market at higher rate ranging from Rs. 460 to Rs. 600 per thousand bricks, involving extra cost of Rs. 1.88 lakhs. This included 3.73 lakh bricks purchased from contractor 'B' himself at an extra cost of Rs. 0.48 lakh over the contract value for that quantity.

The Executive Engineer stated (June 1991) that the tender of contractor 'A' was not resubmitted because his kiln was situated at a longer distance and would have cost extra carriage of Rs. 20 per thousand bricks, and that contractor 'B' was in a position to meet the requirement of 50 lakh bricks. The reply was not tenable as the same factor of distance was relevant even while recommending the tender earlier in December 1987; and even if an allowance was made for extra carriage of Rs. 20 per thousand bricks, the extra expenditure amounted to Rs. 1.66 lakhs.

Thus, an injudicious decision of the Executive Engineer in (i) filing the tender case of contractor 'A' (ii) enhancing the quantity of bricks from 27 lakhs to 40 lakhs of contractor 'B' which he could not supply and (iii) rescinding the contract agreement of contractor 'B' even before the expiry of its time limit resulted in an extra expenditure of Rs. 1.66 lakhs, for which no responsibility was fixed so far (July 1991).

The matter was referred to Government in July 1991; reply has not been received (February 1992).

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

It is not the case of injudicious decision. In fact, the Executive Engineer on opening of the tenders to meet the requirements of bricks on the Pillana Minor, Katasara Minor and Kalanaur Minor had recommended the then S.E./C.L. Circle No. VI, Rohtak for seeking approval of the rates/quantity from the Chief Engineer/Projects. The then S.E./C.L. Circle No. VI, Rohtak had recommended for approval of rates of Pillana Minor in favour of M/s. Lakhi Ram & Sons, BKO and in the case of Kalanaur Minor in favour of M/s. Som. Dutt, BKO and the same were approved by the Chief Engineer/Projects. The tender case of Katasara Minor was not recommended to the Chief Engineer/Projects and was

returned to the Executive Engineer by the S.E./C.L. Circle VI, on the grounds that the rates of bricks of the lowest tenderer were on higher side and further suggested to negotiate with the other nearby, BKO's. The then Executive Engineer had pointed out that the nearby BKO's had not participated in the Press tendered. In the meantime the position of funds became very tight and the works in hand had to be slowed down. The agreement of Kalanaur Minor for supply of 27 lacs was also considered surplus to the actual requirement on works. As such, the Executive Engineer had sought permission of the S.E. for meeting the petty requirements of Katasara Minor from the quantity agreed from the bricks of Kalanaur Minor. This proposal was subsequently approved by the then S.E./C.L. Circle No. VI, Rohtak. There was no enhancement in the agreed quantity of Kalanaur Minor. The Schedule of supplies of bricks was only revised to bound the Brick Kiln Owner to adhere to the supplies. Against the revised schedule, the actual requirement of bricks up to 6/89 was only 13.92 lacs, which itself justifies the paucity of funds at that time. The BKO could supply only 9.04 lacs bricks against the requirements and that is why the department forfeited the earnest money/security deposits etc. to the tune of Rs. 31,586 of the BKO. The balance 4.88 lacs bricks were taken from the open market at the prevailing D.C. rates of Rs. 460 involving excess payment of Rs. 50,150 only out of which Rs. 31,586 has been recovered from the BKO by way of forfeiting the earnest money/security deposits etc. As such the loss involved is negligible.

The then Executive Engineer/Superintending Engineer had wisely decided to close the tender case of Katasara minor and met the petty requirements of bricks from the surplus quantity of bricks in the Kalanaur supplies. Thus they have saved blockade of funds in unnecessary stacking of bricks at Katasara Minor, which was not immediately required.

The extra expenditure was in public interest and not with any malafide intention.

4.2 Extra Expenditure due to Injudicious decision

After hearing the departmental representatives the Committee feels that it is a case of favouritism which required a thorough investigation. The Committee therefore recommends that the matter may be enquired again thoroughly within a stipulated period of two months and responsibility for incurring the extra expenditure of Rs. 1.66 lacs be fixed under intimation to the Committee.

[9] 4.3. Excess payment of earthwork

In the Construction Division No. 1, Panipat, tenders for

the construction of Second Feeder Channel (SFC) were invited in November 1988 by splitting up the work in 19 parts. The detailed notice inviting tender (DNIT), did not specify the leads involved for the disposal of excavated earth. The contractor quoted rates on percentage basis above departmental through rates (DTRs.) Negotiations were held with the contractors, when they quoted firm rates. The DTRs indicating leads involved for the disposal of excavated earthwork and reach-wise rates to be paid to the contractors were approved by the Superintending Engineer, Construction Circle No. 1, Rohtak in December 1988.

The rates for earthwork for different reaches involving leads between 37.5 and 495 metres sanctioned by the Superintending Engineer (December 1988 and January 1989) were as under :

RD	Rate of earthwork with lead upto 37.5 metres	Rate of earthwork with lead upto 495 metres
	(unit per 100 cums)	
1000—10000	Rs. 641.60 to Rs. 670.00	Rs. 1535
10000—14000	Rs. 653.00 to Rs. 670.00	Rs. 1535
14000—tail	common rate of	Rs. 1535

The works were allotted to various agencies and works were executed during February 1989 to October 1990, and total 'on account' payment of Rs. 7.05 lakhs was made.

The Executive Engineer incharge of the Division, on the eve of his retirement pointed out in his handing-over note dated 30th June 1989 that the lead allowed to the agencies was longer than those actually involved for the disposal of earth. The Chief Engineer constituted a committee (July 1989) of two Executive Engineers for investigating the case. The Committee submitted its report (September 1989) and brought out that the leads allowed to the contractors were more than those actually involved. This fact was also confirmed by another committee headed by the Superintending Engineer (September 1989). According to the findings of both the committees, in certain reaches the actual lead involved was between 190—495 metres, and the amount payable worked out by the two committees on the basis of actual leads involved came to Rs. 5.37 lakhs only against Rs. 7.05 lakhs actually paid to the contractors. The explanation of the then Executive Engineer was called for in April 1990. Further developments were awaited (February 1992).

It was noticed in audit (August 1990) that the excess payment was facilitated by the following omissions/irregularities :

- (i) Tender notice/DNIT supplied to the contractors did not indicate actual job requirements i.e. leads involved for the disposal of excavated earthwork.
- (ii) In the original tenders, the contractors quoted percentage rate above DTRs when there were no approved DTRs.
- (iii) During negotiations through rates were obtained and accepted leaving no scope to allow the rate according to actual lead.
- (iv) Most of the 'on account' payments were made without pre-check by the Division.

Thus, an excess payment of Rs. 1.68 lakhs was made to various contractors:

The matter was reported to Government in May 1991; reply has not been received (February 1992).

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

1. Sh. B.K. Garg, the then Executive Engineer (Now Retired) was held responsible for making excess payment of Rs. 72058.40 to the Agencies as per enquiry report given by the Committee headed by Sh. K.L. Chawla, S.E. (Now C.E./Retired). Necessary charge sheet against Sh. B.K. Garg, could not be served upon him before superannuation on 30-6-89. The Government have decided to with-hold the pension, gratuity and other benefits of the officer, against which Sh. B.K. Garg, has filed a civil suit in the court of Sub Judge, Ist Class, Panipat. The Court has decided the case in favour of Sh. B.K. Garg, Executive Engineer on 22-2-95. Advice of the Legal Rememberancer, Haryana was sought but he has declared this case unfit for appeal on 7-4-95. The Government have also decided to file a civil suit against Sh. B.K. Garg, for this alleged recovery. The matter is being processed accordingly. The then Executive Engineer, Sh. B.K. Garg, has been considered responsible for the lapses mentioned at point (i) to (iii) but no action is possible against him at this stage as the officer has since retired on 30-6-89. S/Shri S.K. Kathuria, K.C. Bajaj and B.K. Jain, S.D.Os are responsible for the lapse at point (iv). Sh. S.K. Kathuria, S.D.O. has since retired. The Government have decided to recover the amount involved by filing Civil Suit against Sh. S.K. Kathuria, S.D.O. (Retd) :
2. Sh. M.M. Lal Garg, the then Superintending Engineer has allowed excess lead in different reaches. The Government have considered it a lapse and as such the officer was charge-sheeted before his retirement. His gratuity, leave, encashment and commutation of pension etc. were with-held. A

Civil Suit was filed by Sh. M.M. Lal Garg against this decision and the court decided the case in his favour. An appeal was filed by the State in the Court but the same was dismissed. Now R.S.A. (Regular Second Appeal) is being filed in the High Court.

3. It has been proposed to recover the excess payment from the concerned officers/officials. The concerned SDOs S/Shri K.C. Bajaj and B.K. Jain have since been charge-sheeted by the Government while it has been decided to file a civil suit against S/Shri B.K. Garg Executive Engineer (Retired) and S.K. Kathuria, S.D.O. (Retired). Draft charge-sheets against the concerned Junior Engineers are under process.

4.3 Excess payment of earth work

After going through the facts of this case as well as the additional information supplied by the department the Committee observed that there is a considerable delay on the part of the department in filing a Civil Suit against Shri B.K. Garg for the alleged recovery whereas the inquiry was completed in the year 1989. The Committee, therefore, recommends that the Civil Suit be filed without any further delay and also initiate action against the delinquent officials who delayed this process as well as recovery process of excess payment made to various contractors within a period of 2 months under intimation to the Committee.

[10] 4.4. *Extra expenditure due to defective lining*

The lining of Mochiwala Minor (RD 0-21170) was completed in 1982 at a cost of Rs. 8.44 lakhs by the Bhattu Division, Fatehabad. The State Financial Rules provide that the Officer incharge of the work should ensure that the works were executed in accordance with the prescribed specifications, plans and drawings.

It was, however, noticed in audit (February 1991) that the lining of Mochiwala Minor was not executed according to approved specifications and drawings. Since the completion of the lining, the irrigators had been complaining of shortage of water in the tail reaches of the Minor. As a sequel to the irrigators continuous complaints, the hydraulic data of the Minor was checked (March 1987) by the Sub-Divisional Officer who observed that the existing bed level was higher by 2 inches to 1.75 feet than the designed level, and this defect had resulted in non-availability of free board thereby causing overflow of water in certain reaches.

In order to overcome the problem, a project (cost : Rs. 5.62 lakhs) was approved in October 1989 by the Government for re-lining the Minor from head to tail after dismantling the existing lining of the right bank and of the bed. The re-lining works were undertaken by the Canal Lining Division 4, Fatehabad in October 1990 at an estimated cost of Rs. 8.72 lakhs. An expenditure of Rs. 6.76 lakhs had been incurred, upto April 1991. The works were still in progress.

Thus, due to defective works initially executed in 1982, for which no responsibility had been fixed, the Department had to incur an extra

expenditure of Rs. 6.76 lakhs (approximately), which was likely to increase when the work was completed.

The matter was reported to Government in June 1991; reply has not been received (February 1992).

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

Mochiwala Minor runs mostly in cutting section, consequent upon lining, there were complaints of shortages at tail but by and large the tail was functioning. On enquiry, the defects in levels of the bed section were noticed. The concerned SDO and the JE were charge sheeted on this account. Since the defects were of minor nature and were rectified at the cost of the Agency, the competent authority decided to censure the J.E. while the SDO retired prematurely.

Bed levels were observed on completion of work and commissioning of the Channel. Since the channel was running irrigation supply along side lining and water was being fed to the tail, the defect remained un-noticed. No doubt the defects were minor but whenever there was fluctuation in supplies, they adversely effected the tail. However the irrigation development as well as tail supply was normal as per project provision.

Measurement of completed lined section stands recorded in the measurement Book by the J.E. and check measured by the S.D.O.

4.4 Extra expenditure due to the defective lining

After hearing the departmental representatives the Committee observed that the extra payment was paid to SDO/JE with the connivance of other officials of the department. The Committee, therefore, recommends that the entire matter be reviewed again and responsibility be fixed under intimation to the Committee.

[11] 4.5 Excess payment due to inflated/fictitious measurements

18/5/2010 (a) In the Drainage Division, Gurgaon two works, (i) "Restoration of Sondh Bund to Design Section RD 2000-3000" and (ii) "RD 5000-6000" were allotted to two contractors in February 1989. The contractors were paid (March 1989) 'on account' payment of Rs. 0.58 lakh and Rs. 0.72 lakh respectively on the basis of record entries made by the Junior Engineer (JE) and check-measured by the Sub-Divisional Officer (SDO). The work was completed in March 1989.

Before finalising the claims of the contractors, the Executive Engineer (EE) got the work re-measured by a committee of two SDO's in April 1990. It was found that the quantity of earthwork actually executed was only 6,613 cum (RD 2000-3000) and 6,300 cum (RD 5000-6000), against 10,082 cum and 11,284 cum respectively earlier recorded and paid for. This meant an excess payment of Rs. 0.52-lakh to the contractors.

(b) Similarly, a work of construction of Bhango Bund RD 0-2500 was allotted to a contractor in June 1987, and an 'on account' payment of Rs. 1.31 lakhs was made in August 1988. The Executive Engineer (EE) inspected the site in June 1989, and noticed a huge variation between the quantity of earthwork executed and the quantity recorded for payment. On the direction of the Executive Engineer, the work was re-measured by a committee of two Sub-Divisional Officers in January 1990. It was found that only 30,301 cum of earthwork had actually been executed at site against 42,416 cum recorded and paid for, resulting in excess payment of Rs. 0.38 lakh.

Thus, inflated measurements recorded while making 'on account' payments of to the contractors resulted in excess payment Rs. 0.90 lakh. This amount had neither been recovered nor was any responsibility fixed (June 1991).

The matter was referred to Engineer-in-Chief, Irrigation Department Haryana in July 1991, the reply has not been received (February 1992).

The matter was reported to Government in July 1991; reply has not been received (February 1992).

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

Shri Anil Kapoor, S.D.O. has been considered responsible for making 'On Account' payment to the Agencies.

Disciplinary proceedings against Shri Anil Kapoor, S.D.O. along with S/Shri Baljit Singh and Wazir Singh, Junior Engineers have since been initiated. Final results would be achieved after completing the required formalities.

Shri N.K. Gupta, Junior Engineer was also held responsible for the shortage of 6500 No. tiles. After completing the required formalities, the competent authority has issued necessary recovery orders of Rs. 3644.68 paise against him.

4.5 Excess payment due to inflated /fictitious measurements

After going through the facts of this case the Committee observed that it is a lapse on the part of the department by not finalising the disciplinary proceedings against the SDO/JEs till todate. The Committee, therefore, recommends that the responsibility be fixed who delayed the matter in chargesheeting the SDO/JE delinquently and also initiate the process of recovery of excess payment paid to the contractors, under intimation to the Committee.

[12] 5.2 Loss due to sub-standard material

In the Canal Lining Division No. 12 Kurukshetra, 15.63 lakh first class tiles were purchased at a cost of Rs. 7.07 lakhs during January to June 1983. Although L-section for the lining of Thaska distributary was not approved, yet 2.09 lakh tiles were shifted (October 1983) to the site of the distributary by incurring an expenditure of Rs. 0.24 lakh on cartage. Out of the remaining tiles, 13.33 lakh tiles were utilised (January 1983 to June 1986) on various works.

On the eve of transfer of the concerned Junior Engineer (JE) in June 1986, the successor JE 'A' did not accept 0.95 lakh tiles being pilla* (80,000) and bats (15,400) worth Rs. 0.53 lakh, but accepted the balance quantity of 1.35 lakh tiles only. The Executive Engineer constituted a committee of two Sub-Divisional Officers (December 1987) for reclassification of the tiles. The committee reported (August 1988) that almost the entire quantity of 2.30 lakh tiles was sub-standard and did not conform to the specification of first class tiles. Even out of the 1.35 lakh tiles accepted by the JE.

'A' in June 1986, 0.99 lakh tiles worth Rs. 0.55 lakh were found to be sub-standard when he handed over the charge in February 1989 to his successor JE 'B'. Thus, 1.95 lakh sub-standard tiles (95400+99200) worth Rs. 1.08 lakhs were still lying unutilised, as of June 1991.

The Executive Engineer intimated (October 1991) that the amount of Rs. 1.08 lakhs had been placed in 'Miscellaneous Public Works Advances' against the defaulting officials. Further developments were awaited (December 1991).

The matter was reported to Government in July 1991; reply has not been received (February 1992).

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

The tiles were classified as Ist Class by Shri J.S. Bhuttar, Sub-Divisional Officer. No laboratory test was got conducted by him. However after classification and procurement of tiles, these were taken on stock by Shri P.C. Bichhal, Junior Engineer. On his handing over the charge of this material, Shri Ombir Singh, Junior Engineer took over the charge. The dispute about the quality of bricks came up when the charge of balance quantity of tiles was with Shri Krishan Kumar, Junior Engineer after the transfer of Shri Ombir Singh, J.E.

3 to 6

The following Junior Engineers were finally held responsible for sub-standard tiles :—

1. Sh. Ombir Singh 95400 No. Rs. 53492.85.
2. Sh. Krishan Kumar 80450 No. Rs. 45110.50.

Both the Junior Engineers were chargesheeted U/R-7 of P&A Rules 1987 on this account. The reply to the charge sheet alongwith comments of the field officers have been considered and after completing the required formalities under the codal rules, the competent authority has ordered to recover this amount from both the Junior Engineers.

*'Pilla' means half-burnt and 'bats' means pieces of tiles.

5.2 Loss due to sub-standard material

After hearing the departmental representatives the Committee recommends that the balance recovery be effected from the concerned JE in due course and intimate the position to the Committee accordingly.

1991-92

[13] 4.1 Jawahar Lal Nehru Lift Irrigation Scheme

4.1.1 Introduction

The South-West part of Haryana State, with an area of about 5 lakh hectares in Bhiwani, Mohindergarh, Rewari and part of Rohtak districts adjoining to the State of Rajasthan, suffers from low and erratic rainfall, high wind velocities, extreme variations of temperature and lack of vegetation and is, thus, classified as famine and drought belt. The area could not be commanded by gravity flow of a channel because of reverse slope i.e. more or less opposite to the general topography of the State. Government accorded administrative approval to the 'Jawahar Lal Nehru (JLN) Lift Irrigation Scheme' in 1974 at an estimated cost of Rs. 33.75 crores with a view to providing irrigation facilities in the areas.

The project was designed for the utilisation of (i) surplus flood water of river Yamuna for 65 days (75 days from June 1978), which used to go waste down stream at Tajewala Head Works and (ii) for the remaining part of the year Haryana's share of Ravi Beas water to be carried through Satluj Yamuna Link Canal (SYL) upto Munak Head. For (i) above water was to be carried through the existing Western Jamuna Canal (WJC) system upto Munak Head and therefrom through Delhi Parallel Branch for feeding the JLN system at Khubru Head.

4.1.2 Organisational set up

Chief Engineer (Lift Canals) is in overall charge of the project and he is assisted by two Superintending Engineers and eight Executive Engineers responsible for execution of work in the eight Divisions.

4.1.3 Audit coverage

The execution and performance of the scheme was reviewed in paragraph 4.1 of the Report of the Comptroller and Auditor General of India for the year 1981-82 (Civil) Government of Haryana. The present review covers the period from 1982-83 to 1991-92 and is based on test-check in audit conducted during December 1991 to March 1992 of records maintained in the offices of the Chief Engineer (Lift Canals), the two Superintending Engineers and the eight Executive Engineers.

4.1.4 Highlights

The project taken up in 1972-73 and proposed to be completed in 1975 was still incomplete as of March 1992. The initial estimate of Rs. 33.75 crores was revised for Rs. 72.77 crores in 1978 and was further revised to Rs. 164.97 crores (January 1988). An expenditure of Rs. 159.08 crores had been incurred on the project upto March 1992. The benefit cost ratio had declined from 2.58 as per the original estimate to 1.01 as per the estimate of January 1983.

(Paragraph 4.1.5)

—Against the provision of 12.5 per cent in the estimates towards establishment cost, the expenditure on establishment to works expenditure ranged between 165 and 1025 per cent during 1987—92.

(Paragraph 4.1.6)

—As against the projected area of 164436 hectares, the actual area irrigated ranged between 7644 to 27096 hectares during 1982-83 to 1990-91.

(Paragraph 4.1.8)

—Expenditure of Rs. 521.66 lakhs incurred on construction of channels and pump houses and purchase of equipment remained unfruitful because of non-energisation of pumps and non-availability of share of Ravi Beas water.

(Paragraph 4.1.10.1)

—Defective construction of a distributary had resulted in liability for estimated extra expenditure of Rs. 2.83 lakhs.

(Paragraph 4.1.10.2)

—Interest amounting to Rs. 7.90 lakhs had to be paid to the land owners due to abnormal delays of 80 to 118 months in referring the cases to the court by the Land Acquisition Officer.

(Paragraph 4.1.10.3)

—Failure to provide funds in time resulted in extra expenditure of Rs. 4.71 lakhs on land acquisition.

(Paragraph 4.1.10.4)

4.1.5. Project cost

The project estimated to be completed at a cost of Rs. 33.75 crores in 1975 in five stages was revised in June 1978 to Rs. 72.77 crores and further revised in January 1988 to Rs. 164.97 crores and was still under construction. Expenditure of Rs. 159.08 crores was incurred on the project up to March 1992. The revised project estimate had not been approved by the Planning Commission. Stage wise estimated provisions made under the revised project were as under :

Stage	Estimated cost		Culturable Command Area		Length of Channel		Number of pump houses		Discharge required stage wise		
	Original estimate (June 1978)	Revised estimate (January 1988)	As of June 1978	As of January 1988	As of June 1978	As of January 1988	As of June 1978	As of January 1988	As of June 1978	As of January 1988	
	(Rupees incrores)	(In hectares)	(In kilometres)	(In cusecs)							
(i)	7.50	36.93	68.24	61390	68236	393.68	495.29	24	23	698	754
(ii)	4.16	6.95	9.51	34285	35647	170.00	161.75	5	7	476	396
(iii)	6.11	12.88	31.95	63322	62174	269.37	346.31	10	11	675	691
(iv)	12.23	13.47	41.74	72779	82225	271.72	350.65	60	41	792	914
(v)	3.75	4.91	15.90	18130	16938	273.03	111.69	40	16	211	179
Less share of Loharu Irrigation Scheme	2.37	2.37									
Add for losses										285	293
Total:	33.75	72.77	164.97	249906	265220	1377.80	1465.69	139	98	3137	3227

The other salient features of the scheme were as under :

	Original	As of June 1978	As of January 1988
(i) Length of the channels (including remodelling) (In Kilometres)	1480.00	1429.52	1595.952
(ii) Maximum Lift (feet)	1811.16	1811.16	1694.40

As intimated by the Department the maximum lift adopted for the purpose of Project estimates upto June 1978 was based on old Geographic Topographical Sheets (GTS) contours while the reduced lift was based on actual survey. Due to cost escalation the benefit cost ratio had declined from 2.58 as per original estimates to 1.01 as per the estimates of January 1988.

The increase in cost of the project over the estimates of 1978 was attributed in January 1988 by the Engineer-in-Chief to the following ::

- additional works not provided earlier Rs. 2577.53 lakhs.
- increase in the cost of machinery Rs. 16.34 crores.
- increase in establishment charges from 10 to 12.5 per cent.
- increase in cost of labour and material.

However, no expenditure had been incurred against additional items of work valued at Rs. 118.53 lakhs for increasing the capacity of WJC system (increasing capacity of mainline upper and lower providing additional bay at Tajewala and raising capacity of Delhi parallel).

The Public Accounts Committee which examined paragraph 4.1 of the Report of the Comptroller and Auditor General of India for the year 1981-82 in August 1985 was not convinced by the plea of the Department that the increase in cost of project was mainly due to revision in the scope of the project. The Department also could not satisfy the Committee why the factors responsible for the increase in the cost of project had not been visualised while framing the original project estimate nor could it explain the quantum of increase attributable to each of the factors. The Committee believed that the delay in the completion of project resulted in price escalation necessitating revision of the project. In its 25th Report (Haryana Assembly), presented in March 1987, the Committee directed that the department should be circumspect in executing such huge projects in future so that the completion of the projects was not delayed and such projects embrace a broader scope in the first instance and the stage of revising their scope subsequently was obviated as far as possible.

In spite of above recommendations of the Committee, the increase in the cost of the project as per estimates of January 1988 was again mainly due to additional items of work not taken into account earlier in the two project estimates besides, the escalation of cost that had taken place due to delay in completion of the project and heavy expenditure on establishment.

4.1.6. Budget provision and expenditure

Against the revised project cost of Rs. 164.97 crores (January 1988) expenditure of Rs. 159.08 crores had been incurred on the project up to March 1992. The yearwise budget provision for works and the expenditure incurred there against during 1982-83 to 1991-92 were as under :

Year	Budget provision		Expenditure (as per Department)	(+) Excess (-) Saving
	Original	Revised		
(Rupees in lakhs)				
1982-83	888.00	592.00	1109.58	(+)517.58
1983-84	765.00	255.39	485.25	(+)229.86
1984-85	644.40	478.03	292.37	(-)185.66
1985-86	254.55	171.70	164.81	(-)6.89
1986-87	237.00	923.00	627.95	(-)295.05
1987-88	250.00	170.00	195.44	(+)25.44
1988-89	450.00	333.57	146.57	(-)187.00
1989-90	100.84	15.00	60.58	(+)45.58
1990-91	22.95	40.60	59.20	(+)18.60
1991-92	500.00	500.00	233.61	(-)266.39

The expenditure incurred by the department exceeded the budget provision during the years 1982-83, 1986-87 and 1990-91. The excess expenditure was met by diversion of funds from other schemes.

Heavy establishment expenditure : Project provision for establishment charges was Rs. 1724.42 lakhs (12.5 per cent of works cost minus cost of land). Against the provision of 12.5 per cent in the project estimates towards establishment, the expenditure on establishment to works expenditure charged to the project during 1987-88 to 1991-92

ranged between 165 per cent to 1025 per cent as indicated in the table below :

Year	Establishment expenditure	Works expenditure	Percentage of establishment expenditure to works expenditure
(Rupees in lakhs)			
1987-88.	322.32	195.44	165
1988-89	453.98	146.57	310
1989-90.	491.42	60.58	811
1990-91.	606.71	59.20	1025
1991-92	538.07	233.61	230

4.1.7. Physical progress

The project was initially scheduled to be completed in a period of three years i.e. by 1975 but the Chief Engineer stated in May 1992, that no firm date of completion of project could be given. The projected quantities of work involved and targets fixed as per revised project estimate in January 1988 and achievements thereagainst upto March 1992 were as under :

	Estimated quantity	Targets fixed	Achievements	Shortfall
(i) Earthwork (Lakh cft)	7433.60	7358.675	7308.073	50.602
(ii) Lining work (Lakh sft)	781.016	774.314	766.676	7.638
(iii) Masonry Works (Nos.)	1029	968	935	33
(iv) Pump houses (Nos.)	97	95	94	1

The shortfall in the achievements of targets was attributed to the shortage of funds and non-acquisition of land due to litigation but a sum of Rs. 940.99 lakhs was found to have not been utilised out of revised budget provision for the years 1984-85 to 1986-87, 1988-89 and 1991-92.

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

- The increase in the cost of Revised Project estimate over the original

Project Estimate of 1978 is attributed to the following factors .

(a) Due to increase in water allowance

In the original project estimate, the water allowance was taken 3.5 cusecs per thousand acre of CCA against 4.5 cs. per thousand acre in the revised estimate.

(b) Due to increase in the scope of the project

Against the provision of 975 Kms. of new channels in the original project estimate the revised provide const. of 1378 kms. of channels. Due to increase in scope of the project from 5,72,726 acre CCA to 6,17,528 acre CCA and during first revision and thereafter to 655360 acre in the second revision, the length of channels had to be increased from 976 Kms. to 1378 Kms. and then to 1466 Kms. respectively so as to cover the entire area.

(c) The route of water supply was modified and as independent JLN Feeder has taken off from tail of Delhi parallel branch instead of taking off from Bhalaut sub-branch.

(d) Increase in the provisions for pumps and machinery.

(e) Increase in the provision for acquisition of land for Rs. 3000/- per acre to Rs. 6000/- per acre.

(f) Increase in the cost of labour and lubricants due to price escalation

Although the B.C. Ratio declined to 1.01 against the projected 2.58 but if the appreciation earned in the land rate of the area, change in cropping pattern and recharging of ground-water due to introduction of JLN canal system is counted for then BC Ratio will come up.

Originally project was formulated at an estimated cost of Rs. 33.75 crore (1972-73) which was subsequently revised to Rs. 164.97 crore (January, 1988). Against this total expenditure incurred Rs. 166.55 crore upto the year 31-3-1995. The revised project Estimate was under approval by the Planning Commission. This project shall be closed after financial year 1995-96 and the balance work will be taken up by preparing separate project Estimate.

The variation in budget grant and actual expenditure is mainly due to the fact that budget grant is generally changed at the fag end of the financial year and timely LOC is not made available. (Excess expenditure has only been in the year 1982 which was due to advance payment of Rs. 444 lacs made to HSMITC on account of the purchase of pumps.

The heavy establishment charges are due to the fact that establishment which was used for the construction work was utilised for the running and maintenance of the system which was put on operation during this period. The establishment which was on construction could not cope with the demand of operation of the system, as such more staff was employed for the purpose. The part of the establishment looking for the balance construction work was almost nil. Shortage in target was due to non-availability of budget and LOC.

4.1. Jawahar Lal Nehru Lift Irrigation Scheme

The Committee while reviewing the progress of J.L.N. Project was informed by the representatives of the department that an amount of Rs. 160 crores had already been spent on this project and the said project is yet to be completed. The Committee was further informed that 24 crores still more required to complete this project. The Committee was not convinced with the plea of the department that increase in cost of project was mainly due to revision in the scope of the project. The department also could not satisfy the Committee as to why the factors responsible for the increase in the cost of project had not been visualised while framing the original project Estimates. The Committee therefore, recommends that the department should take up the matter on top priority with the Government of India to get the required funds released without any further delay so that the surplus flood water of Yamuna River be properly utilised in the South West part of Haryana State. The steps taken by the department in this direction be intimated to the Committee.

[14] 4.1.8. Development of irrigation

The project estimate envisaged annual intensity of irrigation in 164436 hectares at 62 per cent of the culturable command area of 265220 hectares (Kharif 25 per cent; Rabi 37 per cent). Against this, the potential actually created to the end of each year during 1982-83 to 1990-91, ranged from 22400 to 38000 hectares and 33600 to 57000 hectares for Kharif and Rabi respectively. Against the potential created, the actual intensity of irrigation achieved during the years 1982-83 to 1990-91 ranged from 1 to 18 per cent for Kharif and from 14 to 39 per cent for Rabi against the project estimates of 62 per cent. Details were as under :—

Year	Potential created to the end of the year		Area actually Irrigated (Potential utilised)		Total during the year	Percentage of utilisation	
	Kharif	Rabi	Kharif	Rabi		Kharif	Rabi
	(In hectares)						
1982-83	22400	33600	2291	7463	9754	10	22
1983-84	26000	39000	929	9003	9932	4	23
1984-85	27200	40800	352	7292	7644	1	18
1985-86	29600	44400	1317	6412	7729	4	14
1986-87	30400	45600	5434	12096	17530	18	27
1987-88	35600	53400	5655	17974	23629	16	34
1988-89	38000	57000	2963	14382	17345	8	25
1989-90	38000	57000	4829	22267	27096	13	39
1990-91	38000	57000	2329	10969	13298	6	19

The Department attributed short fall in achievement to the following in October 1992 :

- non-availability of water when required;
- non-completion of water courses; and
- utilisation of water for filling ponds for cattle.

(a) The reason viz. non-availability of water when required was not tenable for Kharif crop as abundant water was available at Tajewala during monsoon season which escaped downstream into the river as detailed below :

Year	Water escaped down stream Tajewala
	(*cusec days)
1982-83	10,24,434
1983-84	23,56,932
1984-85	3,42,351
1985-86	9,29,781
1986-87	8,68,394
1987-88	1,31,945
1988-89	26,93,083
1989-90	13,93,069
1990-91	15,72,006
1991-92	1,48,805

The scheme envisaged bringing water from Tajewala to Munak Head (Karnal District) through existing WJC system by adding one additional bay at Tajewala for raising its capacity by 1600 cusecs and remodelling of the Main Line Upper and Main Line Lower canals for increasing carrying capacity by 1600 cusecs and 1350 cusecs respectively. No work had, however, been carried out for increasing the carrying capacity. From Munak Head, water was to be carried through Delhi Parallel Branch from which supply was delivered to JLN Feeder off taking at RD 145250. Delhi Parallel Branch was remodelled to a designed capacity of 5156 cusecs upto RD 145250 during 1969-70 to 1986-87 at a cost of Rs. 687 lakhs. The total required capacity at RD 145250 of Delhi Parallel Branch was 7076 cusecs for feeding off-taking channels (Delhi Parallel Branch down stream RD 145250 : 1783 cusecs, Bhalaut Sub Branch : 2052 cusecs and JLN Feeder : 3241 cusecs) against the designed capacity of 5156 cusecs. The quantity of water actually

* Cusec day: Volume of water resulting from a discharge of one cusec for one day (24 hours).

released in Delhi Parallel Branch during July to September each year from 1982 to 1992 ranged between 301 and 4302 cusecs while the actual quantity of water released in JLN Feeder after meeting down stream requirement of Delhi Parallel Branch and Bhalaut Sub Branch ranged between 60 cusecs and 1200 cusecs. Thus, the failure to increase the carrying capacity of existing WJC system and insufficient capacity of Delhi Parallel Branch resulted in short delivery of water in JLN system.

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

The shortfall in the achievement of Irrigation target is due to non availability of water at the requisite time, non existing of water courses utilisation of water for filling of ponds, water supply to drinking water scheme and recharging of groundwater etc. Due to less receipt of water in Mohindergarh canal system i.e. 300 cs. to 600 cs. in each rotation against the designed capacity of 1690 cs. at Head point. On account of less supply of water in the channel velocity remained very poor and water could not reach up to the last and within the prescribed time.

- (a) Being lift canal project it has some time problem of failure of electricity while running of the canal, consequently water has to be escaped in the river/drain.

4.1.8(a) Development of Irrigation

The Committee was informed that due to the breakdown of the electricity very frequently the pump House could not be utilised properly. The Committee therefore, recommends that the proposal be initiated to set up a separate Thermal Power Plant for Lift Irrigation Project.

[15] 4.1.9. Arrears of revenue

The position of water charges assessed, recovered and the amount remaining outstanding at the end of each year during 1987-88 to 1990-91 was as under :

Year	Opening balance	Demand raised during the year	Amount realised during the year	Amount of remission	Outstanding at the end of the year
(Rupees in lakhs)					
1987-88	2.54	8.71	4.59	0.09	6.57
1988-89	6.57	11.03	10.36	0.05	7.19
1989-90	7.19	9.42	8.60	—	8.01
1990-91	8.01	10.72	11.08	—	7.65

The yearwise analysis of the arrears of water charges was not available with the Department. As such, the Department was not aware of the age/period of pendency of arrears and proper watch could not be kept over the old outstanding amounts.

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

Revenue Assessment is collected by Civil authorities and the collection is reviewed in the monthly grievances Committee meeting by the department and the Deputy Commissioner.

4.1.9. Arrears of revenue

The Committee desire that the latest figures of outstanding amount of water charges to be recovered from the farmers be supplied to the Committee for its information.

[16] 4.1.10.1. Unfruitful expenditure due to non-energisation of pumps

Construction works of 30 channels as detailed in Appendix-VI of CAG Report were undertaken during September 1980 to March 1987 and completed during July 1983 to September 1991 at a cost of Rs. 252.84 lakhs. The pump houses constructed at a cost of Rs. 167.17 lakhs and machinery installed at a cost of Rs. 101.65 lakhs to feed these channels were not commissioned as of October 1992, due to non-energisation of pumps and non-availability of share of Ravi-Beas water through SYL in the system.

The department stated in December 1991 that the matter regarding energisation of pumps was under correspondence with the Haryana State Electricity Board. Thus the expenditure of Rs. 521.66 lakhs incurred on construction of channels and pump houses and machinery had remained unfruitful.

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

When the project had started the construction of canals/pump houses, it was not known that interstate water dispute would arise and the works were completed keeping in view that the water will be available immediately on completion of the channels /pump houses etc. Later on due to interstate dispute of water, Government did not think it proper to spend more money on energisation of pump houses when the full supply of water in the JLN system is not available, so the situation now being was beyond the control of the department.

This expenditure will not appear unfruitful when it is compared with the present cost of constructed structure even if amount of interest and repair of work is debited to the job.

4.1.10.1 Unfruitful expenditure due to non-energisation of Pumps.

During the course of oral examination the Committee was informed that 26 pumps out of 95 are still without electricity connection since 1987 and the matter is under correspondence with the Haryana State Electricity Board. The Committee therefore feels that the expenditure

incurred on the construction of Channels and pump Houses and on machinery remained unfruitful in the absence of complete energisation of pumps. The Committee therefore desire that a detailed list of these pumps consisting of cost, date of purchase of pumps and the present status of these pumps be supplied to the Committee for its consideration. The Committee further recommends that a sincere efforts be made by the department to put all these pumps in working condition under intimation to the Committee.

[17] 4.1.10.2 Defective execution of work

In JLN Division No. III Rewari, the earthwork excavation and lining of 'Akbarpur distributary km 0 to 6' was completed during 1977-78 at cost of Rs. 4.02 lakhs. The departmental investigation in February 1978 revealed that the distributary was constructed at level lower than the designed level in RD Km. 2.225 to Km. 4.765. The level of top of lining was found lower than the designed level by 0.019 to 0.619 metres in various reaches. When water was released during August 1978 in the distributary, water did not flow beyond Km. 3. In order to remedy the position the Executive Engineer submitted in October 1987 an estimate, for Rs. 1.83 lakhs for construction of 9 inches thick wall on either side of distributary so that the top level of the lining was brought to designed level. The estimate was not, however, approved by the Superintending Engineer and returned in December, 1987 with the observation that the same be got prepared at the prevailing rates of premium of 'Haryana Schedule of Rates' and responsibility for defective construction in the first instance be fixed. A revised estimate for Rs. 2.83 lakhs prepared (March 1992) has not been submitted so far (November 1992). Action for fixing the responsibility for defective construction and rectification of defects to make the water flow down-strem was yet awaited as of April 1992. Water was not being fed downstream km. 3.00.

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

In this connection it is submitted that the work of constg. Akbarpur Disty. has been pointed out in the para was got executed during 1976-77 in JLN Const. Divn. 2, Rewari. The defective execution of work was mainly due to variation in existing level viz-a-viz design level of the disty. for which the SDO and JE were considered responsible. The disciplinary action against the defaulters is under process.

4.1.10.2. Defective Execution of work

The Committee constraints to observe that there is a delay of 17 years in charge-sheeting the SDO/JE who were held responsible for defective construction of Akbarpur Distributary. The Committee therefore recommends that the disciplinary action against them be completed within a period of three months and report to this effect be sent to the Committee.

[18] 4.1.10.3. Avoidable payment of interest :

According to the provisions of Section 18(2) (a) and (b) of

Land Acquisition Act, 1894, land owners, if not satisfied with the amount of compensation awarded by the Land Acquisition Officer, may apply the Land Acquisition Officer (LAO) for referring their cases to Civil Court for determining the market value of their land within six weeks from the date of the award. Section 34 of the Act ibid prescribes that when the amount of such compensation is not paid or deposited on or before taking possession of land, the Collector shall pay the amount awarded with interest thereon at the rate of nine per cent per annum for the period of delay up to one year and at the rate of 15 per cent per annum thereafter. In Mohindergarh Canal Division No. IV Narnaul, in 22 cases, the land owners represented against the awards announced by the Land Acquisition Officer I. B. Rohtak during August, 1980 to March, 1981 (within the specified period of six weeks). However, the LAO referred these cases to the Civil Courts during April 1987 to March 1990 which were decided by the Courts during March 1988 to January 1991. The abnormal delay of 80 to 118 months, from the date of receipt of representations, in referring the cases to the court had resulted in avoidable payment of interest amounting to Rs. 7.90 lakhs. The Department stated in December 1991, that the comments of the LAO for the delay in referring the cases to the Civil Courts had been called for. No further information was received till October, 1992.

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

The payment of interest of Rs. 49,981/- on Rs. 7.90 lacs has resulted due to lot of formalities which are required to be completed such as getting the clearance from LR office for filing suits, referring some cases for appeal to Advocate General for which the copy of judgement is required which is mostly not made available in time. Time is also taken in preparation of BB Form by LAO and during same period he was not posted. After Preparation of BB Form LOC was not released by the Govt. timely.

Due to these reasons, payment could not be arranged in time and interest had to be paid.

4.1.10.3. Avoidable payment of interest

After going through the facts of this case the Committee recommends that accountability be fixed who delayed the process of filing suits in the Civil Courts under intimation to the Committee.

[19] 4.1.10.5 Unfruitful expenditure on a incomplete work :

In Mohindergarh Canal Division No. IV Narnaul the construction of Behali Sub-Minor RD 0-2 Km was commenced in February, 1988 after approval of the scheme in November 1981 and I-section in Feb-83; The work was scheduled to be completed in March 1989. Construction of minor upto RD 0-1 Km and a head regulator was completed in March, 1989 at a cost of Rs. 2.20 lakhs. Further work in Km 1-2 could not be taken up as the alignment of the sub-minor from Km. 1.055 to Km 2.0 passed through reserve forest area and the

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Forest Department did not allow construction in that area on the plea that it was obligatory to seek prior approval of the Central Government for using the forestland for any other purpose under the Forest (Conservation) Act, 1980.

The Executive Engineer stated in December 1991 that he was not aware of the provisions of the Act at the time of taking up the work. The clearance from Government of India for construction of sub minor through forest area had not been obtained. Thus, expenditure of Rs. 2.20 lakhs incurred on the channel proved unfruitful.

The points mentioned above were referred to Government in July 1992; reply has not been received (December 1992).

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

The clearance from the Govt. of India for construction of Behali sub minor through Forest area is still awaited inspite of reminding to the authorities regularly. However, it is added that Behali sub-minor off-takes from Rampura sub-minor on which pump houses have not been energised yet.

4.1.10.5. Unfruitful expenditure of incomplete work

The Committee desires that the complete facts of this case be sent to the Committee for its information.

TRANSPORT—1990-91

COMMERCIAL ACTIVITIES

[20] 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 1991. Proforma accounts for 1990-91 in respect of these undertakings had not been received (July 1991).

The extent of arrears in the submission of proforma accounts is shown below:

Serial Number	Name of Undertakings	Extent of arrears
*1	— — —	— — —
2.	— — —	— — —
3.	— — —	— — —
4	Haryana Roadways	1986-87 to 1990-91

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

The proforma accounts for the year 1986-87 to 1989-90 have since been finalised. Proforma accounts for the year 1990-91 has been prepared and got audited from the audit party of A. G. Haryana and revised proforma A/C is being prepared.

7.1. Proforma Accounts

During the course of oral examination, the Committee was informed that the Proforma Accounts for the year 1990-91 has been prepared and got audited from the Audit party of Accountant General. The Committee was further assured by the Departmental Representatives that the Proforma Accounts of the remaining years will be completed within a period of 2 years. The Committee, therefore, desires that intimation may be sent to the Committee after finalising the remaining proforma accounts.

[21] 7.3. Avoidable payment of wages

Section 25(F) of the Industrial Dispute Act, 1947, lays down that no workman employed in any industry who has been in continuous service for not less than one year under an employer shall 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 wages in lieu of such notice.

In three depots of Haryana Roadways viz Faridabad Depot, Gurgaon Depot and Sirsa Depot, the services of 8 workman (7 helpers and one clerk) appointed between February 1980 and June 1984 were terminated during December 1981 to June 1986 by the respective General Managers without observing the above requirement.

The workmen filed appeals against the termination orders in the Labour Court. The Court ordered (July 1987 to July 1989) their reinstatement with full back wages. The General Managers reinstated (June 1988 to March 1990) all the workmen and made payments of Rs. 2.12 lakhs as back wages.

The General Manager, Faridabad Depot stated (February 1991) that the services of the workmen were terminated in accordance with the terms of their appointment letters. The reply was not tenable as the provisions of Industrial Dispute Act were also required to be observed by all Industrial units.

In the same three depots, the services of 4 conductors were terminated between July 1976 and March 1984 without conducting proper enquiry. The termination orders were held illegal null and void by the Civil Court during October 1986 to March 1988 on the ground that these were issued by the Department without following the prescribed procedure. All the 4 conductors were ordered to be reinstated with continuity of service and full back wages. Accordingly, they were taken back in service between November 1986 and March 1989 and the Department paid Rs 2.48 lakhs on account of back wages.

The matter was reported to Government in May 1991; reply has not been received (February 1992).

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

Amongst the 7 helpers four belonged to Faridabad depot & three of Gurgaon depot. One Clerk belonged to Sirsa depot. The four conductors mentioned in this para belonged to Gurgaon depot the position of these cases are as under:—

4 Helpers of Faridabad depot.

The services of these helpers were terminated as per conditions mentioned in their appointment letters i.e. their services were liable to be terminated without assigning any reasons they were taken back in service as per orders of the Court and back wages were paid to avoid contempt of court. It

is admitted that there is omission on the part of G. M. in not observing the provision of Section 25(F) of the Industrial Dispute Act, 1947 for which action is being taken and the committee will be informed soon.

3 Helpers of Gurgaon depot

These three helpers were terminated by the then G. M. Gurgaon depot as per their conditions of appointment i. e. their services can be terminated at any time without assigning any reasons. The provision of Section 25(F) of Industrial Dispute Act, 1947 were not observed while terminating their services. Responsibility is being fixed in these cases and a report will be sent to PAC soon.

4 Conductors of Gurgaon depot

In three cases the services of conductors were terminated without giving them notices as per conditions mentioned in the appointment letters. Thus, it is admitted that provisions of Section 25(F) of the Industrial Dispute Act were not observed by the G. M. Gurgaon. Responsibility in these cases is being fixed and the PAC will be informed about the action taken against the defaulting officials/officers soon. In one case of Sh. Puran Chand, Conductor the services were terminated after holding a departmental Enquiry against him.

The official moved the court of Senior Sub Judge, Gurgaon against the termination orders. The court observed that the termination orders were illegal on the ground that the Enquiry conducted by the department was not in order as the official was not given opportunity to defend his case. The department filed an appeal in Hon'ble Punjab & Haryana High Court where the appeal was rejected. Against the orders of Hon'ble High Court, the department filed an S. P. L. in the Supreme Court of India, which was also dismissed on 4-8-1988.

As such, the official was allowed to join the service and back wages were paid. The department efforts to go upto Supreme Court shows that it wanted to save itself for making payment of back wages. The circumstances were beyond control of the department. Hence this case may be deleted from this para.

7.3 Avoidable payment of wages

During the course of oral examination the Committee was informed that due to the omission on the part of General Manager, Faridabad Depot, for not observing the provisions of Section 25 F of Industrial Dispute Act, 1947 the department had to suffer a loss of Rs. 4.60 Lakhs. The Committee was further informed that the action against the concerned General Managers is being taken. The Committee therefore, recommends that action in the matter be completed within a period of one month and report be sent to the Committee for its information.

[22] 7.5. Non-operation of machines for want of trained operators

The Haryana Transport Department purchased 3 Eddy Current Tester Units at a cost of Rs. 1.60 lakhs from a Pune-based firm in October 1986 and installed one machine each at Hissar, Karnal and Gurgaon Depots in January 1987.

The machines were purchased for comparing the quality of ferrous items of stores with that of standard items purchased from Telco or Layland. It was, however, noticed in audit (January 1990) that all the three machines could not be put to operation for want of trained operators (March 1991).

The Department stated (March 1991) that the Works Manager of Delhi Depot had been directed to impart training to one official of each depot to operate the machine for its proper and regular functioning. Further developments were awaited (May 1991).

Thus, all the three Eddy Current Tester Units purchased at a cost of Rs. 1.60 lakhs in October 1986 were lying idle for over four years for want of trained operators resulting in avoidable blocking up of State funds besides defeating the purpose for which these were purchased.

The matter was reported to Government in May 1991; reply has not been received (February 1992).

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

The three Eddy Current Tester were purchased in October 1986 and installed in Karnal, Hisar & Gurgaon depots. These were installed by the Engineers of the suppliers at these three stations. Reports were taken from the G. M. about the satisfactory working of the machines. All the three G.Ms. reported vide letters mentioned below that the machines were working satisfactorily and giving good results:—

1. Karnal Depot— (i) Letter No. SPL-I dated 24-1-87.
(ii) Letter No. 5362/PMA, dated 28-11-88.
(iii) Letter No. 1922/ dated 21-4-89.
2. Gurgaon Depot— (i) Letter No. 1420/PMA, dated 31-10-88.
(ii) Letter No. 1085/SPA, dated 9-6-89.
3. Hisar Depot— (i) Letter No. 2933/SPA, dated 15-12-88.
(ii) Letter No. 1051/PMA, dated 8-6-89.

G. Ms. reported vide above letters that these machines were working satisfactorily which also means that the machines remained operative during these years on without under operation how it can be said that those worked satisfactorily. In view of this PAC is requested to drop this, Para.

7.5. Non-operation of machines for want of trained operators

During the course of oral examination it was brought to the notice of the Committee by Senior Deputy Accountant General, Haryana that the General Manager of Karnal Depot informed vide his letter in the year October 1989 that the said machines were lying idle for want of trained operators. On the other hand the Departmental Representatives informed the Committee that as per the report of the concerned General Managers these machines were working satisfactorily and remained operative during these years. After hearing the version of the department the Committee is surprised that the version of the department as well as of the General Manager is contradictory. The Committee therefore directes the department to reconcile the matter and factual position about the working of the machines be sent to the Committee immediately.

TRANSPORT 1991-92

COMMERCIAL ACTIVITIES

[23] 7.1. General

The 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, 1992. Proforma accounts for 1991-92 in respect of these undertakings had not been received so far (August 1992).

The extent of arrears in the submission of proforma accounts is shown below:—

Serial Number	Name of undertaking	Extent of arrears
1.	* * *	*
2.	* * *	*
3.	* * *	*
4.	Haryana Roadways	1986-87 to 1991-92
4.	* * *	*
5.	* * *	*
6.	* * *	*

7.2. Manpower in Haryana Roadways

7.2.1. Introduction

After reorganisation of the composite Punjab State, the Haryana Roadways was formed on 1st November, 1966. The main objective of the Roadways is to provide efficient, economical, adequate and coordinated transport service to the public. The passenger road transport service in the State was nationalised in November 1972. As on 31st March 1992, the Roadways had 18 bus depots (8 of Tata Chassis and 10 of Leyland Chassis) to operate and maintain a fleet strength of 3518 buses.

7.2.2. Organisational set up

The Transport Board comprising Transport Minister as Chairman, Secretaries Transport and Finance Department as Members and Transport Commissioner as Member Secretary is the apex body of the organisation. The Transport Commissioner, who is the functional head of the Department, is assisted by the three joint State Transport Controllers and four Deputy Transport Controllers for managing the day to day affairs of the organisation. Each depot is under the charge of a General Manager.

7.2.3. Audit coverage

The review covers various aspects relating to manpower during the period 1986-87 to 1991-92.

7.2.4. Highlights

—The expenditure on staff ranged between 29 and 37 per cent of the total expenditure during 1986-87 to 1991-92. Though the effective kilometres operated declined from 3735 lakh Kms. in 1989-90 to 3641 lakh Kms. in 1991-92, the employment of staff increased from 19332 to 19883 during the same period.

(Paragraph 7.2.5)

—The average number of employees per bus increased by 2.7 per cent in Tata depots and 7.7 per cent in Leyland depots between 1987 to 1992.

(Paragraph 7.2.6)

—Although the prescribed norms for staff provided for leave and general reserves, staff was employed on daily wages. Expenditure of Rs. 72.29 lakhs was incurred on such staff employed without the approval of the Transport Commissioner.

(Paragraph 7.2.7)

—Expenditure of Rs. 796.54 lakhs was incurred during 1986-87 to 1991-92 on the employment of staff in excess of prescribed norms.

(Paragraph 7.2.8)

—Despite upward revision of norms for deployment of drivers and conductors from 1.4 to 1.7 per bus in August 1989, the Roadways paid overtime allowance of Rs. 275.07 lakhs and Rs. 224.62 lakhs to drivers and conductors respectively till July 1990 when old norms were revived. In four depots test checked, over time allowance expressed as a percentage of pay ranged between 22 and 51 percent during August 1991 to March 1992.

(Paragraph 7.2.10)

—The termination of services of employees, without complying with the requirements of Section 25 of the Industrial Disputes Act, resulted in avoidable expenditure of Rs. 63.39 lakhs during 1986-87 to 1991-92.

(Paragraph 7.2.11)

7.2.5. Expenditure on staff

The total expenditure incurred by the organisation viz-a-viz expenditure incurred on staff during the period 1986-87 to 1991-92 was as under :

Year	Total expenditure	Cost of staff	Percentage of cost on staff to total expenditure
			(Rupees in lakhs)
1986—87	10286	3008	29
1987—88	11501	3902	34
1988—89	12515	4482	36
1989—90	13717	5135	37
1990—91	15101	5531	37
1991—92	18184	6728	37

Percentage of cost on staff increased from 29 in 1986-87 to 37 in 1989-90 to 1991-92. Though the effective kilometres operated declined from 3735 lakh kilometres in 1989-90 to 3641 lakh kilometres in 1991-92, yet the employment of staff increased from 19332 in 1989-90 to 19883 in 1991-92. The reasons for increase were not analysed by the Department. Analysis by audit, however, revealed that the increase was mainly due to the following reasons:

—decrease in staff productivity expressed as number of kilometres per worker per day from 56 in 1986-87 to 50 in 1991-92; and

—increase in cost of staff per kilometre operated from Rupee 0.91 in 1986-87 to Rs. 1.85 in 1991-92. Details are given in [Appendix XI of CAG Report.

7.2.6. Staff norms

In February 1983, the Government fixed the following norms per vehicle for creation of posts in different categories of personnel:

	Number per vehicle
(i) Drivers	1.4
(ii) Conductors	1.4
(iii) Workshop staff	1.3
(iv) Ministerial staff	0.4
(v) Inspectors	0.14 (10 per cent of the conductors strength)

The above norms included additional staff required to provide for rest, leave, long route duty, double shift, reserves etc.

Government revised the norms of driver and conductor from 1.4 per bus to 1.7 per bus on 26th August 1989 but reverted to the original norms on 11th July 1990.

7.2.7. (i) Employment of staff :

The Roadways is operating Tata buses from 8 depots and Leyland buses from 10 depots. The depotwise average number of employees per bus was as follows :

Sr. Depot No.	1986-87		1987-88		1988-89		1989-90		1990-91		1991-92	
	A	B	A	B	A	B	A	B	A	B	A	B
1	2	3	4	5	6	7	8	9	10	11	12	13
TATA DEPOT												
1. Ambala	196	5.20	204	5.05	201	5.23	206	5.28	210	5.30	202	5.29
2. Chandigarh	246	4.79	247	5.00	245	5.07	259	5.15	265	5.57	275	5.05
3. Karnal	239	5.20	241	5.24	244	5.13	251	5.02	266	5.31	2.61	5.10
4. Jind	201	4.99	202	5.22	204	5.27	214	5.16	223	5.72	211	5.73
5. Kaithal	222	5.39	227	5.35	224	5.54	214	5.02	147	5.05	145	5.29
6. Sonapat	201	5.09	211	4.90	203	5.36	231	5.09	239	5.07	236	5.28
7. Yamuna Nagar	196	5.09	204	4.99	205	5.03	214	4.99	211	5.32	210	5.11
8. Kurukshetra	—	—	—	—	—	—	123	4.96	143	5.07	140	5.14
Total TATA	1501	5.11	1536	5.11	1526	5.23	1712	5.08	1704	5.30	1680	5.25
LEYLAND DEPOT												
1. Gujraon	189	5.34	190	5.27	199	5.26	203	5.25	218	5.36	215	5.40
2. Rohitak	210	5.47	212	5.37	217	5.17	231	5.22	232	5.71	216	6.25
3. Hisar	263	5.68	277	5.99	287	5.91	215	5.86	221	5.86	228	5.59
4. Rewari	210	5.34	215	5.34	232	5.01	238	4.68	255	5.04	249	5.27
5. Bhiwani	205	4.98	204	5.46	218	5.79	224	6.30	236	6.10	155	6.37
6. Sirsa	157	5.41	164	5.08	181	5.45	187	5.22	202	5.19	188	5.44

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
1. Fatehabad	200	13	4	52	68	73	80	85	9	10	11	12	13
2. Delhi	114	5.11	132	5.26	129	5.78	129	5.62	5.17	150	4.73	153	5.15
3. Faridabad	189	5.25	198	4.97	208	4.99	213	5.09	5.38	1853	5.43	1805	5.76
4. Dadri	—	—	—	—	—	—	—	—	—	—	—	99	6.03
TOTAL	1537	5.32	1592	5.34	1789	5.37	1766	5.38	5.37	1853	5.43	1805	5.73
LEYLAND	3038	5.22	3128	5.23	3315	5.30	3478	5.23	5.23	3557	5.37	3485	5.49
GRAND TOTAL													

A. Average number of buses.

B. Average number of employees per bus.

Note: Average number of employees per bus includes the staff provided over and above the norms for supervisory and other staff for new machines etc. This does not effect the position materially.

The average number of employees per bus in Tata depots rose from 5.11 in 1987 to 5.25 in 1992 (increase of 2.7 per cent) and in Leyland depots from 5.32 in 1987 to 5.73 in 1992 (increase of 7.7 per cent).

There was also wide disparity in the average number of employees per bus in different depots. The average number of employees per bus ranged between 4.79 (Chandigarh Depot) and 5.68 (Hisar depot) in 1986-87 and 5.05 (Chandigarh Depot) and 6.37 (Bhiwani Depot) in 1991-92. The reasons for variations in the average number of employees per bus in different depots in the same year were not on record.

7.2.7. (ii) Employment of staff on daily wages : The regular posts are sanctioned by the Government from year to year on the basis of norms fixed. In addition to regular posts, Transport Commissioner sanctioned some posts on daily wages as applied for by the General Managers of the depots concerned.

Although the norms for employment of operational as well as ministerial staff included provision for leave and general reserves yet all the depots employed persons on daily wages.

The number of persons appointed on daily wages during 1986-87 to 1991-92 was as under :

As on 31st March

	1987		1988		1989		1990		1991		1992	
	Total	Per bus	Total	Per bus	Total	Per bus	Total	Per bus	Total	Per bus	Total	Per bus
1. Workshop staff	717	0.23	888	0.29	937	0.29	1040	0.30	1119	0.32	1080	0.31
2. Ministerial staff	421	0.14	450	0.14	441	0.13	488	0.14	488	0.14	488	0.14
Total	1138	0.37	1338	0.43	1378	0.42	1528	0.44	1607	0.46	1588	0.45

The Transport Commissioner observed in April 1987 that General Managers were making appointments on daily wage basis without obtaining his prior sanction and that no ex-post-facto sanction would be accorded and it would be the personal responsibility of the General Manager concerned to make payment of salary to such staff. The instructions were reiterated in December 1987 and August 1990. Despite these instructions, the General Managers continued to engage persons on daily wages.

The depot-wise position of persons appointed as helpers, peons, sweepers etc. on daily wages without sanction of the Transport

Commissioner during the period 1986-87 to 1991-92 was as under :

Depot	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
Ambala	—	—	—	—	—	33
Bhiwani	—	27	105	173	146	95
Chandigarh	NA	NA	17	36	34	—
Delhi	26	32	38	12	6	2
Dadri	—	—	—	—	—	51
Faridabad	16	22	30	46	90	93
Fatehabad	—	—	—	—	—	35
Hisar	67	137	82	77	64	47
Jind	20	33	43	43	72	45
Kaithal	42	38	39	41	30	32
Karnal	18	21	25	29	27	32
Rewari	79	68	43	45	40	36
Rohtak	—	—	—	—	15	52
Sirsa	103	68	100	53	61	86
Sonepat	NA	NA	NA	NA	4	8
Yamunanagar	142	146	146	132	112	106
Total	513	592	668	687	701	753
Average yearly emoluments (Rupees)*	5400	6000	7200	7800	9600	9600
Approximate amount (paid in lakhs of rupees)	27.70	35.52	48.10	53.59	67.30	72.29

Reasons for employment of labour on casual basis without obtaining sanction of Transport Commissioner were not intimated by depots/Roadways.

The irregular expenditure incurred on wages during 1986-87 to 1991-92 had not been regularised by the competent authority so far (December 1992).

Analysis by Audit revealed the following :

- The persons were being employed on daily wages against sanctioned posts without obtaining approval/sanction of the Transport Commissioner.

* Wages were paid at different rates in different depots as fixed by the Deputy Commissioners of the Districts concerned. The amount has been worked out on the bases of average rate of wages

- In Hisar Depot 116 persons were appointed on daily wages during April 1987 to September 1989 without having been sponsored through employment exchange.
- In Rohtak depot 55 workshop employees were employed on transfer from Body Building Workshop Gurgaon in January 1991. Sanction applied for in January 1991 had not been accorded by the Transport Commissioner so far (December 1992).

7.2.8. Excess employment : The number of persons (both regular and daily wage) employed in excess of norms and the approximate extra expenditure incurred thereon during 1986-87 to 1991-92 was as under :

Year	Average number of buses during the year	Number of staff required to be employed as per norm			Number of staff actually employed			Number of excess staff		
		Driver	Conductor	Workshop staff	Driver	Ministerial staff	Workshop staff	Ministerial staff	Driver	Conductor
1986-87	3038	4253	4253	4419	1795	4313	4449	4514	60	196
1987-88	3128	4379	4379	4493	1840	4415	4607	4677	36	228
1988-89	3315	4641	4641	4748	1958	4768	4902	5089	127	261
1989-90 (April to August 1989)	3325	4655	4655	4794	1983	4738	4881	5059	83	226
1989-90 (September 1989 to March 1990)	3502	5953	5953	—	—	5090	5265	—	—	—
1990-91 (April to July 1990)	3566	6062	6062	5099	2101	5395	5391	5280	—	—
1990-91 (August 1990 to March 1991)	3562	4987	4987	—	—	5254	5557	—	267	570
1991-92	3485	4879	4879	5029	2095	5137	5552	5405	258	367

Note : 1. Norm of drivers and conductors was 1.4 per vehicle from April 1986 to August 1989 and August 1990 to March 1992 while from September 1989 to July 1990 the norm was 1.7 per vehicle.

2. Credit has been given for supervisory staff and staff sanctioned for additional machines like saw machine, resoling plant, generator set etc. in the workshop.

3. Credit has also been given for additional ministerial staff admissible for depot sub-depot and addas.

4. Number of staff actually employed represent average of month-wise/depot-wise employment.

5. There being no change in the norm of workshop and ministerial staff during the period September 1989 to July 1990, the number of staff of such categories shown against broken period of 1989-90 and 1990-91 represents figures for the whole years.

	Number of excess staff							Average monthly emoluments				Extra expenditure			
	Workshop staff	Minis-terial staff	Driver	Conduc-tor	Work-shop staff	Minis-terial staff	Driver	Conduc-tor	Work-shop staff	Minis-terial staff	Driver	Conduc-tor	Work-shop staff	Minis-terial staff	Total
1986-87	95	275	1600	1200	450	450	11.52	28.22	5.13	14.85	59.72				
1987-88	184	359	1728	1296	500	500	7.46	35.46	11.04	21.54	75.50				
1988-89	341	424	1808	1416	600	600	27.55	44.35	24.55	30.53	126.98				
1989-90 (April to August 1989)	265	304	2064	1548	650	650	8.57	17.49	20.67	23.71	70.44				
1989-90 (September 1989 to March 1990)	—	—	2064	1548	—	—	—	—	—	—	—				
1990-91 (April to July 1990)	181	342	2208	1656	800	800	—	—	17.38	32.83	50.21				
1990-91 (August 1990 to March 1991)	—	—	2208	1656	—	—	47.16	75.51	—	—	122.67				
1991-92	376	352	2416	1812	800	800	74.80	146.33	36.10	33.79	291.02				
															796.54

(In Rupees)

(In lakhs rupees)

It would be observed from the above table that the Department had incurred extra expenditure of Rs. 796.54 lakhs on staff appointed in excess of norms during 1986-87 to 1991-92. The reasons for excess deployment of staff were not on record.

Analysis in audit of records of 4 depots viz. Faridabad, Hisar, Karnal and Kaithal revealed the following :

(i) In Hisar depot, 27 drivers and 48 conductors were appointed between May 1988 and August 1989 against suspension and leave vacancies and paid pay and allowances of Rs. 11.83 lakhs. The General Manager allowed them to continue in service to be adjusted against future vacancies. He was charge sheeted in October 1990 for his unauthorised action. Further developments were awaited (December 1992).

(ii) In Karnal depot, 8 conductors were appointed in July 1986 by the General Manager, Karnal, against suspension vacancies and their services were terminated in September 1987. They were employed unauthorisedly for 15 months and paid pay and allowances of Rs. 1.50 lakhs (on an average of Rs. 1250 per month).

Due to revision of norms for employment from 1.4 to 1.7 drivers/conductors per vehicle on 26th August 1989, additional posts of 982 drivers and 982 conductors were sanctioned on the basis of fleet strength as on 31st July 1989 against which 619 drivers and 648 conductors were appointed up to July 1990 when the old norms were revived. After adjustment against future vacancies due to retirements, resignations, addition of buses etc. 94 drivers and 529 conductors were still in excess of norms as on 31st March 1992.

The Transport Commissioner completely banned further recruitment of drivers/conductors in July 1990 but no instructions were issued for termination of services of excess staff. In the meeting of Transport Officers held in November 1990, Transport Commissioner and Secretary, Transport reiterated that the General Managers would be held personally responsible for engagement of staff over and above norms.

However, test-check in 4 depots viz. Faridabad, Hisar, Karnal and Kaithal, revealed that inspite of ban, 9 drivers and 7 conductors were appointed after July 1990.

7.2.9. Sanctioned strength and men in position : Sanctioned posts, posts as per norms and staff in position during 1990-91 and 1991-92 were at wide variance in the 4 test-checked depots as shown

below :

Category	Number of sanctioned posts		Number of posts admissible as per norms		Men in position		
	1990-91	1991-92	1990-91 April-July 1990	1991-92 August 1990-March 1991	1990-91	1991-92	
 FARIDABAD DEPOT							
Drivers	257	257	354	292	261	317	288
Conductors	250	250	354	292	261	345	342
Workshop staff	234	234		301	286	286	329
Ministerial staff	121	121		128	119	142	120
 HISAR DEPOT							
Drivers	318	318	376	310	320	327	311
Conductors	319	319	376	310	320	350	362
Workshop staff	305	305		329	338	376	377
Ministerial staff	117	117		126	135	212	195
 KARNAL DEPOT							
Drivers	358	358	453	373	366	381	365
Conductors	349	349	453	373	366	411	403
Workshop staff	330	330		397	387	375	340
Ministerial staff	160	160		174	149	198	182
 KAITHAL DEPOT							
Drivers	200	200	250	206	203	199	206
Conductors	188	188	250	206	203	214	215
Workshop staff	174	174		206	203	176	193
Ministerial staff	106	106		95	94	131	132

— In Faridabad depot in 1991-92 the staff was in excess of sanctioned strength in all categories except ministerial staff. The

*1. Norms of Drivers and Conductors revised from 1.4 to 1.7 per bus in August 1989 as mentioned in sub para 5.2 were reverted to the original norms in July 1990.

2. Number of posts indicated under column "Sanctioned post" and "as per norms" include posts sanctioned over and above norms for supervisory and other staff for new machines etc. such as saw machine rolling Plant Generator etc.

sanction for additional staff of 30 drivers, 35 conductors, 28 workshop staff and 13 ministerial staff (necessitated by increase in fleet strength from 1st February 1984 to 1st March 1985) was received up to February 1987 but no sanction was received for the period beyond February 1987.

— In Hisar depot in 1991-92, the staff in all categories except drivers was in excess of sanctioned strength as the sanction applied for additional 21 ministerial and 6 workshop staff in May 1988, June 1988, April 1990 and June 1990 due to increase in fleet of vehicles was still awaited.

— In Hisar depot 7 vehicles were condemned in June 1990 and 5 buses were added in that month. Sanction for additional staff of 8 drivers, 8 conductors, 6 workshop and 2 ministerial staff required for 5 additional buses was sought in June 1990 without disclosing the fact regarding condemnation of 7 vehicles. The Transport Commissioner, conveyed in July 1992 retrospective sanction of 7 posts each of drivers and conductors only from June 1990. This resulted in the avoidable expenditure of Rs. 4.78 lakhs on pay and allowances up to March 1992.

— In Karnal depot the staff of all the categories was in excess of sanctioned strength during 1990-91 and 1991-92. Due to addition of 25 buses in 1990-91, the depot applied for additional staff of 35 drivers, 35 conductors, 32 workshop staff and 10 ministerial staff but no sanction has been accorded so far. The General Manager Karnal approached (December 1990-March 1991) the Transport Commissioner for transfer/termination of services of the surplus conductors but no action had been taken so far (December 1992).

— In Kaithal depot the staff of all the categories was in excess of sanctioned strength during 1990-91 and 1991-92 except drivers during 1990-91. The depot applied for sanction of additional staff of 26 drivers, 26 conductors, 24 workshop staff and 9 ministerial staff in April 1989, August 1990 and January 1992 on the ground of addition of vehicles, but the sanction is still awaited (December 1992).

7.2.10. Payment of overtime allowance

Notwithstanding the fact that availability of staff in the depots was within norms or even above norms the overtime was being paid regularly to the staff. Categorywise overtime allowance paid for the period 1986-87 to 1991-92 is given below :

Year	Drivers	Conductors	Workshop staff	Ministerial staff
	(Rupees in lakhs)			
1986-87	161.30	139.04	21.84	5.97
1987-88	247.69	193.77	28.09	6.13
1988-89	323.37	260.75	34.77	6.09
1989-90	321.23	256.43	35.03	3.91
1990-91	304.10	239.86	12.26	2.10
1991-92	370.80	300.49	18.71	3.79

(i) To eliminate the payment of overtime allowance (OTA) the Government revised on 26th August 1989 the norms of conductors and drivers from 1.4 per bus to 1.7 per bus and the Transport Commissioner instructed in September 1989 all the General Managers that the route rotation should be so arranged that the additional crew were fully utilised and no overtime allowance was paid to the staff.

As the payment of OTA was not eliminated, the Government decided on 11th July 1990 to revert to the original norm of 1.4 per bus in respect of drivers and conductors. It was, however, observed in Audit that the OTA to the extent of Rs. 275.07 lakhs and Rs. 224.62 lakhs was paid to the drivers and conductors respectively between September 1989 and July 1990 whereafter the old norms were revived. The amount of OTA paid to drivers and conductors during the preceding years (September 1988 to July 1989) and succeeding years (September 1990 to July 1991) ranged between Rs. 298.97 lakhs and Rs. 248.84 lakhs respectively.

(ii) Rupees 27.99 lakhs was paid as OTA during 1987-92 to the ministerial staff who were not eligible.

(iii) In the meeting of commercial officers held in July 1991, it was inter alia decided that payment of OTA should not exceed 25 per cent of pay.

Test-check of records of 4 depots revealed that percentage of OTA to pay during August 1991 to March 1992 was as under

Category/Depots	Pay	Overtime allowance	Percentage of OTA to pay
Drivers		(Rupees in lakhs)	
Faridabad	44.52	13.35	30
Hisar	53.26	18.03	34
Karnal	40.73	20.89	51
Kaithal	35.27	12.52	35
Conductors			
Faridabad	40.63	8.90	22
Hisar	46.51	15.03	32
Karnal	42.86	16.57	39
Kaithal	27.62	11.23	41

It would be seen from the above that the percentage of overtime allowance to pay ranged between 22 and 51.

7.2.11. Retrenchment of workers

Section 25 (G) of the Industrial Disputes Act, 1947 prescribes that if a workman completes 240 days in a calendar year, he would be deemed to be in continuous service irrespective of the fact whether he was employed on daily wages/adhoc basis, directly or through any agency. If a worker is to be retrenched under Section 25 (F), he is to be served one month notice or paid wages in lieu thereof. Section 25 (H) further lays down that at the time of making any fresh appointments, the retrenched workers should be given preference. Instructions were issued by the Department in March 1986 and August 1987 to all the General Managers to comply with these provisions before retrenching any worker and engaging new workers. In the following cases noticed in test-check these requirements were not complied with :

(i) In nine depots, services of 46 daily wage workers were terminated between April 1982 and February 1991 after they had completed 240 days service without complying with the provision of Section 25 (F) of the Act. The Roadways had to reinstate them as per award of the court (April 1987 to April 1991) and pay wages amounting to Rs. 12.08 lakhs for the period April 1982 to December 1991 without utilising their services gainfully, for which no responsibility has been fixed.

(ii) In Hisar Depot 202 persons employed on daily wages in excess of norms and without sanction were not paid wages from August 1989. The workers approached (November 1989), the Labour Court for wages. As they had completed 240 days of service, the Labour Court issued decree in 25 cases and a sum of Rs. 48.95 lakhs was paid for the period up to March 1992. The General Manager, Hisar was held responsible for irregular appointments and enquiry was being conducted against him. Further developments were awaited as of December 1992.

(iii) In Karnal depot four conductors appointed in July 1986 against the suspension vacancies were retrenched in September 1987. All the four conductors filed petitions in June 1988 in the court alleging that they were not accorded priority when the depot appointed 10 conductors afresh between September 1987 and June 1988. As per award dated 27th August 1990 of the additional District and Session Judge, Ambala (Presiding Officer, Labour Court) all the four conductors were ordered to be reinstated with back wages of Rs. 0.59 lakh each. The officials were taken on duty in March 1991 and paid Rs. 2.36 lakhs after the Legal Remembrancer, Haryana had opined in February 1991 that the cases were not fit for appeal.

Thus by not complying with the provisions of Section 25 (H) the depot incurred an avoidable expenditure of Rs. 2.36 lakhs.

The points mentioned in this review were referred to Government in June 1992; reply has not been received (December 1992).

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

It is admitted that irregularities mentioned in this para have mostly been committed in the depots and it has been decided in principal to take disciplinary action against the defaulting officials/officers. For, this purpose, names of the defaulting officials/officers have been called for from the concerned GMs after receipt of the names of defaulting persons suitable action will be taken against them.

7.2. Man Power in Haryana Roadways

During the course of oral examination the Committee observed that certain irregularities have been committed in the Depots of Haryana Roadways in respect of appointment (both regular and daily wages) employes in excess of norms or without having been sponsored through employment exchange and without obtaining the approval/sanction of Transport Commissioner, due to which the department had to incur extra expenditure of Rs. 796.54 lakhs during the year 1986-87 to 1991-92.

In spite of the above said observation of the Committee the Departmental Representatives informed the Committee that it has been decided in principle to take disciplinary action against the defaulting officers/officials of the department. The Committee, therefore, recommends that the suitable action against the delinquent persons be completed within a period of three months and report to this effect be sent to the Committee for its information.

[24] 7.3. Loss due to non-recovery of sales tax

Under Section 18 of the Haryana General Sales Tax Act, 1973 read with Haryana Government notification dated 5 May, 1973, tax on motor vehicles is leviable at the subsequent stage unless dealer effecting the sale at subsequent stage furnishes to the assessing authority a certificate in Form ST 14 duly filled and signed by the registered dealer from whom the goods were purchased to the effect that the tax on motor vehicle has been paid at the first stage.

The General Manager, Haryana Roadways, Kaithal sold condemned buses valuing Rs. 41.82 lakhs to the registered dealers during the years 1983-84 to 1986-87 without recovering the Sales Tax. At the time of its assessments (April 1987 to January 1989) for the said years it could furnish certificates in support of payment of Sales Tax in form ST 14 only for Rs. 15.90 lakhs. For the remaining sales valued at Rs. 25.92 lakhs, it failed to produce the prescribed evidence in Form ST 14. The assessing authority levied tax of Rs. 2.64 lakhs (at the rate of 10 per cent plus surcharge at the rate of 2 per cent) on the said sales of Rs. 25.92 lakhs.

Instead of recovering the sales tax of Rs. 2.64 lakhs from registered dealers who purchased the buses, the Haryana Roadways paid in July 1989 the tax from its own funds. The appeals filed (April 1990—July 1991) against the assessment orders with the appellate authorities were also rejected in December 1991.

Thus, non-recovery of sales tax by the Department from the buyers, led to a loss of Rs. 2.64 lakhs. No responsibility for the lapse had been fixed so far (February 1992).

The matter was referred to Government in February 1992; reply has not been received (December 1992).

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

The General Manager, Haryana Roadways, Kaithal vide his letter No. 1102/PMA dated 28-8-95 has reported that they have gone into appeal to the Hon'ble sale Tax Tribunal, Haryana and according to that the subsequent sales of old buses are absolved from levy of sale tax only against declaration in form S.T. 14-B prescribed u/s 18 and under rule 24 of the H.G.S.T. Act. The assessing authority Kaithal vide his letter dated 17-12-93 has agreed to process the application of refund subject to production of declaration on form, ST 14-B by the General Manager, Kaithal.

The General Manager, Kaithal has applied (10-1-94) for the refund of Rs. 83970/- for the year 1985-86. After receipt of the refund for 1985-86, appeal for the remaining year will also be filed (yearwise).

After receipt of this report from the G.M. he has been advised to get expedite the refund & if, there is no legal hitch, go into appeal for the refund of the remaining year.

7.3. Loss due to non-recovery of Sales-Tax

During the course of oral examination the Committee observed that there was lapse on the part of the then General Manager for not charging the sales-tax on the auction of old buses. The Committee observed that the General Manager should have either charged sales tax or take S.T. Form No. 14-B from the purchasers. The Committee, therefore, recommends that the responsibility in respect of this lapse be fixed and action be initiated against the concerned General Manager.

On the observation of the Committee the department supplied the list of the General Managers, Haryana Roadways Kaithal from 1983-84 to 1985-86 in whose period the auction of buses took place. After going through the list the Committee recommends that responsibility of concerned General Managers be fixed on the basis of amount involved in each case, within the period of three months and report be sent to the Committee for its information.

COMMERCIAL ACTIVITIES

1992-93

[25] 7.1. General

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

There were 6 departmentally managed Government commercial and quasi-commercial undertakings in the State as on 31 March 1993 *Proforma* accounts for 1992-93 in respect of these undertakings had not been received as of July 1993.

The extent of arrears in the submission of *proforma* accounts is shown below :

Serial No.	Name of undertaking	Extent of arrears
1. *	*	*
2. *	*	*
3. *	*	*
4.	Haryana Roadways	1987-88 to 1992-93
5. *	*	*
6. *	*	*
7. *	*	*

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

The *proforma* accounts for the year 1987-88 to 1989-90 have since been finalised. *Proforma* accounts for the year 1990-91 has been prepared and got audited from the audit party of A.G. Haryana and revised *proforma* accounts is being prepared.

7.1. *Proforma* Accounts

The Committee was informed that *proforma* Accounts for the year 1987-88 to 1988-89 has since been finalised and the *proforma* Accounts for the year 1990-91 has been prepared and got audited from the audit party. The department further assured the Committee that the *proforma* accounts for the remaining years will be prepared by March, 1997. The Committee, therefore, desires that the compliance report be sent to the Committee for its information.

Dropped 28/4/09

(HARYANA ROADWAYS)

[26] 7.2. Performance of mini-buses

7.2.1. Introduction

After reorganisation of the Composite Punjab State, Haryana Roadways was formed on 1st November, 1966. The Roadways is to provide efficient, economical, adequate and co-ordinated transport service to the public. As on 31st March 1993, the Roadways had 19 depots with a fleet strength of 3,833 buses including 226 mini-buses.

7.2.2. Organisational set up

The over-all control of the Roadways is vested in a Transport Board comprising the Minister of Transport (Chairman), Minister of State for Transport (Vice-Chairman), Secretary Transport (Member), Secretary Finance (Member) and State Transport Controller/Transport Commissioner (Member Secretary). The Transport Commissioner, who is the functional Head of the Department, is assisted by the three-Joint State Transport Controllers and four Deputy Transport Controllers for managing day to day affairs of the organisation. Each depot is under the charge of a General Manager.

7.2.3. Audit coverage

A test-check of records relating to acquisition and operation of mini-buses by the Roadways covering the period from 1988-89 to 1992-93 was conducted during October-December 1992 in the office of State Transport Commissioner and 18 depots.¹ Important points noticed during test-check are mentioned in the succeeding paragraphs.

7.2.4. Highlights

—Although the operation of 61 mini-buses was un-economical yet 174 additional mini-buses were purchased. The total loss in the operation of all these buses was Rs. 949.15 lakhs during 1988-89 to 1992-93.

(Paragraph : 7.2.5.)

—Against the estimated traffic receipt and expenditure of Rs. 2.45 and Rs. 3.00 per kilometre, the actual receipt ranged between Rs. 2.35 and Rs. 3.07 and the actual expenditure ranged between Rs. 3.27 and Rs. 6.17 per kilometre during 1988-89 to 1992-93.

1. Ambala, Baiwani, Chandigarh, Dadri, Faridabad, Fatehabad, Gurgaon, Hisar, Kaithal, Jind, Karnal, Kurukshetra, Panipat, Rewari, Rohtak, Sirsa, Sonapa and Yamunanagar.

—Large number of vehicles were detained for repairs in departmental workshops due to non-availability of spare parts and trained mechanics.

—Against the estimated average vehicles utilisation of 400 kilometres on long routes and 250-300 kilometres per vehicle on local routes, the actual utilisation ranged between 36 kilometres (Dadri Depot : 1992-93) and 291 kilometres (Kaithal Depot : 1991-92).

(Paragraph : 7.2.6.)

7.2.5. Acquisition of buses

The Roadways obtained (July 1987) one 23 seater mini-bus (Canter) from manufacture 'A' for trial operation. The bus was operated on trial basis by Ambala and Chandigarh depots on long routes, village routes and hilly routes during the period from 28th July to 2nd November, 1987. The following operational economics were put up to the Transport Board in the meeting held on 2nd December 1987 :

- The average utilisation of the vehicle per day was 400 km. on long routes and 250-300 km. on other routes.
- The average running per litre ranged between 6 and 8.5 km.
- Traffic receipt was at the rate of Rs. 2.45 per km. at 100 per cent occupancy against the expenditure of Rs. 3 per km.
- The ground clearance being low, special repair pits would be required.
- Maintenance staff would require training for repair of mini-buses.
- Separate inventory of spare parts would be needed.
- Maintenance of vehicle would be costly due to non-availability of spare parts in the local markets.

Though the operation was found to be uneconomical during trial run itself, the Transport Board decided (December 1987) to purchase 50 mini-buses, subsequently raised to 60 in the meeting of High Powered Purchase Committee (HPPC) held in March 1988. The purchase of mini-buses was necessitated as adequate transport facilities were not available on short routes and also to check unapproved/unauthorised plying of private three/four wheelers. Accordingly, three orders for purchase of 20 mini-buses each were placed on three manufacturers in March, 1988 against which 61 mini-buses (cost : Rs. 162.18 lakhs) were received in July 1988 (20-manufacturer 'A', 20-manufacturer 'B' and 21-manufacturer 'C'). The buses were operated in six depots.²

As the mini-buses were incurring losses in the first year of their operation, when even consumption of spare parts had not started, the Department analysed their relative operation cost in May 1989, and it was found that the operation of mini-buses was not viable.

2. Bhiwani, Hisar, Rewari, Rohtak, Sirsa and Sonapat

Notwithstanding this, the State Government decided (August 1989) to introduce additional number of 500 mini-buses on the grounds of its social obligation to provide transport facility to each village. Accordingly, the Transport Department requested (September 1989) the Director, Supplies and Disposals, Haryana to arrange for purchase of 500 buses. Meanwhile, in its meeting held on 31st October 1989, the HPPC observed that the Department was incurring a loss of about Rs. one lakh per bus per annum and the total loss upto August 1989 aggregated Rs. 58.49 lakhs. Even then the orders were placed for 500 buses (40 buses : December 1989; 460 buses : February 1990) on five firms including the three suppliers who had supplied the buses earlier in July 1988. Of these, 174 buses (cost : Rs. 538.43 lakhs) were received between April and October 1990. The firms failed to complete the supplies within the stipulated period (July 1990). In the meantime, the Department, at the instance of Government, decided not to purchase more buses in view of the shortage of funds.

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

In this connection, it is submitted that in view of incurring losses for operation of Mini buses, a detailed reference was made to the Government to accord sanction for premature condemnation of Mini buses and their disposal by public auction at a price not less than their book value as on date of their reserve price. Accordingly, the Government vide their no. 17/95/92-6T dated 26th/31st March 93 accorded necessary sanction. Since majority of the Mini buses had been purchased in 1990-91, the book value of these mini buses was still high, being over 2 lakhs. At this high price and with the present condition of the mini buses, it had not been found feasible to dispose of these mini-buses at the book value, despite efforts having made in successive monthly auctions, only 23 mini buses could be disposed off through these auctions, upto 14-9-93.

The question of the recurring losses on the operation of the mini buses by H.R. came up for discussion in a starred assembly question No. 557 during the session on 31-8-93. Based on the demand from a couple of legislators that Haryana Government should dispose off the mini buses even below the book value in order to avoid recurring losses. The Transport Minister had assured that in case Haryana Government is not able to dispose off the mini buses at the book value, it would consider sale of the mini buses at a price even lower than the book value.

In the light of the above assurance and to expedite the disposal off mini buses to avoid losses, the matter was again referred to the Government and accordingly, the Government accorded sanction to the disposal of these mini buses by public auction at a price upto 20% less than that of book value vide their memo No.—3/17/95/92/IT dated 19-10-93.

The position regarding disposal off these mini buses in each depot and amount fetched during public auction is placed below :—

In view of the position explained above, the above para may kindly be dropped.

Statement showing position of mini buses in HR No. of mini buses sold, used for checking and lying pending for disposal as on 31-3-95.

S.No.	Depot	Total Nos. of mini buses allotted	Nos. of mini buses being used for checking duty/recovery van	Buses as yet pending for disposal
-------	-------	-----------------------------------	--	-----------------------------------

TATA

1.	Ambala	05	1	—
2.	Jind	10	2	—
3.	Kaithal	16	2	—
4.	Sonepat	13	1	—
5.	Chandigarh	10	2	—
6.	Karnal	06	3(2+1)	—
7.	Yamuna Nagar	10	2	—
8.	Kurukshetra	08	2	—
9.	Panipat	08	—	—
10.	Delhi	01	1	—

Nos. of buses sold in public auction	Amount fetched in auction
--------------------------------------	---------------------------

04	05,08,100/-
08	05,59,500/-
14	14,24,600/-
12	09,73,100/-
08	08,18,600/-
03	03,00,700/-
08	10,02,800/-
06	07,39,294/-
08	09,73,410/-

LEYLAND

S.No.	Depot	Total Nos. of mini buses allotted	Nos. of Mini buses being used for checking duty/Recovery van	Buses as yet pending for disposal
1.	Gurgaon	09	2	—
2.	Rewari	25	2	2
3	Bhiwani	16	2	—
4.	Faridabad	10	2	3
5.	Rohtak (1990)	19	—	—
6.	Hissar	15	2	—
7.	Sirsa	16	—	—
8.	Faridabad	20	1	7
9.	Ch. Dadri	08	1	—
Total		225	28	12

LEYLAND

Nos. of buses sold in public auction	Amount fetched in auction
07	08,30,500/-
21	16,06,650/-
14	08,58,400/-
05	04,96,000/-
19	15,79,530/-
15	08,67,850/-
16	12,23,820/-
12	13,60,600/-
07	05,21,417/65 Ps.
185	1,66,34,771/65 Ps.

7.2. Performance of Mini Buses

During the course of oral examination the Committee was informed that the question of recurring losses on the operation of Mini buses by Haryana Roadways came up for discussion in a Starred Assembly Question No. 557, during the session on 31st August, 1993. The Committee was further informed that the matter was referred to the Vigilance Department and is still under examination. The Committee feels that it is a very serious matter concerning the State Exchequer, and in view of the assurances given by the Chief Minister on the floor of the House, the Committee recommends that the Financial Commissioner and Secretary to Government Haryana, Transport Department should take up this matter with the Chief Secretary so that the report may be got finalised from the Vigilance Department at the earliest and the action could be initiated in the matter within a stipulated period. The Committee further recommends that action taken in the matter be informed to the Committee.

The Committee also desires that the proceedings of High Powered Committee dated 30-1-1990 in which the decision for the purchase of Mini buses was taken be also sent to the Committee for its perusal.

PRINTING AND STATIONERY

1990-91

COMMERCIAL ACTIVITIES

[27] 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 1991. Proforma accounts for 1990-91 in respect of these undertakings had not been received (July 1991).

The extent of arrears in the submission of proforma accounts is shown below :

Serial Number	Name of Undertakings	Extent of arrears
*1.	*	*
2.	*	*
3.	*	*
4.	*	*
5.	*	*
6.	Printing and Stationery Department (Nationalised Text Book Scheme)	1986-87 to 1990-91
7.	*	*

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

Concerned officers have been directed to take necessary steps for the clearance of out standing arrear of accounts. However, the latest position of the proforma account is given as under :—

1. Proforma Account under the Nationalised Text Book Scheme up to the year 1990-91 have since been finalised by Accountant General vide their letter No. RAP(P)/PA/90-91/CS/95-96/56, dated 22-5-1995.

Proforma Account for the year 1991-92 has been prepared and sent to A.G. Haryana vide letter No. P&SH-95/2370/Cell dated 4-9-1995.

7.1. Proforma Accounts :

The departmental representatives informed the Committee that the proforma accounts for the year 1991-92 has already been prepared and sent to the Accountant General and the proforma accounts for the remaining years are under process of finalisation. The Committee, therefore, recommends that remaining proforma accounts be got re-conciled with the Accountant General, Haryana under intimation to the Committee.

[28] 7.8. Short recovery due to defective tender condition

The Printing and Stationery Department placed an order (January 1984) for printing of 6.05 lakh text books (Parvesh Adhyan-3 : 3.40 lakh Parvesh Adhyan-4 : 2.65 lakh) on a Chandigarh based firm.

The terms and conditions governing the printing order provided that the paper for the job would be supplied by the Department and in case the same was used by the printer for some other purpose, he should pay full cost of the paper plus 15 *per cent* surcharge.

1,07,558 kg. of paper was supplied to the firm for printing of the text books. The firm supplied 5.02 lakh text books during June 1984 to March 1985 on which 55,928 kg. paper was consumed. Thereafter the print order was cancelled. The balance quantity of 51630 kg. paper was not returned by the firm.

The Department recovered (June 1990) a sum of Rs. 3.74 lakhs (cost of paper : Rs. 3.25 lakhs; surcharge : Rs. 0.49 lakh) from the firm for the paper not returned. It was noticed in audit (April 1990) that the rate of surcharge at 15 *per cent* was erroneously mentioned in the tender documents, as the actual rate of surcharge was 150 *per cent* according to instructions of the State Government. The amount recoverable from the firm with 150 *per cent* surcharge worked out to Rs. 8.13 lakhs (cost of paper : Rs. 3.25 lakhs; surcharge : Rs. 4.88 lakhs) Thus, due to a defective condition in the tender documents, the Department made a short recovery of Rs. 4.39 lakhs from the firm (Rs. 8.13 lakhs—Rs. 3.74 lakhs). The Department while admitting the lapse, intimated (September 1990) that surcharge of 15 *per cent* was mentioned in the tender condition due to a typographical error for which responsibility was being fixed. Further developments were awaited (May, 1991).

The matter was reported to Government in June 1991; reply has not been received (February 1992).

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

The terms and conditions for the tender invited on 26-12-83 for

the printing of text books were prepared by the following officer/officials:

1. Sh. Rattan Chand Sharma.
Administrative Officer,
(Officer Incharge)
2. Sh. Zile Singh, Asstr. Incharge.
3. Sh. Jai Narain, Dealing Assistant.

As such they were responsible for mentioning the surcharge at the rate of 15 percent instead of 150 per cent in clause. 6(ii) of the tender conditions.

As per terms & conditions of the tender, the recovery of the cost of balance paper was made from the concerned printer while making the payment. The case was referred to the Legal Remembrancer of the State Government for advice whether the department can change the surcharge clause 150% instead of 15% printed due to typographical mistake. But the L.R. advised that the surcharge for 15% should be charged from the printer on the cost of paper as no correction was made in the clause of the terms and conditions. Accordingly the recovery was made. Recovery of balance paper stands effected after adding 15% surcharge over and above the issue rate of paper and as such there was no virtually loss to the State Exchequer.

As already stated in forging paras, the condition of surcharge of 150% was to be incorporated in the terms and conditions governing the print order but the same was written as 15% due to typographical mistake inadvertently. Print Order was issued with the approval of the competent authority. However, it is submitted that terms and conditions included in the tender were not repeated in the print order as per practice.

Departmental action against the delinquent officials mentioned in para 1 above, has already been initiated against official at Sr. No. 2 & 3 as the official at Sr. No. 1 has since retired.

The accounts of this printer have been settled keeping in view the advice of legal remembrancer of the Government.

The Committee is requested kindly to drop this para keeping in view the facts explained above.

7.8. Short Recovery due to defective tender condition :

During the course of oral examination the Committee observed that due to defective conditions in the tender documents, the department made a short recovery of Rs. 4.39 lacs from the firm. However, the department while admitting the lapse informed that surcharge of 15% was mentioned

in the tender condition due to typographical error. The Committee was not convinced with the explanation given by the department in this regard. The Committee also not satisfied with the inquiry conducted by the department in fixing the responsibility against the delinquent officials. The Committee therefore recommends that the entire matter be re-examined and report to this effect be sent to the Committee within a period of one month for its information.

LOCAL BODIES

1990-91

FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

[29] 6.2. *Utilisation Certificates*

The financial rules of Government require that certificates of proper utilisation of grants should be furnished to Audit by the departmental officers within 18 months from the date of payment of grants. Utilisation certificates had not been received (August 1991) for Rs. 340.50 crores (3770 cases) out of Rs. 395.09 crores (6615 cases) paid by the Government as grant during 1968-69 to 1989-90. Of these, certificates for Rs. 124.89 crores were due for over three years. The departmentwise break-up of pending utilisation certificates is given in *Appendix VII* of the C.&A. G. Report. In the absence of these certificates, it was not possible to verify as to what extent the recipient bodies had spent the grants for the purpose(s) for which these were given.

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

It is stated that Accountant General Haryana vide his letter No. Department section 1/2217/93-94/1042, dated 22-12-93 has issued a certificate to the effect that no utilisation certificate is pending in respect of grant-in-aid given to Municipalities upto the year 1988-89. So far as utilisation Certificate regarding amount of grants distributed during the year 1989-90 is concerned. The detail of grants schemewise is as under :—

Plan	(Rs. in Lacs)
1. Environmental improvement of Urban Slums	110.00
2. Adhoc Revenue Earning Schemes	84.00
Non-Plan	
3. Development works (Repair/Maintenance of Roads, construction of buildings and maintenance of parks etc.)	261.50
	<hr/>
	455.50
	<hr/>

Out of total grants Rs. 455.50 lacs given to Municipalities during the financial year, 1989-90, Utilisation Certificate for Rs. 3,59,98,000 have already been submitted to Accountant General Haryana. Break up of

Utilisation Certificate sent to Accountant General, Haryana (Schemewise) are as under

Plan

1. Environmental Improvement of Urban Slums	94,28,000
2. Adhoc Revenue Earning Scheme	84,00,000
	(Paid to LIC vide RTR No. MC/A490665 & MC/ A577898 dated 29-3-90.

Non-Plan

3. Development works	1,81,70,000
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Detail of Utilisation Certificates sent to Accountant General, Haryana for the year 1989-90. It is clear from the position explained above that only Utilisation Certificates of Rs. 95,52,000 are required so far submitted to Accountant General, Haryana. For the procurement of the pending Utilisation Certificates defaulting Municipal Committees have been directed to submit pending Utilisation Certificates duly verified from the Resident Audit Officer of the Director Local Audit to Director Local Bodies within 4 weeks for onward transmission to Accountant General Haryana.

6.2. Utilisation Certificate

During the course of oral examination the Committee was informed that the utilisation certificates upto 1989-90 has since been sent to Accountant General Haryana. The Committee was further informed that the pending utilisation certificates will be submitted to the Accountant General within period of one month. After hearing the version of the Department, the Committee desires that the pending utilisation certificates be cleared within a period of 30 days and report to this effect be sent to the Committee for its information.

[30] **6.3. Unspent balances of grants paid to Local Bodies**

According to information received from the Examiner, Local Fund Accounts, Rs. 2,651.16 lakhs remained un-utilised as on 31st March 1990, out of the grants given by Government to Local Bodies upto the end of March 1990. Agewise break-up of unspent balances is given below :

Department which paid the grant	For more than 10 years	For more than 5 years but less than 10 years	For more than 3 years but less than 5 years	For 3 years or less	Total
	(In lakhs of rupees)				
Sanitary Board	274.25	305.04	148.67	290.36	1018.32
Local Government	79.81	314.42	477.69	304.97	1176.89
Development and Panchayats	17.42	2.59	29.15	99.83	148.99
Miscellaneous	11.23	39.13	119.25	137.35	306.96
	382.71	661.18	774.76	832.51	2651.16

The unspent balances include Rs. 1,558.74 lakhs deposited by the Local Bodies with Public Works Department for execution of Water Supply/Sewerage Schemes and other works for which the accounts of expenditure had not been rendered to Local Bodies (March 1990). Further, Rs. 235.98 lakhs were utilised on the expiry of the prescribed period without approval of the sanctioning authority or were reported to have been spent but accounts thereof were not made available to the Examiner, Local Fund Accounts. The balances of Rs. 856.44 lakhs remained unspent with the Local Bodies on 31st March 1990 mainly because the grants were generally received from Government at the fag end of the year and the Local Bodies did not get enough time to complete the formalities and utilise the grants before the close of the financial year.

The matter was referred to Government in November 1991; reply has not been received (February 1992).

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

As explained in para 6.2 that the Accountant General Haryana has issued a certificate to the effect that no utilisation certificates is pending with the Deptt. in respect of amount of grants given to Municipalities upto the year 1988-89. So far as grant given to municipalities during the year 1989-90 is concerned, a total amount of grant of Rs. 455.50 lacs were provided out of which Utilisation Certificates for Rs. 3,59,98,000 have since been submitted to Accountant General Haryana and Utilisation Certificates for the remaining amounts of Rs. 95,52,000 are required to be submitted after obtaining from the defaulting Municipalities. As such keeping in view of the certificate issued by Accountant General, Haryana, question of amount remained unspent before 89-90 hardly arises, however amount of grant released during 1989-90 for which utilisation certificates have not been received can be considered as unspent balances. The direction has been issued to all the Municipalities to supply the remaining Utilisation Certificates duly verified from the representative of Director Local Audit within a month positively for the onward transmission to Accountant General, Haryana and in future they should submit certificates within six months after maximum time given for submission of Utilisation Certificates.

Further whenever the Accountant General Partly comes the Municipal staff must supply them full information to check matters immediately. Any how if there are unspent balances with the Municipalities, there must be audit objections. In order to procure the Utilisation Certificates after the Audit objection is settled down, 34 Accountants of the Municipalities have been charge-sheeted under Rule 7 of the Punishment and Appeal Rules-1987 on the charges that they have not attended the Audit objections.

Part Para 6.3 relates to Public Health Department to whom the Municipalities have deposited amount of loan, grant and other amount for the execution of Water Supply and Sewerage Schemes. Reply of this part asked from the Engineer-in-Chief Haryana, P.W.D., Public Health Branch, Chandigarh. The department informed vide memo No. 2051 PH/UI, dated 7-9-95 that the amount involve in audit para 6.3 is for the last 40 years i.e. from 1949-50 to 1989-90. It appears that Utilisation Certificates have been issued from time to time, but these have not been accounted for. To settle the account finally the detail study for the year, 1989-90 has been made where unspent amount has been shown Rs. 470.67, out of total balances Rs. 1558.74 lacs. Utilisation Certificate of a sum of Rs. 243.77 lacs has been got prepared and issued for these 10 years. The Department further informed that the job is highly time consuming and because of heavy flood in the State. The momentum gain has been slowed down and anticipating that it will take another 3 months to reconcile these figures and assured the needful will be got done within this period.

It is further added that Engineer-in-Chief, Public Health Deptt. has sent Utilisation Certificates amounting to Rs. 539.95 lacs vide memo No. 4195 dated 23-12-94 and 2038 PH/UI, dated 7-9-95 to the Financial Commissioner & Secretary to Govt., P.W.D. Public Health Department.

6.3 Unspent Balance of Grants paid to Local Bodies

During the course of oral examination the Departmental representatives informed the Committee that a total grant of Rs. 455.50 lacs was provided during the year 1989-90 to the Municipal Committees and out of which utilisation certificates for Rs. 3,59,60,000 have since been submitted to Accountant General Haryana and the utilisation certificates for the remaining amount i.e. for Rs. 95 lacs is still required to be submitted after obtaining from the defaulting Municipalities. After hearing the version of the Department the Committee recommends that in order to avoid accumulation of utilised certificates in future no grant should be given to any Local Bodies until and unless the complete utilisation certificates are submitted by them. The Committee further directs that the remaining utilisation certificates be sent to Accountant General within a period of 30 days under intimation to the Committee.

[31] 6.4 Bodies and Authorities substantially financed by Government grants and loans.

For purposes of audit, under Section 14 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971 of bodies and authorities substantially financed from Union or State revenue, a grant of loan will be treated as substantial

if it is not less than Rs. 5 lakhs (not less than Rs. 25 lakhs from 1983-84) and constitutes not less than 75 per cent of the total expenditure of the body or authority in a financial year. Information about bodies and authorities which received grants and loans of not less than Rs. 5 lakhs upto 1982-83 and not less than Rs. 25 lakhs from 1983-84 in a year, was required to be furnished to audit by Government. This information has not been supplied by Government (June 1991).

On the basis of information regarding grants and loans available with Audit, 74 bodies and authorities during 1980-81, 76 during 1981-82, 77 during 1982-83 received grants and loans of Rs. 5 lakhs or more and 6 bodies and authorities during 1983-84, 7 each during 1984-85 and 1985-86, 6 during 1986-87, 35 during 1987-88, 36 each during 1988-89 and 1989-90 and 49 during 1990-91, received grants and loans amounting to Rs. 25 lakhs or more. These bodies and authorities were asked to submit their accounts to audit. However, accounts have not been received from one body for 1980-81, one for 1981-82, 3 for 1982-83, one for 1986-87, 3 for 1987-88, 6 for 1988-89, 7 for 1989-90 and 18 for 1990-91 vide details in *Appendix VIII* of C.&A.G. Report.

The matter was referred to Government in November 1991; reply has not been received (February 1992).

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

For the purposes of audit under section 14 of the Comptroller and Auditor General (Duties, Powers and Conditions of Service) Act, 1971 of the bodies and authorities substantially financed from Union or State Revenue, Municipalities are receiving grants/loans from various sources, as such all the Municipalities in the State of Haryana have been directed to submit the detail of grants/loans vide Directorate memo No. BA-I-95/5994-6073, dt. 9-2-1995 received by them in excess of 5 lacs prior 1982-83 and 25 lacs thereafter. So that Accountant General Haryana may take necessary action at their end. In compliance to Directorate directions, information has been sent to Accountant General Haryana by 55 Municipalities/ Directorate of Local Bodies, Thus information from Bhiwani, Narnaul, Bahadurgarh, Rohtak and Karnal has been submitted to Accountant General, Haryana, which has been shown as defaulters in the *Appendix VIII* of the Comptroller and Accountant General's Report.

Sr. No.,	Name of M.C.	Letter No. & date vide which the accounts have been sent to A.G. Haryana.
1.	Rohtak	No. 700/Acctt., dated 21-2-95
2.	Narnaul	No. 653/2, dated 21-3-95
3.	Bahadurgah	Vide Directorate letter No. BA-I/95/14027, dated 4-4-95.
4.	Bhiwani	Do
5.	Karnal	Do

So far as information relating to Municipal Council Sirsa is concerned, the council has informed vide his memo No. 952, dated 2-6-95 that all the record prior to 1990-91 had been burnt by the anti reservation mob on 24-9-90. As such information cannot be made available. However, information regarding amount of grant/loans received by the Council during the financial year, 1990-91 to 1994-95 has been supplied, the information so received has also been supplied to Accountant General Haryana vide this office memo No. BA-I-95/30339, dated 14-7-95.

Keeping in view the position explained above it is requested that para may be dropped.

6.4 Bodies and authorities of substantially financed by Government Grants and Loans

The Committee was informed that all the records prior to 1990-91 in respect of Municipal Council Sirsa had been burnt by the anti reservation mob during the year September, 1990 and as such information is not made available. The Committee recommends that the efforts be made to reconstruct the record and thereafter be sent to Accountant General under intimation to the Committee.

1991-92

[32] Financial Assistance to Local Bodies and Others**6.2 Utilisation certificates**

The financial rules of Government require that certificates of proper utilisation of grants should be furnished to Audit by the departmental officers within 18 months from the date of payment of grants. Utilisation certificates had not been received upto August 1992, for grants aggregating to Rs 355 80 crores (3466 cases) out of Rs. 416.39 crores (4276 cases) paid by the Government during 1968-69 to 1990-91. Of these, certificates for Rs. 169.36 crores (956 cases) were due for over three years. The departmentwise break-up of pending utilisation certificates is given in *Appendix VII* of the C.&A.G. Report. In the absence of these certificates, it was not possible to verify as to what extent the recipient bodies had spent the grants for the purpose(s) for which these were given.

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

It is stated that Accountant General, Haryana vide his Letter No. Deptt. section 1-2217/93/94/1042, dated 22-12-93 has issued a certificate to the effect that no utilisation certificate is pending in respect of grant-in-aid given to Municipalities upto the year 1988-89. So far utilisation certificates regarding grant distributed during the year, 1989-90 and 1990-91 is concerned the details of grant (scheme-wise) is as under :—

Name of the schemes	Year		
Environmental Improvement of Urban Slums	1989-90	1,10,00,000	} 2,20,00,000
	1990-91	1,10,00,000	
Adhoc Revenue	1989-90	84,00,000	} 1,59,00,000
	1990-91	75,00,000	
Development works (Repair/maintenance of roads, construction of buildings and maintenance of parks etc.)	1989-90	2,61,50,000	} 3,11,00,000
	1990-91	49,50,000	
Total :		<u>6,90,00,000</u>	

Out of total grant Rs. 690.00 lacs given to Municipalities during the financial year, 1989-90 & 1990-91. Utilisation Certificates for Rs. 5,26,29,000 have already been submitted to Accountant General, Haryana. Break-up of Utilisation Certificate sent to

Accountant General, Haryana (Scheme-wise and year-wise) are as under :—

PLAN

1. Environmental Improvement of Urban Slums	1989-90	94,28,000	}	1,90,14,000	
	1990-91	95,86,000			
2. Adhoc Revenue Earning Scheme	1989-90	84,00,000	}	1,19,50,000	Out of which Rs. 84.00 lacs paid to LIC vide RTR MC/A-490665 & 577898 dt. 29-3-90
	1990-91	35,50,000			

3. NON PLAN

Development works	1989-90	1,81,70,000	}	2,16,65,000
	1990-91	34,95,000		
				5,26,29,000

Detail of Utilisation Certificate sent to Accountant General, Haryana for the year, 1989-90 and 1990-91 are given in respectively. It is clear from the position explained above that only Utilisation Certificates of Rs. 1,63,71,000 are required to be submitted to Accountant General, Haryana for the procurement of the pending Utilisation Certificates defaulting Municipal Committees have been directed to submit pending Utilisation Certificates duly verified from the Resident Audit Officer to the Director Local Bodies, Haryana within 4 weeks for onward transmission to Accountant General, Haryana.

6.2 Utilisation Certificates

The Committee was informed that utilisation certificates for the year 1989-90 and 1990-91 have already been sent to Accountant General and the utilisations certificates of Rs. 1.64 lacs are still required to be submitted to Accountant General after obtaining the same from the defaulting Municipal Committees. The Committee was further informed that the 34 defaulting officials have been charge sheeted who delayed in clearing the pending utilisation certificates well in time. After hearing the explanation of the Department the Committee is not satisfied and therefore desires that detailed note regarding the factual position of the pending utilisation certificates as well as the names of the defaulting officials who have been charge sheeted togetherwith the action taken against them be intimated to the Committee within a period of one month.

[33] 6.3 Unspent balances of grants paid to Local Bodies

According to information received (January 1993) from the Examiner, Local Fund Accounts, Rs. 2837.78 lakhs remained unutilised as on 31st March 1991 out of the grants given by Government to local bodies upto the end of March 1991.

Age-wise break-up of unspent balances is given below :

Department which paid the grant	For more than 10 years	For more than 5 years but less than 10 years	For more than 3 years but less than 5 years	For 3 years or less	Total
(Rupees in lacs)					
Sanitary Board	324 34	313 75	303.53	82.30	1023 92
Local Government	113 50	482 16	357.53	253.90	1207 09
Development and Panchayats	17 33	12.36	26 57	103 47	159 73
Miscellaneous	12 93	69 78	128 75	235.58	447 04
	468.10	878.05	816.38	675.25	2837 78

The unspent balance included Rs. 1562.77 lacs deposited by the Local Bodies with Public Works Department for execution of water supply/sewerage schemes and other works for which the accounts of expenditure had not been rendered to the local bodies (March 1991). Further, Rs. 340.09 lacs were utilised on the expiry of the prescribed period without approval of the sanctioning authority or were reported to have been spent but accounts thereof were not made available to the Examiner, Local Fund Accounts. The balance amount of Rs. 934.92 lakhs remained unspent with the local bodies on 31st March 1991 mainly because the grants were generally received from Government at the fag end of the year and the local bodies did not get sufficient time to complete the formalities and utilise the grants before the close of the financial year.

The matter was referred to Government in February 1993, reply has not been received (March 1993).

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

As explained in para 6.2 that the Accountant General, Haryana has issued a Certificates to the effect that no utilisation certificates is pending with the Department in respect of amount of grants given to Municipalities upto the year 1988-89. So far as grant given to municipalities during the year, 1989-90 and 1990-91 is concerned, a total amount of the grant of Rs. 690 lacs were provided out of which Utilisation Certificates for Rs. 5,26,29,000 have since been submitted to Accountant General, Haryana and Utilisation Certificates for the remaining amounts of Rs. 1,63,71,000 are required to be submitted after obtaining from the defaulting Municipalities. As such keeping in view of the Certificate issued by Accountant General, Haryana question of amount remained unspent before 1989-90 hardly arises, however, amount of grant released during 1989-90 & 1990-91 for which utilisation certificates

have not been received can be considered as unspent balances. The direction has been issued to all the Municipalities to supply the remaining Utilisation Certificates duly verified from the representative of Director Local Audit, within a month positively for onward transmission to Accountant General, Haryana and in future they should submit Certificates within six months after maximum time given for submission of Utilisation Certificates in 1½ years. Further whenever the Accountant General Party comes the Municipal staff must supply them full information to check matters immediately. Any how if there are unspent balances with the Municipalities, there must be audit objections. In order to procure the Utilisation Certificates after the Audit objection is settled down, 34 Accountants of the Municipalities have been chargesheeted under Rules 7 of the Punishment and Appeal Rules, 1987 on the charges that they have not attended the Audit objections.

Part Para 6.3 relates to Public Health Department to whom the Municipalities have deposited amount of loan, grant and other amount for the execution of Water Supply and Sewerage Schemes. Reply of this part asked for from the Engineer-in-Chief, Haryana, P.W.D. Public Health Branch, Chandigarh. The department informed vide memo No. 2051 PH/UI, dated 7-9-95 that the amount involved in audit para 6.3 is for the last 40 years i.e. from 1949-50 to 1989-90. It appears that Utilisation Certificates have been issued from time to time, but these have been not accounted for to settle the account finally. The detail study for the year 1989-90 has been made where unspent amount been shown Rs. 470.67, out of total balances Rs. 1558.74 lacs. (The amount of Rs. 1558.00 lacs is upto 1989-90, that may be considered as Rs. 1562.77 lacs for and upto 1990-91 as per C.A.G. Report). Utilisation Certificate of a sum of Rs. 243.77 lacs has been got prepared and issued for these 10 years. The Department further informed that the job is highly time consuming and because of heavy flood in the State. The momentum gain has been slowed down and anticipating that it will take another 3 months to reconcile these figures and assured the needful will be got done within this period.

It is further added that Engineer-in-Chief Public Health Department has sent Utilisation Certificates amounting to Rs. 539.95 lacs vide Memo No. 4195, dated 23-12-94 and 2038, PH/UI, dated 7-9-95 to the Financial Commissioner and Secretary to Govt., P.W.D. Public Health Department.

6.3 Unspent Balance of grants to Local Bodies

After going through the explanation given by the Department the Committee recommends that the pending utilisation certificates be reconciled with the Accountant General within a period of three months under intimation to the Committee.

1992-93

[34] *Financial Assistance to Local Bodies and Others*

6.1 General

During 1992-93, Government disbursed Rs. 183.96 crores as grants to panchayats, municipalities, educational institutions, other institutions, etc. for the following broad purposes :

	Amount (Rupees in crores)
A. General Services	
Other Administrative Services	1.30
B. Social and Community Services	
(a) General Education	36.41
(b) Medical	2.25
(c) Sports	1.47
(d) Family Welfare	0.07
(e) Art and Culture	0.04
(f) Social Security and Welfare	3.46
(g) Urban Development	4.53
(h) Housing	0.69
(i) Command Area Development Programme	18.16
(j) Technical Education	6.55
(k) Water Supply and Sanitation	24.04
C. Economic Services	
(a) Other Scientific Research	1.43
(b) Other Rural Development Programme	15.27
(c) Animal Husbandry	1.10
(d) Secretariat Economic Services	9.50
(e) Industries/Village and Small Scale Industries	4.05
(f) Ecology and Environment	0.33
(g) Non-conventional Sources of Energy	0.17
(h) Rural Employment	18.46
(i) Agriculture Research	23.15
(j) Civil Aviation	0.34
(k) Fisheries	1.19
(l) Crop Husbandry	10.00
Total :	183.96

The financial rules of Government require that certificates of proper utilisation of grants should be furnished to Audit by the departmental officers within 18 months from the date of payment of grants. Utilisation certificates had not been received upto August 1993 for Rs. 257.99 crores (2,336 cases) out of Rs. 501.13 crores (4,162 cases) paid by Government as grants during 1968-69 to 1991-92. Of these, certificates for Rs. 65.39 crores (1,317 cases) were due for over three years. The Department-wise break-up of pending utilisation certificates is given in *Appendix VIII* of C&AG Report.

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

As per report of the Comptroller & Auditor General for the year 1992-93 (Civil) only 453.00 lacs were paid as grant-in-aid by the State Govt. to Municipal Committee/Corporations for Development purposes. Infact, the Govt. had released a grant of Rs. 270.00 lacs in favour of the local bodies (municipalities) instead of Rs. 453.00 lacs during the year 1992-93 as per details given below :—

Plan	Rs. in lacs
1. Environmental Improvement of Urban Slums.	170.00
2. Adhoc Revenue Earning Scheme	50.00
Non-Plan	
3. Development Grant	50.00
Total	270.00

It is stated that Accountant General, Haryana vide his letter- No. Deptt. Section 1/2217/93-94/1042, dated 22-12-93 has issued a certificate to the effect that no utilisation certificate is pending in respect of grant-in-aid given to municipalities upto the year 1988-89. So far as utilisation certificates regarding grant, distributed during the years 1989-90 to 1991-92 is concerned, the detail of grants scheme-wise and year-wise is as under :—

Plan			
1. Environmental Improvement of Urban Slums	1989-90	1,10,00,000 }	3,35,00,000
	1990-91	1,10,00,000 }	
	1991-92	1,15,00,000 }	
2. Adhoc Revenue Earning Scheme	1989-90	84,00,000 }	2,41,33,600
	1990-91	75,00,000 }	
	1991-92	82,35,600 }	
Non-Plan			
Development works (Repair/Maintenance of roads construction of buildings and maintenance of parks etc.)	1989-90	2,61,50,000 }	3,60,30,000
	1990-91	49,50,000 }	
	1991-92	49,30,000 }	
			9,36,63,600

Out of total grant of Rs. 9,36,63,600 given to Municipalities during the Financial year, 1989-90 to 1991-92. Utilisation Certificates for Rs. 7,23,34,713 have already been submitted to Accountant General, Haryana. Break up of Utilisation Certificates sent to Accountant General, Haryana (Scheme-wise and year-wise) are as under :-

Plan

1. Environmental Improvement of Urban Slums	1989-90	94,28,000	} 2,85,78,168
	1990-91	95,86,000	
	1991-92	95,64,168	
2. Adhoc Revenue Earning Scheme	1989-90	84,00,000	} 1,86,46,525 (out of which 84 lacs paid to vide RTR MC/A/490665 & 577898, dt. 29-3-90.
	1990-91	35,50,000	
	1991-92	66,96,525	
3. Development works	1989-90	1,81,70,000	} 2,51,10,020
	1990-91	24,95,000	
	1991-92	34,45,025	
			7,23,34,713

It is clear from the position explained above that only Utilisation Certificates of Rs. 2,13,28,887 are required submitted to Accountant General, Haryana.

For the procurement of the pending Utilisation Certificates defaulting Municipal Committees have been directed to submit pending Utilisation Certificates duly verified from the Resident Audit Officer of the Director Local Audit to Director Local Bodies within one month for onward transmission to Accountant General, Haryana.

1992-93

6.1. Financial Assistance to Local Bodies and others

The Committee recommends that the pending utilisation certificates be sent to Accountant General within a period of one month under intimation to the Committee.

AGRICULTURE

1990-91

[35] 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, 1991.

Proforma accounts for 1990-91 in respect of these undertakings had not been received, (July 1991).

The extent of arrears in the submission of proforma accounts is shown below :

Sr. No.	Name of Undertakings	Extent of arrears
1.	*	*
2.	Agriculture Department, (Purchase and Distribution of Pesticides)	(1977-78 to 1990-91)
3.	Agriculture Department (Seed Depot Scheme)	1980-81 to 1990-91
4.	*	*
5.	*	*
6.	*	*
7.	*	*

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 has 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/reconcila-

tion of the transaction difficult leading to misclarification and errors in books keeping. Since then the proforma accounts from 1966-67 to 1978-79 had been got audited by the Accountant General, Haryana Chandigarh. Proforma Accounts for the year 1979-80 is under process and it will be finalised within the next three months.

However, the work is old and time consuming, even then all possible and strenuous efforts are being made for making proforma accounts upto date. From 1966-67 onwards no major purchase has been effected under this scheme by the Agriculture Department and now the purchases are made through institutional agencies.

7.1 General

During the course of oral examination, the departmental representatives informed the Committee that the proforma accounts from 1966-67 to 1978-79 has already been got audited by the Accountant General, Haryana and the proforma accounts for the year 1979-80 is under process of finalisation. The departmental representatives further assured the Committee that the remaining proforma accounts i.e. upto the 1990-91 will be finalised within a period of one year. The Committee therefore, desires that intimation in this regard be sent to the Committee after finalising the remaining Proforma Accounts.

1991-92

[36] 3.1 *Strengthening of Agricultural Extension and Administration in Haryana.*

3.1.1. Introduction

A scheme 'Composite Agriculture Extension Project' (CAEP) initiated with the assistance of International Development Association (IDA) was implemented during 1979-84 in the State at a cost of Rs. 1190 lakhs. The National Agricultural Extension Project Phase II (NAEP-II) popularly termed as Training and Visit (T&V) system was started from January 1985 with the continuing assistance of IDA. The project aimed at increasing farm productivity and farmer's income by simultaneously addressing constraints impeding the transfer of new agricultural technology from research to the farmers and the feed back from farmers that would orient research and other Government organisations to actual farm problems. Under the scheme, the extension agencies have a single line control and exclusive responsibility for extension. The scientists at the Haryana Agricultural University (HAU) train the Subject Matter Specialists (SMSs)* of the Department of Agriculture through monthly workshops. The SMSs train the Field Extension Functionaries (FEFs) viz. the Circle Agricultural Officers (CAOs) and the Village Extension Workers (VEWs) through fortnightly programmes. The FEFs then pass on the production recommendations to the farmers.

*SMSs of the Agriculture Department are usually of the rank of Sub Divisional Agricultural Officers.

3.1.2. Organisational Set Up

The Director of Agriculture, Haryana is in overall charge of the implementation of the scheme. He is assisted by the Additional Director of Agriculture (Extension). The Joint Director of Agriculture (JDA) and Deputy Director of Agriculture (DDA) are in charge at the Zonal and District level respectively.

3.1.3. Audit coverage

The review covers the period from 1985-86 to 1991-92 and is based on test-check (November 1991 to February 1992) of records of the Offices of the Director of Agriculture, Joint Directors of Agriculture at Karnal and Hisar and Deputy Directors of Agriculture and Sub Divisional Agricultural Officers Ambala, Faridabad, Hisar, Jind, Karnal and Kurukshetra.

3.1.4. Highlights

—Against the budget provision of Rs. 3878.83 lakhs, expenditure of Rs. 3955.56 lakhs was incurred during 1985-86 to 1991-92.
(Paragraph 3.1.5 (i))

—Rs. 6.53 lakhs on pay and allowances of officers working under other schemes was irregularly charged to the scheme.
(Paragraph 3.1.5. (ii))

—An expenditure of Rs. 3.32 lakhs incurred on travel expenses of menial staff sanctioned and engaged under other State schemes was wrongly charged to IDA scheme.
(Paragraph 3.1.5. (iii))

—Against the targets for construction of 196 buildings, purchase of 79 vehicles and conveyance loan to 500 field officers/officials, the achievements fell short by 70 per cent, 30 per cent and 83 per cent respectively. Shortfall in achievement of targets relating to training ranged from 9 per cent to 100 per cent.

(Paragraph 3.1.6.)

—Against the reported achievement of 58 buildings, only 24 buildings were actually completed.

(Paragraph 3.1.7.)

—The training capacity of Agricultural Training Institute, Jind was not fully utilised.

(Paragraph 3.1.8 (i))

—An expenditure of Rs. 6.42 lakhs incurred on the construction of a guest house at ATI Jind was rendered unfruitful for want of furniture and fixtures. Six air conditioners purchased at a cost of Rs. 1.08 lakhs were also lying idle for more than six years.

(Paragraph 3.1.8 (ii) and (iii))

—A chassis purchased at a cost of Rs. 2.31 lakhs for a mini bus was lying idle due to non-fabrication of the bus body.

(Paragraph 3.1.10)

—Nugatory expenditure of Rs. 11.29 lakhs was incurred on incomplete civil works.

(Paragraph 3.1.11)

—Expenditure of Rs. 10.51 lakhs was incurred on rent of office accommodation for Village Extension Workers contrary to the provisions of the scheme.

(Paragraph 3.1.12)

3.1.5. Financial outlay and expenditure

3.1.5.(i) The scheme provided for a total outlay of Rs. 1269 lakhs for the period of five years from January 1985 to December 1989. The outlay and the period of implementation were enhanced to Rs. 1540.04 lakhs and to March 1992 respectively.

The budget allotment and the expenditure incurred on the scheme during 1985-86 to 1991-92 were as under

Year	Budget Allotment	Expenditure
	(Rupees in lakhs)	
1985-86	368.58	365.80
1986-87	442.30	428.82
1987-88	500.75	536.56
1988-89	563.39	574.45
1989-90	658.80	626.33
1990-91	675.01	702.49
1991-92	670.00	721.11
Total	3878.83	3955.56

Of the total expenditure of Rs. 3955.56 lakhs during 1985-86 to 1991-92, an amount of Rs. 2988.08 lakhs was spent on salaries of staff, Rs. 407.64 lakhs on contingencies, Rs. 312.69 lakhs on travelling allowance, Rs. 139 lakhs on civil works, Rs. 33.74 lakhs on purchase of vehicles and Rs. 13.41 lakhs on training. An amount of Rs. 61 lakhs was paid to the Haryana Agricultural University for construction of buildings, purchase of mini bus etc.

3.1.5(ii) Irregular utilisation of funds : The scheme provided for appointment of a Subject Matter Specialist (Farm Implements) (SMS/FI) in each district for providing technical guidance and support to extension workers.

A post of SMS/FI was filled in each of the six selected districts viz. Ambala, Faridabad, Hisar, Jind, Karnal and Kurukshetra in January 1990 by appointing the incumbents from the then existing cadre of Assistant Agricultural Engineers (AAEs) under a State non-Plan scheme. All the six SMS/FI continued to function exclusively as AAEs under 'Agricultural Engineering and Trial Boring Scheme' and as per their field activities, they did not perform any function connected with T&V system. Their pay and allowances for the period from January 1990 to November 1991, were, however, charged to NAEP-II. The Department confirmed in December 1991 that the services of SMS/FI were utilised as AAEs as the posts of AAEs were vacant. An expenditure of Rs. 6.53 lakhs incurred on pay and allowances of SMS/FI charged to the scheme was thus irregular.

3.1.5 (iii) The scheme provided that travel expenses of the establishment engaged under CAEP and NAEP-II only, would be met out of IDA funds. Expenditure of Rs. 3.32 lakhs incurred during 1985-91 on the travel expenses of menial staff sanctioned and engaged under other State schemes was charged to this scheme. The Department stated in December 1991 that the expenditure was charged to this scheme as funds were available under it.

3.1.6. Physical targets and achievements

Targets and achievements concerning creation of infrastructure required for the implementation of the scheme and training of personnel during the period from January 1985 to March 1992 were as under :

Item of work	Targets	Achievements	Shortfall	Percentage of shortfall
	(In numbers)			
(A) Civil works	196	58	138	70
(B) Purchase of vehicles	79	55	24	30
(C) Loan to field staff for purchase of motor cycles	500	416	84	83
(D) Employment of personnel	115	97	18	16
(E) Training of personnel at				
(i) Dist./SDAO level				
(a) Fortnightly sessions	4550	5694	—	—

(b) Orientation courses	45	34	11	25
(ii) Overseas	25	9	16	64
(iii) Agricultural Training Institute, Jind				
(a) Special courses	50	25 (1200 participants)	25	50
(b) Refresher Training (Participants)	2190	941	1249	57
(iv) Regional Research Stations at Bawal, Hisar and Karnal (Monthly workshops)	180	163	17	9
(v) HAU Hisar/National Institute				
(a) Promotional studies	128	19	109	85
(b) Special training to SMSs	105	428	—	—
(c) Orientation courses	5	1	4	80
(vi) Study tours	350	Nil	350	100

The Department explained the shortfall in achievement of targets as follows :

(i) Civil works—Due to budgetary restraints imposed by the Finance Department as no funds were allocated for civil works against Rs. 145.00 lakhs demanded by the Agriculture Department during 1991-92.

(ii) Purchase of vehicles—Sanction of 52 vehicles was accorded by the Finance Department as against the demand of 73 vehicles made by the Agriculture Department.

(iii) Grant of Motor Cycle Advances As against proposal for payment of Motor Cycle advances to 500 personnels, the Finance Department had accorded approval only in 84 cases.

(iv) Special courses, overseas training and study tours—Delay in according financial sanction by the Government.

(v) Training at the Agricultural Institute, Jind—Non-sponsoring of sufficient number of trainees by the district authorities.

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

3.1.1. The objective of the scheme has been fully achieved. The latest agricultural production technology has been transferred to the farmers through regular visits of the VEWs. The professional competence not only of extension staff but also of the farmers has increased and as a result of that the farmers of Haryana State have started adding the latest production technology which has resulted in increase in production of all the crops. From the last many years, there has been a continuous record production of crops, like wheat cotton, sugarcane, rapeseed-mustard and rice etc.

The knowledge of the extension staff has continuously been updated through the Agricultural Officers Workshops, monthly workshops, meeting of the zonal research advisory committees and fortnightly trainings etc. The training and workshops are organised by the Agriculture Department, Haryana in collaboration with the experts from the HAU, Hisar. Field visits and crop discussions were also held to make the trainings more practical.

3.1.5(ii)

The Assistant Agricultural Engineer and SMSs (Farm Implements) fall in the same category. In order to popularise the use of the farm implements and to organise demonstrations/trainings the Assistant Agricultural Engineers were put on the job. The SMS (FI) and they performed this job satisfactorily. Since they were given the charge of this post, therefore, the pay and allowances were paid to them from the National Agricultural Extension Project. However, these SMS(FI) also looked the work of Agricultural Engineering Section. In addition to their duties under the National Agricultural Extension Project as SMS(FI). Since the pay and allowances of these officers were paid under the NAEP, which was an externally aided project and their reimbursement were claimed under the said project. Therefore, it helped in the saving of the funds under the State plan scheme. At the time of launching of National Agricultural Extension Project, some schemes of the Department of Agriculture, Haryana were operationally merged under the National Agricultural Extension Project and in addition to this, some additional staff was also got sanctioned under this project. As per the appraisal report of National Agricultural Extension Project 66% of the expenditure on the salaries of incremental staff was to be met under the NAEP and this cost works out to 6% of the staff working under the project. The incremental staff, like Additional Director of Agriculture, Joint Director of Agriculture, Deputy Director of Agriculture, Sub Divisional Agriculture Officer, SMSs, CAOs, AEOs and the staff of Monitoring and Evaluation unit was partially eligible for the reimbursement under the Appraisal report. Accordingly, the disbursement of expenditure was made. Therefore, there is no irregularity in the disbursement of pay and allowances to the staff and question of fixing responsibility does not arise. Due to the financial constraints in Haryana, the budgetary allocations were not made as envisaged under the NAE&P. Therefore, the progress under some components was not upto the mark. The targets under some components, like civil works, vehicles, training and filling of newly created staff position could not be fully achieved as the release of funds was delayed and that too not according to the actual requirements. But still the existing staff work efficiently, it also generated the latest agricultural production technology in collaboration with the HAU, Hisar and transmitted the same to the farmers on regular basis, which resulted in achieving in all time

record production of the crops like wheat, rice, cotton, sugarcane and oil seeds etc. under the NAEP-II for many years. The foodgrains production touched on all time record of 102.65 lakh MTs during 1992-93 which is a big achievement in itself.

3.15(iii)

As per appraisal report NAEP-II is a mix of new and second phase state sub projects a six years disbursement period. Actual disbursement against the category of incremental salaries was to be made against a portion of total eligible staff costs (6% for Haryana) which is equalant to 66% of the incremental salary. Extension staff eligible for partial disbursement was incremental VEW; AEO (CAO), SMS, SDAO, DAO, DDA, JDA, ADA, and staff of extension monitoring and evaluation unit. Accordingly, the disbursement was made there is no irregularity in it and nobody is responsible for it.

Due to the financial constraints in Haryana full budgetary allocations were not made in time, therefore, the progress under various components was not very good. The target of civil works, vehicles, training and filling of staff position could not be achieved as the release of funds was delayed and that too, not according to the actual requirements.

However the existing staff generated and transmitted agricultural production technology to the farmers which helped the state to achieve an all time record production of crops like wheat, Rice, Cotton, Sugarcane, Oilseeds etc. during the NAEP-II phase. The food grain production during the year 1992-93 touched an all time record of 102.65 lakhs MT.

1991-92

3.1. Strengthening of Agricultural Extension and Administration in Haryana

3.1.6. Physical targets and achievements

While reviewing the performance of this scheme the Committee observed that there is a short fall of the targets as stipulated in this scheme. The department explained the reasons of the short fall in achievement of targets but the Committee was not convinced with the explanation of the Department. The Committee therefore recommends that suitable steps be taken by the department to get the funds released from the Finance Department well in time and also provide the sufficient staff/vehicles for the training of the staff so that the purpose of the scheme be achieved in increasing the productivity income of the farmers of the State.

The Committee further recommends that instructions be issued to the district authorities to sponsor the sufficient number of trainees at the Agricultural Training Institute, Jind. The action taken by the department in this regard be intimated to the Committee.

[37], 3.1.8. *Training:*

(i) Agricultural Training Institute (ATI), Jind was established in 1984 for imparting technical/administrative training to the field staff. The ATI had fixed a target of imparting training to about 750 officials by conducting 18 courses every year.

Records of the ATI, however, revealed that the training courses were under subscribed throughout the period as detailed below :—

Year	Number of courses actually conducted	Number of participants			Expenditure incurred	Average cost per trainee
		Target	Achievement	Short-fall		
					(Rupees in lahs)	(Rupees)
1986-87	15	715	456	259	7.29	1598
1987-88	18	755	427	328	10.14	2375
1988-89	16	735	375	360	12.01	3202
1989-90	13	725	324	401	11.89	3669
1990-91	12	745	280	465	13.24	4729
1991-92	12	745	279	466	12.66	4537
Total	86	4420	2141	2279	67.23	

The utilisation of training capacity at the ATI had been continuously decreasing every year. The average cost of training per trainee increased from Rs. 1598 in 1986-87 to Rs. 4729 in 1990-91 and was only slightly lower at Rs. 4537 in 1991-92. The short fall in utilisation of the training capacity was attributed (January 1992) to non-sponsoring of sufficient number of trainees by the District Authorities.

(ii) **Unfruitful expenditure :** A guest house for teachers/lecturers was constructed at the ATI at an estimated cost of Rs. 6.42 lakhs during 1985 for teachers/lecturers invited for specialised training. The guest house, however, was not utilised so far (November 1992). The Department stated (January 1992) that the guest house could not function for want of furniture and fixture which were estimated to cost Rs. 1.75 lakhs. Moreover, the visits of guest lecturers to the ATI were negligible. Thus, the expenditure of Rs. 6.42 lakhs incurred on the construction of the guest house was rendered unfruitful.

Six air conditioners purchased in April 1986 at a cost of Rs. 1.08 lakhs for installation in the guest house were also lying idle (November 1992).

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

(i) The guest house was constructed at the ATI, Jind to give free accommodation to the guest lecturers which

are being invited by Agriculture Department for imparting special training courses to trainees but purpose was not being solved because guest house was not being furnished. It is not true that guest lecturers to the ATI were negligible. A list of guest lecturers is annexed. But it is true that due to lack of furniture and fixtures mostly guest lecturers did not stay here. It is not true that Air Conditioners has not been utilized. One is being utilized at the level of Directorate for World Bank and two are being used by the District authorities, Jind. Actually guest house is being used but no record could be maintained and at this stage it is not possible to prove that it has been used by guest lecturers. Now the Principal ATI, Jind has been instructed to maintain the record for the use of guest house in a proper register.

Amount deposited for the construction of ATI, Jind, Guest House was fully utilized by the PWD (B&R). No, money was left unutilized with the constructing agency for providing the furniture. Meanwhile, the National Agricultural Extension Project Phase-I expired and the purpose could not be fully met. A new project namely the AHRD is in the process of preparation with World Bank & furniture will be provided under the project.

As explained in para-I above. In consolidated manner the total amount of Rs. 82,17,000 was deposited with the PWD (B&R) for the construction of complete Agriculture Training Institute, Jind. Further Block-wise expenditure is done by the constructing agency and then consolidated expenditure statement was supplied to this department by the constructing agency from time to time, which comes to Rs. 82,17,000. Guest house is being used.

3.1.8 (ii) Training

The Committee observed that an expenditure of Rs. 1.08 lacs incurred on the purchase of 6 Air Conditioners was rendered unfruitful as the same were lying idle for the last 6 years. After hearing the version of the department the Committee desires that the remaining Air Conditioners be got utilised properly under intimation to the Committee.

During the course of oral examination the departmental representatives informed the Committee that a new project AHRD has recently been sanctioned with the aid of World Bank and this project will be implemented on the pattern of the CAEP project. 4 departments namely, Agriculture, Animal Husbandry, Fisheries, Horticulture are involved in this project and department will fully utilise the Agricultural Training Institute in this programme. After hearing the version of the department the Committee desires that an

appraisal report of this project be sent to the Committee for its perusal

[38] 6.7. *Unfruitful expenditure on idle equipment*

(i) In the Agronomy Department of the Hisar Agricultural University, Hisar, a Convicon Plant Growth Chamber purchased in February 1981 at a cost of Rs. 1.34 lakhs for research work on weed control could not be installed till July 1985 because of lack of space in the Department. When the unit was installed in August 1985, the technical engineers of the University observed that a water chiller was required for its normal functioning and maintenance. The water chiller indented by the Department in August 1986 could not be purchased as the offers received on two different occasions i.e. in January and December 1987 were not found suitable. The records did not show whether any further action was taken by the Agronomy Department. Consequently, the plant purchased in February 1981 had remained idle as of April 1992.

(ii) Two Cold Room Refrigeration Plants purchased and installed in June 1983 at a cost of Rs. 1.20 lakhs in the Slaughterhouse and Dairy Technology Section could not be handed over till June 1991, to the Animal Production Technology Department due to technical defects and non-appointment of cold room operator. Of these, one plant was repaired and put to use in the summer of 1991. The second plant was also repaired in September 1992 but was not run due to non-appointment of operator as of November 1992.

Thus, the expenditure of Rs. 1.94 lakhs (Convicon Plant Growth Chamber : Rs. 1.34 lakhs and one Refrigeration Plant : Rs. 0.60 lakh) incurred on the purchase of these equipments was rendered unfruitful as the equipments remained idle.

The University stated in December 1992 that in absence of Growth Chamber, Weed Control Research experiments were conducted by adjusting atmospheric/natural temperature and humidity in the screen house which was a lengthy process. The chamber shortens and accurates the process.

The matter was referred to Government in March 1992; reply has not been received (December 1992).

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

The Plant Growth Chamber was purchased in 1981 in the NARP Sub-Project funded by the World Bank and the Department after trying for the space installed the same in August, 1985 and it functioned for certain period. After some time technical difficulties were faced in running the Growth Chamber and the Technical Engineer

suggested the requirement of Water Chiller for the normal functioning of the Unit. The Department of Agronomy of this University made efforts for purchase of Water Chiller through S.P.O. but could not succeed. Efforts are still going on for procurement of Water Chiller. The Plant was used for students practicals so as to impart efficient training. It is stated that no further expenditure has been incurred on this unit after its purchase. The fact is that both these cold room Refrigeration Plants were commissioned in 6/83 and Dr. D.N. Srivastava, Asstt. prof. LPM recorded the required temperature certificate on 20-9-83. Later on these Plants developed some defects in May, 84 and the firm was requested to remove these defects vide XEN (PH) letter No. 352-53 dated 4-5-1984. However, it is certified that these plants are working satisfactorily and are in order.

Although efforts were made for filling up of the post of Operator for these Cold Room Refrigeration Plants yet these were operated by internal adjustments and the technical staff of the Instrumentation Cell is rendering help in this regard as and when required. It has been stated by Prof. & Head, Deptt. of A.P.T. that in the last one and a half semester one of their M.V.Sc. students has worked on it for his research project and recently submitted his thesis also. An amount of Rs. 4923/90 has been spent towards repairs of Cold Room Plants and this expenditure was met out of the balance 5% payment of the firm M/S Logwell International, New Delhi which amounted to Rs. 6000. The balance has also not been paid to the firm and has been properly accounted for in the University account.

The Unit was purchased to study the interaction of herbicides and environment. Short term experiments have been conducted in winter months. No extra expenditure has been incurred because such experiments would have been conducted even after basic studies in the Growth Chamber. On the contrary department of Agronomy has followed necessary safeguard procedure for smooth functioning of the Unit.

6.7. Unfruitful expenditure on idle equipments

The Committee deprecate the delay of about 4 years in installing/utilising Conviron Plant Growth Chamber purchased in February, 1981 for Rs. 1 34 lacs for lack of space in the department. The Committee also feels that the said equipment was purchased without proper planning. The representatives of the University fails to convince the Committee in this regard. The Committee therefore, recommends that responsibility should be fixed who initiate this proposal to purchase the said equipment and delay in putting the equipment in order within a period of one month.

[39] 7.1. General

The 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 1992. Proforma accounts for 1991-92 in respect of these undertakings had not been received so far (August 1992) .

The extent of arrears in the submission of proforma accounts is shown below :

Serial Number	Name of undertaking	Extent of arrears
1.	—	—
2.	Agriculture Department (Purchase and Distribution of Pesticides)	1978-79 to 1991-92
3.	Agriculture Department (Seed Depot Scheme)	1981-82 to 1991-92
4.	—	—
5.	—	—
6.	—	—
7.	—	—

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

As Haryana State came into existence on 1-11-66, the audited figures were not available. The decision on this point was taken late i.e. in 1981 when proforma accounts of 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 1982-83 had been got audited from the Accountant General, Haryana and for the year 1983-84 would be, got audited, after receiving from the field offices.

However, the work is old and time consuming even then all possible and strenuous efforts are being made for making proforma accounts up to date. From 1983-84 onward, no seed was purchased by the department of Agriculture and this work was transferred to HSDC.

PROFORMA ACCOUNTS

7.1. The Committee recommends that the remaining proforma accounts be finalised within a period of one month under intimation to the Committee.

1992-93

[40] 7.1.

The chapter deals with the audit of 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 1993. Proforma accounts for 1992-93 in respect of these undertakings had not been received as of July 1993.

The extent of arrears in the submission of proforma accounts is shown below.

Sr. No.	Name of undertaking	Extent of arrears
1.	—	—
2.	Agriculture Department (Purchase and Distribution of Pesticides)	1978-79 to 1992-93.
3.	Agriculture Department (Seed Depot Scheme)	1981-82 to 1992-93.
4.	—	—
5.	—	—
6.	—	—
7.	—	—

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

As Haryana State come into existence on 1-11-66, the audited figures were not available. The decision on this point was taken late i.e. in 1981 when proforma accounts of more than 15 years were already due. By time old record was not available. Since then the proforma accounts for the year 1966-67 to 1982-83 had been got audited from Accountant General Haryana and for the year 1983-84 would be got audited after receiving from the field offices.

However, the work is old and time consuming even then all possible and strenuous efforts are being made for making proforma accounts upto date. From 1983-84 onward, no seed was purchased by the department of Agriculture and this work was transferred to HSDC.

7.1. Proforma Accounts

The Committee was informed that Proforma Accounts for the year 1966-67 to 1982-83 had already been got audited from Accountant General and the proforma accounts for the year 1983-84 is in the process of finalisation. The Committee therefore, recommends that pending proforma accounts be got audited from the Accountant General Haryana within a period of one month under intimation to the Committee.

LABOUR AND EMPLOYMENT DEPARTMENT

[41] 3.10. Outstanding Inspection Reports/Paragraphs.

Audit observations on financial irregularities and defects noticed in initial accounts during local audit and not settled on the spot are communicated to the Heads of the concerned offices and to next higher departmental authorities through Inspection Reports. More important irregularities are reported to the Heads of Departments and Governments. Government have prescribed that first replies to Inspection Reports should be sent to Audit office within four weeks from the date of issue of the report.

A review of the outstanding Inspection Reports relating to Labour and Employment Departments, disclosed that at the end of June 1991, 157 Inspection Reports issued upto December 1990 still contained 249 unsettled paragraphs, year-wise break-up of which is given below :

Year	Number of Inspection Reports		Number of paragraphs		Total	
	Labour	Employment	Labour	Employment	Inspection Reports	Paragraphs
Upto 1985-86	5	2	7	4	7	11
1986-87	10	35	20	62	45	82
1987-88	11	3	19	5	14	24
1988-89	12	4	15	5	16	20
1989-90	20	25	35	29	45	64
1990-91	19	11	33	15	30	48
	77	80	129	120	157	249

Out of these 157 outstanding Inspection Reports issued during April 1982 to December 1990, first reply to 87 Inspection Reports had not been received till June 1991 as shown below :

Upto	
1985-86	5
1986-87	15
1987-88	5
1988-89	10
1989-90	28
1990-91	24

In the case of remaining 70 Inspection Reports the delay in sending first replies in respect of 61 reports ranged from one year to five years. Replies in respect of 9 Inspection Reports only had been received within the stipulated period of four weeks.

The types of irregularities commented upon in the Inspection Reports remaining unsettled broadly fall under the following categories :

Serial Number	Nature of irregularities	Number of cases	Money value involved (In lakhs of rupees)	
			Labour	Employment
(i)	Non-observance of rules relating to custody and handling of cash, maintenance of cash books, reconciliation of receipts with treasury records	92	6.21	0.13
(ii)	Irregularities connected with purchase of stores including non/short accountal of stores, shortage of stores and non-disposal of unserviceable articles	68	16.33	0.99
(iii)	Irregular excess and wasteful expenditure on pay and allowances, travelling allowances dearness allowance, and other miscellaneous charges	60	28.78	2.14
(iv)	Miscellaneous charges	29	145.46	0.13

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

Audit observations on financial irregularities and defects noticed on initial accounts during local audit and not settled on the spot are communicated to the Heads of the concerned offices and to next higher departmental authorities through Inspection Reports. More important irregularities are reported to the Heads of Departments and Governments. Government have prescribed that first replies to Inspection Reports should be sent to Audit Office within four weeks from the date of issue of the report.

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	Labour	Employment	Labour	Employment	Inspection Reports	Paragraph
Upto						
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1986-87	10	35	20	62	45	82
1987-88	11	3	19	5	14	24
1988-89	12	4	15	5	16	20
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1990-91	19	11	33	15	30	48
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			Labour	Employment
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(ii)	Irregularities connected with purchase of stores including non/short accountal of stores, shortage of stores and non-disposal of unserviceable articles	68	16.33	0 99
(iii)	Irregular excess and wasteful expenditure on pay and allowance, travelling allowances, dearness allowances and other miscellaneous charges	60	28 78	2 14
(iv)	Miscellaneous charges	29	45 46	0 13

According to the Report of the Comptroller and Auditor General of India for the year ending 31-3-1991 No. 3 (Civil) upto the year 1990-91, 77 Inspection Reports and 129 paragraphs relating to the Labour Department were pending for settlement. The Labour Commissioner, Haryana vide his Memo No. Budget/93/B-I/4072 dated 3-2-93 requested the Accountant General (Audit), Haryana to intimate the latest position of number of Inspection Reports and number of paragraphs ending upto 31-3-91 so that the outstanding paragraphs could be settled.

The matter was pursued with the field officers so as to settle the outstanding paragraphs and in this connection they were addressed vide this office Memo. No. 8327-41 dated 30-3-93. Not only this, in the month of August, '94 these officers were again directed to settle these paras at the earliest. Another communication No. ACCTT/95/26034-80, dated 11-8-95 was addressed to all the DDOs to settle the outstanding audit objections immediately. Coupled with it, a number of meetings were taken with the field officers to expedite the compliance of observations made by Audit. As a follow-up of all these efforts, the department has been able to get additional 14 paragraphs settled arising out of 10 inspection reports. Communication to this effect has already been received from A.G. Office.

Now, 20 paragraphs arising out of 13 inspection reports have been shown outstanding by the A.G. Office. As a result of follow-up action taken in respect of all these outstanding paragraphs, 11 out of these 20 paras have been requested to be dropped by the A.G. on account of compliance of the observations. In short, only 9 paras as against 129 paras, as referred to in the report of CAG, remain unsettled and the status of these 9 paras has been explained. Efforts are afoot to get these paras settled at the earliest.

The department has already issued instructions to all the DDOs to attend to the observations made by Audit in their Inspection Reports. Further, on receipt of copies of Inspection Reports the field officers are directed to settle the audit objections at the earliest. They are also reminded from time to time to settle the audit objections with the Accountant General (Audit), Haryana with information to the Head Office.

To settle the outstanding Inspection Reports/paragraphs, the concerned officers were directed from time to time to promptly settle the matter with the Accountant General (Audit), Haryana.

There is no denying the fact that delay has occurred in the submission of replies and settlement to outstanding Audit observations. However, all the DDOs/Field officers have been directed to attend to these Inspection Reports/observations in the stipulated time frame.

Audit party of the Accountant General Haryana has raised objection that two bills amounting to Rs. 3275.30 has been stolent from the Treasury Office. So this case is directly under correspondence among the Treasury Office, Faridabad, State Bank of India, Faridabad and the Police Deptt. Faridabad.

Divisional Employment Officer, Faridabad has discussed this matter with the Treasury Officer, Faridabad. The Treasury Officer has informed that this case doesn't relate to the Divisional Employment Exchange Faridabad as the FIR has been lodged by him. Further, Treasury Officer has informed this case to the Finance Deptt. also.

The Divisional Employment Officer, Faridabad has requested A.G., Haryana on 2-12-85 that in view of the position explained, para may be dropped.

Again this matter has been discussed with the Accountant General, Haryana on 17-10-95 and accordingly the matter has been taken up with the Treasury Officer, Faridabad to know the latest position of the case.

It is made clear regarding the objection raised by the Audit party of the Accountant General Haryana that Sh. Shyam Lal Tyagi and Sh. Amar Chand, Daftri went to State Bank of India, N.I.T., Faridabad on 1-9-88 to get the payment of the staff of the Divisional Employment Exchange, Faridabad for the month of August 1988 and of another bill amounting to Rs. 583.80. Sh. Shyam Lal Tyagi went at the counter of State Bank of India to get the payment on calling of his name. He got the payment of Rs. 39,000 and kept it into leather bag. When he was taking the payment of Rs. 583.80 of another bill and was accounting the same the amounting of Rs. 39,000 was stolen from leather bag by someone. On the occurrence of this incident both the employees made a noise. The bank authorities extended no co-operation to them in this connection and hence the Assistant informed the Divisional Employment Officer, Faridabad about the incident on telephone and the F.I.R. was lodged with the police vide No. 465, dated 1-9-88, by Sh. Shyam Lal Tyagi, Assistant. The amount of Rs. 39,000 was the salary of the staff of Divisional Employment Exchange, Faridabad, hence the Government accorded the sanction vide letter No. 11/105/88-3 Emp. dated 28-9-88 and accordingly the salary of the staff was disbursed on 4-10-88. Although the F.I.R. of this incident was lodged with the police but a separate Departmental Inquiry was also conducted by the then Deputy Director Sh. S.S. Chadha on 3/89 and after examining the inquiry report Sh. Shyam Lal Tyagi, Assistant was held responsible for carelessness and disciplinary action was initiated against him under rule-7 of Haryana [Civil Services (Punishment and Appeal) Rules-1987. Sh. Shyam Lal Tyagi submitted the reply of the charge sheet on 29-10-91 and after considering the same, punishment of personal file warning was awarded to him on 16-12-92.

The Haryana Government vide its memo. no. 11/105/88-3 Emp., dated 25-8-92 ordered that Sh. Amar Chand, Daftri who accompanied Sh. Shyam Lal Tyagi to get payment is also responsible for this lapse and disciplinary action was also initiated against this employee by serving him with a charge sheet under rule-8 on 8-9-92. Shri Amar Chand, Daftri submitted his reply on 18-9-92. After considering the reply of the employee he was awarded the punishment of personal file warning on 16-12-92. It is also made clear that F.I.R. was lodged on 1-9-88 for the loss of Rs. 39,000. The police vide letter No. 10622, dated 11-11-90 informed the result of the F.I.R. that the loss and accused are untraceable and the report was accepted by the court of J.M.I.C., Faridabad, according to which Sh. Shyam Lal Tyagi does not become guilty for this carelessness. On the findings of F.I.R. and the departmental inquiry the Accountant General Haryana and the Government of Haryana were informed of the position on 16-12-92. The A.G. Haryana was requested vide this Directorate letter No. B-17(26)/36337, dated 30-8-94 to drop the para No. 1 of the audit report keeping in view the details mentioned above. A continuous correspondence have been made with the A.G. Haryana to drop the para. The A.G. Haryana vide his letter No. OAD/Audit/1993-94/1339-40, dated 22-9-94 asked this Directorate to get the sanction to write off the amount from the Government and inform the Audit accordingly. As the sanction to pay the salary to the staff had already been accorded by the Government so, A.G. Haryana was again requested to drop the said para in view of the position already explained in the letter. In this connection the A.G. Haryana was contacted time & again personally to get the para dropped. The A.G. Haryana informed this Directorate that before the para is dropped sanction of the Government to write off the amount must be obtained. So, this Directorate requested the Government to accord the sanction to write off the amount Rs. 39,000. Thereafter a reminder was also sent on 9-10-95. At present his case is under active consideration of the Government to accord the required sanction.

Sh. Shyam Lal Tyagi, Assistant lodged a separate F.I.R. with the Police Deptt. of this incident on 1-9-88 and it is entered at No. 465 at Police Station, N.I.T., Faridabad.

There is no cost of cashier/store-keeper sanctioned in the Divisional Employment Exchange, Faridabad. This work is entrusted to Assistant. Sh. Shyam Lal, Assistant is a permanent employee of the Deptt. and was handling the cash work of that office. It is not necessary for a permanent employee to deposit the security amount vide S.T.R. para 3.5 & 3.6.

The leather bag was very strong and it was like a VIP bag. Now the office has started to use VIP bag.

Disciplinary action under rules 7 & 8 of the Haryana Civil Services (Punishment & Appeal) Rules-1987 has been taken against Sh. Shyam Lal Tyagi, Assistant & Sh. Amar Chand, Daftri respectively after conducting Departmental Inquiry.

To prevent such occurrences in future, two more employees of the office are sent with the Assistant and Government vehicles is used to bring the payment from the bank.

The case No. 465, dated 1-9-88 was registered under section 380 I.P.C. with Police Station NIT, Faridabad. After thorough investigation of the case the lost amount and the culprits could not be traced out. Hence untraceable report was sent on 26-12-88. Again the investigation for tracing the amount was started but even then amount and culprits could not be traced on 16-6-89 an untraceable report was again sent and the same has been accepted by the court of J.M.I.C., Faridabad.

On the acceptance of the untraceable report of police by the court of J.M.I.C., Faridabad, the Government has also been requested accordingly to write off the amount under intimation to A.G. (A&E) Haryana.

The audit-objection raised by the Audit party of the Accountant General Haryana regarding the fixation of pay Sh. Chand Ram, Steno-typist, the reply of the same was sent vide Divisional Employment officer, Rohtak letter No. A-12/90/3359-60 dated 8-2-90. This case remained under correspondence between D.E.O. Rohtak and Accountant General, Haryana Chandigarh time to time. A meeting was arranged on 16-10-95 with Accountant General, Haryana in which the fixation of the pay of the concerned official is discussed in detail. Divisional Employment Officer, Rohtak has been ordered to fix the pay of the concerned employee keeping in view the necessary instruction and recover the excess payment from the employee & Accountant General, Haryana. Audit has been requested on 18-10-95 to drop the said para.

OUTSTANDING INSPECTION REPORTS/PARAGRAPHS

3-10 At the time of oral examination the departmental representatives informed the Committee that 23 inspection reports and 34 audit paragraphs were outstanding. Thereafter the department informed the Committee through written reply that they have made efforts to settle the pending paragraphs and got conducted special audit from Accountant General, Audit, Haryana on 10th November, 1995, as a result of that now only 4 paragraphs are outstanding at present. The latest position in respect of the remaining 4 outstanding paragraphs is as under:—

- (i) For recovery of penal rent from the ineligible persons residing in Industrial Housing Colonies at Yamunanagar/Jagadhri, the deptt. wrote a D.O. letter No. 34696 dt. 31.10.95 to the Collector requesting him to pay personal attention for the realisation of the Govt. dues and another D.O. letter No. 1133 dt. 5.1.96 has also been written to the Collector for expediting the matter. Since the para relates to realisation of the rent recovery, the action is to be taken by the Revenue Department. The department has also informed the Revenue Deptt. vide letter No. 1135 dt. 5-1-96 about the same. It is requested that the para may be transferred to the Rev. Deptt. as per observations of A. G. dt. 10-11-95.

- (ii) The matter was further examined in the light of provisions of the Workmen's Compensation Act and the rules made thereunder. There being no explicit provision in the Act for the disposal of such amount the case has been referred to LR for advice.
- (iii) In view of the observations made by Audit, it is requested that this para may be transferred to the Under Secretary General, Haryana.
- (iv) Follow-up action was taken with the Housing Deptt. to expedite the decision. Observations made by PAC were also conveyed to the Housing Deptt. Personal enquiries reveal that the matter has been put up in the cabinet meeting for policy decision.

After going through the information supplied by the department, the Committee appreciate the efforts made by the department in settling the outstanding paragraphs within a stipulated period. The Committee further desires that the pending 4 paragraphs may also be got settled without any further delay under intimation to the Committee.

DIVISIONAL EMPLOYMENT EXCHANGE FARIDABAD

3.10. I. Fraudulent withdrawal of Rs. 3275'30 from the Treasury.

The Employment Department vide their written reply informed the Committee that the amount involved has not been accounted so far. After going through the reply of the department, the Committee recommends that matter may be thoroughly inquired into in consultation with the Treasury Department and responsibility be fixed under intimation to the Committee.

DIVISIONAL EMPLOYMENT EXCHANGE FARIDABAD

3.10 II. Payment of two bills (Rs 39,000 and Rs. 583 80)

After going through the written reply submitted by the department the Committee recommends that the final outcome of the case be intimated to the Committee.

FOOD AND SUPPLIES DEPARTMENT

[42] 7.9 Loss due to negligence

In Hisar Circle of Food and Supplies Department, 3,563.45 quintals (3,751 bags) wheat was purchased at Tohana Centre from Tohana based firm during April-May 1989 at a cost of Rs. 6.79 lakhs (cost of wheat : Rs. 6.52 lakhs, mandi charges : Rs. 0.27 lakh). Payment was made by the circles office on the basis of Form PR 8 (purchase Bill) and PR 9 (stock Report). On Form PR 8, it was certified by the Inspector of the centre that the quantity of grain charged for had been received and entered in the stock register (PR 6).

Out of 3,751 bags, 1,311 bags, only were lifted during April 1989 to June 1989. The firm did not deliver the remaining 2,318 quintals (2,440 bags) worth Rs. 4.78 lakhs (cost of wheat : 4.24 lakhs; cost of gunny bags : Rs. 0.32 lakh; mandi charges : Rs. 0.22 lakhs). The Inspector, Tohana circle reported the matter to the Circle Office in the July 1989. The Circle Office held the Inspector responsible for not lifting the wheat and for an inordinate delay in reporting the matter to the Circle Office. An FIR was lodged with the police against the firm in August 1989. One Inspector and one Sub-Inspector were placed under suspension (September 1989).

It was notice in audit (April 1990) that according to the provision in the provincial Reserve Accounts Manual, before making payment, Form PR 9 should be accompanied by Form PR 3 (Purchased weight check memo), PR 4 (Purchase Report), PR 18 (Weight check memo), PR 20 (Receipt Report) and PR 27 (Despatch Report), but these documents were neither attached nor were called for from the Inspector by the Circle office before releasing the payments to the firm.

Thus, due to failure to observe the prescribed procedure by the Inspector and negligence of the Circle Office in releasing the payment to the firm without obtaining complete documents, the Department suffered a loss of Rs. 4.78 lakhs.

The matter was reported to Department/Government in May 1990. The Department stated (June 1990) that the disciplinary proceedings against the official officers responsible for making payment to the firm without actually lifting the wheat was in progress and results of the police investigations were awaited.

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

During the year 1989-90 a quantity of 3563.45 quintals (3751 bags) of wheat was purchased at PR Centre Tohana through M/s

Subhash Chand Prem Chand, Tohana at a cost of Rs. 6,79,284.17 as per details given below:—

Purchase bill No. & Date	No. of bags:	Quantity of wheat (in quintals)	Details of amount paid to party.
1	2	3	4
1. 603/12, Dt. 21-4-89	223	211,85,000	39,653.19
2. 1141/23, Dt. 12-5-89	1291	1226,45,000	2,35,881.84
3. 1141/23, Dt. 3-5-89	1220	1159,00,000	2,22,909.25
4. 603/14, Dt. 26-4-89	1017	1066,15,000	1,80,839.89
Total	3751	3563,45,000	6,79,284.17

However, as per report of the Inspector, PR Centre Tohana the firm delivered 1311 bags of wheat, leaving 2440 bags in balance worth Rs. 4.78 lacs (cost of wheat Rs. 4.24 lakhs) plus cost of gunny bags Rs. 0.32 lacs plus mandi charges Rs. 0.22 lacs). Therefore, an FIR (No. 225) was got Registered at Police Station, Tohana against the said party on 19-9-89 for non-supply of remaining 2440 bags of wheat. The Police authorities forwarded the case for trial in the Court of the Judicial Magistrate, First Class, Tohana on 18-1-90.

The charge was framed by the said Court against the accused on 12-4-90. The Hon'ble. Court on 2-12-94 has acquitted the accused. The court acquitted the accused mainly on the ground that the department has paid the entire cost of wheat bags after verifying that quantity of grain purchased had been received and entered. This case was handled by the prosecution Department and the Prosecution Department found that this is not a fit case for appeal and appeal was not filed.

Regarding departmental disciplinary proceedings against the guilty officer/officials for causing loss to Govt. it is intimated that the department has initiated disciplinary action against all the employees who were involved in this affair, the details of which are as under:—

- (i) Sh. B.L. Goel who was inspector in charge of the centre was placed under suspension on 1-9-89 and a chargesheet also

stands issued to him on 10-3-95. As per chargesheet he is responsible for signing purchase bill and making direct payment to the party instead of in the name of Billing-cum-payment agent and preparing bogus record relating to receipt of 2440 bags in godown which actually were not delivered to Government, resulting in loss to the Government.

- 4/1/2010
31-12-13
- (ii) Faquir Chand, Auditor who was responsible to examine the documents relating to payment has been chargesheeted on 10-3-95 and as per chargesheet he is responsible for not objecting to the payment being made direct to the party instead of through Billing-cum-Payment Agent and verifying the purchase bill without reference to certain necessary relevant documents.

- (iii) Sh. Shiv Shankar Sharma, Accountant who prepared the cheque for payment has been chargesheeted on 10-3-95 and as per chargesheet he is responsible for not objecting to the payment being made to the party direct instead of through the Billing-cum-payment Agent

- 4/1/2010
31-12-2013
- (iv) Sh. Rajinder Kumar, Clerk has been chargesheeted on 10-3-95 and according to chargesheet he is responsible for not objecting to the payment being made direct to the party instead of through the Billing-cum-payment Agent and verifying the bills without reference to certain necessary relevant documents.

In all these four cases, Enquiry officer of the Food & Supplies Department, has been appointed as Enquiry officer on 12-10-95 who has started the proceedings and the next date fixed before him is 7-12-95.

31-12-13

Sh. T. S. Bhatti, the then Distt. Food and Supplies Contraller has been chargesheeted on 17-10-95 and as per chargesheet he is responsible for making payment direct to the party instead of through Billing-cum-Payment Agent, and signing the payment bills without reference to certain necessary relevant documents and making pryment without ensuring receipt of goos in the godown and signing bills without ensuriog compeletion of formalities. Action regarding appointment of Enquiry Officer in this case is being taken.

Sh. Anup Singh was working as Section Officer at that time and he has been found responsible for passing one bill for payment to the party in violation of set procedure and the Director Treasury and Account, Haryana on whose establishment he is borne, has been asked to issue chaigesheet to this Official as he has since been transferred from the Food & Supplies Deptt. and reminders have been issued on 6-12-95.

FOOD AND SUPPLIES DEPARTMENT 1990-91 (CIVIL)**7.9 Loss due to the negligence**

While going through the reply given by the department, the Committee observed that due to failure to observe the prescribed procedure by the Inspector and negligence of the circle office for releasing the payment of the firm without obtaining the complete documents, the department had to suffer a loss of Rs. 4.78 lacs. The departmental representatives further informed the Committee that the departmental disciplinary proceedings against the guilty officer/officials for causing loss to Government is being initiated. After hearing the version of the department the Committee recommends that the entire matter be thoroughly enquired into and the disciplinary proceedings alongwith the recovery of loss suffered to the Department, against the defaulting officer/officials be completed within a period of three months under intimation to the Committee.

ANIMAL HUSBANDRY DEPARTMENT

(1990-91)

[43] 3.4 Special Livestock Breeding Programme

3.4.1 Introduction

A Special Livestock Production Programme (SLPP), renamed from the 7th Five Year Plan (1985-86) as Special Livestock Breeding Programme (SLBP) was sponsored by the Government of India from 1975-76 for assisting the small and marginal farmers, agricultural labourers, Scheduled Castes and Scheduled Tribes, etc. in rearing of cross-bred calves, setting up of poultry, piggery and sheep production units to generate additional employment and thereby helping them in improving their socioeconomic conditions.

The programme was to be organised as an integrated scheme covering feeding, breeding, medical care, insurance cover apart from organising co-operatives of beneficiaries to facilitate marketing of their produce.

3.4.2 Organisational set-up

The Director, Animal Husbandry is in overall charge of the programme. He is assisted by a Joint Director (Project), a Deputy Director and a Credit Planning Officer who are responsible for co-ordinating, supervising and monitoring the programme. Assistant Directors supported by Veterinary Surgeons and Field Assistants/Stock Assistants are responsible for implementation of the programme at district and village levels.

3.4.3 Audit coverage

The programme of cross-bred calf-rearing, poultry and piggery production was implemented in the 4 Districts of Ambala, Gurgaon, Karnal and Kurukshetra and of sheep production in 2 Districts of Hisar and Sirsa. The implementation of the programme was reviewed in audit with reference to the records of Directorate of Animal Husbandry and field offices in Districts of Ambala, Hisar, Karnal and Kurukshetra.

3.4.4 Highlights

—Against the budget provision of 1057.75 lakhs, a sum of Rs. 1097.15 lakhs was spent on the programme during 1975-76 to 1990-91.

(Paragraph 3.4.5)

—Targets fixed by Government of India under calf-rearing, poultry and sheep production were reduced significantly by the State Government.

(Paragraph 3.4.7)

—Against the budget provision of Rs. 13.16 lakhs under health coverage, only Rs. 2.89 lakhs were spent for the purpose, and the balance amount was spent on the objects not covered under the programme.

(Paragraph 3.4.8(a)(i))

—The subsidy of Rs. 79.93 lakhs allowed under poultry production programme during 1975-76 to 1990-91 failed to achieve the desired object of improving economic condition of beneficiaries.

(Paragraph 3.4.9(a))

—All the 3 Co-operative Societies established for marketing and supply of poultry feed were incurring losses.

(Paragraph 3.4.9 (d))

Exotic bred sows and rams were not supplied under the piggery and sheep production programmes though subsidy amounting to Rs. 164.06 lakhs was disbursed under these programmes.

(Paragraph 3.4.10(b))

3.4.5. Budget provision and expenditure

The budget provision and expenditure incurred under the programme during 1975 to 1991 were as under :

Year	Budget provision	Expenditure		
		Establishment expenditure	Subsidy	Total
		(Rupees in lakhs)		
1975-76 to 1979-80	279.62	187.10	79.68	266.78
1980-81 to 1984-85	256.27	66.32	190.88	257.20
1985-86	70.26	28.09	42.18	70.27
1986-87	67.03	34.04	64.16	98.20
1987-88	81.69	35.94	49.63	85.57
1988-89	90.86	38.88	65.86	104.74
1989-90	107.68	56.72	53.49	110.21
1990-91	104.34	55.08	49.10	104.18
	1057.75	502.17	594.98	1097.15

Note : The abbreviations appearing in this Review are listed alphabetically and explained in the glossary at Appendix X (Page 223—224) of the C.&A.G. Report.

(i) Out of the total expenditure of Rs.1097.15 lakhs, Rs. 502.17 lakhs (45.7 per cent) were spent on the establishment.

(ii) The liability of the Central Government in sharing the expenditure from April 1975 to March 1980 was Rs. 169 lakhs and from April 1980 to March 1985 Rs. 128.60 lakhs. Against this, 225.95 lakhs and Rs. 149.13 lakhs respectively were released resulting in excess release of Rs. 77.48 lakhs upto March 1985.

(iii) Test-check in the four districts disclosed that subsidy released under each programme during each year to Additional Deputy Commissioners (ADCs) District Rural Development Agencies (DRDAs) was deposited in savings bank accounts in several banks outside Government account instead of being kept in Personal Ledger Accounts in Government treasuries.

3.4.6 Identification of beneficiaries

The scheme envisaged that in view of the financial constraints, attention should be focused on such small/marginal farmers and agricultural labourers as were capable of becoming surplus producers if supported with necessary inputs and services. From the 7th Five Year Plan onward, 30 per cent beneficiaries should necessarily belong to Scheduled Castes, Scheduled Tribes. Besides, 10 per cent beneficiaries under calf-rearing, sheep production and piggery and 30 per cent under poultry programme were to be from amongst the women farmers.

Test-check in audit revealed that no such identification was done during implementation of the programme between April 1975 to March 1991. The number of beneficiaries covered under each programme was as under :

Year	Calf-rearing				Poultry				Piggery				Sheep production			
	Scheduled Castes		General		Scheduled Castes		General		Scheduled Castes		General		Scheduled Castes		General	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
1985-86	920	—	1241	123	9	—	88	—	325	2	—	—	275	3	51	—
1986-87	1490	—	418	21	51	—	122	—	536	19	13	—	183	17	—	—
1987-88	1144	—	752	35	36	—	129	—	289	9	5	—	261	40	—	—
1988-89	1094	—	414	98	15	—	72	—	1444	19	19	—	377	28	—	—
1989-90	908	—	437	127	13	—	59	—	400	21	16	—	355	61	—	—
1990-91	579	—	263	63	8	—	15	—	142	7	—	—	16	5	—	—
Total	6135	—	3525	407	132	—	485	4	2136	77	53	—	1467	154	51	—
Percentage	60	—	35	5	21	—	78	1	94	4	2	—	88	9	3	—

(i) Participation of women beneficiaries during 1985 to 1990 was 5 per cent in calf-rearing, 4 per cent in piggery, 9 per cent in sheep production and only one per cent in poultry programme. Shortfall in participation of women was attributed by the Department (June 1991) to non-availability of genuine women applicants and availability of less loan amounts.

(ii) Reasons for a meagre participation of 2 per cent participation under piggery and nil participation under sheep production by the general category were neither intimated nor were on record of the Department.

Note : No area has been declared as tribal area in Stats. There are no notified tribes in the State.

Note : Only in 'calf-rearing' the number includes both old and new beneficiaries as the period runs beyond a year, while in order three schemes, the beneficiaries differ in succeeding years, as they are entitled to subsidy once only.

3.4.7 Targets and achievements

The position of overall plan targets fixed by the Government of India, adopted by the State Government vis-a-vis actual achievement thereagainst under each programme during 5th, 6th and 7th Five Year Plans were as under :

Name of Plan	Name of Programme	Target fixed by Government of India	Target adopted by State Government	Actual Achievement
		(number/units)*		
5th (1975-80)	1. Cross-bred calf-rearing	20,000	11,500*	13,755
	2. Poultry Production	12,000	5,400	4,429
	3. Piggery Production	2,000	2,125	1,645
	4. Sheep Production	6,000	6,760	6,597
6th (1980-85)	1. Cross-bred calf-rearing	20,000	10,000*	19,506
	2. Poultry Production	9,000	1,200	865
	3. Piggery Production	2,000	3,600	3,314
	4. Sheep Production	6,000	3,485	2,757
7th (1985-90)	1. Cross-bred calf-rearing	10,000	10,000*	12,180
	2. Poultry Production	6,000	930	702
	3. Piggery Production	2,000	2,000	2,188
	4. Sheep Production	3,000	3,068	3,015

Plan targets fixed by Government of India during 5th and 6th plans under calf-rearing, during 5th, 6th and 7th plans under poultry and during 6th plan under sheep production were reduced significantly by the State Government; clarification of the reasons therefor was awaited in audit (November 1991).

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

The objectives of SLBP were basically aimed at increasing the awareness of farmers of lower economic categories to the utilitarian aspects accruing out of the various trades like milk, eggs, meat their availability in abundance proportionate to consumer requirement. The source of these products are directly linked with not only number of animals but better

*Note : In case of calf-rearing, number represents calves whereas in other cases, it represents units.

breeding. In 1967-68 keeping in view the low milk yield indigenous cow, concept of cross breeding these cows with exotic daily breeds like Jersey and Holsteian friesin was resorted to. The cross bred resulting therefrom had a commitment of early maturity, high breeding efficiency, more yield of milk, but this was all possible with better feeding. The small and marginal farmers and landless Agricultural Labourers, who have been keeping indigenous and non discript cows participated in this programme on a massive scale. In a short span of time it was becoming possible that the merits accompanying are not coming up in a full way because the aforesaid category of farmers were not in a position to rear the cross bred calves on a balanced diet. This led to the concept of starting cross bred calf rearing scheme, with a take off in late 1975 till 1990-91, 45122 female cross bred calves of Small/Marginal Farmers and LALs had been provided subsidised concentrate ration to help them grow better. There is no doubt that buffaloes are also playing a major role in the production of milk in the state but at the same time the cross bred cows are in no way less participants. This is clearly visible from the facts that production in Haryana, which was 01-089 million metric tonnes in 1966 has risen to 3.350 million metric tonnes. Against the per capita availability per day of milk of 330 gms in 1966-67. The same could be available to the tune of more than 500 gms. during the year 1991-92. This is apart from the hard fact that there has been a continuous exodus of high yielding cross bred to other States over which there is no statutory control. The economically affluent farmers have been rearing their own herds of cross bred through better feeding and these people certainly got an idea of good feeding through cross bred calf rearing scheme. Similarly Poultry, Piggery and Sheep rearing have played a major role in uplifting the economic position of the lower rung of farmers by supplementing their income through the sale of their produce. From 1975-76, till 1990-91 as many as 5669, 7386 and 12839 units of poultry, piggery and sheep respectively had been established. While it was started as a small programme, but people at large took a que from these small units and in the former two cases a virtual bloom has come up over the years. It is an established fact that there are certain big poultry businessmen - now having a command over it but they had actually started their venture through the SLBP. Similarly Piggery still being handled mostly by the down trodden has flourished to the extent of blocking the urban traffic through the prolific pig population. This sheme has replaced the stereo type black pig with the improved Yorkshire so much so that the former is now going to be extinct.

In the position explained above, it is cleared that under the SLBP Programme, the weaker section of the Society, especially, Small/Marginal Farmers, Landless Agricultural Labourers and Schedule Castes have got sufficient benefit to uplift their living standard and as such the department feels satisfied with the achievement under this programme.

In addition facilities like marketing through Co-op. societies breeding and health services are also provided by the department to the beneficiaries. The beneficiaries are also getting the medicines and vaccination etc. for their animals and poultry birds through the net work of the departmental instruction. Poultry birds and animals of the beneficiaries are vaccinated free of cost against the different diseases from time to time, so that poultry birds and animals are protected from the different diseases. Sheep are dewormed thrice a year to save them from internal parasites and dipping is also performed thrice in a year to save them—Ecto parasites. To save the pig from contagious and non contagious diseases, deworming is also performed from time to time. Poultry birds and piglets are made available to the beneficiaries, from the departmental poultry hatcheries and pig breeding farms. The birds and piglets are reared in these departmental farms on modern techniques. Poultry cooperative societies have also been established in the different districts for the marketing of the produce of beneficiaries like poultry birds, eggs, and pigs from their door steps and for this purpose a truck has been provided under this scheme. Animal and Poultry birds of the beneficiaries are also got insured through the various insurance cos. So, far as the shortcoming are concerned it is stated that this programme was taken up in the State during 1975-76 and as the economics/unit cost which was received at that time from the Government of India remained the same upto 1990-91 although the cost of every and each items including medicines, instruments and feed etc. rose every year as per the Price Index. As such this is one of the main reasons for shortcomings. Even then, this programme has been made successful with the utmost efforts of the department. It is also made clear that there has been no complaint from any beneficiary who got the benefit under this programme.

—do—

—do—

1. The detail of financial outlay and expenditure from the year 1991-92 to 1993-94 under the scheme, is given as under:—

Year	Budget provision	Expenditure		Rs. in (lacs.)
		Estt.	Subsidy	Total
1991-92	200.00	53.71	47.84	101.55
1992-93	105.00	61.02	42.00	103.02
1993-94	110.00	71.12	35.28	106.40
Total	435.00	185.85	125.12	310.97

2. The expenditure on establishment was neither huge nor unwanted. In fact, staff sanctioned in 1975-76 (from the beginning of the scheme). On the recommendation/guidelines of the Government of India, continued to work till today and most of the staff is technical. No additional post was sanctioned after 1975-76. This staff is responsible for the proper implementation of the

programme. The main reason for the expenditure on establishment is due to grant of Dearness Allowance from time to time and annual increments etc. It is also pointed out that out of total expenditure of Rs. 1097.14 lacs, Rs. 594.98 lacs (more than 50%) was spent on the subsidy only and the rest of the amount includes the expenses on establishment, health coverage, purchase of instruments, furniture and stationery etc and other contingent item such as POL and Repair of vehicles etc. In fact, the expenditure on establishment was made to the minimum extent and with the staff under the scheme maximum achievements were obtained.

3. It is stated that the grant is released by Government of India as per availabilities of funds and on the basis of anticipated expenditure intimated to the Government of India. The anticipated expenditure is intimated to the Government of India well in advance before the closing of the concerned financial year and the grant is released on that basis. The excess grant subsidy released by Government of India is always adjusted in the subsequent years.

4. The practice of keeping the amount in saving bank account in banks outside Government account was adopted as per guidelines of Government of India. This is necessary to continue this practice in future also. If the amount is deposited in Government accounts in Treasury in the receipt head it will not be possible to draw the amount from the Treasury for utilisation in the next year for providing subsidy etc. to beneficiaries. This amount is adjusted as per requirement every year and the balance is carry-forwarded to the next year, which is not possible if the amount of subsidy is deposited in Government account i.e. receipt head.

1. It has always been procedure to identify beneficiaries before presenting their case to the financial Bank.

2. The Assistant Directors under this scheme verify such cases. In the absence of this identification and verification, it is physically not possible to implement the Scheme.

3. Under this scheme/Programme, one family is taken as a unit. As such only divorced, destitute and deserted women can be taken up whose number is supposed to be very negligible. However, efforts have always been made to identify such bases and in most of the schemes these beneficiaries have been well accommodated.

4. As already explained, the scheme has definitely been successful in bringing awareness amongst the eligible masses and they are now well on the road to success. Field Assistant and Assistant Directors (SLBP) are regularly monitoring this programme.

5. This had already been explained under point (i) & (ii) above.

1. The plan ceiling/limits fixed by the State/Centre Government and the escalation in the cost of inputs because of the rising price index have been the contributing factors in the reduction of plan targets.

3.4 Special Livestock Breeding programme

While reviewing the performance of the Department under this programme the Committee observed that no proper facilities are being provided by the department to the Veterinary Surgeons and field Assistant/Stock Assistant who were mainly responsible for the implementation of this programme at the district and village levels.

The departmental representatives informed the Committee that the matter for providing non-practising allowance is under active consideration of the Government and the final decision in this regard is likely to be announced very soon. The Committee therefore desires that the decision taken by the Government may be intimated to the Committee. The Committee further recommends that proper conveyance facilities may also be provided to the Veterinary Surgeon who were incharge of the scheme so that the scheme should be implemented properly upto the entire satisfaction of the beneficiaries

The Committee also observed that no proper arrangements have been made by the department in respect of publicity of the scheme in the villages. The Committee therefore, recommends that suitable arrangements may be made by the department for the proper publicity of the scheme in the villages, literature about the importance and objects of the scheme in a very simple language be also published and circulated in the villages for the use of the beneficiaries. The steps taken in this regard be also intimated to the Committee

During the course of oral examination the Committee observed that heavy expenditure is incurred on the establishment of this programme. The Committee therefore desires that a complete list of the staff engaged in this programme alongwith their place of posting be supplied to the Committee for its perusal.

The Committee was also informed that the practice of keeping the amount in Saving Bank Account in banks outside Government Accounts was adopted as per guidelines of the Government of India. The Committee feels that by adopting this procedure there are chances of pilferage/embezzlement of the amount. The department however tried to justify the Committee on this point but the Committee desires that a copy of the guidelines issued by the Government of India in this regard be sent to the Committee for its perusal.

(44] 3.4.8 (a) Inputs and services

The following points were noticed in the context of providing Inputs and services :

- (i) A sum of Rs. 13.16 lakhs (Ambala : Rs. 3.18 lakhs, Hisar Rs. 3.89 lakhs, Karnal : Rs. 3.30 lakhs and Kurukshetra : Rs. 2.79 lakhs) was allotted to the selected districts under general contingencies for providing health cover under the programme. Against this, a sum of Rs. 2.89 lakhs only (Ambala ; Rs. 0.39 lakh, Hisar : 1.54 lakhs, Karnal : Rs. 0.65 lakh and Kurukshetra : Rs. 0.31 lakh) was spent on the purchase of general medicines and artificial insemination.

ation material for use in veterinary hospitals. The balance amount was spent on purchase of POL, repair of vehicles and other miscellaneous items not covered under the programme by the Deputy Directors during April 1980 to March 1991.

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

(i) All the departmental activities including SLHP being implemented in a district are controlled by the Deputy Director of the district. The said officer operates as many as 15 heads of accounts both plan and non plan schemes. In most of the cases, the activities may be different but the expenditure under various schemes runs concurrently and complemently to each other.

3.4.8.A (KARNAL)

After going through the additional written reply submitted by the department the Committee recommends that intimation be sent to the Committee after getting the said figures reconciled with the Accountant General, Haryana.

[45] 3.4.11 Other points

(i) A subsidy at the rate of 50 per cent on capital cost of each unit was originally admissible to Scheduled Castes and Scheduled Tribes beneficiaries and was reduced to 33.33 per cent in December 1987. The Department, However, continued to allow the subsidy at the rate of 50 per cent during January 1988 to March 1988, resulting in excess release of subsidy amounting of Rs. 0.21 lakh in 27 cases under piggery (Ambala : Rs. 0.13 lakh and Karnal . Rs. 0.8 lakh), Rs. 0.8 lakh in 7 cases under poultry at Ambala, and Rs. 0.24 lakh under sheep production at Hisar respectively.

(ii) A sum of Rs. 0.90 lakh provided for T.A. expenses of staff deployed under the Special Livestock Breeding Programme for providing inputs and services to the beneficiaries was utilised under other programmes/schemes,

(iii) A sum of Rs. 0.53 lakh (Ambala Rs. 0.27 lakh, Kurukshetra : Rs. 0.19 lakh and Karnal: Rs. 0.07 lakh) was spent during 1985-90 on feeding bulls and paying electricity bills of semen bank not covered under the programme.

(iv) Records relating to total number of applications received, number of applications examined and those recommended for loan to the banks and number of beneficiaries granted loan under poultry, piggery and sheep production programmes were not kept by the Department in the districts test-checked.

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

(1) It is clarified that the subsidy had never been admissible

@ 50 percent to Scheduled Castes and scheduled tribes beneficiaries. However, it is pointed out that a similar type of scheme was implemented by Haryana Harijan Kalyan Nigam under which 50 percent subsidy was admissible. It is observed that the said cases are related to Haryana Harijan Kalyan Nigam and not to this programme. This department had also proposed to Govt. of India, to increase subsidy to 50 percent but the decision were not received.

All the departmental activities including SLBP being implemented in a district are controlled by the Deputy Director of the district. The said officer operates as many as 15 heads of accounts both plan and non-plan schemes. In most of the case the activities may be different but the expenditure under various scheme runs concurrently and complementary to each other.

All records have all along been maintained at Vety. surgeon level as well as district level.

3.4.11 (i) Other points

The Committee recommends that the decision taken by the Government of India in increasing the subsidy be also intimated to the Committee

HOME DEPARTMENT

[46] 3.6 Idle sawing machines

With a view to meeting the urgent demand for wooden crates required by the Food and Supplies Department Haryana, and also anticipating some more demands from various State Departments and the Food Corporation of India, 7 new sawing machines (Horizontal 5, Vertical : 2) were purchased at a cost of Rs. 1.98 lakhs by the Inspector General, Prisons through the Director, Supplies and Disposals, Haryana. The machines were installed in 6 jails during May 1985 to August 1985 (one each in the Central Jails Ambala and Hisar, the District Jails, Karnal and Rohtak, and the Borstal Jail Hisar two machines in the District Jail, Bhiwani).

Audit scrutiny disclosed that the machines remained idle or under-utilised as indicated below :

- (i) The new horizontal machine worth Rs. 0.32 lakh installed at the Central Jail Ambala was transferred to the District Forest Officer, Yamnanagar in February 1990 without getting any work done on this machine in the Jail.
- (ii) The new vertical machine costing Rs. 0.19 lakh installed at the District Jail Karnal was reportedly put to alternate use for repairing furniture items.
- (iii) Out of 24,888 wooden crates manufactured and supplied by the Central Jail Hisar, Borstal Jail Hisar, District Jail Rohtak and District Jail Bhiwani during December 1984 to January 1987 to Food and Supplies Department, only 420 wooden crates were manufactured with the new machines.

Thus, five new machines costing Rs. 1.47 lakhs had been lying idle for over four years (Hisar : 2, Bhiwani : 2 and Rohtak : 1). They were also not likely to be put to any use in the near future, as no further supply order had been received (as of June 1991) from any of the Departments.

Government intimated (September 1991) that the Department had been directed to fix responsibility for injudicious purchase of machines for taking disciplinary action against the defaulters.

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

- (i) Thts Ara Machine was purchased keeping in view heavy demand for supply of wooden crates to D.F.S.C., Hafed Departments

etc. etc. Since these departments did not place any demand as expected, the machine was sold to Forest Department at the same cost. No loss was earned to Govt. in this way.

(ii) Main object of Jail Department is to train the prisoners in various trades including wood work/furniture. As no order of crates was received in the past. Vertical Ara Machine costing Rs. 19,000/- installed at District Jail, Karnal was put to the use for repairing/manufacturing furniture items. Recently huge orders of 1492 crates have been placed with Superintendent District Jail, Karnal by the Food & Supplies Department, HAFED etc. This order has been completed by the Superintendent Jail and Vertical Ara Machine utilised for manufacturing of crates and thus earned profit of Rs. 19575.00 and amount of Rs. 9325.00 as Wear & Tear of the Ara Machines. Besides amount of Rs. 2,15,594.00 has been deposited in the receipt of the department by selling 1492 crates. Demands for supply of wooden crates are expected every year for which purpose the Ara Machine will be utilized.

Keeping in view big orders of 65,000 crates received in 1984-85 and possibility of receiving such orders every coming year, Horizontal Ara Machines were installed at Central Jail, Hisar/B.I. & J. Jail. Hisar/District Jail Rohtak/Bhiwani. Food & Supplies Deptt Haryana, out of orders of 65,000 crates, purchased only 47,383 crates Balance order has been cancelled by that Department. Due to this new Ara Machine could not be fully utilized at that time. After that Food & Supplies Department, Haryana, HAFED AGRO INDUSTRIES, etc. did not give any order to this Department with the result these Ara Machines could not be utilised. During 1994-95 orders of 27,000 crates were procured from the HAFED Ware-Housing Corporation, Food & Supply Department, Haryana & out of this 20,113 crates have since been supplied to the above Departments. In this deal profit, Wear & Tear of Machines has been earned as below :-

Profit	Rs. 2,67,294.10
Wear & Tear of Ara Machine	Rs. 1,22,689.30
Total	<u>3,89,983.40</u>

Besides a sum of Rs. 29,40,235.00 worth of production has been deposited in the receipt Head of the Jail Department.

Five new Ara Machines were purchased for the above Jails amounting to Rs. 1.47 lakhs whereas profit of Rs. 2.67 lakhs and Wear & Tear of the machines amounting Rs. 1,22,689.30 has been earned. Also demand for supply of wooden crates is expected every year for which this Ara Machine will be utilized.

Hence the project of installation of these machines has been in the interest of Department/State and the purchase of these

machines has not been a bad proposition. Rather the machines were utilized for engaging/training prison labour and at the same time earning for the department.

2. The machines had been purchased in public interest keeping in view of expecting of heavy orders for supply of crates and as such the purchase could be said to be injudicious. Hence non is at fault for the purchase.

3. During the current financial year 1994-95, 95-96 strenuous efforts were made and orders were procured from HAFED, Ware-Housing Corporation and Food & Supplies Department for supply of crates. All the Ara Machines have been put to use. Thus these Ara Machines have been fully utilised. In future, full efforts will be made to procure orders of Crates and furniture etc. so that these Machines are not kept idle and these will be utilised in future also.

4. Machines are being utilised.

3 6 Detailed Reply : IDLE SAWING MACHINES

An order for 65000 wooden crates was received by the Prisons Department from the Director Food & Supplies Department in the year 1985-86. Such a big job order was to be completed within the period specified by the Food & Supplies Department. For this purpose Wood was got sawn from the saw Machines owned by private persons. Keeping in view the job order in hand and the possibility of receiving job orders for crates/furniture in future, the then Head of the Jail Department/Officers Sh. P. C. Wadhwa/S. P. Sharma Sr. A.O. took the right decision to purchase seven saw machines. These machines were purchased and installed at Ambala, Hisar, Bhiwani, Karnal and B.1. & J. Jail, Hisar so that job orders to be received from different departments for crates/furniture could be completed and simultaneously the prisoner could be imparted training which is the main aim of the Prisons Department. The Food & Supplies Department purchased 47,383 crates out of 65,000 crates originally ordered & the order for the remaining crates was cancelled. After that inspite of making a lot of correspondence and contacting different department at personal level, the Department could not get any order for crates from the year 1987-88 till 1993-94. During this period the Department has been using the saw machines for sawing wood for making furniture and for imparting training to the prisoners which is the main aim of the department. In the year 1994, this department got an order for 17,000 crates from HAFED, 10000 crates from Agro Industries and 3401 crates from the Food & Supplies Department and the following Jails supplied the number of crates mentioned against each Jail to the concerned Department and all the saw machines were utilised :—

1. Central Jail	Ambala	6825 Crates
2. —do—	Hisar	10796 Crates
3. Distt. Jail, Karnal		1492 Crates
4. Distt. Jail, Rohtak		1000 „

Keeping in view the huge order of 65,000 crates placed by the Food & Supplies Department in the year 1985 and possibility of orders being placed every year, subsequently 7 saw machines were purchased in the year 1985 for central Jail, Ambala/Hissar/District Jail Rohtak/Bhiwani/Karnal and Borstal Jail, Hisar for manufacturing crates/furniture & imparting training to the prisoners. A sum of Rs. 1.98 lakh only was spent on these machines.

A profit of Rs. 267, 294.10 was earned by supplying 20,113 crates to the HAFED AGRO INDUSTRIES CORPORATION & FOOD SUPPLIES Department during the year 1994-95 & a sum of Rs. 1,22,689/- was recovered as wear & Tear of the machines. Besides, a sum of Rs. 29,40,235/- worth of production has been deposited in the receipt of the department.

In the year 1995, this department also got an order of 23,000 crates from Hafed 20,000 crates from Agro Industries Corporation Haryana and the following Jails supplied the number of crates mentioned against each year Jail to the concerned department and all the saw machines are utilised :-

	Hafed	Agro Industries Corpn, Haryana	
1. Central Jail Ambala	2850	—	
2. Central Jail, Hissar	8170	—	
3. District Jail, Karnal	1780	1375	
4. District Jail, Rohtak	2210	—	
5. District Jail, Bhiwani	2866	—	
	17876	1375	19,251

During the year 1995-96 a profit of Rs. 2,70,477/- was earned by supplying 19,251 crates to Hafed and Agro Industries Corporation Haryana and a sum of Rs. 1,26,094 was recovered as wear & tear of the machines. Besides a sum of Rs. 32,46,489 worth of production has been deposited in the receipt of the Deptt

Thus it is clear that Department earned good profit and production made in lacs of rupees by utilising Ara Machines as per following details:—

- | | |
|--|-----------------|
| (i) Crates manufactured with these machines and supplied during 1994-95 & 1995-96. | 39,364 Crates |
| (ii) Worth of production deposited in receipt head | Rs. 61,86,724/- |
| (iii) Profit earned | Rs. 5,37,771/- |
| (iv) Wear & Tear recovered | Rs. 2,48,783/- |
| (v) Amount spent on 7 saw machines | Rs. 1.98 lacs |

In view of the profit earned and production made, no loss has been incurred due to the purchase of the said seven Ara Machines. Rather, Department has earned profit and the main purpose of the Department to train the prisoners has been achieved. Besides, the Department will be kept earning profit in the year to come on receipt of orders, for crates and training to the prisoners will continue to be imparted. Hence the project of setting of 7 Ara machines is in the interest of the Department/State and the purchase of these machines is not a bad proposition and it is in the public interest.

3.6. Idle Sawing Machines 1990-91

After hearing the Departmental representatives the Committee observed that the machines in question were purchased in the year 1985 but these were not put to use and were remained unutilised upto 1994. The Committee was not convinced with the explanation given by the Department in this regard. The Committee, therefore, desires that the details of furniture manufactured from these machines from 1987-88 to 1993-94 be supplied to the Committee within a period of one month for its consideration. The Committee while going through the figures about the profit earned by the machines where the Department has shown wear and tear amount included in the profit. The Committee desires that point of profit, wear and tear of machines be also clarified by the Department but the Department failed to convince the Committee and informed that the certain information is to be collected from all the Jails to clarify this point. The Committee, therefore, recommends that required information be got collected from the field within a stipulated period and the same may be supplied to the Committee for its information.

[47] 3.7. Injudicious manufacture of Tatpatti

For manufacture of various articles in the jail factories the Jail Manual, *inter alia* provides that the factories may manufacture various articles to meet their own requirements and those of other Departments and also for sale to public. Requirement/demand is, therefore, a prerequisite for taking up manufacturing of any article in the factory.

It was, however, noticed in audit (November 1990/April 1991) that three District Jails in the State manufactured 61,898 metres of 'Tatpatti' of different sizes during February 1985 to October 1986 without keeping in view the sale of this item in earlier years and without having any current demand either of their own or from other Departments. Of this quantity, only 14,962 metres of Tatpatti, was sold and the balance quantity of 46,936 metres valued at Rs. 6.00 lakhs (District Jail, Mohindergarh : Rs. 1.19 lakhs, District Jail Rohtak : Rs. 1.24 lakhs, District Jail Bhawani : Rs. 3.57 lakhs) remained unused/unsold and was lying in stock for over four years. The reasons for manufacturing of such a large quantity of 'Tatpatti' were neither on record nor were intimated.

Thus, the injudicious action of manufacturing 'Tatpatti' in bulk

in the absence of any demand had resulted in blocking of State funds to the tune of Rs. 6.00 lakhs

The matter was reported to Government in May 1991; reply has not been received (February 1992).

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

- 1 For the last many year Jail Department had been receiving orders for Tatpatti in thousands metres from the Education Department Haryana in the month of February and March, every year, which order was to be completed during that every Financial year. Thus huge orders could not be completed within the stipulated short period. Thus manufacturing of Tat patti of standard specifications required by the Education Department was got prepared at Distt. Jail, Bhiwani/Rohtak/Mohindergarh through-out the year, so that on receipt of order of Education Department at the tail of Financial year it could be matured within time limit. In this way prisoners labour was also utilised. Due to non-receipt of demand for Tat Patti of the specifications, the stocks could not be cleared. The existing stocks are expected to be disposed of through sale of by issuing against our own Jails demand.
2. The Tatpatti having been manufactured to keep the prison labour busy, to impart training to them and to meet with the demand from any department for this item, none is responsible for taking any decision which may be termed in judicious.
3. Previously Education Department used to purchase Handloom Tatpatti from the Haryana Jails but subsequently Education Deptt. started purchasing power loom Tatpatti, They refused to purchase Handloom Tatpatti 61,898 metres Handloom Tatpatti was manufactured for Education Department as usual. On refusal to purchase this type of Tatpatti by Education Deptt. it could not be disposed of. However, with the strenuous efforts 31,435 metres Tatpatti has been sold to the private Schools and other sources. Now only 30,463 metres Handloom Tatpatti (18" & 24") is laying unsold for which full efforts are being made for its sale. Director Education Department Haryana has also been requested repeatedly to take supply of this unsold Ttpatti which was manufactured actually for their Department Handloom Tatpatti manufacturing has since been stopped. The existing stocks of Handloom Tatpatti is likely to be disposed off throughout its sale to Education Department or to our own Jails for use by prisoners against the Munj Mats.
4. Out of 61,898 metres Handloom Tatpatti 31,435 metres has since been sold to the private Schools and other

sources, 30,463 metres Handloom Tatpatti is still lying unsold with the Jails. Strenuous efforts are being made to dispose of this stock as early as possible.

3.7. Detailed Reply Injudicious manufacture of Tatpatti.

For the last many years the Department had been receiving orders for Handloom Tatpatti from the Director, Primary Education Haryana in last days of every year which was to be completed during that very financial year. This huge order of the Education Department was to be completed during the stipulated short period. Previously Handloom Tatpatti (18" & 24") was got prepared at District Jail, Bhiwani/Rohtak/Mohindergarh for Education Department, but subsequently, the Education Department refused to take Handloom Tatpatti & started purchasing Tatpatti made by power loom. Consequently, the Handloom Tatpatti could not be sold. However 31,435 metres Tatpatti was sold to the private Schools & other sources. Now only 30,463 metres of Tatpatti has been lying unsold for which efforts are being made for its sale. Education Department has also been requested repeatedly to take supply of the unsold Tatpatti which was manufactured actually for their Department. For future preparation of Handloom Tatpatti has been stopped. The Education Department purchases Tatpatti for School Children and if the Education Department purchases the balance of Handloom Tatpatti lying with Department, the Children will not be put to any loss but the loss which Govt. is suffering for storage of Tatpatti can be avoided. The State Govt. is being approached to stress upon the Education Department to purchase the balance Handloom Tatpatti (18" & 24") (30,463 metres) prepared by the prisoners alongwith the powerloom Tatpatti from this Department for supplying the same to Schools. This way the Government will earn profit.

3.7. INJUDICIOUS MANUFACTURE OF TAT PATTI 1990—91

While going through the written reply of the Department the Committee observed that due to injudicious action of manufacturing Tat patti in bulk in the absence of any demand had resulted in blocking of State funds to the tune of Rs. 6 lacs. The departmental representatives failed to convince the Committee on this account and the Committee is therefore, desires that physical inspection of the present condition of Tat patti be made and report to this fact be sent to the Committee within a period of fortnight. The Committee further recommends that steps be initiated by the Department to dispose of stock as early as possible. The Committee further desired responsibility be fixed who took injudicious decision for manufacturing of Tatpatti in bulk under intimation to the Committee.

[48] 3.9. Nugatory expenditure due to non-working of computers

The Director, State Crime Record Bureau (SCRB), Madhuban (Karnal) purchased (December, 1989—February 1990) 76 computers

along with stabilisers from a Delhi based firm through the Haryana State Electronics Development Corporation at a cost of Rs. 45.08 lakhs. Out of these, 63 computers were distributed to 52 field units, while 13 computers were retained at the Headquarters of the Bureau.

A test-check conducted during February-April 1991 of the records in three offices having 5 computers (SP Hisar : 3, SP Karnal : 1, SP (Operation) Karnal : 1) revealed that the computers were lying idle since their installation for want of air-conditioners. Besides, the Director SCRB intimated (July 1991) that 5 other computers (one each at Police Training Centre Madhuban, Haryana Police Complex Madhuban SP, Bhiwani SP, Narnaul and DSP Dabwali) were found to be defective and were neither repaired nor replaced so far (July 1991),

Thus, 10 computers were lying idle since their purchase either for want of air-conditioners or due to defects, and the expenditure of Rs. 5.93 lakhs incurred on their purchase was rendered nugatory.

The matter was reported to Government in September, 1990; reply has not been received (February 1992.)

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

The State Crime Record Bureau, Madhuban had purchased 76 PCs/XTs during the month of February, 1990 through HARTRON (A State Govt. Undertaking) and 63 PCs were distributed to 52 sub-units in Haryana and 13 retained with the State Crime Record Bureau. All the PCs are duly installed and they are functioning properly. Out of 76 PCs, 19 are located in the rooms of senior Police Officers who are otherwise having an Air Conditioner installed in their room. The functioning of PCs without Air Conditioners is affected only during peak summer months when the temperature rises 40 Celsius.

On the proposal dated 18-7-89 of DGP, the State Govt. had issued a sanction for the purchase of 76 Air-Conditioners at an estimated cost of Rs. 17.48 lacs vide sanction issued with Memo. No. 25/68/89-5 HGII, dated 29-3-90 with the concurrence of F.D. conveyed vide their U.O. No. 6/139/89-3 FGI/1148, dated 29-3-90 to be financed under Rs. 20 crore Special grant scheme released by the Govt. of India. DGP had placed an indent with Director Supplies and Disposal, Haryana vide their letter No. 5459/D-5, dated 30-3-90. Due to financial year coming to close, Director Supplies & Disposal (H) could not arrange supply of ACs upto 31-3-90. A case was again moved by DGP for Govt. sanction in the year 1990-91 which was issued on 27-8-90 with the concurrence of F.D.. Accordingly, Director Supplies and Disposal was requested to arrange supply of 76 ACs for the PCs but the Director Supplies & Disposal Haryana requested that in view of the ban imposed on certain item

like ACs by the Govt. relaxation may be obtained for the purchase of 76 Acs. Accordingly, on the proposal of DGP dated 9-10-90, this case was referred to F. D. for giving necessary relaxation for the purchase of ACs during the year 1990-91. F. D. had sought some information in this regard on 28-11-90 and it was referred to DGP to give details of all the officers where these PCs have been installed. DGP's proposal dated 13-12-90 was again referred to F. D. for advice. However, the case for sanction could not be resolved and it remained shuttling between the Finance Department, Administrative Deptt. and the office of DGP for the next four year 1991-92 to 1994-95.

The case for the purchase of 76 ACs is again consideration of Govt. and DGP has been asked to furnish details of location of the PCs, availability/unavailability of ACs in the unit and the area of the room, where it would be installed. A reply has been received from DGP which is being processed for moving a case to Finance Department for sanction.

Out of 76 PCs/XTs purchased during the month of Feb. 1990 through HARTRON (A State Govt. Undertaking) five computers were found defective and required repairs. The SCRB had instructed the firm to repair/replace the defective PCs/XTs during the month of July, 1991 when information regarding the defective PCs had come to notice. In response, the service Engineer of I. C. I. M. had repaired all the defective PCs in August, 1991 and these are now rendering service satisfactorily.

3.9. NUGATORY EXPENDITURE DUE TO NON WORKING OF COMPUTERS 1990—91

After going through the clarification given by the Home Secretary and DGP the Committee observed that 57 computers are still lying idle for want of air conditioners which is a necessary instrument for the smooth functioning of the computers and without these air conditioners, the state exchequer has been burdened with the purchase of these 76 computers for the smooth functioning of the Police Department, the Committee desires that the required number of air conditioners should be provided to the Department.

The Committee, therefore, strongly recommends that Police Department should move a fresh proposal with full justification to the Finance Department for according the sanction for the purchase of air conditioners. The Committee also recommends to the Finance Department that after going through the justification of the case, sanction for the purchase of these air conditioners be accorded within a period of 30 days. The Committee further desired that a list of trained staff available with the Department for handling the computers be sent to the Committee within a period of one month for its information.

[49]. 3.5. Unfruitful expenditure (1992—93)

To provide indoor treatment to district police personnel a six bed hospital was constructed in 1974 at a cost of Rs. 1.75 lakhs in Police Lines, Jind. A pharmacist and a ward attendant were posted in January 1977 but no Medical Officer had ever been posted. In the absence of the Medical Officer the hospital did not function and the hospital building was being utilised as barrack accommodation. An expenditure of Rs. 3.77 lakhs was incurred on the pay and allowances, of the pharmacist and the ward attendant during the period January, 1977 to October, 1992.

On this being pointed out in Audit, the Director General of Police stated (December 1992) that despite best efforts the post of the Medical Officer was not sanctioned and due to non-posting of the Medical Officer complete medical care to the Jawans and their families was not being made available. The pharmacist and ward attendant had been looking after the police personnel admitted in the General Civil Hospital Jind, under the guidance of officers of the local Civil Hospital.

Thus, due to non-functioning of the hospital in the absence of a Medical Officer, the expenditure of Rs. 5.52 lakhs incurred on the construction of the hospital and pay and allowances of the para-medical staff did not fully meet the objectives of providing medical care to the police personnel.

The matter was referred to Government in June 1993; reply has not been received (November, 1993)

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

The audit and inspection of accounts of the office of the Superintendent of Police, Jind for the period 8/91 to 7/92 had been carried out by the OAD Party and specific para (un-fruitful expenditure worth Rs. 6,92,820) was made out mainly due to non-functioning of a six bed hospital for which a building was constructed in 1974 at a cost of Rs 1.75 lakhs in Police Line, Jind. A proposal for the creation of posts of medical staff consisting of the medical officer, one pharmacist and one ward attendant was mooted in 1975 and a Pharmacist and one Ward Attendant were sanctioned in the year 1976 and the incumbents posted w. e f. 10-12-1976. A proposal for the sanction of medical officer was again moved in January 1991. However, the Govt. sought a consolidated demand in respect of all units where this facility does not exist vide their letter dated 7-3-1991. Revised proposal has not been received by the Govt.

So far as utilisation of the services of one pharmacist and a ward attendant is concerned it is submitted that they are working on a whole time basis. The Superintendent of Police Jind

has reported that the part-time duties of Doctor in Police Lines, Jind were being/performed by a Doctor of the Civil Hospital, Jind on the basis of local arrangement.

This building was utilized and never left uncared for leaving it unattended would have resulted only in deterioration of its condition. It is worth mentioning here that various training courses are being run (like Wireless Training Course Anti-Terrorist Course) for which the vacant portion of the hospital building are utilised. Also it is used to accommodate para military force/HAP frequently when they are deployed for internal security duty. This, however is not being done at the expense of the accommodation need of the hospital being run. Only the excess space is utilized for running course/accommodation as submitted above. Once a fullfledged Medical Officer is sanctioned by the State Govt. the accommodation required for additional medical facility would be made available.

Keeping in view the above facts it is requested that the PAC Para may please be dropped.

3.5. UNFRUITFUL EXPENDITURE 1992—93

During the Course of oral examination the Committee observed that in the absence of medical Officers, the Hospital did not function and the Hospital building was being utilised as barrack accommodation. The Departmental representatives informed the Committee that despite best efforts by the Department the post of the Medical Officers were not sanctioned and due to non-posting of medical officers, complete medical care to the Jawans and their families was not being made available. The Committee, therefore, desires that comprehensive proposal for the required number of Doctors be sent to the Finance Department for according the necessary sanction and report to this effect be sent to the Committee for its information.

[50] 5.3. Non-disposal of condemned vehicles

Fifty four venicles (reserve price: Rs. 22.69 lakhs) were declared condemned between August, 1991 and January 1993 by the Condemnation Committee constituted by Government in June 1985. Permission of the Head of the Department for the disposal of the vehicles by public auction was sought by the Inspector General CID Superintendents of Police and Commandants of Haryana Armed Police between March, 1992 and January 1993. Necessary approval was still awaited (June 1993).

The matter was referred to Government in August 1993; reply has not been received (November 1993).

The department in their written reply, explained the position

-
1. Ambala (2), Hisar (1), Jind (1) and Karnal (2)
 2. Ambala (1), Hisar (1) and Madhuban (3).

as under :—

Administrative approval for the condemnation of 54 vehicles and disposal thereof was accorded vide DGP orders mentioned below:—

I. Administrative Approval accorded vide No. 16305 -18/D-1, dated 29-8-91.

Sr. No.	Name of Unit	Type of vehicle	Vehicle No.	Reserve Price (In Rs.)
1	2	3	4	5
(Amount in Rs.)				
1.	Director/FSL, MBN	Car 1	HRX—184	25000
2.	CID, Haryana	Cars 4	HYE—671	45000
			HNE—355	35000
			HNX—6583	45000
			HNE—203	45000
		Jeeps 4	HNE—354	70000
			HYX—5479	45000
			HYX—8157	60000
			HNE—204	73000
3	Director/PTC MBN	Motor-Cycle 2	HYC—219	2000
			HYC—220	2500
4.	SP/Kukshetra	Car 1	HRQ—4	45000
5.	SP/Ambala	Jeeps 2	HRW—300	40000
			HRX—6775	40000
		Motor-Cycle 2	HYA—4049	3000
			HRP—7456	3000
6.	SP/Hisar	Jeep 1	HYT—3900	Rs. kept secret by D. C. Hisar for reasons best known to him.
7.	SP/Bhiwani	Motor Cycles 3	HYB—4091	6,000
			HYB—4146	6,000
			HYB—4552	6,500
8.	SP/Gurgaon	Car 1	HRG—4328	30,000
		Jeeps 3	HRU—2574	20,000
			HRU—4805	45,000
			HRU—1801	28,000

1	2	3	4	5
				(Amount in Rs.)
		Tempo 1	HRU—1802	40,000
		Motor 2	HRU—4475	6,000
		Cycles	HRU—4476	6,000
9.	SP/Rohtak	Jeeps 4	HYO—515	50,000
			HYO—522	50,000
			HYO—523	35,000
			HYM—5640	34,000
		Motor 6	HYO—517	7,700
		Cycles	HYO—518	7,800
			HYO—519	7,500
			HYS—2311	7,500
			HYR—7045	8,000
			HRV—7046	8,000
10.	SP/Panipat	Jeep 1	HYM—6301	50,000
		Matador 1	HYM—4125	75,000
11.	SP/Faridabad	Car 1	HR—29/5006	40,000
		Jeep 1	HYU—3333	40,000
		Buses 2	HRU—7906	90,000
			HRP—3541	1,00,000
12.	SP/Railways	Trakker 1	HRV—6949	35,000
13.	SP/Sonepat	Car 1	HRS—19	3,000
II. Administrative approval accorded vide No. 18309/D—1 dated 16-9-91.				
14.	SP/Hisar	Motor 2	HYX—1316	Rs. kept secret by D. C. Hisar for reasons best known to him
		Cycles	HRT—1048	Rs. Kept secret by D. C. Hisar for reasons best known to him
		Jeeps 2	HRT—3800	Do
			HYB 4522	Do
III. Administrative approval accorded vide No. 20229/D-1, dated 16-10-91				
15	SP/Jind	Matador 3	HRV—3106	35,000
			HRV—3104	40,000
			HRV—3108	30,000
		Jeeps 2	HRV—2907	35,000
			HRJ—38	35,000
		Total	54	

Since, administrative approval for the condemnation of vehicles (54 Nos.) and disposal thereof had been accorded by DGP office well in time, this para may please be dropped. It is also mentioned here that there was no financial irregularity. Directions have already been issued to the units concerned to fix responsibility of those officials who did not produce the record of condemnation and disposal of these vehicles before the Audit Party as the Administrative Approval in this respect had already been conveyed to them during the year 1991-92.

5.3. Non-Disposal of Condemned Vehicles (1992-93)

While going through the details of vehicles condemned by the Superintendent of Police, Hisar the Committee observed that not sale value has been mention by him. The Committee, therefore, desires that a list of actual sale value of all the vehicles condemned by the Superintendent of Police, Hisar be submitted to the Committee within a period of one month.

JAIL DEPARTMENT

[51] 5.4. Manufacture of surplus goods.

In District Jail, Rohtak 183 tents (14 feet × 14 feet double fly) were manufactured during September 1989 to December 1990 at a cost of Rs. 10.61 lakhs without assessing the demand of these 126 tents valued at Rs. 7.31 lakhs remained in stock as of June 1993. The Superintendent District Jail, Rohtak stated (May 1993) that an order for supply of 93 tents worth Rs. 5.39 lakhs has been received in February 1993 from Delhi Police Department but the indenter had neither made the payment nor lifted the tents as of October 1993. The Additional Director General of Police stated (October 1993) that the Superintendent, District Jail, Rohtak had been directed to dispose off the stock to other departments or other States. Further developments were awaited as of October 1993.

The matter was referred to Government in August 1993; reply has not been received (November 1993).

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

In view of Audit observation made in para 1 of the Audit note 2/92 to 6/93, Superintendent Distt. Jail, Rohtak was directed vide this office No. 24059/60 GI AA dated 27-12-94 to dispose off 126 Tents 14' × 14' double fly immediately. As per report received from Superintendent, District Jail, Rohtak vide his T. P. M.No. 342 dated 17-9-95 only 29 Tents (14' × 14') double fly left balance in stock out of 29 Tents advance bill for 15 tents has been issued to the Sub Divisional, Officer, Water Supply Mechanical Sub Division Rohtak and it will be supplied immediately. Efforts will be made to dispose off the remaining 14 tents as early as possible.

5.4. Manufacturing of Surplus Goods

1992—93

After hearing the Departmental representatives the Committee recommends that sincere efforts be made by the Department to dispose of all the remaining 14 tents as early as possible under intimation to the Committee

PUBLIC HEALTH DEPARTMENT
(1990—91)

[52] 4. 9. Urban Water Supply and Sewerage Schemes

4.9.1. Introductory

Provision of safe drinking water and covered sewerage facilities are essential pre-requisites for maintaining the health of the people in general and elimination of diseases and epidemics in particular. For ensuring safe supply of drinking water and covered sewerage facilities, the State Sanitary Board was constituted in January 1967. The Board accords administrative approval to individual water supply and sewerage schemes in the areas. These schemes are then executed as deposit works on behalf of municipalities by the various Public Health Divisions.

At the end of the Sixth Five Year Plan, out of the total 81 towns, partial water supply had been provided to 79 towns and skeleton sewerage facilities to 36 towns. Thus, 2 towns were left without partial water supply and 45 towns without skeleton sewerage facilities.

4.9.2. Organisational set up

At the State level, the Engineer-in-Chief, Public Health Department is in overall charge of the programme. At the district level, Executive Engineers, incharge of the various Public Health Divisions are responsible for the execution of schemes.

4.9.3. Audit coverage

Mention about certain aspects of water supply and sewerage schemes was made in paragraph 4.14 of the Report of the Comptroller and Auditor General of India for the year 1985-86. The present review covers the period from 1986-87 to 1990-91 with reference to test check (April-May 1991) of the records of the State Sanitary Board and the Public Health Department in five districts of Ambala, Hisar, Jind, Rohtak and Sonapat.

4.9.4. Highlights

—Against the budget allotment of Rs. 2496.60 lakhs, a sum of Rs. 2,201.50 lakhs was spent on the water supply and sewerage schemes during 1985-86 to 1990-91 [Paragraph 4.9.5(a)]

—The delay in recovery of loan of Rs. 232.25 lakhs from municipalities ranged from one to twenty years. [Paragraph 4.9.5.(b)]

Note : The abbreviations appearing in this Review are listed alphabetically and explained in the glossary at Appendix X (Page 223-224).

—Five per cent contribution amounting to Rs. 312.85 lakhs had not been recovered from the municipalities. [Paragraph 4.9.5.(c)]

—244 schemes (water supply : 160 and sewerages : 84) were completed in a time-span of 5 to 18 years. [Paragraph 4.9.6(b)]

—Inordinate delay in completion of 14 schemes resulted in cost escalation by Rs. 778.49 lakhs. [Paragraph 4.9.6(c)]

—Non construction of overhead service reservoir in 13 schemes resulted in less supply of water to consumers. [Paragraph 4.9.7.(a)]

—Defective execution of work led to avoidable expenditure of Rs. 4.50 lakhs in a sewerage scheme. [Paragraph 4.9.9 (i) (ii)]

—Payment of Rs. 14.32 lakhs made to HUDA for completion of a brick sewerage proved unfruitful because the portion of the sewer relating to the Public Health Department was not laid. [Paragraph 4.9.9. (iii)]

—Commencement of work on a sewerage scheme without proper survey and investigation resulted in unfruitful expenditure of Rs. 7.68 lakhs. [Paragraph 4.9.9.(v)]

These points are discussed in detail in the succeeding paragraphs.

4.9.5. Funding pattern

The municipalities on whose behalf water supply and sewerage schemes are executed, arrange for funds through loans/grants taken from the State Government. The State Government contribution is 95 per cent of the estimated cost of the scheme (60 per cent of it as loans and 40 per cent as grants) and the balance 5 per cent is to be borne by the municipalities.

(a) The budget provision and expenditure incurred there against on the programme was as shown below:

Water Supply Schemes

Budget Allotment

Year	Loans	Grants	Total Funds	Grants diverted	Net Funds	Expenditure	Excess (+)/ Saving (-)
1	2	3	4	5	6	7	8
(Rupees in lakhs)							
1985-86	104.80	70.80	175.60	—	175.60	316.50	+140.90
1986-87	105.30	71.70	177.00	—	177.00	317.00	+140.00
1987-88	137.50	178.20	315.70	—	315.70	353.62	+37.92
1988-89	176.00	200.00	376.00	200.00	176.00	246.43	+70.43
1989-90	143.00	200.00	343.00	200.00	143.00	258.38	+115.38
1990-91	240.00	150.00	390.00	150.00	240.00	182.29	-57.71
	906.60	870.70	1777.30	550.00	1227.30	1674.22	

Sewerage Schemes

Budget Allotment

Year	Loans	Grants	Total Funds	Grants diverted	Net Funds	Expenditure	Excess (+)/ Saving (-)
1	2	3	4	5	9	7	8
(Rupees in lakhs)							
1985-86	48.00	32.00	80.00	—	80.00	90.61	+10.61
1986-87	48.00	42.00	90.00	—	90.00	140.27	+50.27
1987-88	34.60	71.70	106.30	—	106.30	83.74	-22.56
1988-89	46.00	90.00	136.00	80.00	56.00	63.43	+7.43
1989-90	57.00	90.00	147.00	80.00	67.00	79.07	+12.07
1990-91	90.00	70.00	160.00	60.00	100.00	70.16	-29.84
	323.60	395.70	719.30	220.00	499.30	527.28	

(Source : Figures supplied by the Department)

(a) (i) The excess expenditure in certain years was attributed (August 1991) by the Department to taking up of incomplete schemes in addition to the new schemes which resulted in excess expenditure.

(ii) The shortfalls in expenditure were attributed to abandoned works as a result of disputes with contractors, non-arrangement of land by the municipalities and non-availability of material. It was, however, noticed in audit that grants amounting to Rs. 550.00 lakhs for water supply schemes and Rs. 220.00 lakhs for sewerage schemes were diverted by the Sanitary Board during 1988-89 to 1990-91 for maintenance works.

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

With the limited resources available with the Department the objective is proportionately achieved in 81 Nos. Municipal towns with service level of 65 per cent for water supply and for sewerage is only 40 towns with service level of 35 per cent. The achievement is limited because of inadequate funds. Municipal Committees are virtually failing to raise adequate resources from financial institutions whereas the plan funds can not meet with the total requirement. In remaining towns, it has been decided to provide low cost sanitation which is being executed by the Local Self Government Department directly.

The efforts have now been made by the Municipal Committees to augment their resources by raising the water and sewerage tariff which may give needed confidence to Municipal Committees in raising resources from the financial institutions in future.

In the 7th Plan & Annual Plan 1990-91 the expected allocation was Rs. 3304.00 lakhs for water supply and Rs. 2090.00 lakhs for sewerage schemes respectively, but the actual allocation for this plan & Annual Plan 1990-91 has been Rs. 1903.80 lakhs for water supply & Rs. 803.30 lakhs for sewerage having total gap of anticipated resources of 7th Plan to the tune of Rs. 2686.90 lakhs. Thus even after little extra spending over the allocation of funds the expenditure is much below the required amount to achieve the anticipated targets on these works. Thus the shortfall is due to inadequate funds made available. As indicated in the statement there has been no diversion of plan funds towards maintenance till 1987-88. But thereafter, part plan allocation had to be diverted for maintenance because adequate financial support was not forthcoming from the Local Bodies. The maintenance of water supply & sewerage being essential, the department had no option, but to continue with it and also spent minimum amount to keep the system running.

The financial support from Municipal Committees and funds under non-plan schemes has been inadequate to meet with the cost of maintenance and operation of water supply and sewerage schemes of the towns. These being essential services had to be kept in running condition and the State Sanitary Board had to divert the funds for this purpose. The State Sanitary Board is competent and authorised body of the State Government for allocation/diversion of funds to various water supply and sewerage schemes in the State. Copy of notification and constitution of State Sanitary Board Haryana is attached.

This para relates to Director, Local Bodies, Haryana. The information supplied by the Director Local Bodies, Haryana vide his memo No. BA-3-94/Sep. 1/B&D, dated 19-9-94 (copy enclosed) for information. Outstanding principal/interest from 1970-71 to 1992-93 is as under :—

Principal	5.38 crores
Interest	9.94 crores

The recommendations made by the P.A.C. Haryana Vidhan Sabha in its 32nd Report is under consideration with the Local Self Government Department and its decision is awaited.

4.9. Urban Water Supply and Sewerage Scheme (1990-91)

4.9.5. (a) Funding pattern

While reviewing the water supply schemes and sewerage facilities in the State, the Committee was informed that at the end

of sixth five years plan, out of total 81 towns, partial water supply had been provided to 79 towns and skelton sewerage facilities to 36 towns. The Committee was further informed that it is not possible to provide sewerage facilities to all the towns with limited resources available with the Department. The main reasons for the shortfall in achievements of target is due to in-adequate funds at the disposal of the Department. The Committee was further informed that there was no diversion of plan funds towards maintenance till 1987-88. But thereafter, partpala allocation had to be diverted for maintenance because adequate financial support was not forthcoming from the local bodies. After hearing the Departmental representatives the Committee observed that this is not appropriate to divert the funds from the non plan to plan expenditure. The Departmental representatives failed to convince the Committee in this regard. The Committee, therefore, recommends that in future non plan expenditure should be fully provided to the Department at the time of preparing the budget of the Department. The Committee further desires that the diversion of funds which have so far been made may also be got regularised from the competent authority under intimation to the Committee. After going through the additional reply supplied by the Department in respect of the details of funds diverted for operation and maintenance during the six years i. e. from 1985 to 1991. The Committee recommends that proposal for all the water supply schemes be properly made to avoid the diversion of funds in future.

(b) While going through the figures of the outstanding amount as well as interest on this amount, the Committee observed that still a huge amount is yet to be recovered from the Municipalities. The Committee reiterates its earlier recommendations made in the 32nd report of the Committee in respect of funding pattern of the Municipalities. The Departmental representatives assured the Committee that the matter has since been finalised in the light of the recommendations of the Committee and further assured to send the latest reply in this regard at the earliest. The Committee, therefore, desires that the final decision taken by the Government in this regard may be intimated to the Committee.

[53] 4.9.6. *Targets and achievements*

The table below indicates the number of schemes taken up, completed and in progress at the end of March 1991 :

	Water Supply	Sewerage
(i) Number of schemes taken up upto March 1986	180	103
(ii) Completed upto March 1986	136	78
(iii) Spilled over to 1986-87	44	25
(iv) New schemes taken up during 1986-87 to 1990-91	74	22
(v) Completed		
Out of (iii) above	11	3
Out of (iv) above	16	3

Q/-
30/06/12

(a) Against the envisaged coverage of 65 to 70 per cent of population for water supply facilities, the achievement was 45 to 50 per cent. Similarly, against the envisaged coverage of 45 to 50 per cent for sewerage facilities, the achievement was 25 to 30 per cent. The shortfall was attributed to paucity of funds.

(b) Out of 352 schemes (water supply : 227 and sewerages : 125) taken up from November 1966 to March 1989, 244 schemes (water supply : 160 and sewerages : 84) could be completed within the time-span of 5 to 18 years. The remaining 108 schemes (water supply : 67 and sewerages : 41) had not been completed (July 1991).

(c) Failure to complete schemes timely resulted in heavy cost escalation. Fourteen schemes taken up during 1971-72 to 1989-90 with an estimated cost of Rs. 1224.22 lakhs were revised to Rs. 2002.71 lakhs (1990-91). Increase of Rs. 778.49 lakhs included Rs. 537.53 lakhs on account of price escalation and Rs. 240.96 lakhs on account of change in the scope of work.

(d) In the districts test-checked, out of 53 schemes (estimated cost : Rs. 2,645.01 lakhs), 47 were taken up for execution during 1986-87 to 1990-91 without technical sanction of detailed estimates.

(e) Construction work on sewerage schemes Uchana (District Jind) was suspended by the municipal committee in 1987-88 due to non-availability of land. The expenditure of Rs. 7.28 lakhs incurred on this scheme upto 1987-88 proved unfruitful.

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

The main cause for shortfall was paucity of funds which caused delay in completion of the projects and resulted in the cost over runs.

The water supply schemes of a town consists of a number of sub works such as water source development and distribution system. Whenever a scheme is prepared & part funds are available, the execution of these two sub works is planned in such a proportion that advantage of source development reaches to an adequate number of persons. The cost over run in such situation is unavoidable and had to be tolerated when these desired funds are not available for executing these works according to a definite time frame.

As per codal rules, the work is required to be taken in hand after the estimate is got technically sanctioned from the competent authority. But many a time, to avoid loss of time and lapse of funds, special provision of codal rules under 2.89 of P.W. Code is invoked & the work

is allowed to be executed in anticipation of technical sanction of estimate. But in general technical proposal is got cleared in such cases.

There is no doubt, this work of sanctioning estimates technically has gone into arrears, but now steps are being initiated to get the technical estimates cleared and approved including the back log.

The construction work for laying of sewer line in Mandi Areas was taken up in hand against an estimate of providing sewerage scheme for Uchana town, amounting to Rs. 19.27 lakhs only, administratively approved vide Sanitary Board, Haryana Resolution No. : 29 dated 24-5-81. No construction work was taken up on disputed land. The pipe sewers were to be laid in the street or public place and disposal work site was to be made available by the Municipal Committee, Uchana. As per common practice in the department, the work of laying of sewer line in town is taken up in hand of laying of sewer lines in town is taken up in hand in 1st phase and then the work of outfall sewer and disposal work taken in hand as per availability of funds. Till the disposal work is completed the sewerage system laid can be put into operation by providing temporary pumping arrangement at the last man-hole. The Municipal Committee Uchana arranged the land in the year 1992 and handed over to this department. Accordingly, on receipt of possession of land for construction of disposal work the tender for outfall sewer and disposal work were processed by the department. The outfall work is also in good progress and 70 per cent work is completed. The sewerage system of town along with disposal work will be put into the operation by the end of December, 1994. As such there is no unfruitful expenditure.

4.9.6. During the course of oral examination the Committee was informed that most of the schemes were taken up by the Department without obtaining the technical sanction of detailed estimates. The Committee observed that it is a serious lapse and financial irregularities on the part of the Department and therefore, recommends that back-log of all the technically sanctioned schemes be cleared within a period of one month and compliance report be sent to the Committee for its information.

[54] 4.9.8. *Arrears due from municipalities*

While water supply and sewerage works are maintained by the Public Health Department, expenditure on their maintenance is borne exclusively by the municipalities. Mention was made in para 4.14.5(v) of the Report of the Comptroller and Auditor General of India for the year 1985-86 that on 31st March 1981, Rs. 889.15 lakhs were due for recovery from 51 municipalities on account of

expenditure on maintenance far from this problem being solved, it was noticed that the arrears had increased to Rs. 1,996.54 lakhs by the end of March, 1991.

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

The recovery of arrear is pending due to weak financial position of all the municipalities as explained by the Director, Local Bodies, Haryana in his letter No. BA. 3-94/SCPI/B&P dated 19-9-94.

Director, Local Bodies, Haryana is pressing the concerned Municipalities to deposit the dues into Government Treasury as mentioned in his letter dated 19-9-94.

The present position of outstanding dues as intimated by the Director, Local Bodies, Haryana in his letter dated 19-9-94 is as under :—

Period	Principal Amount	Interest
1970-71 to 1992-93	5,37,56,905	9,94,24,747

4.9.8. Arrears due from Municipalities

After hearing the version of the Departmental representatives the Committee desires that the decision of the Committee in this regard may be kept pending till the finalisation of the report of State Finance Commission.

4.9.9. Other points

(ii) Sub-standard execution of work

In the Public Health Division, Jind, the work of providing sewerage in Housing Board Colony Phase IV, Jind, was allotted March 1989 to contractor 'A' at an estimated cost of Rs. 4.00 lakhs, with a time limit of 6 months for completion. The contractor, executed a part of the work and demanded Rs. 1.05 lakhs 'on account' payment. The first running bill was prepared and submitted to the Divisional Office in September 1989. The work was inspected in October 1989 by the E.E. in the presence of Sub-Divisional Engineer (SDE) and Junior Engineer (JE), and a major portion of work was found to be defective and below specification as the alignment of some portion of sewer was incorrect. The SDE and the JE were suspended in February 1990, and were served with a charge sheet in August, 1990. Further developments were awaited (July 1991).

Meanwhile, the EE allotted (February 1990) the incomplete work to contractor 'B' in May 1990 at higher rates at the risk and cost of contractor 'A'. This resulted in an extra cost of Rs. 2.50 lakhs (difference in ceiling cost : Rs. 1.94 lakhs and rectification of defects in the work of contractor 'A' : Rs. 0.56 lakh). The recovery was not yet made from contractor 'A' (July 1991)

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

Sh. D.P. Mittal SDB has been charge-sheeted on account of negligence of duty & adequate loss of Rs. 64188.45 which is the cost of rejected work and cost of the material not returned by the contractor. It also includes the variation in costs when the work is done at the risk and cost of the previous contractor. As the officer has been charge-sheeted under rule 7 on 20-1-93 enquiry is necessary which is pending with Sh. D.R. Mehta Superintending Engineer Public Health Circle, Karnal

Sh. Balbir Singh J.E. responsible for the work has also been charge-sheeted on this account on 8-12-94.

The case regarding recovery of Rs. 2.50 lakhs from the contractor 'A' viz. Sh. Jagat Singh has been referred to the Arbitrator i.e. Superintending Engineer Public Health Circle Karnal on 5-1-93. Sh. D.R. Mehta Superintending Engineer/Arbitrator has been transferred and the present Superintending Engineer/Arbitrator has been asked to decide the case early.

Action regarding recovery of Rs. 2.50 lakhs would be initiated after the announcement of award and making the same as a rule of the Court.

4.9.9.(ii) After going through the facts of this case the Committee observed that there is a considerable delay of three years in deciding this case. The Committee, therefore, recommends that the case be settled at the earliest and also recovery be effected expeditiously under intimation to the Committee.

[56] 4.9.9. (iv) *Excess payment*

The work of providing sewerage scheme in Safidon town (estimated cost : Rs. 4.25 lakhs) allotted by the Executive Engineer Public Health Division, Jind in April 1984 was to be completed within 12 months. The contractor after executing work worth Rs. 4.18 lakhs (March 1987) left it in complete. The remaining work worth Rs. 0.60 lakh was not executed by the contractor on the plea that he had completed the work to the extent provided in the contract.

During the check of last 'on account' payment made in March 1987 it was observed that for removal of 508 .12 cum. slush during execution of sewer work, an overpayment of Rs. 0.76 lakh was made to the contractor.

tractor. The Department while admitting the excess payment, intimated that overpayment was made due to wrong classification of the concerned item. Neither recovery of overpayment made to the contractor had been made, nor was any responsibility fixed (July 1991).

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

While executing the work at site, the field officers made wrong classification of the soil & declared 508.12 cubic meter as slush which has resulted in over payment of Rs. 0.76 lakh. Sh. M.R. Bansal, SDE & Sh. R.C. Khanna, SDE & Sh. R.C. Gupta, JE in whose jurisdiction this work was executed have been asked to explain the same by the Public Health Department on 13-11-1992. Further action to initiate proper charge-sheet against these officers will be initiated shortly.

The recovery of the excess amount has still not been affected. But the same will be made either from the contractor whose final bill is still to be prepared or from the defaulting officers.

4.9.9. (iv) Excess Payment

The Committee recommends that the amount be recovered from the contractor and settled this matter within a period of one month and report be sent to the Committee for its perusal.

[57]. 4.9.9. (v) *Unfruitful expenditure*

In the Public Health Division Ambala, the work 'Providing sewerage schemes in Ambala, (estimated cost : Rs. 4.95 lakhs) allotted in February 1979 was to be completed within 12 months, but was extended upto December 1980. The contractor 'A' after executing work worth Rs. 3.22 lakhs left the same incomplete in February 1982. Without rescinding the agreement of contractor 'A' (August 1985), the left-over work was allotted to contractor 'B' at an estimated cost of Rs. 3.70 lakhs. During execution, it was observed that the alignment passed through a congested area. To overcome this difficulty, it was proposed to lay re-inforcement cement concrete (RCC) sewer in place of brick sewer. After executing the work worth Rs. 2.62 lakhs, the contractor 'B' suspended the work in September 1987, as it was not possible to lay RCC sewer at depth of 16 to 17 below the ground level due to existence of high-rise buildings on the way. The EE intimated (June 1988) that the scheme had been taken up without proper survey/investigation and soil testing, and added (February 1990) that construction of further work on the sewer, posed danger to buildings and residents due to rise in spring level.

Thus, the expenditure of Rs. 7.68 lakhs (including cost of material : Rs. 1.84 lakhs) proved unfruitful.

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

The work of providing sewerage scheme in Ambala Sadar commenced in February, 1979 & the estimated cost was

Rs. 134.08 lakhs. It requires laying of 25700 meters of sewer in Sadar area. As detailed in the inspection para, the problem did crop up in a stretch of 600 meters out of the total length of 25700 meters of sewer. The main difficulty arose because of non execution of 600 meters of sewer due to unexpected encountering of high spring level which is only 3 meters below ground level instead of 7.62 meters in Ambala Sadar area as per estimate. The main cause of local rise in spring level is the flowing of open nallah carrying waste water and storm water from the adjoining areas.

The use of RCC pipe or construction of brick sewer is not the cause of non execution of this work but it was the threat to multi storeyed buildings along the street where the sewer was proposed to be laid and high spring level had been encountered.

The technical proposal is under review & a subsidiary sewage pumping station is proposed to be constructed on this alignment and there after a low* alignment which will be easy for construction in the existing circumstances.

The loss as anticipated in the para is likely to be negligible.

*depth sewer will be laid along the same

The case has been reviewed thread bare & it has been observed that none of the officers is responsible for the non execution of this work as per the original plan because the obstruction caused by encountering high spring level was never expected in the initial survey. Out of the total length of 25700 meters, 21800 meters of sewer has since been completed and this difficult part of alignment will also be provided with the service with a changed technical proposal. It is however informed that the then Executive Engineer incharge and the Superintending Engineer who cleared this proposal were Sh. S.K. Mutreja & Sh. I. Chandra who have since been retired.

The choice of RCC sewer or the brick sewer is dependent on the site conditions & is even adopted as a hard and fast rule while deciding the sewerage proposals. The difficulties encountered on this alignment have been investigated by the field staff and a fresh technical proposal is under preparation which will involve construction of subsidiary pumping station and laying of shallow depth sewer instead of deep sewer proposed earlier. It is hoped that work will be got executed under the changed technical proposal soon.

4.9.9(v) Unfruitful Expenditure

The Committee failed to understand the reasons for starting this scheme without proper survey/investigation and soil testing. The Departmental representatives assured the Committee that the scheme will be completed

by the end of February, 1996. The Committee, therefore, desires that a report be sent to the Committee after the completion of the above said scheme.

[58], 4.10. *Avoidable/unfruitful expenditure on Rural Water Supply Scheme*

The scheme 'Providing water supply to a group of 3 villages namely Alipura, Kabarcha and Kheri Ganda District Jind, was administratively approved for Rs. 45.75 lakhs in May 1983. The estimate envisaged construction of water works consisting storage tank, inlet channel, suction well, clear water tanks, HL tank, Filterbed, pump chamber, etc. at village Kabarcha (Population : 3,445 persons):

Before commencing the execution of the scheme, the site of the water works was abruptly changed from village Kabarcha to village Alipura, and the foundation stone of the scheme was laid in village Alipura. The execution of the scheme was commenced in December 1983 and water works along with other structures were constructed in village Alipura at a cost of Rs. 32.12 lakhs. The scheme was partially commissioned in October 1985 in two villages, Alipura and Kheri Ganda. While the work of laying the main pipelines from water works Alipura to village Kabarcha was in progress and the Department had already laid 2,168 metres pipeline against total length of 5,335 meters at a cost of Rs. 1.88 lakhs, the panchayat of village Kabarcha did not allow the laying of further pipeline. (July 1985) and demanded an independent water works for their village. Resultantly, the work was suspended mid-way (July 1985).

Ultimately, an estimate for providing an independent water supply scheme to village Kabarcha for Rs. 27 lakhs was prepared in May 1989 and was administratively approved in January 1990. This scheme was commissioned in March 1991 at a cost of Rs. 22.70 lakhs.

The water works and other structures designed and constructed for requirement of three villages, at village Alipura, were being utilised for two villages only. Based on Departmental records, the estimated cost of construction of structures required for 3 villages and for 2 villages worked out to Rs. 22.13 lakhs and Rs. 15.45 lakhs respectively. The Department had, thus incurred avoidable expenditure of Rs. 6.68 lakhs (approximately) on the extra capacity of the structures meant originally for all the three villages. Besides, 2,168 metres of pipeline laid (1984-85) at a cost of Rs. 1.88 lakhs between village Alipura and Kabarcha had been rendered unfruitful as it had not been dismantled as of June 1991.

The matter was reported to Government in July 1991; reply has not been received. (February, 1992).

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

In the rough cost estimate administratively approved on 11-5-1983 for 3 No. villages namely Kabarcha, Alipur and Kheri Ganda, the water works was proposed in village Kabarcha. How-

ever, on detailed investigation at the time of execution village Alipura was considered to be a better & centrally located site as Kabarcha is 21,500 feet away in one direction whereas Kheri Ganda is 7000 feet away on the other side from village Alipura. So the site was changed, being technically a better alternative, by the Executive Engineer in consultation with the Superintending Engineer.

The field officers are required to seek approval of competent authority for such change in site which was omitted. However, in this case the action of the field officers was duly approved by the State Sanitary Board, while granting administrative approval to the rough cost estimate for providing independent water works for village Kabarcha vide resolution No. 26 dated 24-1-1990.

The water works at village Alipura was designed in 1982 for a prospective population of 3 villages 10605 (after 15 years) population in the year 1982 was 8158. Present population of the villages viz. Alipura and Kheri Ganda is 5907 (3991 and 1916 respectively). Thus, the present rate of water supply for these two villages is 13.8 G.P.C.D. (about 62 litres per capita per day). ultimate aim of the Government is to provide 70 litres per capita per day so that the house connections can be provided after making suitable arrangement of drainage as is already being done under Desert Development Programme in 6 Districts of the State. In any case with increase in population this extra capacity shall get fully utilised.

The extra expenditure incurred for creating separate water works at Kabarcha was necessitated on popular demand, accepted by the competent authority i.e. Haryana State Sanitary Board. This expenditure was incurred because of unpredictable behaviour of resident of village Kabarcha hence no field officer for the same is directly involved who executed work as per approved estimates of the State Sanitary Board.

However, for not dismantling the part pipeline laid towards village Kabarcha action is being taken and responsibility is being fixed and also directions are being issued to dismantle the said pipeline immediately.

4.10. Avoidable unfruitful expenditure on rural water supply scheme

After hearing the Departmental representatives, the Committee recommends that the responsibility be fixed who failed to dismantle the said pipelines and inform the Committee accordingly.

[59] 4.11. *Infructuous expenditure on faulty Engines*

The Director, Supplies and Disposals, Haryana, Chandigarh placed an order for supply of four Diesel Engines (cost : Rs. 1.16 lakhs) with

a Ghaziabad based firm in October 1984. The supply order *inter alia* envisaged, (i) inspection of stores at the premises of the firm by the indenting Officer, the Executive Engineer, Mechanical Public Health Division, Ambala or by his representatives before despatch and (ii) release of 98 per cent payment against railway receipt and inspection note and payment of balance amount of 2 per cent within 30 days of receipt of material at destination.

The engines offered by the firm were inspected by the Sub-Divisional Officer, Public Health Sub-Division, Ambala Cantt. in March 1985, and he certified that the engines were as specified in supply order. Thereafter, 98 per cent payment of Rs. 1.14 lakhs was released to the firm in May 1985, against the documents. The engines were received in July 1985, when it was found by the consignee that although the serial numbers of the engines mentioned in the inspection note tallied with serial numbers given on the plates fixed on the engines, yet the physical type of engines was totally different from that mentioned in the supply order/inspection note. Some components of the engines (valued at Rs. 0.20 lakh approximately) were also not received. With the intervention of the Director, Supplies and Disposals Haryana, the components not received with the engines were supplied by the firm during April/May 1986 but the same did not fit in the engines, being technically defective.

The Executive Engineer placed the amount of Rs. 1.14 lakhs in 'Miscellaneous Public Works Advances' against the Inspecting Officer in September 1989. In January 1990, the Executive Engineer reported the matter to the Engineer-in-Chief stating that the engines were of no use.

The Engineer-in-Chief called for the explanation of the Inspecting Officer (March 1990) for inspecting the defective engines. In reply, the latter stated (March 1990) that the inspection was correctly done by him and there was no defect in the engines inspected by him. Thereafter, no action was taken either against the firm or against the Inspecting Officer (April 1991). As the engines received were stated to be of no use, an expenditure of Rs. 1.14 lakhs, incurred on their purchase was rendered infructuous.

The matter was reported to Government in May 1991, reply has not been received (February 1992).

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

On receipt of material some deficiencies in the supply order noticed and the firm was pointed out the same vide memo No. 1748 dated 22-7-1985 by the consignee i.e. Sub Divisional Engineer, Mech. P.H. Sub Division No. 1, Ambala Cantt. Matter was pursued by Engineer-in-Chief, Haryana PWD Public Health to Director, Supplies and Disposals, Haryana to supply the short material and for fitting of clutch power take off (CPTO's). The firm however replaced the short material within one year of hectic correspondence but

C.P.T.O's though supplied were never fitted with the engine (as per terms and conditions of supply order). These were to be fitted but in spite of the best efforts & persuasion at every level the firm is not cooperating to replace/fit C.P.T.O's with the engine. Last communication made with the firm is of dated 15-9-1994.

The above facts indicate that the inspection by Sh. K. C. Khudawala, SDE/inspecting officer was not carried out as per the supply order nor he issued the inspection report carefully assuring availability of various components required in the engines. Action is being taken to charge-sheet the inspecting officer/SDE Sh. K.C. Khudawala.

To safe guard the Government interest the amount has been placed in Misc Advances of the officer. However, in the meanwhile efforts are being made to modify the C.P.T.O's so as to fit the same with the engines and the engines are likely to be put to use by January, 1995. The cost of amendment to C.P.T.O's is likely to be Rs. 12000/- and shall be recovered from the firm/inspecting officer.

4.11 Infructuous expenditure on faulty engines

After hearing the departmental representatives the Committee recommends that disciplinary action against the concerned S.D.O. be finalised within a period of three months and also effect the balance recovery under intimation to the Committee

[60] 4.12 Inflated/fictitious measurements

In the Public Health Division, Fatehabad, a scheme 'Providing water supply to a group of 3 villages (Dhingsara, Sirhan and Manawal),' was administratively approved in July 1976 for Rs. 11.48 lakhs, and funds to the tune of Rs. 11.12 lakhs were provided to the Division. The work of laying the distribution system in the three villages (cost : Rs. 0.62 lakh) was allotted to two contractors in September 1978 on labour rate basis, in anticipation of sanction of a detailed estimate. The rough cost estimate of the scheme provided laying of 11.140 metres of PVC pipe of various sizes in the distribution system.

The execution of the work was commenced in September 1978 and completed in June 1979, and the contractors were paid 'on-account' payment of Rs. 0.86 lakh. The contractor's claims were still to be finalised in May 1991. All components of the scheme had been completed in 1979-80 at a cost of Rs. 21.56 lakhs, and, the scheme was commissioned in 1980.

For effective control over the execution of works the codal provisions require that :

- (i) the total quantity of material to be issued is restricted to the provisions made in the estimate;
- (ii) the Sub-Divisional Engineer should himself make record entries of earthwork/underground work; and
- (iii) the Executive Engineer should check-measure a percentage of the record entries.

It was noticed in audit (September 1990) that during execution of the work, compliance of the above codal requirements were not ensured, as shown below :

- (i) against estimated provision of 11,140 metres of pipe, 23,442 metres of pipe were issued;
- (ii) the record entries were made by the Junior Engineer, and only, a percentage check was exercised by the Sub-Divisional Engineer;
- (iii) no check-measurement was done by the Executive Engineer.

On the matter being taken up by the Executive Engineer for demanding additional funds of Rs. 10.44 lakhs (Rs. 21.56 lakhs Rs. 11.12 lakhs) to regularise excess expenditure over the funds already allotted, the Superintending Engineer directed him (April 1990) to investigate the reasons for the excess expenditure. The SE also constituted a Committee of two Sub-Divisional Engineers to re-measure the pipeline laid in the distribution system, as there were some complaints regarding pilferage of pipes during execution of the work. The Committee re-measured the pipeline (June 1990), when it was found that 12,721 metres of PVC pipes of various sizes valued at Rs. 4.38 lakhs had been actually laid, against 23,442 metres PVC pipe valued Rs. 8.81 lakhs shown at laid in Measurement Book entries and paid for to the contractors.

Thus, inflated/fictitious measurements resulted in pilferage of 10,720 metres PVC pipes worth Rs. 4.34 lakhs, besides, apart from an excess payment of Rs. 0.44 lakh to the contractors for its laying.

The Superintending Engineer intimated (April 1991) that a Junior Engineer responsible for the loss of Rs. 1.49 lakhs had since expired, and the loss would be got written off and that for the balance amount of Rs. 3.38 lakhs, a charge sheet against another Junior Engineer was awaiting approval of the competent authority. Further developments were awaited (May 1991).

The matter was reported to Government in June 1991; reply has not been received (February 1992).

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

The work of providing water supply scheme Dhingsara group of villages was approved in 9/76. The work of laying

distribution system was taken in 9/78 and completed in 6/79. The scheme was commissioned in 1980. On receipt of a number of complaints, a committee of two Sub Divisional Engineers was constituted by the Superintending Engineer to remeasure the pipeline against this scheme in 5/90 and the alleged fictitious measurement/payment was identified. Preliminary enquiry has revealed that the following four officers/officials are prima-facia responsible for this loss :—

1. Sh. B. D. Sardana, the then Executive Engineer (Now Superintending Engineer)
2. Late Sh. K. S. Rathore, Sub Divisional Engineer
3. Late Sh. Sham Lal Arora, Sub Divisional Engineer
4. Sh. Maman Singh, Junior Engineer.

As Sh. K. S. Rathore, Sub Divisional Engineer & Sh. Sham Lal Arora, Junior Engineer have since expired no action can be initiated against them at this stage. However, Sh. B. D. Sardana, the then Executive Engineer (now Superintending Engineer) Sh. Maman Singh, Junior Engineer have been charge-sheeted under rule-7 by the Govt. on 29-4-91 & 18-6-93 respectively. Sh. B. D. Sardana filled a writ petition against this charge sheet in the High Court Haryana on 4-5-91 and obtained a stay order dated 6-5-91 against further proceedings. The Department tried to get the stay vacated by filing an application on 23-3-93 & also requested Hon'ble High Court on 28-2-94 to give an early hearing. On this Hon'ble High Court on 26-8-94 ordered that the main case be heard within a period of one year. Similarly, Sh. Maman Singh, Junior Engineer has also obtained stay on 21-4-91 from the Hon'ble Court on similar grounds.

Further action in this case shall be possible after having a decision of the Hon'ble High Court on the writ petition & vacation of the stay orders by the Court.

As mentioned above the responsibilities of four officers/officials has been fixed keeping in view, the duties assigned to various officers/officials.

4.12 Inflated/fictitious measurements

The Committee was informed that the matter is under stay for the last three years. The Committee, therefore, desires that the matter be pursued vigorously so that the stay be got vacated and the disciplinary action be initiated against the delinquent officer/officials within a stipulated period under intimation to the Committee.

[61] 4.14 *Outstanding Inspection Reports and Paragraphs*

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

A review of the Inspection Reports issued upto December 1990 pertaining to 37 Divisions of the Public Health Department disclosed that 499 paragraphs relating to 183 Inspection Reports involving Rs. 1699.76 lakhs remained outstanding at the end of June 1991. These included 13 Inspection Reports (13 paragraphs) which had remained unsettled for more than 10 years.

The yearwise position of unsettled Inspection Reports/Paragraphs was as under :

Year	Inspection Reports	Paragraphs	Amount involved
(In lakhs of rupees)			
Upto			
1983-84	34	40	69.54
1984-85	11	14	14.43
1985-86	11	15	11.14
1986-87	13	21	31.66
1987-88	22	39	58.87
1988-89	29	73	153.09
1989-90	37	112	526.70
1990-91	26	185	834.33
Total :	183	499	1699.76

In respect of 9 Inspection Reports consisting of 73 paragraphs, even the initial replies which were required to be furnished within six weeks of the date of issue were still awaited (June 1991).

Irregularities commented upon in the Inspection Reports,

remaining unsettled broadly fall under the following categories

Sr. No.	Nature of irregularities	Number of paragraphs	Amount involved
		(In lakhs of rupees)	
1.	Recoverable amount from contractors on account of excess payments, cost of work done at their risk and cost etc.	115	115.36
2.	Undue aid to contractors	5	3.57
3.	Irregularities in purchases/non-accountal of material/surplus stores	67	325.52
4.	Extra/infructuous/irregular expenditure and blocked of funds	117	1016.26
5.	Execution of sub-standard works	31	138.02
6.	Losses due to theft, misappropriation etc.	97	101.03

Out of total 499 outstanding paragraphs, 12 were pending with courts, arbitrators and police authorities and 29 cases were pending with Government/Engineer-in-Chief/Superintending Engineers for regularisation. The remaining 458 rested with the Divisional Offices.

The matter was reported to Government in July 1991; reply was awaited (February 1992).

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

The latest position outstanding inspection Reports/Paragraphs specifically which are outstanding for more than five years is as under :—

Year	No. of I.R	No. of paragraphs	Amount involved
Upto 1984-85	36	42	37.59 lacs

The Instructions have been issued from time to time to the field offices that the first reply of Inspection reports be furnished to Audit within the prescribed period of six weeks. These instructions have again reiterated on 23-11-94 for strict compliance.

The position of outstanding Inspection Reports and paras is watched through quarterly reports and outstanding paragraphs are also reviewed by the Audit Party at the time of their next Inspection of the concerned Division. Audit Committee meetings are held at Govt. level and special Audit meetings in respective Divisions are also arranged to have a special review & settle pending/old paras expeditiously.

Initial replies to all the outstanding paras upto 1990-91 have been sent to A.G. (Audit), Haryana though there have been some delay in some cases in submission of replies. Efforts are being made to ensure that such delays do not occur in future. The yearwise latest position of outstanding paras is as under which indicates that total number of paras pending upto 90-91 has reduced from 499 to 212 and the amount involved has reduced Rs. 1699.76 lacs to Rs. 566.72 lacs.

Year	No. of I.R.	Number of paragraphs	Amount involved
			(Rs. in lakhs)
Upto			
1983-84	27	33	27.17
1984-85	9	9	10.42
1985-86	8	11	7.72
1986-87	9	12	11.45
1987-88	13	22	31.58
1988-89	19	24	103.34
1989-90	23	39	68.56
1990-91	25	62	306.48
	133	212	566.72

4.14 Outstanding Inspection Reports/Paragraphs

After going through the figures of outstanding paragraphs/inspection reports the Committee recommends that the pending paragraphs/inspection reports be settled within a period of three months under intimation to the Committee.

1991-92

[62] 4.13. *Wasteful expenditure on purchase and repair of rig*

The State Government placed a sum of Rs. 70 lakhs at the disposal of Executive Engineer (EE) Mechanical, Public Health Division, Ambala Cantt in February 1988 for the purchase of 2 drilling rigs including a new direct rotary rig.

Instead of purchasing a new direct rotary rig, the Executive Engineer procured an old rig from the Haryana State Minor Irrigation and Tubewell Corporation Limited (HSMITC) in December 1988 at a cost of Rs. 7.50 lakhs (including Rs. 4.22 lakhs on account of tools and plants/spares and Rs. 1.08 lakhs for stock-storage, supervision charges and sales tax). Services of five persons constituting the operational staff were also obtained without settling the terms and conditions of their service. A sum of Rs. 2 lakhs (excluding cost of material issued from stores : Rs. 0.04 lakh) was spent on repairs during January to September 1989 without preparing a proper repair estimate, but the rig could not be made operational. The concerned Sub Divisional Engineer, informed the EE in December 1989 that rig was very old and had probably completed its life and as such, successful drilling was not possible. The EE recommended to the Superintending Engineer in January 1990 that no further expenditure should be incurred on the rig.

The EE stated in July 1991 that HSMITC could not supply all the accessories/spares required and hence the repairs to the old rig which was of obsolete model could not be completed and that efforts would be made to return the rig to [HSMITC]. At the rig could not be put to use, the Department had to pay Rs. 14.51 lakhs as drilling charges to a private agency for 5 deep bore tubewells during 1990-91. Expenditure of Rs. 5.57 lakhs was incurred on payment of salaries to the staff transferred with the rig. The Superintendent of works stated (November 1992) that the services of the staff were utilised on other rigs/works but the exact details of such alternative utilisation were not furnished. The Department/HSMITC, Karnal did not make available the history sheet indicating the life span of the rig vis-a-vis the period it had served, for audit scrutiny.

Thus, by purchasing an old rig without ascertaining its serviceability, the Department incurred wasteful expenditure of Rs. 9.50 lakhs (cost of rig : Rs. 7.50 lakhs; cost of repairs : Rs. 2 lakhs). Gainful employment of operational staff on which expenditure of Rs. 5.57 lakhs was incurred could not be verified in audit. The Engineer-in-Chief requested the Managing Director HSMITC in September 1992 to take the rig back alongwith staff and return the amount of Rs. 7.50 lakhs.

The matter was referred to Government in June 1992; reply has not been received (December 1992).

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

Funds amounting to Rs. 70.00 lakhs were allotted by the Government of India to the Haryana State for procurement.

of 2 Nos. Rigs and an Electric Logger etc. The cost of a new Rig was estimated to be Rs. 30.00 lakhs. The procurement of new Direct Rotary Rig could not be finalised by Director, Supplies & Disposals, Haryana, Chandigarh. Meanwhile it was learnt that an old direct Rotary Rig, but in workable/repairable condition was available with Haryana State Minor Irrigation and Tubewells Corporation and was surplus to their requirements. The old Rig in repairable condition, at much less cost was got transferred from H.S.M.I.T.C. with the intention of carrying out the required repairs departmentally and utilise this Rig for boring. The H.S.M.I.T.C. could not supply initially all the accessories/spares required for repairing this Rig, hence the repair of the old Rig, which is of obsolete model, could not be completed earlier.

Now the Rig has been made functional and a test bore done. It shall be deployed shortly on drilling on tubewells. Total expenditure incurred on procurement of a Rig and making it functional is Rs. 9,38,199.99 which is much less than the cost of a new direct Rotary Rig i.e. Rs. 30.00 lakhs. The services of H.S.M.I.T.C. staff transferred with this Rig to this department are being fully utilised on other reverse rotary Rigs and cost thereof is charged to the manufacture estimate of these Rigs.

4.13- Wasteful expenditure on purchase and repair of rig (1991-92)

After going through the facts of this case the Committee observed that it is due to defective planning and error of judgment on the part of the officers who initiated the proposal to procure the old rig from the HSMITC instead of purchasing new one. The purchasing of old rig without ascertaining its serviceability; the Department incurred wasteful expenditure of Rs. 9.50 lacs. The Committee was not satisfied with the clarification given by the Department in this regard and therefore, recommends that responsibility of the concerned officers be fixed and the action taken in this regard may also be intimated to the Committee.

[63] 4.14- Infructuous expenditure on abandoned work 05-05-2012

In the Public Health Division No. 1, Kaithal, a scheme, providing water supply to village Ramthali group of three villages Ramthali, Magha Majra and Chakkhu Ladana was administratively approved for Rs. 19.56 lakhs in April 1987. The scheme was designed as a canal water based scheme, on the consideration that no sweet ground water belt was available in the area. The work of constructing an inlet channel, a storage and sedimentation (S&S) tank, pump chamber, suction well etc. in village Ramthali was allotted to a contractor in December 1987 at an estimated cost of Rs. 8.20 lakhs. The contractor partly executed the work of S&S tanks for which he was paid Rs. 0.70 lakh in September 1988. Thereafter, the work was stopped by him. In the mean time on a reference made by the Executive Engineer, Public Health Division in May 1988, the Executive Engineer, Kaithal Division (Irrigation

Branch), Kaithal refused in October 1988 to sanction supply of canal water from a minor on the ground that no extra discharge was provided in the minor for drinking water supply. The execution of scheme remained suspended till May 1990, when the Department found that ground water in village Chakku Ladana was fit for human consumption and accordingly a tubewell was got installed in that village. The scheme was commissioned in March 1991 for direct supply of drinking water to all the three villages after construction of pump chamber and installation of machinery. A rough cost revised estimate for Rs. 15.82 lakhs based on ground water scheme and completion of allied works was submitted in April 1992 for approval by the competent authority. The execution of remaining work on revised scheme was in progress. The canal based scheme was finally abandoned and expenditure of Rs. 0.89 lakh incurred thereon including Rs. 0.19 lakh on account of workcharged staff, petty payments etc. proved infructuous. Delay in execution of the scheme also caused cost escalation.

In consultation with Haryana State Minor Irrigation Tube-wells Corporation Limited it was noticed in audit that the Central Ground Water Board had drilled an exploratory tubewell during May 1973 at a distance of about 2-3 Kms. of the present site of the scheme where fresh ground water was then found. On inquiry by Audit in June 1992, the Executive Engineer could not give information whether any fresh survey was conducted on which the scheme was designed as canal based. This omission of the Department resulted in rendering infructuous expenditure of Rs. 0.89 lakh (including payment of Rs. 0.70 lakh made to the contractor) initially incurred on partly executed work under canal based scheme which was subsequently abandoned.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

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

The scheme for Providing Water supply to Ramthali group of 3 Nos. villages was based on Canal Water Supply system because of the report from the field offices at the time preparation of the estimate that the water quality of the open wells in and around village Ramthali was not only brackish but these wells also dried up during summer. The report further said that tubewells were not successful in this area and there was no underground sweet water available. Accordingly an estimate amounting to Rs. 19.56 lakhs was prepared for Ramthali group of 3 villages based on Urlana minor located at a distance of 500' from the village Ramthali.

On approval of this scheme, the work was taken in hand on the storage and sedimentation tank. In the meantime request for release of raw water outlet was made to Irrigation Department but the response of Irrigation

Department was that the raw water for this scheme cannot be made available from the Urlana Minor.

Meanwhile, the non-availability of raw water had also adverse effect on agriculture in the surrounding areas. In such a situation the Agriculture Department, in collaboration with Haryana State Minor Irrigation Tubewell Corporation, took up the job of drilling exploratory tubewells to identify the areas with good quality water bearing aquifers. Incidentally, the sustained efforts were successful in locating good quality water aquifers in the area. Encouraged by the outcome of these sustained efforts of HSMITC, a request was extended to the Corporation to drill an exploratory tubewell for the scheme on behalf of the Department. An effort made in village Chaku Ladana, a village included in the Ramthali group of 3 villagers, was successful and the same was converted into a production tubewell. Thus Water Supply to all the three villages was completed and commissioned from this tubewell in 12/91 at a total cost of Rs. 19.50 lakhs, within the initially approved cost of the scheme.

4.14. Infructuous expenditure on abandoned work

After hearing the Departmental representatives the Committee observed that it was a case of defective planning and moreover, the scheme was not consulted with the Irrigation Department and no fresh survey was conducted before the execution of the work on the said scheme due to which the scheme was finally abandoned and the expenditure incurred on this proved infructuous. The Committee, therefore, recommends that responsibility be fixed against the concerned officer/officials under intimation to the Committee.

BUILDINGS AND ROADS DEPARTMENT

1990-91

[64] 4.7. *Extra liability/expenditure due to defective allotment of work*

In the Provincial Division (B&R) Nuh (District Gurgaon), a work of Construction of road from village Singar to Nai (estimated cost : Rs. 8.07 lakhs) was taken up in December 1983. Tenders for the supply of stone soling, stone metal, etc. (estimated cost : Rs. 2.45 lakhs) required for the work were invited and opened in January 1986. The detailed notice inviting tenders (DNIT) provided a time limit of three months for the completion of the work. The lowest contractor 'A' (tendered cost : Rs. 2.41 lakhs), however, set forth a condition that time limit for the completion of the work would be six months.

The Superintending Engineer, while according approval of the rates (March 1986), advised the Executive Engineer that the time limit as offered by the Contractor 'A' should be got reduced by him. Even after the contractor refused (8th April 1986) to modify/withdraw this condition, the Executive Engineer issued in his favour an allotment letter (10th April 1986), stipulating the time limit of three months for completion of work, viz. by 10th July 1986. The contractor refused to accept the allotment letter, and did not start the work.

Compensation of Rs. 10.25 lakh was levied under clause II of the agreement which was deemed to have been concluded with the issue of the allotment letter (February 1990), and action was also initiated (March 1990) under clause III of the said agreement to get the work completed at the risk and cost of the contractor. On retendering, the work was allotted (November 1990) to the lowest contractor 'B' (tendered cost : Rs. 3.98 lakhs) with a time limit of 4 months for the completion of the work (according to the fresh tender condition), viz. by March 1991.

Thus, the action of the Executive Engineer in issuing allotment letter to contractor 'A' with the condition of time limit of three months without resolving the difference had only served to delay the process considerably, shifting the target date from July 1986 to March 1991 while creating an extra liability for Rs. 1.57 lakhs. It was also noticed by audit that the work was still in progress in May 1991 (upto which date extra expenditure of Rs. 0.76 lakh had been incurred). Meanwhile, the first contractor went for arbitration against the action of the Executive Engineer in levying compensation and getting the work executed at hit risk and cost. The arbitrator gave an award (November 1990) in favour of contractor 'A' and allowed release of earnest money of Rs. 2,450.

The Department intimated (January 1992) that there was nothing on record to indicate whether any action was taken during April 1986 to February 1990, and that disciplinary action had been initiated against the persons responsible for extra liability.

The matter was reported to Government in July 1991 reply had not been received (February 1992).

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

- (i) The Superintending Engineer, while approving the tender vide his memo No. 3242-RIII dated 24-3-86 advised the Executive Engineer to get the time limit reduced from the agency. On refusal by the agency to reduce the time limit Shri S. C. Seth, the then a Xen of Nuh should have referred the case back to S.E. for reconsideration as the offer was valid upto 20-4-86. Instead of doing so he issued the acceptance letter with a time limit of 3 months.
- (ii) The allotment letter was issued in April, 1986 and Sh. S. C. Seth, continued to be Xen, Nuh till April, 1987 he did not initiate any action against the agency for not starting the work, reasons best known to him.

A draft charge sheet under rule-8 was sent to Govt. vide this office No. 115-IG-G-92/424/IC-2 dated 15-10-92 for approval/sign. Some observations there on have been received from Govt. on 7-12-92. S.E. Gurgaon vide this office letter dated 26-2-92 has been asked to supply certain information, the reply to which from S.E. (G) has been received and is under process of the Deptt.

As regard the proposal of recovery is concerned, the action will be taken after the decision of the charge sheet.

The case is under examination process in this department.

4.7. Extra liability/expenditure due to defective allotment of work. (1990-91)

After hearing the departmental representatives the Committee observed that no action was initiated in the matter by the concerned officers during the last 12 years. The Committee, therefore, recommends that all the officers/officials who were responsible in delaying the matter be chargesheeted and the responsibility be fixed under intimation to the Committee. The Committee further recommends that departmental action be also initiated against the officer who issued no objection certificate to Shri Seth the then Xen when the departmental proceedings are pending against him. The Committee also desires that the recovery procedure be also initiated under intimation to the Committee.

[65] 4.8. *Extra expenditure*

In the Provincial Division No. 1 Rohtak, tenders for the work, Constructing High Level Bridge over West Jaun Drain on Sankhol Bharal Road in Rohtak District were invited and opened in September 1988. These tenders were not approved by the Engineer-in-Chief as the Notice Inviting Tenders (NIT) was found defective. After amending the NIT, fresh tenders with open foundation were invited and opened in February 1989. The lowest tender was evaluated at Rs 8.45 lakhs (based on quantities taken in revised DNIT). The work was allotted in April 1989 to the agency quoting the lowest rates.

Before execution of the work, the site data was re-checked in May 1989 and difference in levels was noticed. Accordingly structural drawings were changed from open foundation to well foundation. Allotment of work made to the agency in April 1989 was cancelled as the design and drawings were changed. Tenders based on specifications with well foundation were again invited in December 1989. Thereafter, the Engineer-in-Chief before approval of the tender asked for retesting of soil parameter and on the basis of fresh test results, the Engineer-in-Chief revised the drawing in February 1990 again with open foundation. The tenders were returned unapproved.

The Executive Engineer, Provincial Division, Jhajjar, to whom the work was transferred in March 1990, took up the work departmentally and completed it upto foundation level at a cost of Rs. 5.11 lakhs, which involved extra expenditure of Rs 0.52 lakh in comparison with the rates approved in April 1989.

The balance work was put to tendering and the tenders were opened in October 1990. The work was allotted to an agency at its tendered cost of Rs. 5.80 lakhs in November 1990. This involved an extra liability of Rs. 1.94 lakhs (approximately) in comparison with the rates approved in April 1989. Of this, the Department had incurred extra expenditure of Rs. 0.69 lakh in the work executed upto March 1991 at a cost of Rs. 1.98 lakhs. The work was in progress (June 1991).

The Executive Engineer stated (June 1991) that change of structural design from open foundation to well foundation and finally to open foundation was due to incorrect field data supplied by the field staff. Responsibility for incurring an extra expenditure/liability of Rs. 1.21 lakhs/Rs. 1.25 lakhs had not been fixed so far (June 1991).

The matter was reported to Government in July 1991; reply has not been received (February 1992).

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

The DNIT was approved by S.E. Rohtak Circle, vide his memo No. 12816 dated 26-9-88 who was the competent

authority to approve the same. Some deficiency in the DNIT and the tender case was pointed out by EIC to whom the tender case was submitted for approval. The rates being more than 5 per cent above the ceiling premium, it was decided by the S.E. Rohtak to re-call the tenders after preparing the fresh DNIT keeping in view the observations of the EIC. Accordingly the tenders were re-invited in 2/89 and the rates received were lower than the rates received in 9/88. Therefore, there was no financial implication of re-calling the tender and there was no necessity of fixing any responsibility for defective DNIT.

The field survey was carried out before 7/87. The soil investigations the Research Laboratory Hissar was carried out in 7/86. The site data/field survey was not checked before the award of work or before re-inviting the tender. The site data was checked only in 5/89 when a difference in the foundations Railway crossing was observed which necessitated change in design from open to well foundation again the said investigation by the Research Laboratory Hissar was carried out in 12/89. On the basis of this soil investigation report, open foundation was designed and work got executed accordingly. The change in the bearing capacity in the two soil investigation reports was mainly due to the depth of water table prevailing at the time of field testing. The water table in 6/86 was depth of 1½ ft. and during 12/89 was at 20 ft. depth. The Chief Engineer (Road) inspected the site on 22-12-89. During the inspection, it was observed that well foundation is very costly proposition and in view of fresh sub soil investigation report, the design of bridge with open foundation was found feasible. Accordingly structural design of bridge with open foundations was evolved during 2/90 to effect economy.

There was error of judgement on the part of field staff who carried out the initial survey and disciplinary action is proposed to be taken against these officers/officials. The field survey was carried out during the incumbency of the following officer/officials :—1. Sh. S. K. Chopra, E.E. 2. Sh. Dharam Vir Singh, Dahiya, SDE, 2. Sh. sahib Singh Hooda, J.E.

The extra expenditure worked out by Audit is presumptive. Govt. interest has been watched at every step. To ensure economical design, C.E. (Roads) inspected the site and explored the possibility of adopting open foundation a cheaper alternative to well foundation. Moreover it is submitted that price escalation is an accepted phenomenon every year and integral part of economic process,

though the degree/magnitude may vary from time to time. Provincial Divn. No. I Rohtak was allotted Rs. 27,000 as budget grant for incurring expenditure on bridge work during 1988-89. Against this sum an amount of Rs. 27562 was spent. The extra budget which could have been utilised had the work on the basis of tender allotted in 4/89 been executed was utilised on some other work thereby saving the price escalation in that very work/project. This view point is also established from the fact that initially a budget grant of Rs. 1.50 lacs was earmarked for the work which was restricted to Rs. 27,000 in order to spare extra budget for utilisation on some other work. Therefore, in totality it can be concluded that the increase in cost is not an infructuous expenditure and should be seen in the light of normal price escalation phenomenon.

4. 8. Extra Expenditure

After going through the facts of this case, the Committee was not satisfied with the clarification given by the department. The Committee, therefore, desires to know whether the contractor was the same in both the cases or in the first and second instance the contractors were different one? Further who were the responsible officers for this lapse and what action has been taken against them for this futile exercise of rejecting the first pattern/design and tenders and for calling another tenders and then rejecting the second and again coming to the first pattern. The Committee, therefore, desires that responsibility be fixed and intimation be sent to the Committee within a period of one month.

[66] 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 the Director General, Supplies and Disposals (DGS&D) Government of India or the Director, Supplies and Disposals (DS&D) Haryana. Purchase of mechanical equipment and spare parts for all the 5 Mechanical Divisions is centralised with the Mechanical (Stores & Procurement) Division Karnal. According to the procedure prescribed for the maintenance of stock accounts value of stores received is debited to 'Stock Suspense' and on issue, it is cleared by charging to works. The valuation accounts of stores are kept in the Priced Store Ledger (PSL) maintained at the Divisional level.

The receipts and issues of stores in all the 52 Divisions in the Buildings and Roads Department during 1990-91 were as under :

	(Rupees in lakhs)
Opening balance	131.17
Receipts	2,876.39
Total	3,007.56
Issues	2,992.19

15.37

In 29 Divisions, the value of stock was shown as minus balance to the extent of Rs. 275.72 lakhs at the end of March 1991. mainly due to non-adjustment of value of stock material received through DGS&D and non-adjustment of profit/loss on stock. The existence of minus balances was indicative of defective maintenance of stores accounts.

Out of the 52 Divisions handling stock 25 Divisions were test-checked in April and May 1991, and the following points were noticed :

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

The store accounts are being maintained properly and regularly in all the Divisions. However some time minus balances occur due to non adjustment of A. G. memos in Divisional Accounts. These A. G. memos pertain to the value of stock materials purchased against D. G. S. & D. Rate contract and the stock suspense head is only debited on its receipt from A. G. Haryana. But in the intervening period if the material received is to be accounted for on G. R./B. in Cards properly and if required immediately on the works, the material is issued and it resulted into credit the stock suspense head in advance which shows minus balances but after adjustment of A. G. memos the minus balances become in plus. The value of stock was shown as minus balance to the extent of Rs. 275.72 lacs at the end of March, 1991 have since been reduced to the extent of Rs. 140.18 lacs by adjusting the outstanding A. G.'s memos. The directions have since been issued to the filed officers for expeditious adjustment of remaining outstanding A. G.'s memos, and profits and loss Accounts.

5.1. Stores and Stocks

While reviewing the position of Stores and stocks of the various divisions of the department, the Committee recommends that the department should strengthen the internal audit system and periodical checks of all the divisions handling the stock be made regularly under the supervision of EIC. The Committee further directs that the outstanding Accountant Generals memos, profit and loss accounts be also adjusted expeditiously under intimation to the Committee.

[67] 5.1.2. Priced Stores Ledger

Under the accounting procedure the numerical quantities with their values showing opening balance receipts, issues and closing balance are kept in the Priced Stores ledger maintained in the Divisional Office. The ledger is required to be closed both for the quantity and value at the end of each month and its balances reconciled half yearly with the balances in the Bin Cards.

- (a) in 13 Divisions, value accounts for the years 1988-89, 1989-90, 1990-91 (receipts : Rs. 2375.60 lakhs issues : Rs. 2375.98 lakhs) were not maintained, and Priced Stores Ledgers were not closed annually.

- (b) In 8 Divisions, the balances in the ledgers were not reconciled with those shown in the Bin Cards, allowing shortages to remain undetected.
- (c) The profit or loss being the difference between the issue rate and cost price, was not worked out and adjusted in any of the Divisions.
- (d) In 12 Divisions, the preparation of value accounts of Tools and Plant was in arrears, the delay ranging from 2 to 21 years.

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

The procedural lapses listed vide (a) to (d) are attributed to posting of untrained and unqualified staff in the accounts Branch, where the Bin Cards System was introduced. There was a provision for independent SAC to maintain the various accounts record under the said system. The case was moved for creation of extra post of SAC's for the preparation/maintenance of Bin card system but the same was turned down by the Govt. Hence the work is being got done from the existing unqualified/untrained clerks who are not capable to effectively maintain the requisite system/lapses and under the various provision envisaged in the Bin Card System.

However, within the existing limitations, efforts to follow the various provisions contained in the Bin Card System as far as procedure are being made from the existing staff for which necessary directions have been issued to all the field offices to attend the observations pointed out by A.G.

The present position of these accounts are as below :—

- 3(a) Out of 13 Nos. Divisions in which value accounts are not maintained annually, now in 9 Nos. Divisions, the value accounts are being maintained and price store ledgers are being closed annually. For remaining 4 Nos. Divisions namely Provl. Divn. P.D. II, Karnal, P.D.I Rewari, P.D. I, Karnal and P.D. Jhajjar have been directed to maintain value accounts and close price store ledger annually.
- (b) Out of 8 Nos. Divisions pointed out by A.G. Haryana in his Annexure 'E' of C. & A. G. Report where the reconciliation of balance with Bin Cards was not done now in six Divisions the reconciliation has been carried out. For the remaining two Divisions i.e. P.D. Charkhi Dadri and Rewari, the directions have been issued for carrying out the reconciliation expeditiously.

- (c) All the EEs have been directed by the concerned SEs for the adjustment of Profit and loss account during the current years.
- (d) Out of 12 Nos. Divisions as mentioned in Annexure F by A. G. Haryana in which tolls and plants returns were in arrears. The Division wise position is as under:

Sr. No.	Name of Divn.	T.&P. in arrears	Present position
1	2	3	4
1.	P. D. N. Garh	9/85 to 9/90	T & P returns prepared and got checked from A. G. upto 9/92.
2.	Elect. Divn. Ambala	9/89 to 9/90	-do- upto 9/89.
3.	Elect. Divn. Karnal	Do	-do- upto 9/92
4.	P.D. Panipat	9/80 to 9/90	-do-
5.	P.D. Sonapat	9/79 to 9/90	Cot checked from A. G. Haryana up to 9/92.
6.	Mech. Divn. Karnal	9/89 to 9/90	-do-
7.	P.D.I. Rohtak	9/73 to 9/90	S. E. Rohtak has reported that
8.	P. D. II. Rohtak	9/69 to 9/90	audit party of
9.	P.D.I. Jhajjar	9/78 to 9/90	A. G. is not ready to audit return in
10.	P.D. IV Rohtak	9/85 to 9/90	absence of audited returns of previous years..
11.	P. D. Kaithal	9/89 to 9/90	Checked by A. G. upto 9/93.
12.	P. D. 3 Karnal	9/88 to 9/90	T & P returns could not be prepared due to untrained staff..

5.1.2. Priced Stores Ledgers

During the course of oral examination, the Committee was informed that the procedural lapse listed in this paragraph are attributed due to posting of untrained and unqualified staff in the accounts branch. After hearing the version of the department, the Committee

recommends that accounts training be imparted to the existing staff so that the Bin Card System be maintained meticulously. While going through the division-wise position of tools and plants returns, the Committee observed that the returns of the some of the divisions are yet to be audited by Accountant General. The Committee, therefore, recommends that it should be made upto date immediately and the compliance report be sent to the Committee for its information.

[68] 5.1.3. *Reserve Stock Limit*

Financial rules require that the value of stock held by a division should not exceed the prescribed Reserve Stock Limit (RSL). In 5 Divisions the value of stock in excess of the RSL amounted to Rs. 53.21 lakhs.

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

The stock of each Division is kept within its RSL. Only in five Nos. Divisions, it has exceeded the limit which is being got regularised with the sanction of competent authority. In some cases stocks could not be consumed as anticipated due to some unavoidable circumstances like legal court case/legal dispute etc. All the field staff have been directed to avoid the excess of RSL in future and every action should be taken to consume the estimated material in that very year.

Out of 5 Divisions in which RSL exceeded, the S. E. Rohtak has got regularised the excess of RSL in his division with the sanction of competent authority. In case of Mech. Divn., Gurgaon, the case for obtaining the sanction of Govt. is under process, and the remaining three Divisions i.e. P. I. and P. II KKR and P. D. I, Faridabad are being directed to get regularised the excess with the sanction of competent authority.

5.1.3 *Reserve Stock Limit*

The Committee was not satisfied with the explanation given by the department as to why the excess of reserve stock limit was kept in 5 divisions of the department. The Committee observed that it is a procedural lapse on the part of the concerned officers/officials. The Committee, therefore, recommends that responsibility be fixed for the lapse who have not obtained the proper sanction of the competent authority in keeping the excess of reserve stock limit. The Committee further desires that division wise report of value of stock be supplied to the Committee for its perusal.

[69] 5.1.4 *Storage Charges*

Storage charges are fixed annually for each Division on the principle that as far as possible the total estimated annual expenditure

on storage is recovered from the issues likely to be made during the year. The excess storage charges recovered during the year are required to be credited as revenue, and any deficit in storage charges is to be debited to 'Losses On Stock' with the approval of the competent authority. However, in 6 Divisions, excess storage charges totalling Rs. 7.84 lakhs were not credited to revenue during April 1988 to March 1991, and a deficit of Rs. 1.02 lakhs in the Provincial Division (B&R) Sonapat, was not charged of as 'Losses On Stock' during April 1989 to March 1991.

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

The instructions were issued to the field staff to comply with the provision of Art. 162 and 163 of Account Code Volume III. Now the S.E. has reported that excess storage charges have been credited to Revenue and deficit to storage have been debited to losses on stock with the approval of competent authority S.E. Hissar and Rohtak have directed their Xens for immediate Adjustment.

Losses awaiting adjustment worth Rs. 1.02 lacs have been adjusted in 9/93 by P. D. Sonapat. Out of profit of Rs. 7.84 lacs a sum of Rs. 2.81 lacs has since been adjusted and for the remaining Rs. 5.03 lacs, the directions have been issued by the S.E.s to the concerned Xen for expeditious adjustment.

5.1.4. Storage Charges

The Committee desires that intimation be sent to the Committee after getting the said amount adjusted.

[70] 5.1.5. *Pilferage of material*

In the Provincial Division No. 1, Gurgaon, a Junior Engineer working in the Tourist Sub-Division, Gurgaon was transferred in July 1987, but did not hand over the charge to his successor. After pursuance, he handed over the charge in August 1988, when it was found that materials valued at Rs. 0.90 lakh had not been accounted for in the Road Metal Returns (RMR) of the works. A charge-sheet was served on the Junior Engineer in November 1989. The Engineer-in-Chief appointed (April 1990) the Superintending Engineer, Jind Circle, as Enquiry Officer. The report of the Enquiry Officer was awaited (August 1991).

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

As already intimated that the Junior Engineer on his transfer in July, 1987 left the office without any intimation and did not hand over the charge to his successor.

The case of shortage of material has been decided and punishment of stoppage of four grade increments with

future effect besides the recovery of Rs. 1,16,527:85 has been effected upon Shri. Rozda Khan, J.E. by the Head Office vide memo No. 135-IC-G-89/52 dated 11-9-91. The entry of the punishment has been made in service book of the J.E. and the recovery is being effected from his pay by the Executive Engineer, Provl. Divn. No. II, Faridabad and a sum of Rs. 20628 has already been recovered from the pay of the J.E. from 11/91 to 31-8-94.

5.1.5. Pilferage of Material

After hearing the departmental representatives the Committee recommends that intimation be sent to the Committee after recovering the balance amount from the concerned Junior Engineer.

[71] 5.1.6. Shortage of Tools and Plant

During scrutiny by Audit of the Tools and plant (T&P) Returns (August 1988) for the year ending September 1980 and September 1987 of Provincial Division No. 3, Rohtak, shortages of Tools and Plant worth Rs. 0.72 lakh were noticed against three Junior Engineers. The amount of shortages was neither placed in the 'Miscellaneous Public Works Advances' nor any action was initiated to recover it. The Executive Engineer stated (May 1991) that the matter regarding shortages of Tools and Plant articles for actual amount of Rs. 0.65 lakh was under correspondence (May 1991).

While examining (October 1988) the Tools and Plant Return by Audit for the year ending September 1980 of the Provincial Division No. II, Karnal, shortage of Tools and Plant articles worth Rs. 0.54 lakh against 6 Junior Engineers was noticed. The Executive Engineer stated (May 1991) that the concerned charge-sheets were awaiting approval (May 1991) of the competent authority.

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

As regards P.D. III Rohtak, the departmental action is still under process.

As regard the recovery the same is being watched through the Misc. P.W. Advances schedule.

As regards P.D. II Karnal, the defaulting J.E. have been charge sheeted in 6/94.

Reply of the charge sheets served upon the J.Es. is still awaited. Matter is being persuaded.

5.1.6. Shortage of Tools and Plants

After hearing the departmental representatives and keeping in view the assurance given by the department, the Committee recommends

Para
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07-8-90

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that action be got finalised within a period of 4 months and report to this effect be sent to the Committee for its perusa'.

[72] 5.1.7. *Fictitious stock adjustments*

In 3 Divisions, material valued at Rs. 32.62 lakhs debited to various works (March 1989 : Rs. 13.40 lakhs and March 1990 : Rs. 19.22 lakhs) was written back to stock in the subsequent financial years (1989-90 : Rs. 13.40 lakhs and 1990-91: Rs. 19.22 lakhs). The adjustment was intended to avoid lapse of funds in contravention of the financial rules.

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

The works against which material was issued are to be taken in hand during the yeaz 1988-89 and 1989-90 as these works were administratively approved and the Budget grant were also available. The material was issued correctly for the execution of works and this material was not booked ficticiously. S.E. Rohtak has reported that para regarding fictitious adjustment of material worth Rs. 13.40 and 5.93 lacs stand settled by A. G Haryana. The report of S.E. Karnal regarding Rs. 13.29 lacs is still awaited. Matter is being persuaded.

5.1.7. *Fictitious stock adjustment*

The Committee recommends that the remaining amount be also got adjusted with the A.G. and settled within a period of one month under intimation to the Committee.

[73] 4.9. *Irregular purchase of material at higher rates*

The departmental instructions provide that material such as bajri, stone metal etc should not be purchased from the open market without obtaining certificate of non-availability from the Executive Engineer. Mechanical Division (B&R) Hisar who is incharge of the departmental crushers set up at Khanak and Bhiwani. The EE (Mechanical) had informed the Executive Engineer Provincial Division Bhiwani in December 1989 that huge stock of material was lying at crusher site which could be supplied on demand.

During test-check of records of the Provincial Division, Bhiwani in December 1991, it was noticed that inspite of departmental instructions and without taking cognizance of EE (Mechanical's) letter of December 1989, the EE (Provincial), invited and opened tenders in January, February and July 1990 (in seven parts) for collection, carriage and stacking at site of bajri and stone metal etc. In five cases material was required for use on prospective works and in two cases for strengthening/special repairs of roads.

In all these cases the lowest rates received were higher by 15 to 39 per cent than the departmental analytical rates calculated

by the Division on the basis of rates of material at private crushers, plus carriage charges and stacking at site of supply at sanctioned premium on schedule of rates. In response to an inquiry by the Superintending Engineer, the EE (Provincial), justified the higher rates on the grounds that the rates of material had increased at crusher site. The EE (Provincial) however, did not make any comparison with rates for supply from departmental crusher. Thereafter, the tenders were accepted and supply orders for Rs. 9.28 lakhs were placed with suppliers during January 1990 to July 1990, and were subsequently enhanced to Rs. 17.10 lakhs. Against these orders, material valued at Rs. 16.87 lakhs was received during March 1990 to May 1991. The same quantity of material would have cost of Rs. 12.64 lakhs had it been procured from departmental crusher.

Thus, by purchasing road material from private suppliers, instead of from the departmental stone crushers, the Division incurred extra expenditure of Rs. 4.23 lakhs. On this being pointed out in audit, the EE (Provincial) stated in December 1991 that often the material was not available at departmental crushers. The reply was not tenable as examination of the stock position (bin cards) of the Mechanical Division, Hisar, revealed that sufficient material was available and the Division had also the capacity to crush more material if required by Civil Divisions. The EE (Mechanical) confirmed (May 1991) that neither any demand for supply of material was placed by the EE (Provincial) nor certificate of non-availability for the purchase of material from private crushers was obtained from him.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

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

Action taken by the Department.

1. The Executive Engineer, Mech. Divn. Hisar memo. No. ST/14-A/7989-8011 dated 15-12-89 is mislead as very small quantity of material was available at Crusher site which was not sufficient to fulfil the requirement of completion of various roads of this Divn. Moreover the quantity of material at the Crusher site could not meet the demand of even its near by Divn. while the reference of the Executive Engineer, Mech. Divn. Hisar was for whole of the State.
2. It is further submitted that cartage arrangement of the material by the Mech. Tippers is absolutely in adequate and emergent works could not be executed with the arrangement provided by the Mech. Department. Thus the execution of important work was not possible in time with Govt. crushers.

3. The analysis prepared during inspection of this division has not been taken into account the market rates of carriage prevailing at that time. The analysis were prepared on the analytical rates while the actual rates for carriage in the market were much higher than the analytical rates. The rate charged by the Executive Engineer Mech. for carriage of material from Govt. tippers 10 plus 2 were on higher side as compared to the rated prepared by the A.G. Haryana.

In addition to above it is also pointed out that while getting the supply from the contractor as per most specification, shrinkage (voids) has been deducted as per instructions while the above deduction has not been allowed by the Mech. Wing. The A. G. party has not taken any cognizance of shrinkage while preparing the Analysis.

The A. G. party during its inspection of this division has prepared the analysis of rates for the material for which rates are fixed for Govt Crusher at Khanak and has compared the rates with supply of material from the contractor is as per agreements. In this regard, it is submitted that the material at Govt crusher is being manufactured as per P.W.D. specification while material arranged through, the contractor is as per most specifications. Therefore the two unequal materials cannot be taken for comparison of rates.

The A. G. party while preparing the analysis has taken the lead from Tosham while the Govt. crusher is situated at Khanak. This will completely alter the position of analysis of rates prepared by A.G. Haryana

It is very pertinent to mention here that the matter was discussed in detail with DAG Haryana in the presence of Divisional Accounts Officer, Bhiwani when she was here at Bhiwani on inspection of Irrigation Divn. All the aspects were discussed in detail with her to justify the arrangement of material from contractual agency.

In addition to the above it is also mentioned that the material available at crusher site was as per 50-20mm gauge stone metal (old specification). The material as per Most specification was of 53 to 2.8 mm gauge. Since the purchase has been made from outside agencies after calling tender as such there is no irregularity.

The point wise reply is as under :—

(i) The report was received in the department, in 20-9-93.

(ii) The action was initiated in 10/93.

(iii) No inquiry has been conducted in this case.

(iv) In view of the reply against Sr. No. (iii) no departmental action was initiated.

1991-92

4.9. Irregular purchase of material at higher rates

After going through the facts of this case the Committee observed that it is a procedural lapse on the part of the department and, therefore, recommends that responsibility of the concerned officers/officials be fixed and intimation be sent to the Committee within a period of three months.

[74] **4.10. Sub-standard execution of work**

The 'construction of General Bus Stand at Ambala City' was completed by the Provincial Division No. II Ambala at a cost of Rs. 11.02 lakhs and the building was handed over to the Transport Department in April 1972.

Although the expected life of the building was 80 years, it started showing signs of distress within a period of about 10 years of its construction. After inspecting the building, the Sub Divisional Engineer reported to the Executive Engineer in December 1981 that the vertical facia of one side had totally damaged and the beam over the staircase was also falling badly. The condition of facia and ceiling in 4 stands was extremely dangerous. The Chief Engineer visited the site in February 1982 and observed that due to use of bad quality concrete, the steel remained under the process of corrosion. No action was taken by the department to ascertain the causes of distress and to adopt remedial measures. Three bays on right side were declared unsafe in January 1991 and two more bays were declared unsafe in August 1991 and public entry was banned. The Executive Engineer reported to the Superintending Engineer in February 1991 that remedial measures could not be planned without knowing the extent of corrosion of reinforcement and strength of existing concrete and that expenditure of Rs. 0.78 lakh already incurred on repairs had not proved useful.

The matter was referred to PWD (B&R) Research Laboratory Hisar in June 1991. The report received in August 1991 brought out that (i) the mixing, the placement and compaction of the concrete was poor (ii) concrete samples were found porous and contained excessive fine aggregates (iii) water used was unsuitable and (iv) the leakage and improper maintenance had accelerated the process of corrosion of steel bars in the re-inforced concrete.

The Executive Engineer prepared a special repairs estimate for Rs. 13.12 lakhs in August 1991 which was not sanctioned, and the matter was referred to the Central Building Research Institute (CBRI) Roorkee in October 1991 for its expert advice. The report furnished by CBRI in March 1992 pointed out that (i) the original design of the building seemed to be faulty (ii)

the quality of concrete in general was not found upto the expectation and (iii) improper compaction, poor quality and low strength of concrete had been instrumental in causing corrosion of re-inforcement and preventive measures, if adopted, would not be economically viable and hence the building should be pulled down. The report had, however, not been accepted by the Department so far (April 1992). The Department had incurred an expenditure of Rs. 1.07 lakhs (including payment of Rs. 0.85 lakh made to CBRI) on investigation etc.

The Executive Engineer intimated in April 1992 that no action to fix responsibility could be taken unless the causes of distress and corrosion to building were accepted by the competent authority.

The matter was referred to Government in June 1992; reply has not been received (December 1992).

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

- (i) The report was received on 4-10-94.
- (ii) The action was started in the month of Oct. 10, 1994.
- (iii) No inquiry was initiated in this case, however, it is added that a study was got conducted from the scientist CBRI Roorkee to find out the causes of the stress and corrosion to the building.
- (iv) The report of the scientist of the CBRI Roorkee is discussed in detail reply as given below :—

The work of construction of General Bus Stand at Ambala City was executed by the Executive Engineer Provl. Division No. I, Ambala Cantt. during the year 1969-71 and not by Provl. Division No. II, Ambala Cantt. as mentioned in the para against Administrative approval accorded by the Provl. Transport Controller, Haryana vide his No. 8065/SPA-III/C dated 26-9-69 for Rs. 9.50 lacs. The Bus Stand was constructed at an estimated cost of Rs. 9.50 lacs and handed over to the Transport department on 15-4-72. The Bus Stand is based on pillars, beams, columns of plain slab structure. It consists of 11 bays. The slab is of 5" thick and it is supported on beams 54 columns. It consists of 33 panels of slab. In addition to it there is a porch in front of Bus stand. The building of Bus Stand at Ambala City is on the books of Transport department since 15-4-72 the day it was handed over and there after the Transport department was responsible for the proper upkeep/maintenance of the building which they have not done in accordance with the norm laid down.

The building remained under neglect so far annual maintenance and repair is concerned but in constant use since 4/72

which was otherwise required annual maintenance at rate of 2 per cent of capital cost i.e. Rs. 19,000 per year the non-upkeep of structure resulted standing of rain water on the roofs and closures of out-lets and the standing water ingress the roof started to corrosion of the steel. The continuous dampness in the roofs also accelerated the process of corrosion.

The first signs of falling of concrete from the fascia come to the notice of Transport department during 1980 after construction during 1972 and then in 1981 the concrete from the slab started falling. The structure was in good shape between the intervening period of 10 years. The structure which was required to be maintained at the rate 2% of the capital cost annually i.e. Rs. 19,000/- and about Rs. 1,90,000/- during 10 years span has been totally neglected by not carrying out annual periodical repairs even after the distressing of structure came to the notice. The Transport department has not shown any seriousness towards its repairs inspite of this department's efforts during the years 1982-83 to 1985-86. The following estimates for repairs to the building were submitted to the Transport department for administrative approval and depositing funds but the record of this office does not indicate. Administrative approval of these estimates.

Year	Amount of A/R estimate	Authority to whom sent vide letter No. & dated
1982-83	Rs. 23860/-	To G.M. Hr. Roadways, Ambala City vide S.E. Ambala Circle No. 3130 dated 29-9-82.
1983-84	Rs. 11800/-	-do- vide EE P-II No. 2723 dated 26-7-83.
1984-85	Rs. 28400/-	To EIC Hr. vide SE Ambala Circle No. 5653 dated 13-11-85 as Model estimate with other estimate amounting to Rs. 11600/- for A/R to Hr. Roadway Workshop at Ambala City.
1985-86	Rs. 39835/-	To G.M. Hr. Roadways Ambala City vide SE Ambala Circle No. 6969 dated 25-12-1985.

The building was inspected time to time by the SDE maintenance/Executive Engineers and the remedial measures were suggested/offered by submitting estimates which have not been given received their due attention. The building was inspected during December 1988 and on 20-1-1989 and a detailed report was sent to the General Manager Haryana Roadways vide

this office No. 903 dated 22-2-1989 intimating the reasons that due to inadequate drainage/closures of rain water pipes, water had been standing on the roofs of the Bus Stand thereby damaging the tile terracing, fascia and ceiling. An estimate Manager Haryana Roadways vide this office No. 211 dated 30-5-1989 for his countersignature, twice but the same has not been countersigned by him. In the meantime the premium were revised and on the basis of the same the estimate was revised to Rs. 1,56,000/- which was sent to the General Manager, Haryana Roadways, Ambala City, vide this office No. 4695 dated 7-12-1989. This estimate was return to this office by the General Manager, Haryana Roadways Ambala vide his No. Spl. 1 dated 16-1-1990 intimating that the work on tile terracing had been got done by them departmentally and the estimate for the balance repair work may be prepared accordingly. Though the General Manager Haryana roadways in reply to this office No. CB/903 dated 23-2-1989 vide this No. 2003 dated 7-3-1989 intimated that the repair work of Bus stand being a technical nature cannot be got done by his department and in spite of this, this own version the work of tile terracing was got done by the Transport Department itself in the same year i.e. 1989 and that was also not done properly. The work done is of poor quality which instead of stopping the leakage it was increased. Thus, the damage to structure started accelerating after the tile terracing work.

The net shall is that Annual Maintenance and repair was the responsibility of Transport department which has not been done properly/regularly by them resulting standing of rain water on the roof on account of closures of outlets ingress the water in the roof creating continuous dampness reducing the strength of concretes mortar accelerating the process of corrosion losing the concrete grip on steel and thereby causing the death of structure.

The report of the PWD B&R Br. Laboratory Hissar and the report of CBRI Roorkee as desired in your D.O. dated 10-9-92 has discussed/narrated in the fore-going paras.

There appears nothing new in the report of PWD B&R Br. Laboratory Hissar and the report of CBRI to that of what concluded in the annexure (A) of para except that the report of former based on the detailed laboratory tests/analysis and the later is at rendum /inspection.

(A) The report of PWD B&R Research Laboratory Hissar consists the followings observations:—

- (i) The concrete was poorly mixed, placed and compacted
- (ii) Concrete samples were found porous and contained excessive fine aggregate.

- (ii) Water used was unsuitable.
 - (iv) The leakage and improper maintenance had accelerated the process of corrosion of steel Bar in the re-inforced concrete.
- (B) The report of C.B.R.I. pointed out as under :—
- (i) The original design of the building seemed to be (Later on declared safe vide C.B.R.I. No. BPPP/CONS-39/91 dated 17-6-1992).
 - (ii) The quality of concrete used was not upto the expectation.
 - (iii) Improper compaction, poor quality and low strength of concrete.
- (C) The Causes of damages of building as summed up in para 19 of the annexure 'A' of the para are as under.
- (i) The quality of concrete seems to be poor.
 - (ii) The water had been standing on the roofs due to improper slop and closures of outlet.
 - (iii) Due to improper maintenance of the building and timely action to rescue the damages.

The Causes of damages are same in all the three reports except 'A' (iii) where in the Research Laboratory Hissar has pointed out that water used was un-suitable but this fact has not been proved true in the CBRI report as per page 24 of the report under para. *causes of corrosion of Reinforcement* where in they have observed that considering the quality of water and the chloride and sulphate contents in the concrete, it may be concluded that the corrosion of reinforcement is not due to these factors. The other point of difference in the report is that of leakage of water as summed up in A(iv) and C(ii) which though not find any mention in the conclusion/recommendation of C.B.R.I. report but these facts stand discussed at page 24 of the CBRI report that *ingress of water and oxygen leads of corrosion of reinforcement. Thus the reasons* which are concluded for the damages of Bus stand are of poor quality of concrete and ingress leakage of water.

This office on the basis of C.B.R.I. report would like to submit that the comprehensive strength of concrete in a structure can be assessed quantitatively with certain accuracy by non destructive method *using rebound hammer* and *ultrasonic concrete*. Both the methods are approximate in nature and cannot be relied upon completely, though they provide sufficient indications regarding strength of concrete as per page 5 of the report of C.B.R.I. The scientists of C.B.R.I. have carried out both the above tests and tabulated the

results of Re-bounce Hammer test as per table I at page-7 to 9 if read with conclusion at p 24 will reveal that none of the result is according to the requirement which should have been more than 20m/M2 considering the aging strength. The result of second type of test i.e. ultrasonic method has been depicted in Table II at page 10 which showed the quality of concrete excellent/good/Fair (3 Nos.) and poor/very poor (2 Nos.) the other results of this type of method are tabulated in table III at page 11-12 indicated/Fair-16— Good 4:20 and poor 18. The above observations of that C.B.R.I. do not coincide each other reflects the picture of un-certainty and cannot be relied upon completely as has been mentioned by them at page 5 of their report. Even an excellent quality appear in table II at page 10 no where find place in table I at page 7-9. This office therefore infer that the quality of concrete though may be poor but extensive damage to concrete has been done due to rain water standing on the roof and its ingress there in on account of improper slope and closures of outlets as the rainy water contains the excessive contents of oxide which has also been observed in the C.B.R.I. report at page 24 in addition to the other two reports. This could have been avoided if the regular and proper maintenance was carried out by the Transport Department on where books the building stand.

This office is therefore, of the opinion that the officers/officials of this department cannot be held responsible at this stage and on this account as the damages is due to the rainy water continuously and closure of outlets standing on the roof which contains excessive oxide ingressed and damages the concrete mortar. This situation could have been avoided had the proper up-keep/maintenance of the structure was done by the client department or got done through PWD B&R regularly in accordance with norm.

As regards payment of Rs. 1 07 lacs shown in the para 1 it is submitted that payment of 0-85 lacs was made to C.B.R.I. for investigation charges and after adding 14% prorata charges the expenditure comes to Rs. 0 97 lac as investigation charges. The remaining amount of Rs. 0.10 lacs is minor and as such it may be seen that no major expenditure has been incurred on special repair of Bus Stand so far.

The estimate of special repair has been administratively approved for Rs. 442200/- vide Commissioner and Secretary to Government Haryana Transport Department vide memo No. /21/90-ST dated 8-4-1993 and Provision of Rs. 1 00 lacs exist in the estimate for investigation charges funds to the tune of Rs. 4 22 200/- have also been deposited by Transport Department during 10/93.

The work was however executed during the incumbency of the

following officers by Sh. Ram Pal Uppal, Contractor Court road, Ambala, City :—

1. Sh. G.S. Tandon Superintending Engineer Ambala (Retired).
2. Sh. G.P. Chawals, Executive Engineer Provl. Division No. I Ambala Cantt. (Retired).
3. Sh. H.R. Dewan, Sub-Divisional Engineer (Retired).
4. Sh. B.S. Goel, J.E./S.O. (Retired).

4.10: Sub-standard execution of work

After hearing the departmental representatives the Committee was not satisfied with the explanation given by the department. The Committee, therefore, recommends that action be initiated against the concerned officers/officials who were responsible for the defective construction of the bus stand. The Committee further recommends that the disciplinary action should also be taken against all those officers who have failed to discharge their duties in allowing them to retire without taking any cognizance in this matter. The action taken in the matter be intimated to the Committee.

[75] 4.11. *Infructuous expenditure on incomplete work*

The rules provide that execution of works shall not be commenced without obtaining administrative approval and technical sanction of the detailed estimate from the competent authority.

Based on the approval accorded by the Road Development Committee and allocation of funds by the Superintending Engineer in July 1989 the Executive Engineer Provincial Division Panipat commenced the work, "Construction of a road from village Jeetgarh to Atta (2.70Km)" in September 1989 in anticipation of administrative approval and technical sanction by the competent authority. Expenditure of Rs. 1.05 lakhs was incurred on earthwork upto January 1990. Thereafter the work was stopped as the administrative approval had still not been secured. The rough cost estimate (Rs. 9.70 lakhs) submitted by the Department in June 1989 for obtaining administrative approval was rejected by the State Government in May 1991.

The Engineer-in-Chief intimated to audit in December 1991 that approval by Road Development Committee and allocation of funds did not entitle the Executive Engineer to go ahead with the work and to incur expenditure, and hence a charge-sheet was proposed to be served upon him. An estimate for Rs. 1.20 lakhs prepared on actual basis was under submission to the Government for administrative approval.

Thus, commencement of work in contravention of the rules without obtaining sanction of the competent authority resulted in unfruitful expenditure of Rs. 1.05 lakhs incurred on the partly executed road.

The matter was referred to Government in May 1992; reply has not been received. (December 1992).

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

- (i) The report was received in the department on 20-9-1993.
- (ii) The action was initiated immediately i.e. in the month of September 1993.
- (iii) In this case the then Executive Engineer Sh. R.S. Lamba is held responsible for lapse on his part. He was charge sheeted under rule 8 of the Haryana Civil Services (Punishment & Appeal Rules).
- (iv) Reply of Sh. R.S. Lamba has been received and is under examination/action with the Government.

The latest position in this regard is as under :—

Since Ex-Engineer was not required to start the work in anticipation of Administrative Approval and Technical sanction vide para 2.89 PWD Code. Therefore there was a lapse on his part.

Sh. R.S. Lamba the then Executive Engineer was found responsible for this lapse and has been charge sheeted under rule 8 of Haryana Civil Services (Punishment & Appeal) Rules, 1987 vide Commissioner and Secretary to Government Haryana PWD B&R Branch, Chandigarh No. 8/36-B&R(E)-3-92 dated 18-6-1992 served through EIC Hr PWD B&R Branch, Chandigarh Endost. No. 170-IC-2-91/6959/IC-2 dated 9-12-1992.

Reply of Sh. R.S. Lamba has been received and is under examination/action with the Government

It is also reported that Sh. R.S. Lamba has sought premature retirement with effect from 30-6-1995 and his pensionary equivalent to the reported loss has been withheld.

The case will be decided soon.

4.11. Infructuous expenditure of incomplete work

The Committee while inspecting the link road from village Atta to village Jeetgarh in district Panipat, was convinced that the earth work on the said road was done during the period from 1989 to 1992. On being asked by the Committee, the Executive Engineer supplied the details of the expenditure incurred on the earth work of the said road. After going through the details, the Committee desired that the disciplinary action be taken against the concerned Executive Engineer who insisted for construction of the said road without obtaining the administrative approval from the competent authority under intimation to the Committee.

[76] 4.12. *Outstanding Inspection Reports*

Audit observations on financial irregularities and defects noticed in initial accounts and records during local audit are communicated to the heads of offices and to the immediate departmental superiors through inspection Reports. The more important irregularities are also reported to heads of the concerned Departments and Government for their comments.

A review of the inspection Reports issued upto March 1992 pertaining to 60 Divisions of the Buildings and Roads Department disclosed that 791 paragraphs relating to 287 Inspection Reports involving Rs. 3532.35 lakhs remained outstanding at the end of August 1992. These included 26 Inspection Reports (35 paragraphs) which had remained outstanding for more than 10 years.

The year-wise position of outstanding Inspection Reports/paragraphs was as under :

Year	Number of Inspection Reports	Number of paragraphs	Amount involved (Rupees in lakhs)
1976-77 to 1981-82	26	34	18.31
1982-83 to 1986-87	60	88	126.99
1987-88	24	36	48.99
1988-89	35	64	99.98
1989-90	40	92	668.55
1990-91	45	135	442.58
1991-92	57	342	2126.95
	287	791	3532.35

In respect of 5 Inspection Reports consisting of 22 paragraphs, even the initial replies which were required to be furnished within six weeks had not been received as of August 1992.

Some important irregularities commented upon in Inspection Reports which have not been settled so far fall under the following categories :

Nature of Irregularities	Number of paragraphs	Amount involved (Rupees in lakhs)
Losses due to theft, misappropriation etc.	78	76.63
Recoverable amounts from contractors on account of excess payment, cost of work done at their risk and cost etc.	148	447.02

Nature of Irregularities	Number of paragraphs	Amount involved (Rupees in lakhs)
Non-accounting of material	29	45.92
Extra and avoidable expenditure	59	182.80
Infructuous and irregular expenditure	63	247.56
Execution of sub-standard works	9	31.43
Undue financial aid to contractors	4	10.48
Irregular/injudicious purchases	10	15.44
Blocking of funds	19	56.95
Non-closing of manufacturing accounts	3	21.91
Under utilisation of machinery	3	139.51
Excess expenditure on deposit works	5	11.58
Short receipt of material	2	3.68
Estimates not sanctioned	11	1136.66

Out of the total 791 outstanding paragraphs, in 72 cases involving Rs. 290.23 lakhs, the matter was pending with courts of law, arbitrators and Police authorities and 36 cases involving Rs. 54.18 lakhs were pending with Government/Engineer-in-Chief/Superintending Engineers awaiting regularisation.

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

Action taken by the Department

The position with regard to this para is as under —

- (i) The para was received in September, 1993.
- (ii) The action was also initiated in September, 1993.
- (iii) No inquiry was involved in this case for financial irregularity/defalcation.
- (iv) In view of the reply no departmental action was required.

However the latest position in this regard is as under :—

Inspection reports cleared			Inspection reports outstanding as on 30-6-1995		
I.R.	Paras	Amount	I.R.	Paras	Amount
23	28	17.07	3	6	1.24
39	36	74.78	21	52	52.21
20	16	14.74	4	20	34.25
22	26	34.54	13	39	65.59
28	66	198.63	12	26	469.92
34	88	235.76	11	52	224.92
39	324	1500.95	18	70	763.85
205	584	2076.47	82	265	1611.98

The replies in this regard is as under :—

Para settled	Balance	Total amount	Amount settled	Amount balance
69	9	76.63	76.14	0.49
84	64	447.02	248.71	198.31
—	—	—	—	—
33	26	182.80	112.12	70.68
56	7	247.56	102.85	144.71
—	—	—	—	—
2	2	10.48	6.61	3.87
16	4	15.44	5.10	10.34
Para Settled	Balance	Total amount	Amount settled	Amount balanced
—	—	—	—	—
—	—	—	—	—

4.12. Outstanding Inspection Reports

The Committee after going through the details of pending inspection reports pertaining to the divisions of the department, recommends that instructions be issued to the concerned authorities to settle these pending inspection reports within a period of three months under intimation to the Committee.

1992—93

[77] 4.5. Working of Mechanical Wing

4.5.1. Introduction

The Mechanical Wing of the Buildings and Roads Department deals with the procurement of machinery, spare parts, lubricants etc. and also for the repair, maintenance and operation of departmental machines. Besides, the Wing also operates departmental stone crushers and Hot Mix Plants.

The Engineer-in-Chief is in overall charge of Mechanical Wing assisted by one Superintending Engineer, Mechanical Circle, Karnal, five Mechanical Divisions and one Mechanical Stores and Procurement Division at Karnal.

A test-check of the records maintained in circle office and the 6 Mechanical Divisions for the period from 1988-89 to 1992-93 was conducted during April-May 1993. The important points noticed during test-check are mentioned in the succeeding Paragraphs.

4.5.2. Budget provision and expenditure

Allotment of funds is made by the Engineer-in-Chief to the circle office for purchase and maintenance of machinery and equipment, tools and plant and workshop expenses. The year-wise position of funds allotted for works and establishment and the expenditure incurred during 1988-89 to 1992-93 was as follows :

Year	Funds allat(ed) Works	Establi- shment	Expenditure Works	Establi- shment	Excess (+)/Saving(-) Work	Establi- shment
(Rupees in lakhs)						
1988-89	327.67	169.76	334.64	216.02	(+)6.97	(+)46.26
1989-90	261.64	216.73	257.95	227.35	(-)3.69	(+)10.62
1990-91	248.48	242.09	244.23	262.33	(-)4.25	(+)20.24
1991-92	241.82	283.39	254.17	291.74	(+)12.35	(+)8.35
1992-93	146.95	307.52	212.46	325.98	(+)65.61	(+)18.46
Total	1226.46	1219.49	1303.45	1323.42	(+)76.99	+103.93

1. Ambala, Gurgaon, Hisar, Karnal and Rohtak.

The Engineer-in-Chief attributed (August 1993) the excess of expenditure on works/establishment to allotment of inadequate funds by Government.

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

The allotment of funds is always on lesse side than demand sent by this office. During the year, there is always increase on A/C of D.A. instalments, Bonus etc. The funds were always demanded in E&S but the allotment has not been made as per actual demand. The expenditure on Estt. can not be with held as such there is always excess expenditure on Estt. Head

As regards the expenditure on works the year wise allotment and expenditure is given below :—

Allotment	Expenditure
323 10	323.86
226.95	225.49
243 70	241.72
235.00	257.31
137.50	206 24

The variation during the year 1988-89 to 1991-92 is nominal and within the reasonable/unavoidable limit. The reason for excess during 1992-93 is that the original allotment of funds was Rs 282 lakhs against the total expenditure of 206.24 lakhs and final allotment was modified on 31-3-1993 to Rs. 137 50 i.e. after incurring the expenditure which is beyond the control of this office. The difference in figures as per observation of audit and the reply by the Department is due to the reason that the figures as per observation includes MOST budget and expenditure which carries no relevancy with the state budget.

UTILIZATION OF MACHINERY DURING THE YEAR 1991-92

No.	Estimated W/H	Actual W/H	Short fall/ Excess	%age
14	8400	8815.25	+414.25	+4.94
9	4600	4478.15	-121.45	-2.64
2	1000	247	-753	-75.3
2	1400	1485	+85	+6.07
1	1000	840	-160	-16
—	—	—	—	—
2	1000	790	-210	-2.10
1	600	340	-260	-43
2	1280	1353	-226	-17.70
1	2520	1530	-990	-39.28
55	820000	816885	-3015	-0.36

UTILIZATION OF MACHINERY DURING THE YEAR 1992-93

Description	No.	Estimated W/H	Actual W/H	Short fall/ Excess	%age
Hot Mix Plant	14	8400	5712.10	-2688	-32
Paver Finisher	9	4600	4799.26	+199.26	+4.3
Mobile Crance	2	1000	306	-694	-69.5
Water Lorry	4	2050	2548	+493	+24.3
Poclain Excavator	1	900	782	-118	-13
Loader	2	1000	525	-475	-47.5
Vib Roller	1	900	662	-228	-25.33
Stone Crusher	2	1280	723	-5537	-4.35
Mobile Workshop Van	1	2520	242	2274	-90.24
Tipppers	55	820000	886195	+66195	+8.07

The only efforts can be made to optimise the utilisation of the machinery which depends upon manufactures viz. availability of work, budget allotment, availability of raw material, weather conditions, labour and availability of spare parts/break down. The norms are indicative are only for ideal conditions and therefore the comparison as observed under this para is only indicative.

4.5.2. Budget provision and expenditure

The Committee recommends that the figures be got reconciled with the A.G. without any further loss of time. The Committee further desire that the reasons for not sending the replies to the A.G. well in time be also sent to the Committee for its information

[78] 4.5.3. Under-utilisation of machinery

The Wing was having machinery valued at Rs. 30 crores² (approximated) which include major machinery (848) and minor machinery (590) at the end of March 1993. Besides, machinery valued at Rs. 135 lakhs. belonging to the Ministry of Surface Transport (Road Wing), Government of India, was also being operated, maintained and repaired for utilisation on the construction and maintenance of National Highways in the State.

Test-check of records of the various Divisions revealed that utilisation of the following major machinery was far below the norms as contained in the sanctioned estimate; the extent of under-utilisation ranged from 48 to 88 per cent during 1988-89 to 1992-93 as detailed below :

Description of machinery/vehicles	Number	Estimated working hours	Actual working hours	Shortfall	Percentage of shortfall
Hot Mix Plants	13	7,800	2,171	5,629	72
Paver finishers	6	3,200	946	2,254	70
Mobile cranes	1	2,500	538	1,962	78
Water lorries	7	21,000	7,350	13,650	65
Poclain Excavator	1	1,000	401	599	60
Shovels	1	1,000	287	713	71
Loaders	2	2,700	330	2,370	88
Vibratory roller	1	1,000	340	660	66
Stone crushers	3	4,880	2,534	2,346	48
Mobile workshop van	1	7,560	1,442	6,118	81
Tippers	55	12,10,000	3,72,431	8,37,569	69
		km	km	km	

Under-utilisation of machinery was attributed by the Executive Engineers to less demand from the Divisions

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

The machinery in the Mech. Circle works on behalf of Civil Circles of the Department and on the Civil works. Thus

² Adopted from Annual Administrative Report of 1992-93.

utilization of machinery depend purely on the availability of works in Civil Circle which in terms depends on availability of Road construction/repair budget in these civil Circles. The utilisation of machinery is planned at the beginning of the financial year on an optimistic note that Mech. wing shall endeavour to utilise the machinery to optimum level and works shall be made available. Utilisation might vary when the budgetary/site working conditions do not match with the expectations of Mech. Wing. However the utilisation of machinery during 1991-92 and 1992-93 is given below which shows that machinery worked more & less at par with the provisions made in the sanctioned estimates. However, it is pointed out that figures of machinery actually working in the Department different from the figures shown in the audit observations.

4.5.3. Under Utilisation of the machinery

After hearing the departmental representatives the Committee desires that the details of machinery hired for doing civil work in various circles of the department from 1988-89 to 1991-92 along with the hours of utilisation of the machinery, amount paid for the machinery and the name of the firm from whom the machinery was requisitioned be supplied to the Committee for its consideration.

[79] 4.5.4 Unfruitful expenditure

In view of the tight position of the supply of packed bitumen and better availability of bulk bitumen within a radius of 350 km. from Mathura Refinery, the working conditions were to be adjusted so as to consume more bulk bitumen. For this, the field Divisions were to be provided with necessary equipment required for economical consumption of bulk bitumen. Accordingly, 40 tankers of 3 tonnes capacity each for unloading bulk bitumen from incoming tank lorries from Mathura Refinery, were manufactured departmentally in Mechanical Division, Ambala Cantt. at a cost of Rs. 13.49 lakhs and transferred to various mechanical/civil Divisions during June 1989 to December 1991.

Of the 40 tankers, 7 tankers (Provincial Division No. 1, Rohtak : 3 and Mechanical Division, Karnal : 4) valued at Rs. 2.36 lakhs were not put to use since their receipt from the Mechanical Division, Ambala Cantt. The Executive Engineer, Provincial Division No. 1, Rohtak stated (October 1993) that these tankers were useful for the works requiring use of large quantities of bulk bitumen which could be fed at a fixed point like Hot Mix Plant. However, these tankers were not of much use in other Divisions, where small quantity of bitumen was consumed and that too in scattered reaches on different occasions. He further stated that the mechanism to take out the fed bitumen from these tankers was defective. The Executive Engineer, Mechanical Division, Karnal stated (October 1993) that the tankers were transferred to that Division for onward delivery to the civil Divisions but civil Divisions did not take out the tankers despite repeated requests. Further, three more tankers transferred from Mechanical Division, Gurgaon to Mechanical Division, Karnal in November 1992 were unserviceable. The Executive Engineer, Mechanical Division, Karnal

stated (October 1993) that efforts were being made to put them in working condition.

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

O.I.D.B. loan was sanctioned and meeting was held on dated 9-1-86 in the office of the Engineer-in-Chief, Hr. PWD B&R Br. Chandigarh and in the meeting it was decided to manufacture the Bitumen Tankers Departmentally. Accordingly administrative approval was received vide Commissioner & Secy. to Govt. Haryana letter No. 24/9/86/P.W.-IV(4) dated 22-1-87 and the Tankers were manufactured by the Mech. Divn. Ambala. The detailed report of the estimate it is mentioned that these tankers were to be utilised for temporary storage of Bitumen and may be moved if desired with the Tractors etc. Intention to put such tankers in use was that the bulk bitumen transported from Refinery shall be unloaded in the tankers and then these tankers by towing through a Tractor shall be moved to various sites where the major road works are on-going.

Unfortunately this type of storage was meant for major Road construction works such as four laning of NH-I and NH-2 for which according to World Bank A.D.B. directions the Bitumen was to be arranged by agencies engaged by World Bank and A.D.B. and hence these storage tanks could not be got an indent from Mech. Divn. Karnal and Provl. Divn. 3 Rohtak for their proper use. However efforts are being made to use them for storage of L.D.O./water etc.

4.5.4. Unfruitful. expenditure

During the course of oral examination the Committee was informed that out of 40 tankers, 7 tankers were not put to use since their receipt from the mechanical division of Ambala Cantt. The Committee therefore, recommends that the accountability be fixed who initiate the proposal for the manufacturing of the tankers. The Committee further desires that the brief facts of this case be also sent to the Committee for its information.

[80] 4.6. Extra expenditure

In Provincial Division No. 1 Hisar administrative approval for the construction of a boundary wall around school building in village Kurri was accorded by the State Government in June 1985 for Rs. 0.92 lakh. On the basis of tenders received in December 1985, the work was allotted to a Society in January 1986 (tendered cost : Rs. 0.69 lakh) with a stipulated time limit of three months for completion of work which was subsequently extended up to 30 April 1986.

On failure of the Society to commence the work compensation amounting to Rs. 0.08 lakh was levied on the Society in April 1986 by the Executive Engineer (EE) and the work was to be completed at the risk and cost of the Society in accordance with the terms of contract.

Accordingly fresh tenders were invited in September 1986 and a single tender (tendered cost : Rs. 0.81 lakh) was recommended to the Superintending Engineer (SE) in October 1986 for acceptance. The SE advised the EE that in view of decision taken by the Education Department in June 1986 boundary wall around village school building was to be constructed by the village Panchayat and directed him to file the tender case. Neither the Education Department was informed to get the boundary wall completed by the village panchayat nor any effort was made to get the work completed inspite of administrative approval for this work having been accorded well before the issue of instructions by the Education Department.

On receipt of instructions from Government issued in September 1991 for construction of boundary wall the EE sought permission (December 1991) from the SE to recall the tenders at the risk and cost of original Society as the administrative approval was neither withdrawn nor cancelled. On approval of the proposal by the SE fresh tenders were invited in January 1992 and the lowest tender (tendered cost : Rs. 1.80 lakhs) was recommended (January 1992) to the SE for acceptance. The EE justified the delay of four years on the plea that his predecessor did not revert to the case after filling the tenders.

With the approval of the SE the work was allotted to a contractor in March 1992 and completed in September 1992 at a cost of Rs. 2.13 lakhs based on the items/specifications provided in the Detailed Notice Inviting Tenders.

The EE reported in December 1992 to the SE that the Society from whom the extra cost was recoverable was not in existence and it was not possible to recover the extra cost. A revised estimate for Rs. 2.85 lakhs based on the quantities executed by the contractor was submitted to the Education Department (December 1992), for seeking revised administrative approval which was awaited as of February 1993.

Thus, due to incorrect decision to file the tenders without consulting the Education Department and abnormal delay in realoting the work at the risk and cost of the Society, the Department had to bear an extra expenditure of Rs. 1.32 lakhs with reference to quantities actually executed.

The matter was referred to Government in July 1993; reply has not been received (November 1993).

The department in their written reply explained their position as under:—

Para 4.6. Extra Expenditure

The point wise reply is as under :—

- (i) The C.A.G. report was received in the department on 10/94.
- (ii) The action was also initiated in 10/94.
- (iii) No enquiry has been conducted for financial regularity. However an arbitration case was filed against the Society.
- (iv) Action against the society could be taken as the arbitrator announced Nil award in favour of the deptt.

The detailed position of audit observations is as under:—

This is not correct that the Agency namely Satroad Kalan Co. Op. L&C Society Ltd. to whom the said work was originally allotted was not in existence. In fact the Agency is available and an Arbitrator was got appointed by the Executive Engineer, Provincial Division No. 1 Hissar for effecting the recovery of Excess amount. The Engineer-in-Chief Haryana P.W.D. B&R Branch Chandigarh appointed S.E. Karnal Circle P.W.D. B&R Karnal as a arbitrator vide his memo No. 8-W-86/144/Work-I dated 1-10-93. The Department as well as original Agency presented their case in the Court of Arbitrator who announced Nil award in favour of the deptt. vide his order dated 14-8-1995

The further action regarding recovery of departmental amount can only be effected after the decision of the Hon'ble Court as the Nil award has been given by Arbitrator which is being challenged in the court of law

4.6. Extra Expenditure

After going through the written reply submitted by the department the Committee desires that final outcome of the case along with the position of recovery be intimated to the Committee in due course.

[81] - 4.7. Outstanding audit observations

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

Audit observations involving an amount of Rs. 559.07 lakhs issued up to December 1992 were outstanding as of June 1993.

The year-wise break up of the outstanding items was as follows :

Period	Number of Observations	Amount (Rupees in lakhs)
Upto 1984-85	70	35.26
1985-86	16	12.04
1986-87	43	20.69
1987-88	24	13.43
1988-89	12	3.75
1989-90	8	5.83
1990-91	13	15.68
1991-92	122	114.19
1992-93	282	338.20
Total :	590	559.07

The audit observations were of the following categories :

For want of :	Number of observations	Amount (Rupees in lakhs)
(a) Agreements	572	558.3
(b) Vouchers	18	0.64

The matter was referred to Government in June 1993; reply has not been received (November, 1993).

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

- (i) The C.A.G. report was received in 10/94 in the deptt.
- (ii) The action was initiated in 10/94.
- (iii) No enquiry is involved in this case.
- (iv) In view of reply at Sr. No. 3 no action is required.

However the latest position is as under :—

No. of Observations settled	Amount settled	Para pending	Amount outstanding
67	34.89	3	00 37
2	10.84	14	1.20
5	00.05	38	20.64
1	00.13	23	13.30
1	00.03	11	03.72
5	00.97	3	04.86
—	—	13	15.68
10	5.46	112	108.73
65	70.58	217	267.62
156	122.95	434	436.12

4.7. Outstanding Audit Observations

The Committee recommends that pending Audit Observations be got settled within a period of three months under intimation to the Committee.

EDUCATION DEPARTMENT

1990—91

[82] 3.11. *Fraudulent drawal of Leave Travel Concession*

Haryana Government extended (December 1984) the facility of Leave Travel Concession (LTC) to its employees for visiting any place in India once in a block of four years. The journeys could be performed by rail, or by chartered buses run by the Haryana Transport Department, the Haryana Tourism Corporations, or any Transport Corporations under the administrative control of State Governments or local bodies. The rules for LTC provide that after the completion of the journeys the employees should support his final LTC claim with a certificate and an affidavit to the effect that the journeys had actually been performed by him/ members of his family for visiting the declared place.

The Block Education Officer, Kalayat (Kaithal) gave an advance of Rs. 1.58 lakhs in April 1990 to 22 teachers for availing of LTC for the block year 1988-91 against the sanctions issued by the Director, Primary Education Haryana in April 1990. The teachers submitted their final bills totalling Rs. 1.97 lakhs attaching certificates/affidavits in support of having performed the journeys with members of their families from Kalayat to Manglore or Manglore/Kanyakumari from 9th April 1990 to 19th April 1990 by a chartered bus of the Tourism Corporation of Gujarat Limited, (a Government of Gujarat Under-taking) and produced receipts dated 17th May, 1990 issued by the Corporation. The Block Education Officer, Kalayat, passed the bills amounting to Rs. 1.97 lakhs, after certifying the genuineness of the claims, and made the balance payment of Rs. 0.51 lakh in June 1990 after adjusting the advance already drawn by the employees.

During scrutiny of vouchers in audit (August 1990), it was noticed that the receipts issued by the Corporation bore the stamp impression 'Receipt not valid until tour certificate issued'. On a specific enquiry made by audit (September 1990), the Tourism Corporation of Gujarat intimated (March-June 1991) that due to cancellation of tours, the money was refunded to the parties through its authorised selling agents who had done the booking.

The whole group of 22 teachers had thus claimed LTC of Rs. 1.97 lakhs fraudulently, by giving false certificates and affidavits. The Drawing and Disbursing officer's verification of the claims had been unsatisfactory, in the face of the provisional nature of the receipts submitted with the claims.

Government of Haryana admitted the facts of the case (October 1991). Further developments were awaited (February 1992).

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

The DPEO Kaithal has intimated that 21 JBT teachers of Kalayat Block claimed LTC and got their tickets booked from Gujarat Tourism Corporation. They were sanctioned 80 per cent of the amount as advance by the Block Education Officer, Kalayat. Thereafter teachers gave affidavit of completion of journey to the BEO Kalayat. In view of these documents BEO, Kalayat satisfied himself regarding the genuinness of LTC claims of these teachers.

During audit it was revealed that the claims of the teachers were not genuine as the tickets were to be confirmed on the availability of transport service with the Gujarat Tourism Corporation. Consequently the teachers were asked to deposite the amount obtained by them. The teachers were also served with Charge Sheets under rule 7 of the Punishment & Appeal rules for major punishment

DPEO Kaithal has intimated that a sum of Rs. 162000 has since been recovered from 17 JBT teachers. Out of remaining 4 teachers Sarvshri Phool Chand & Kulbhushan have expired. A sum of Rs 7200 and 10800 respectively has since been withheld from their death cum-retirement gratuity and A.G. Haryana requested to recover this amount and credit it to government treasury. Sh. Sunder Lal JBT teacher has also retired from government service and a sum of Rs 9000 on account of wrong drawal of LTC has been recovered from his DCRG. Thus a total sum of Rs 189000 stands recovered from the teachers.

Sh. Jagdev Singh JBT teacher resigned from Govt. Service on 25-4-91. The DPEO Kaithal has been asked to initiate legal proceedings against him to recover the amount.

1990-91

3.11. Fraudulent drawal of Leave Travel Concession

The Committee recommends that balance recovery i.e. Rs. 8000/- be effected from Shri Jagdev Singh, JBT teacher at the earliest under intimation to the Committee. The Committee further desires that a detailed report in respect of action taken against the concerned teacher be also sent to the Committee within a period of one month.

[83] 68. *Excess payment of leave travel concession claims*

The instructions issued by the State Government in December 1987 regarding grant of Leave Travel Concession (LTC) to the

State Government employees provide that when a Government servant undertakes a journey by a chartered bus the reimbursement of expenditure may be either the actual hire charges of the chartered bus or the amount reimbursable had the journey to the declared place of visit been undertaken by the entitled class by rail by the shortest route whichever is less.

In test-check (April 1991) of LTC claims of Kurukshetra University it was noticed that 97 employees of the University who performed journeys by chartered buses during 1988-89 and 1989-90 were reimbursed the full actual hire charges paid by them which were higher by Rs. 2.84 lakhs than the amount reimbursable had the journeys been performed by the entitled class by rail by the shortest route.

Thus, non-observance of Government's instructions by the University resulted in an excess payment of Rs. 2.84 lakhs to the employees.

The matter was reported to Government in May 1991; reply has not been received (February 1992).

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

The Kurukshetra University has adopted the rules of Haryana Govt. regarding the grant of LTC to its employees Instructions issued vide Haryana Govt. letter No. 13/10/85-S-II dated 16-11-87 interalia provide as under :—

“According to existing policy instructions of the State Government reimbursement of the expenditure is made only if the journeys are performed by rail or by buses of Haryana Transport Department, Haryana Tourism Department or of Haryana Tourism Corporation and as a result of this, the State Govt. employees availing of Leave Travel Concession cannot get reimbursement of such expenditure when rail journey is not available and the buses of the Haryana Government Tourism Department/Tourism Corporation do not go to such places. The State Govt. has now decided that reimbursement of the expenditure will also be made if the journeys are performed by buses, vans or other vehicles on charter where these vehicles are operated by Tourism Corporation in the Public Sector State Government Transport Corporation and Transport Services run by other State Govt. or local Bodies.

When a Govt. servant undertakes a journey in a chartered bus under L.T.C. Scheme the reimbursement may be either the actual hire charges on the charter bus or the amount reimbursable had the journey to the

declared place of visit been undertaken by the entitled class by rail by the shortest route whichever is less.

Going by the provisions of para 1 of the above quoted clause the University employees have been paid actual bus fare on the basis of the receipt issued by the Tourism Department. The condition of restricting the bus fare to the entitled class of Railway was considered applicable only in a case where journey was undertaken in a hired chartered bus in terms of para 2 of the above aforesaid clause.

However, the Accountant General Haryana did not agree to this interpretation and pointed out recoveries to the tune of Rs. 2.84 lakhs against the employees of the University. This issue of interpretation of the Govt. instructions was finally settled in the meeting held at the Joint Secretary, Finance, Examiner Local Funds Accounts and the University authorities on 16-5-90. It was clarified that the assistance would be limited to what would have been admissible had an employee travelled by rail in the authorised class or the actual expenses whichever is less.

The matter was reported to Govt. by A.G. Haryana on 17-5-91 and the Directorate wrote the University on 18-6-91 to send comments/report on this para to the Accountant General Haryana. The University sent detailed comments to A.G. Haryana on 20-3-92 and the A.G. Haryana informed Kurukshetra University on 29-4-92 that the matter is under examination and further observations in this regard would be sent shortly.

Since no further observations were received from A.G. Haryana the Local fund Examiner and the deptt. asked the University to effect recoveries.

No action has been initiated against any official/officer of the University authorities because of the fact that there was no malafide intention on the part of these officials/officers and it happened due to mis-interpretation of the Govt. instructions. Moreover the payment to the employees were made after having been admitted by the Govt. auditors posted in the University under the pre-audit scheme. This all happened due to misinterpretation of Govt. instructions. However the Deptt. has now asked the Kurukshetra University Kurukshetra and the Finance Department to take action against delinquent officials/officers. As intimated by the University authorities necessary action has been initiated to recover the amounts from the employees who have been paid in excess of due amounts. In case University authorities fail to recover this amount from the employees con-

cerned this amount will be deducted out of the future grants payable to the University to re-coup this loss.

6.8. Excess Payment of L.T.C. Claims

The Committee desires that intimation be sent to the Committee after finalising the matter with the University authorities.

1991—92

[84] 3.2. Operation Blackboard

3.2.1 Introduction

The scheme 'Operation Blackboard' (OB) was sanctioned by Government of India (GOI) in 1987 with a view to realising the objectives set out in the National Policy on Education 1986. The main objective of the scheme was to effect substantial improvement in facilities in primary education by providing a minimum level of facilities in all existing primary schools as on 30th September 1986 and prescribing the minimum level of funding for all new primary schools to be opened in future. The objective of the scheme was to be achieved through three components as under :

- (i) Provision of at least two reasonably large rooms usable in all weather with a deep verandah alongwith separate toilets for boys and girls;
- (ii) Provision of at least two teachers including, as far as possible, one lady teacher in every primary school; and
- (iii) Provision of essential teaching and learning material (TLM) including black boards, maps, charts, a small library, toys and games and some equipment for work experience.

The scheme was to be implemented in municipal areas as well, as in villages. The scope of the scheme was limited to the primary schools upto class IV and V. Upper primary schools and secondary schools, even if they had classes I to IV/V, were not covered under the scheme. The scheme was to cover all primary schools run by Government, Local Bodies, Panchayati Raj institutions and recognised aided institutions. The scheme on the basis of a Special (Mini) Survey conducted in 1987 was to be implemented in the entire State in a phased manner, 20 *per cent* of the blocks and municipal areas were to be covered in 1987-88, 30 *per cent* in 1988-89 and 50 *per cent* in 1989-90.

3.2.2. Organisational set up

The scheme envisaged formation of a State Level Empowered Committee (SLEC) to sanction the projects prepared at block level. The SLEC was formed in August 1987 under the Chairmanship of Commissioner and Secretary, Education Department. The

Director of Primary Education (DPE) functioning under the Education Department at the State level and the District Primary Education Officers (DPEOs) and Block Education Officers (BEOs) at the District and Block levels respectively were responsible for implementation of the scheme

3.2.3. Audit coverage

The review covers the period from 1987-88 to 1991-92 with reference to the test-check (February-April 1992) of the records of the office of the Director, Primary Education, Haryana Chandigarh and field offices at Gurgaon, Jind, Karnal and Kurukshetra districts.

3.2.4. Highlights

—Against the budget provision of Rs. 389.24 lakhs, expenditure of Rs. 340.66 lakhs was incurred on the scheme during 1987-88 to 1991-92. This did not include the expenditure incurred on construction of buildings for which information was not available. Funds were withdrawn from the treasury at the fag end of the financial year and remained unspent for long periods.

—Against the target of covering 100 blocks and 76 municipal areas, 80 blocks and 64 municipal areas were covered.

[Paragraph 3.2.6]

—Information regarding the number of school buildings/rooms constructed under the scheme against the deficiency of 853 rooms was not available. In the test checked districts, against the planning for constructing 205 rooms in schools during 1988-91 only 110 rooms were constructed. Construction of 67 school buildings (cost : Rs. 64.56 lakhs) was delayed for 8 months to 2 years.

[Paragraph 3.2.8 (i) and (iii)]

—The Director of Primary Education did not furnish information regarding the number of additional posts of teachers sanctioned and the number filled up. In the test checked districts, 150 schools remained without the prescribed number of school teachers for 3 to 24 months, of these 21 schools did not have even a single teacher for 9 to 24 months. On the other hand reimbursement of Rs. 13.93 lakhs was received from Government of India against salary of teachers for the period they were actually not in service.

[Paragraph 3.2.9 (i) and (ii)]

—An avoidable expenditure of Rs. 6.95 lakhs was incurred on the purchase of books not required.

[Paragraph 3.2.11 (i)]

—Equipment worth Rs. 10.04 lakhs was supplied in excess of the provisions of the scheme.

[Paragraph 3.2.11 (ii)]

—Teaching and learning material worth Rs. 2.24 lakhs was issued to upper primary schools not covered under the scheme.

[Paragraph 3.2.11 (iv)]

—An expenditure of Rs. 0.87 lakh was incurred on supply of teaching and learning material to the same schools more than once.

—Kits pertaining to Mathematics, Science and mini tools worth Rs. 0.87 lakh were lying idle since 1988-91.

[Paragraph 3.2.13]

—An extra expenditure of Rs. 1.15 lakhs was incurred on the purchase of swing rope with tyre at higher rates.

[Paragraph 3.2.14]

—An expenditure of Rs. 5.99 lakhs was incurred on the purchase of items not provided under the scheme and a sum of Rs. 2.97 lakhs (drawn for the maintenance of equipment) was kept in saving bank accounts since March 1991.

[Paragraph 3.2.15]

3.2.5. Financial outlay and expenditure

(i) The budget provision and the expenditure incurred on the scheme during 1987-88 to 1991-92 were as under :

Phase	Year	Budget provision	Expenditure	Saving
		(Rupees in lakhs)		
I.	1987-88	59 27	59.27	—
	1988-89	12 18	12.13	0 05
II.	1989-90	117.83	113.60	4 23
III	1990-91	132.16	121.66	10.50
	1991-92	67.80	34.00	33 80
Total :		389.24	340.66	48.58

Savings of Rs. 48.58 lakhs were due to non-supply of material (Rs. 30.37 lakhs) and non-appointment of teachers (Rs 18.21 lakhs).

The scheme provided that expenditure incurred by the State Government on the salary of second teacher appointed in the single teacher primary schools upto the end of the Seventh Five Year Plan would be reimbursed by the Government of India. The funds for purchase of teaching and learning material for phase I were to be released in advance. For subsequent phases 50 per cent of funds required were to be released in advance on sanction of

the project by the State Level Empowered Committee (SLEC) and the balance amount was to be released after utilisation of 75 per cent of the advance amount already released. The construction of buildings for deficient schools was to be done by utilising the funds provided by Government of India under National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) and Jawahar Rozgar Yojna (JRY) and various area development schemes.

The year-wise position of the assistance received from Government of India, provision made in the Budget and expenditure incurred during 1987-88 to 1991-92 was as under :

Year/Years	Component of the scheme	Grants received	Provision made in the State Budget	Expenditure incurred	Saving(+)/ Excess(-) Cumulative (Col.3— Col.5)
1	2	3	4	5	6
(Rupees in lakhs)					
1987-88	Teacher's Salary	3.66	—	—	3.66
	TLM	59.27	59.27	59.27	—
	Total	62.93	59.27	59.27	3.66
1988-89	Teacher's Salary	—	12.18	12.13	(—)8.47
	TLM	—	—	—	—
	Total	—	12.18	12.13	(—)8.47
1989-90	Teacher's Salary	15.39	15.89	15.65	(—)8.73
	TLM	101.94	101.94	97.95	3.99
	Total	117.33	117.83	113.60	(—)4.74
1990-91	Teachers, Salary	3.38	24.15	40.03	(—)45.38
	TLM	108.01	108.01	81.63	30.37
	Total	111.39	132.16	121.66	(—)15.01
1991-92	Teachers' Salary	34.16	67.80	34.00	(—)45.22
	TLM	—	—	—	30.37
	Total	34.16	67.80	34.00	(—)14.85
1987-92	Teachers' Salary	56.59	120.02	101.81	(—)45.22
	TLM	269.22	269.22	238.85	30.37
	Total	325.81	389.24	340.66	(—)14.85

Against the expenditure of Rs. 67.81 lakhs incurred by Government from 1988-89 to 1990-91 on salaries of second teacher Central assistance aggregating Rs. 22.43 lakhs was released by Government of India (1987-88 : Rs. 3.66 lakhs; 1989-90 : Rs. 15.39 lakhs; and 1990-91 Rs. 3.38 lakhs) on the basis of the project reports of Phase I, II and III sanctioned by the SLEC in January 1988 October 1988 and December 1989 respectively. A further sum of Rs. 34.16 lakhs was released in February 1992 on preferring the claim of Rs. 56.59 lakhs in December 1991. The balance amount of Rs. 11.22 lakhs (Rs. 67.81 lakhs minus Rs. 56.59 lakhs) was not claimed as the salary paid in excess of the minimum of the time scale was charged to State. Reimbursement against the expenditure of Rs. 34.00 lakhs incurred during 1991-92 was yet to be claimed (October 1992).

The entire assistance of Rs. 101.94 lakhs for Phase II and Rs. 108.01 lakhs for Phase III for the purchase of teaching and learning material was released in advance instead of 50 per cent in advance and balance after utilisation of 75 per cent of the advance amount as provided.

The amount of Rs. 101.94 lakhs and Rs. 108.01 lakhs released by Government of India in March 1989 and January 1990 was allocated to the implementing agencies in December 1989 and November 1990 respectively. Thus allocation of Central assistance was delayed by 9 months which correspondingly delayed the implementation of the scheme.

(ii) Irregular drawal of funds from treasury and blocking of funds : In contravention of Financial Rules in the four selected districts huge amounts were drawn by the District Primary Education Officers from the treasuries at the fag end of the respective financial years and were kept in Savings Bank Accounts or in the form of bank drafts in favour of the supplier firms as detailed below :

Year	Amount drawn in March	Expenditure incurred after withdrawal of funds within					Unspent balance at the end of March 1992
		3 months	4 to 6 months	7 to 9 months	10 months to 1 year	1 to 2 years	
(Rupees in lakhs)							
1987-88	16 85	3 29	5.22	2.61	4.28	1.19	0.26
1989 90	40.86	22 61	5.38	1.60	4.74	4.41	2.12
1990-91	34 62	17 32	8.21	0 61	0.86	2.47	5.15
Total	92 33	43.22	18 81	4 82	9 88	8 67	7 53

The reasons for unspent balances of Rs. 7.53 lakhs were awaited (June 1992).

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

In this connection it is submitted that the orders for the purchase of teaching learning material from different firms are placed by the Director Supplies and Disposal Department Haryana usually towards the fag end of the financial years concerned. The Firms take their time in supplying the material as per conditions of Supply order which is usually in the Next financial year. Moreover a number of formalities are to be completed before the material is actually received and payment made to the firms. When the purchase orders were placed with the firms towards the close of the financial year it is not possible to complete all the formalities before the close of financial year. Under these circumstances there is no alternative except to withdraw the money from the Treasury prepare bank Draft in the name of indented firms before the close of financial year and make payment to the firms concerned after the supply has been received and is satisfactory in all respects.

1991-92

3.2.5. (ii) Irregular drawal of funds from treasury and blocking of funds.

The Committee was informed that an amount of Rs. 1.07 lacs still lying unutilised. The Committee, therefore, recommends that this balance amount be utilised by 31st March under intimation to the Committee.

[85] 3.3. Loss due to failure to enforce tender conditions.

The Director Secondary Education Haryana Chandigarh invited tenders in January 1990 for supply of Science kits (equipments and books to High Schools (641) and Senior Secondary Schools (40). According to the terms and conditions of notice inviting tenders the successful tenderers were required to deposit 5 per cent of the total amount of supply order as security. The amount of earnest money already deposited was to be adjusted against amount of security. In the event of failure to supply the material within the stipulated period i.e. upto 31st March 1990 the security deposit of the firms was liable to be forfeited. Orders were placed on nine firms on 27th March 1990 and supplies were to be completed by 31st March 1990. Five out of nine firms did not deposit the amount of security aggregating Rs. 2.14 lakhs. Three of these firms on whom supply orders of the value of Rs. 32.73 lakhs were placed supplied material valued at Rs. 9.50 lakhs only upto July 1992.

For the failure to supply the ordered material the Department forfeited the earnest money of Rs. 0.30 lakh. Had the Department obtained the full security deposit of Rs. 1.64 lakhs an additional amount of Rs. 1.34 lakhs would have been forfeited.

The Director intimated in July 1992 that the supply orders were placed on 27th March 1990 for supply of material upto 31st March 1990. This was done to avoid the lapse of budget grant and keeping in view the paucity of time it was not considered worthwhile to obtain the amount of 5 per cent security. The reply was not tenable as the same was contrary to the provisions of notice inviting tenders.

Thus failure of the Department to recover the full amount of security deposit in accordance with the terms and conditions of supply order resulted in loss of Rs. 1.34 lakhs.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

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

A.G. Haryana has raised an objection that a sum of Rs. ten thousand as tender money (security) was charged from the firms on tender already but as per conditions of the tenders an extra amount of 5 per cent was also required to be deposited. The audit party has raised an objection as to why this amount was not deposited. In this connection it is stated at the orders for the supply of goods were placed with all the firms on dated 27-3-90 and 30-3-90 and the last date for the supply of orders/material was fixed on 31-3-90. As the Financial year was closing on 31-3-90. It was decided that grant may not be lapse and supply orders may be completed by 31-3-90. It is also mentioned here that leaving aside the supply orders of books atleast 90 per cent the order were placed from the rate contract firms and the last date of their rate contract was 31-3-90. Considering the paucity of time it was not considered desirable to charge 5 per cent extra advance money from any firm on supply order. Due of acute shortage to time and compelling need to place orders 5 per cent security could not be got deposited from any firm.

3.3. Loss due to failure to enforce tender conditions

After hearing the departmental representatives the Committee desires that a detailed report about the loss be sent to the Committee for its perusal.

[86] 6.3 *Non-return of material*

Adult Education Department was abolished by the State Government with effect from 28th February 1990.

According to the orders issued by the Director, Secondary Education Haryana, in March 1990, the stores and other materials lying with officials of the Adult Education Department were to be taken over by the District Education Officers and accounts for the same were to be kept separately.

A test-check of the records of the District Education Officer, Ambala City, conducted in March 1992 revealed that officials of Adult Education Department whose services were terminated in February 1990 had not handed over store articles valued at Rs. 5.32 lakhs lying under their charge to the District Education Officer so far (September 1992). The District Education Officer intimated in September 1992 that despite issue of several reminders, none of the defaulting officials had deposited the material.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

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

It is stated in this connection that the State Government has wound up the Adult Education scheme on 28th Feb. 1990 subsequently all the adult Education Officers were asked to collect the equipment distributed to the Adult Education Centres and deposit it in the offices of District Education officers. This process was started in the year 1990 itself. After this District Level Committee were formed to suggest measures for the proper utilisation of this equipment.

As for as position regarding this para is concerned, it is hereby stated that according to the report received from D.E.O. Ambala, vide Memo No. W.C/93/AE-NEE/391 dt. 17-11-93 equipment worth Rs.5,96,017.75 belonging to Adult Education has already been deposited in the office of the D.E.O. Ambala. This equipment of more value as mentioned in the test-check report of the para has been received by the office of D.E O.

5.3 Non-Return of material

The Committee desired that a details report about the utilisation of the material be sent to the Committee for its information.

SOCIAL WELFARE DEPARTMENT

1991-92

[87] 3.10 *Loss of interest*

With a view to providing employment to needy women through sale of milk and meeting the nutritional needs of these families, the Central Social Welfare Board (Central Board) provided assistance in the form of loans and grants through the State Social Welfare Boards (State Boards) to voluntary institutions and co-operative societies for establishing dairy units, each unit comprising of 5 beneficiaries. The entire amount recovered from the beneficiaries was to be remitted to the State Board for being credited to a revolving fund from which further amounts were to be released for setting up additional units. The Central Board issued instructions in December 1980 that the State Boards would maintain a separate bank account named 'Dairy Fund, where the amounts received from a dairy unit on account of repayment of loan for the first four months of lactation period at the rate of Rs. 150 per month and for the next four months of lactation period at the rate of Rs. 100 per month would be credited.

The State Social Welfare Advisory Board, however, started maintaining separate revolving fund account in February 1988 and kept the money in Saving Bank Account which carried interest at the rate of 5 per cent per annum. The Board made payment of Rs. 0.77 lakh only in 1990-91 to an institution since the operation of this fund. The minimum balance in Saving Bank Account was Rs. 11.57 lakhs in 1988-89, Rs. 13.85 lakhs in 1989-90, Rs. 17.75 lakhs in 1990-91 and Rs. 21.05 lakhs in 1991-92 (upto June 1991). By keeping the surplus fund in term deposits even for a minimum period of 46 days, the Board would have earned interest at a higher rate i.e. 8 per cent per annum.

On this being pointed out in Audit in June 1991, the Board deposited Rs. 21 lakhs in term deposit for one year on 29th June 1991.

By not keeping amount in term deposit during 1988-89 to 1991-92 (upto June 1991), the Board suffered a minimum loss of Rs. 1.45 lakhs.

The matter was referred to Government in July 1992; reply has not been received (December 1992).

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

at the outset it may be clarified that this para was never received in this deptt. It was only on receipt of D.O. letter from Financial Commissioner, Finance Deptt. to Commissioner Social Welfare in September, 1995 that a copy of Para 3.10 was obtained from the Finance Department & reply obtained

from Haryana State Social Welfare Advisory Board. According to the instructions of the Central Social Welfare Board issued Vide No. F5-1/77-SE Vol. II dated 5.12.80, a Dairy unit Fund was required to be maintained separately for the recoveries received from the aided institutions. This fund was to be used as Revolving Fund for granting a second unit to the same institution which had successfully implemented an earlier unit. However, no instructions were issued by Central Social Welfare Board regarding investment of the dairy fund amounting into term deposits of any kind. Although the accounts of organisations are opened by the banks as current accounts, the board was able to avail of the special facility and open Saving Fund accounts with the banks, in the absence of any instructions regarding long term investments. The Dairy fund accumulated because no institution came forward to take up a second unit, except one. This was not foreseen earlier but when pointed out by the audit the total accumulation was invested in term deposit w.e.f. 29.6.91.

Due to the unforeseen accumulation and the fact that these funds were not required to generate interest/income for the board, this may not be considered a lapse due to the loss of interest and the para may kindly be dropped.

1991-92

3.10

Loss of Interest

After going through the facts of this case the Committee observed that by not keeping the amount in term deposit during the period from 1988-89 to 1991-92, the Social Welfare Advisory Board suffered a loss of interest of Rs. 1.45 lacs. The Committee was not satisfied with the clarification given by the department in this regard. The Committee, therefore, desires that the Chairman/Secretary of the Social Welfare Advisory Board alongwith the Commissioner and Secretary, Social Welfare Department be appeared before the Committee with full facts to settle this para.

88. (1) Outstanding Inspection Reports

Financial irregularities and defects in initial accounts, noticed during local audit and not settled on spot, are communicated to the heads of offices and to the next higher departmental authorities through inspection reports. Half-yearly reports of audit observations outstanding for more than six months are also sent to the Government to get their settlement expedited.

A review of the outstanding inspection reports relating to the Social Welfare Department revealed that action was pending (May

1992) on 272 inspection reports consisting of 727 paragraphs as detailed below :

Year	Number of Inspection Reports	Number of Paragraphs	Money value (Rupees in lakhs)
1986-87 and earlier years	41	98	39.00
1987-88	24	48	65.00
1988-89	44	80	189.00
1989-90	34	69	1105.00
1990-91	78	282	301.00
1991-92 (Upto December 1991)	51	150	220.00
Total	272	727	1919.00

The earliest outstanding inspection report related to 1980-81 out of 272 inspection reports involving an amount of Rs. 1919 lakhs, outstanding as on 31st December 1991 initial replies to 227 inspection reports had not been received. The delay in submission of replies by the Departments to these reports ranged between six months and one year in 51 cases, and one and two years in 66 cases and was more than two years in 110 cases.

The important types of irregularities commented upon in inspection reports remaining un-settled, broadly fall under the following categories :

Serial Number	Nature of irregularities	Number of Paragraphs	Money value (Rupees in lakhs)
1.	Irregularities in purchase of stores/expenditure and inadmissible pension payments	127	206.00
2.	Excess/over payments	52	25.00
3.	Drawal of amount from the Treasury to avoid lapse of Budget grant	79	584.00
4.	Non-disposal of unserviceable/surplus store articles	52	11.00
5.	Amounts held under objection for want of Actual Payee's Receipts	37	909.00

6.	Irregularities in accounting of stores	35	5 00
7.	Losses/defalcations/mis-appropriation/theft of cash/store	24	5 00
8.	Irregular/excess and wasteful expenditure of wages/salaries/TA/LTC etc.	30	31.00
9.	Amounts pending recoveries	8	13.00
10.	Non-receipt of utilisation certificates	20	97.00
11.	Miscellaneous irregularities	263	33.00
	Total	727	1919.00

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

Women and Child Development Haryana

So far as the Directorate of Women & Child Development is concerned, 93 inspection reports consisting of 217 paras up to the year 1991-92 are outstanding as per year wise details given below:—

Year upto	Inspection Reports	No. of Paras
1	2	3
1986-87	6	11
1987-88	4	7
1988-89	11	19
1989-90	9	19
1990-91	37	95
1991-92	26	66
Total	93	217

Whenever the inspection reports of our field offices are received at the Headquarter from A.G. Haryana, instructions are issued to the concerned field officer to send replies of the inspection report to A.G. Haryana after complying with them. When replies are submitted by our field officers, the A.G. Haryana usually observes that the compliance of the paras will be reviewed at the time of next Audit.

In order to overcome this impasse, it is proposed to launch a campaign by requesting A.G. Haryana to depute a special audit party to review the compliance of paras on the spot for settlement. The directorate will also send its team of audit persons and after consulting the field officers, prepare replies and get the paras settled. This procedure will be adopted district-wise.

SC, BC DEPARTMENT

The detail of pending audit & inspection reports as well as pending paras for the period from 1986-87 and previous years to 1991-92, involving an amount of Rs. 1919 lacs has not been shown separately departmentwise i.e. for Director, Welfare of Sch. Castes & Backward Classes Deptt., Social Defence and Security Deptt., and Women and Child Dev. Deptt. Out of 208 pending audit paras of Scheduled Castes & Backward Classes Deptt., 137 audit paras have since been settled. The present position of pending audit inspection report, pending audit paras and amount involved, in the Welfare of Scheduled Castes & Backward Classes Department during the above said period, is enumerated as under:—

Year	No. of Reports	No. of audit Paras	Total amount in lacs
1	2	3	4
1986-87	9	9	25.59
1987-88	8	14	65.20
1988-89	12	14	25.91
1989-90	10	14	43.22
1990-91	8	14	31.13
1991-92	5	6	4.87
Total	52	71	195.92

Type of irregularities and amount involved in the above said pending audit paras are as follows.—

1. Irregular Purchase/Expenditure.	2.32
2. Blockage of funds.	129.02
3. Idle Material	0.62
4. Wanting A.P.Rs.	0.45
5. Non Accountal of stores.	0.02
6. Misc./Non production of records	18.14
7. Misappropriation of funds.	0.20
8. Recoveries.	2.01
9. Utilization Certificate.	42.23
10. Unauthorised Payments.	0.91
Total :	195.92

It would be revealed from the above date that the department purchased the matter regarding settlement of pending audit paras vigorously and as a result of it, as present only 71 audit paras involving Rs. 195.92 lacs are pending for settlement. Further a perusal of the pending paras shows that;

- (i) There is only one case of misappropriation in the department for which case is in the Court of law.
- (ii) There is no case of unavoidable expenditure.
- (iii) Majority of the paras relates, to cases where the amounts were drawn in a particular year but spent during the proceeding year. In such cases it is pointed out that generally Govt. of India, State Govt. issued various sanctions at the fag end of the financial year. As such it was essential to complete various formalities before disbursement. Therefore these were spent during the next year. In such cases matter has already been taken up by the field offices/Department with A.G. Haryana for the settlement of such paras.
- (iv) Notices have already been served and action to effect recoveries being taken where the amount was not utilised properly by the beneficiaries and in cases where these have been utilised subsequently, matter has been taken up with the officers of A.G. Haryana for the settlement of such audit paras.

It is further submitted that the Deptt. has constituted committees consisting of officers of the accounts branch as well as officer of the concerned branch with concerned Distt. Officers for review of all pending audit paras on the spot and for arrangement to get them settled after getting necessary compliance prepared/by taking other suitable measures as required.

SOCIAL DEFENCE AND SECURITY DEPTT.

In this para the details of pending audit and Inspection reports as well as pending paras involving an amount of Rs. 1919.00 lacs has been shown for the period 1986-87 and previous years to 1991-92. Though the details of departments involved in these pending audit reports/paras has not been mentioned in this para yet perusal of the position of pending paras upto year 1991-92 of this department, it has been seen that 33 audit reports covering 51 paras of Rs. 939.17 lacs are still outstanding for settlement. The year-wise details thereof is mentioned as under:—

Year	No. of reports	No. of Paragraphs	Total Amount (Rs. in lacs)
1	2	3	4
1986-87	4	4	0.54
1987-88	4	7	27.41
1988-89	6	6	12.36
1989-90	8	9	400.20
1990-91	6	18	495.80
1991-92	5	7	2.86
Total	33	51	939.17

The above audit paras cover following kinds of irregularities. The amount involved is also shown there against:—

	(Rs. in lacs)
1. Payments to underaged Pensioner	41.66
2. Avoidable exp. on MO Commission	3.95
3. Drawal of funds from treasury to avoid lapse of budget grant.	405.65
4. Non-receipt of APRs.	358.00
5. Irregular payments of various Pensions.	57.64
6. Payment of Pension to died cases	0.10

7. Delayed payment of Pension by CROs	23.37
8. Shortage of pass books in stores	0.39
9. Delay in refund of amount by CROs.	16.78
10. Amount pending with postal authorities.	18.80
11. Misc. irregularities	0.80
12. Non-disposal of stores	0.55
13. Recovery from officials	0.33
14. Recovery from departments	0.34
15. Loss of interest	3.55
16. Payment of double Pension	3.70
939.17	

So far as question of action taken to dispose off pending paras is concerned it is stated that the deptt. has been revieing the position of pending audit paras through Accounts officer (Audit) posted in the field, as well as through the Audit branch at headquarter. As per progress report upto 30-6-92 there were 125 paras pending out of which 74 paras have been settled leaving a bralance of 51 paras till 31-12-95 Two paras are pending for A.P.R worth Rs. 358.00 lacs These are the Money order receipts, which have been shown to audit parties time and again. But the A.G. parties stressed for the stamped A.P.R. which is not in conformity of the provisions of Rules 4.8 of S.T.R. under which money order receipts are exempt from stamp duty. The matter is being taken up with Accountant General office to settle these paras Further there are 10 paras of various institutions which are pending for reveiw by A.G. party as their audit has not been conducted for the last 3-5 years. A register of audit paras has been prepared and also a departmental audit Committee has been constituted to get the paras settled expeditiously.

As regards UCOs, shown at Sr. No. 10 of the para the same stand, sent to Accountant General, (A/CS) Haryana and the same have been adjusted upto the year 1992-93, in their a/cs.

3.11 Outstanding Inspection Reports

- (i) Women and child Development Department.
- (ii) SC/BC Department.
- (iii) Social Defence and Security Department.

The Committee recommends that outstanding inspection reports/paras of all the three wings of the department be settled within a period of one month and a compliance report be sent to the Committee for its information.

MEDICAL AND HEALTH DEPARTMENT

1990-91

[89] 3.1.8 Provision of Infrastructures

3.1.8.1 * * * * *

3.1.8.2 The scheme provided for creation of one post of Gold Chain Officer (CCO) at State level and one mechanic at district level. The position regarding filling up of posts was as under

(A)

No. of Districts	No. of posts of CCO sanctioned	No. of posts filled with qualified persons	No. of posts vacant	Period for which remained vacant
12	1	1	—	11/6/1985 to 15/4/1987

(B)

No. of Districts	No. of posts of Refrigerator mechanic sanctioned	No. of posts filled	No. of posts filled with skilled persons	No. of posts filled with unskilled persons	No. of posts vacant
12	12	7	7	Nil	5 since 1988-89

The Department stated (June 1991) that 5 posts of Refrigerator mechanics could not be filled due to non-availability of skilled persons.

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

8 posts of Refrigerator Mechanics are yet to be filled. Requisition for filling these posts has been sent to S.S.S. Board, Haryana vide D.G.H.S office letter No. 3/2-3EI-94/8406 dated 5-12-94 after the grant of approval of service rules of refrigerator mechanics by S.S.S. Board, Haryana.

1990-91

3.1.8.2 During the course of oral examination the Committee was informed that three posts of Refrigerator Mechanics (2 from Ex-serviceman and one from the Backward Classes) are yet to be filled up. The Committee, therefore, recommends that efforts be made to get these posts filled up at the earliest.

[90] 3.1.9.2 *Use of vaccines and vaccine wastage*

3.1.9.2 (i) * * * * 7 * *

(ii) **Expiry date vaccines**

Test-check of stock registers in the four districts Ambala, Hisar, Kurukshetra and Rohtak revealed that none of the PHCs and SCs of these four districts had recorded batch number and expiry date in stock registers upto 1990-91. Batch number and expiry date of vaccine was being recorded in 1990-91, only in Rohtak and Hisar. State Headquarters' main stock centre too had not recorded batch number and expiry date of vaccine in its stock registers since 1985 to-date.

In the absence of batch number and expiry date, the position of expired stock of vaccines at State level could not be ascertained and its use by the field staff could not be ruled out.

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

To ensure that expired vaccines are not utilised.

- (a) the vaccines with long expiry date are being received/ issued at/from the State headquarter. For majority of the vaccines monthly or at the most quarterly supply of vaccines are being received at the State headquarter.
- (b) While issuing vaccines, vaccines with early expiry date are issued first.
- (c) Vaccines for only one months requirement are issued at a time.
- (d) Expiry dates and batch Nos. are now being recorded in the issue vouchers for Meases, OPV & BCG vaccines.
- (e) Individual workers have been instructed to notice the expiry date on each vial before use.

3.1.9.2 (ii) **Expiry date of Vaccines**

After hearing the departmental representatives the Committee recommends that it should be ensured that expired vaccine/medicines are not utilised in future.

[91] 3.2.7 *Conversion of existing rural dispensaries into PHCs*

The 7th Five Year Plan envisaged upgrading of 104 existing rural dispensaries/civil dispensaries into PHCs in a phased manner by providing additional inputs. No specific targets were, however, fixed by the Department. In the four districts covered under this review, 51 rural dispensaries (Ambala 10, Gurgaon 7, Hisar 26 and Kurukshetra 8) were converted into PHCs during 1983-84 to 1989-90. Out of these, 12 PHCs (Ambala 4, Gurgaon 1, and Hisar 7) were functioning in the existing rural dispensary buildings not suitable for PHCs, as the space

available was not sufficient to enable them to perform the enhanced functions as envisaged under the scheme.

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

These 12 rural dispensaries were converted into PHCs as per National Health Policy framed by the Government of India.

It is admitted that as per guidelines additional buildings could not be added in these rural dispensaries. However, steps were taken to construct additional buildings wherever the land was made available in the name of Health Department. However, PHCs were functioning in the existing buildings and the general public was provided additional medical facilities sanctioned by the Government.

3.2.7 Conversion of existing rural dispensaries into PHCs

The Committee was informed that 63 PHCs has since been converted into CHCs and efforts are being made to convert the remaining PHCs to CHCs. The Committee, therefore, desires that these may be converted at the earliest.

The Committee also recommends that steps be initiated by the department for the construction of additional buildings of the dispensaries so that proper medical facilities be provided to general public.

[92] 3.2.11 Short supply of medicines

According to the guidelines issued by Government of India, a sum of Rs. 0.15 lakh per annum per PHC and Rs. 0.02 lakh per annum per Sub-centre was to be provided for the supply of medicines. It was, however, noticed that in the 4 districts test-checked the actual expenditure incurred was much less than that required.

The shortfall ranged between 14.8 per cent and 46.01 per cent during 1985-86 to 1990-91 as detailed below :

Year	Number of PHCs	Number of Sub-centre	Funds required according to norms (Rupees in lakhs)	Cost of medicines supplied	Percentage of short-fall
1985-86	67	692	23.89	20.35	14.82
1986-87	81	813	28.41	20.93	26.33
1987-88	113	904	35.03	23.24	33.66
1988-89	115	906	35.37	24.66	30.28
1989-90	127	906	37.17	24.22	34.84
1990-91	122*	767	33.64	18.16	46.01
			193.51	131.56	

*(5 centres transferred to new districts created)

The reasons for shortfall were not intimated by the Department (July 1991).

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

It is stated that as per the norm of Haryana Govt. medicines worth Rs. 0.10 lakh per PHC per annum and 0.02 lacs per sub-centre per annum is to be provided.

The reasons for the shortfall in the supply of medicines are :—

The budget provided under Sub-Head Material & Supplies is meant not only for medicines but it includes other items like linen, cotton, Bandages, Gauge X—Ray films consumable chemicals and blankets etc.

Cut imposed every year on the plan expenditure by the State Government.

112 Sub centres under ICDS scheme have no provision for the supply of medicines @ Rs. 2000² per Sub-centre per annum.

There are 89 PHCs where the norm of Sub-head material and supplied per PHC per annum is Rs. 6000/-.

As regards the major short supply during 1990-91, it is submitted that the purchase for Sub-centres medicines kits worth Rs. 27.38 lacs could not materialize and the funds were surrendered. The defaulting Officers/Officials responsible for the laps have been charge-sheeted under rule-7.

Keeping in view the position explained above this para may be dropped.

3 2.11 Short Supply of medicines

After hearing the departmental representative the Committee observed that the very less amount is provided for the supply of medicines in the dispensaries. The Committee, therefore, recommends that the department should take up the matter with the Finance Department to enhance the provision of medicines from the next financial year under intimation to the Committee.

1991—92

[93] 5.2 Misappropriation of stores

According to financial rules, a Government employee in charged of the stores should issue materials against the indent in the prescribed form made by an authorised person and sign the form of the invoice attached to the indent according to the supply actually made. The acknowledgement of the stores supplied should be obtained from the indenting Government employee. The head of office or any other officer entrusted with stores should ensure that all quantities received in or issued from stores are entered in the stock account in the order of their receipts/issue on the dates of the transactions,

A test-check of accounts of the Medical Superintendent, General Hospital, Gurgaon (Hospital), conducted in August 1990 revealed that various articles worth Rs. 0.91 lakh received from the Central Store of Civil Surgeon, Gurgaon during August 1984 to August 1990 were either not accounted or were short accounted in the stock register of the Medical Superintendent, General Hospital, Gurgaon. It was also observed that quantities of some of the articles shown to have been received in the Stock registers of various wards were less than the quantities shown as issued in the central stock registers of the General Hospital.

On the shortages being pointed out by audit in August 1990, a departmental committee was constituted in August 1990 for detailed verification of stores. The Committee verified the records for the period 1984 to 1991 and pointed out shortages to the extent of Rs. 1.55 lakhs in its report submitted in July 1991.

The Hospital intimated in January 1992 that the stores were misappropriated by the store-keeper and recovery at the rate of one thousand rupees per month was being made from the official since November 1991.

The Department in their written reply, explained the position as under ;—

This para relates to the shortage of material valuing Rs. 1,55,057/- found against Sh. Sham Lal Storekeeper General Hospital, Gurgaon. In view of the shortage the recovery of Rs. 1000/- P. M. is being made from his pay since 11/91. Therefore, an amount of Rs. 45000/- has already been recovered from him upto July 1995. Besides Sh. Sham Lal Store-Keeper is being charge sheeted under rule 7 of Punishment and Appeal rules of 1987. The explanation of concerned Medical Superintendent for lack of supervision has already been called for and further action will be processed on receipt of the same from them.

1991-92

5.2 Mis-appropriation of Stores.

The Committee recommends that Dr. N. K. Garg and Dr. N. K. Jain who were supervisory officers at that time be charge-sheeted immediately and disciplinary proceedings be finalised within a stipulated period under intimation to the Committee. The Committee further recommends that Sh. Sham Lal Store Keeper who is responsible for shortage of material may be shifted from the responsibility of Store Keeper immediately and he may not be posted as Store keeper till his retirement. The Committee further desires that intimation be sent to the Committee after effecting the balance recovery from him.

COOPERATION DEPARTMENT

1991-92

[94] 3.6. *Irregular release of subsidy*

Under the scheme, 'Managerial Subsidy to Labour and Construction Federation' approved by the Government in February 1986. Government provided financial assistance for appointment of technical staff by Labour and Construction Federation (Federation) to supervise the construction works allotted to the labour and construction societies or those undertaken by the Federation on its own. The assistance was to be provided for appointment of 10 persons in 1985-86 and limited to 25 persons for the entire period of the Seventh Five Year Plan. The amount of assistance was 100 per cent of cost of the staff during the first year, 75 per cent during the second year and 50 per cent during third to fifth years. The financial assistance was subject to appointment of additional technical staff and submission of utilisation certificate by the Federation. Against the approved outlay of Rs. 10.85 lakhs for the Seventh Five Year Plan, assistance of Rs. 3.48 lakhs for 1985-86 was released in March 1986 by the Registrar Co-operative Societies, Haryana (Registrar) to the Federation. No assistance was released during 1986-87 and 1987-88 as the Federation did not furnish utilisation certificate for the amount already paid to it. However, further assistance of Rs. 1.75 lakhs for 1988-89 (constituting 50 per cent amount for fourth year) was released to the Federation in March 1989.

A test-check of the records of Registrar in April 1989 revealed that the utilisation certificate furnished by the Federation in August 1988 showed that no additional technical staff was appointed by the Federation. Thus, the entire assistance of Rs. 5.23 lakhs was not utilised by the Federation for the purpose it was given. On this being pointed out in audit, the Registrar, ordered in April 1991 recovery of the amount of Rs. 5.23 lakhs from the Federation. The recovery was yet to be effected, as of December 1992. The Registrar confirmed in January 1993 that no additional technical staff was appointed by the Federation during the entire Plan period.

The matter was referred to the Government in June 1992; reply has not been received (December 1992).

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

Under the scheme for maintainance of technical cell in Labour & Construction Federation, financial assistance in the shape of subsidy was provided to the Haryana State Coöperative Labour & Construction Federation to the tune of Rs. 3,47,525/- during 1985-86 and Rs. 1,75,000/- during 1988-89.

According to the scheme the assistance was provided for technical cell to be appointed by Labour & Construction Federation. Since the Federation had not employed new staff, the subsidy sanctioned was ordered to be refunded.

The Federation has represented that the amount may not be recovered as it was used to retain the technical staff. This staff was working with them in construction cell, but had to be retrenched on the closure of World Bank Project for construction of godowns rendering the staff surplus.

Plea taken by the Labour & Construction Federation seems to be reasonable. Para may kindly be dropped.

1991-92

3.6. Irregular release of subsidy

After hearing the Departmental representatives the Committee recommends that the detailed report in this regard be submitted to the Committee after furnishing the utilisation certificates to the Accountant General, Haryana.

1992-93

[95] 3.7. *Outstanding inspection reports/paragraphs*

Audit observations on financial irregularities and defects noticed in initial accounts during local audit and not settled on the spot are communicated to the heads of the offices and to the next higher authorities through inspection reports. Half-yearly reports of audit observations outstanding for more than six months are also sent to Government to get their settlement expedited. The more irregularities are also reported to the heads of the departments and Government.

A review of the outstanding inspection reports relating to co-operation Department revealed that action was pending as of June 1993 in respect of 94 paragraphs contained in 52 inspection reports issued up to December 1992. The year-wise break-up of the out-

standing inspection reports/paragraphs was as follows :

Period during which issued	Number of		Money value
	inspection reports	paragraphs	
1	2	3	4
			(Rupees in lakhs)
1985-86	2	2	3.80
1986-87	1	1	0.21
1987-88	2	5	36.94
1988-89	5	7	1.92
1989-90	8	8	4.60
1990-91	10	21	306.35
1991-92	9	20	236.28
1992-93 (up to (December 1992)	15	30	196.44
Total	52	94	786.54

Of the 52 inspection reports issued between April 1985 and December 1992, even the first replies to 16¹ inspection reports which were required to be submitted within four weeks had not been received as of June 1993. The delay in submission of first replies in other cases ranged from one year to four years.

The more important types of irregularities commented upon in inspection reports which had not been settled broadly fall under the following categories :

Sr. No.	Nature of irregularities	Number of paragraphs	Money value
1	2	3	4
			(Rupees in lakhs)
1.	Irregularities connected with purchase of stores	8	1.50
2.	Irregularities in payment of subsidy/loan, etc.	13	36.93
3.	Irregularities in drawal/retention of money	13	13.16

1 1989-90 : 1, 1990-91 : 2, 1991-92 : 3 and 1992-93 : 10

1	2	3	4
4.	Drawal of amount from treasury to avoid lapse of budget grant	1	0.99
5.	Non-recovery/excess payment	15	0.59
6.	Loss of property/interest	7	12.62
7.	Non-recovery of loan/ Government money	11	491.90
8.	Amount held under objection for want of payees' receipts and utilisation certificates	6	—
Total		64	784.48

The matter was referred to Government in September 1993; reply has not been received (November, 1993).

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

Since, the Audit Paras are very old and relate to a large number of field offices collecting of parawise information would consume a large amount of time. However, it is brought to the notice of the committee that strenuous efforts have been made to settle the audit paras in the past. At present there is not even a single para of this report where the reply has not been sent. The Department has organised meetings with officers of A.G. Haryana at regional basis for settlement of audit paras. As a result of these meetings substantial progress has been made in settling the old paras. The yearwise progress of the settlement of audit paras is given below :

Period	Inspection Reports		Paras		Amount		
	Out-standing	Settled	Out-standing	Settled	Out-standing	Settled	Balance
1985-86	2	1	2	1	3.81	3.54	27
1986-87	1	1	1	1	.21	.21	—
1987-88	2	1	5	4	36.94	32.70	4.24
1988-89	5	4	7	6	1.87	.42	1.45
1989-90	8	2	8	2	5.03	1.73	3.30
1990-91	10	7	21	18	309.89	4.48	305.41
1991-92	8	4	16	11	237.85	228.37	9.48
1992-93	12	3	23	9	185.05	20.65	164.40
	48	23	83	52	780.65	292.10	488.55

(iii)&(iv) No case of serious irregularity or default has come to the notice of the Department necessitating an enquiry. The cases are generally of procedural irregularity which have got regularised/being regularised. The latest position regarding outstanding amount in these paras are given below —

Sr. No.	Nature of irregularities	Outstanding	Settled	Balance
1	2	3	4	5
1.	Irregularities in payment of subsidy/loan etc.	34.44	34.10	0.34
2.	Irregularities connected with purchase of stores.	0.32	0.32	—
3.	Irregularities in drawal/retention of money	13.15	5.78	7.37
4.	Drawal of amount from the treasury to avoid lapse of budget grant	0.99	0.99	—
5.	Non recovery/excess payment	0.43	0.35	0.08
6.	Lapse of property/intt.	12.64	4.19	8.45
7.	Non recovery of loan/Govt. money	490.42	20.32	470.10
8.	Amount held under objection for want of payees receipts and utilization certificates	226 79	226.05	0.74
Total		779.18	292.10	487.08

It is obvious from the table given above that department has made substantial progress in the matter of settling the audit paras. Now only major amount which remains unsettled is non recovery of Govt. loan. In this category too, out of 470.10 lacs, Rs. 300 lacs relate to Panipat & Sonipat Sugar Mills. The case for conversion of this loan into share capital stand submitted to Govt. and that would be decided after the Govt. taken the decision.

Keeping in view, the sincere efforts made by the Deptt., it is requested that para may be dropped.

3.7. Outstanding Inspection Reports/Paragraphs 1992-93

While reviewing the pending paragraphs/reports, the Committee observed that due to non-reconciliation of paragraphs with the audit staff, the paragraphs remained pending for a quite sufficient long period. The Committee, therefore, recommends that Department should approach Accountant General's office twice a year to settle the pending paragraphs and a report in this respect be sent to the Committee within a period of three months.

PART—II
(REVENUE RECEIPTS)

**MEDICAL AND HEALTH DEPARTMENT
1990-91**

[96] 1.5. *Frauds and evasions of taxes*

The table below indicates the amounts of taxes/receipts assessed during the year 1990-91 in cases of frauds and evasions of taxes/receipts detected by the departments concerned during 1990-91 and earlier years :

Nature of tax/receipt	Cases pending as on 1st April 1990	Number of cases detected during the year	Number of cases finalised during the year	Number of cases pending as on 31st March 1991	Amount of tax, interest and penalty levied
1	2	3	4	5	6
*	*	1	*	1	*
*	*	1	*	1	*
*	*	1	*	1	*
Medical	1	—	—	1	—
*	*	*	*	*	*

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

The background of the case is that the Audit Party from the office of Accountant General Haryana had pointed out an embezzlement of Rs 370329/- made by Shri Ram Phal Nain, the then cashier of Civil Hospital Hisar during the period from January 1983 to October 1986. An FIR was lodged against the cashier on 14-11-86 and the official was placed under suspension on 24-11-86. Subsequently, this para was included by CAG in his report for the year 1986-87 against para No. 6.19 (page 99). This para is also being pursued by PAC in their 34th report for the year 1991-92 as para No. 53 (page 147). The PAC desired that the case pending in the Court be pursued to its logical conclusion and efforts be made to effect the recovery from the official responsible for embezzlement and the committee be apprised of its out-come in due course.

The next date of trial in the court of CJM Hisar has been fixed for 20-3-95 in this case. In view of this, the para may kindly be dropped from here.

1990-91

1.5 Frauds and Evasion of Taxes

After hearing the departmental representatives, the Committee was not convinced with the action initiated by the department against the delinquent officers. The Committee, therefore, recommends that these officers be charge-sheeted under Rule-7 and F.I.R. be lodged against them immediately after examining the legal aspects of this case and the report to this effect be sent to the Committee within a period of one month.

[97] 5.7. Misappropriation of Government revenue

As per departmental instructions issued in October 1989 medical officers in Haryana were competent to issue medical certificates under the new Motor Vehicles Act, 1989 to the applicants for a driving licence. They were required to charge a fee of Rs. 15 in each case and money so realised was to be deposited into the Government treasury.

In the office of Chief Medical Officer Jind 1800 medical certificates were issued during the period from 2nd November 1989 to 2nd February 1990 and fee realised amounting to Rs. 27,000 was not deposited in the Government treasury.

On the omission being pointed out (October 1990) in audit; the Department stated (January 1991) that efforts were being made to recover the amount. Report on recovery has not been received (January 1992).

The case was reported to Government in October 1990; their reply has not been received (January 1992).

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

The Government money realised by Dr. B.S. Panwar the medical officer in question to issue medical certificates under Motor Vehicle Act 1989 to the applicants for a driving licence was retained by him inadvertently.

However the amount realised & retained by him has been recovered and deposited in Government Treasury as per detail given below :—

Sr. No.	Salary month	Treasury voucher No. and dated	Amount recovered	Head of Account
	2	3	4	5
	10/91	58 31-10-91	2700	
	11/91	22 28-11-91	1350	

1	2	3	4	5
3.	12/91	11 1-1-92	2700	
4.	1/92	66 31-1-92	5000	
5.	2/92	Challan No. 2/ 5-2-92	15280	Medical- 0210 M & PH-04-501
Total :			27030	service & service fee

The Govt. has now decided vide letter No. 6/136/91-2HB-1 dated 30-3-95 that the amount retained by all such Civil Surgeons be recovered alongwith 12% interest per annum for the period during which the amount was retained by them and action be taken against them under rule 8 of Punishment & Appeal Rules of 1987. Accordingly further action is being processed against the defaulters.

The department has noticed the following cases in other Govt. Hospitals/dispensaries where the amount was misappropriated by the medical officers as noted against each :—

Sr. No.	Name	Place of posting	Amount	Reamrks
1	2	3	4	5
1.	Dr. B.S. Dhamija C.M.O.	Faridabad	49430	The amount has been recovered.
2.	Dr. D.P. Mangla C.M.O.	Kurukshetra	44016	Do
3.	Dr. P.L. Jindal	Sonipat	19280	Do
4.	Dr. G.K. Jain	E.S.I. Sonipat	2032	Do
5.	Dr. Baldev Dutta	D.F.W.O. Sonipat	2240	The amount has been recovered.
6.	Dr. H.R. Ghosal	Sonipat	4128	He has since expired and further action is being taken to recover the amount.

1	2	3	4	5
7.	Dr. S. Kumar C.M.O.	Faridabad	46736	He has gone to the court against this recovery. The case is pending trial in Sessions Court at Faridabad. The matter is subjudice and further action will be taken as per decision of the court.

As per Govt. decision dated 30-8-95 mentioned in para I above action is being taken against the defaulters listed at Sr. I to 5 accordingly. The amount of Rs. 27030 has been recovered from the officer as per detail given under para I above.

5.7. Mis-appropriation of Government Revenue :

After hearing the version of the departmental representatives the Committee recommends that strenuous efforts be made by the department to recover the balance amount from the remaining defaulters under intimation to the Committee.

CO-OPERATION (R. R.)

1990-91

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

(i) At the end of June 1991, 1889 inspection reports (issued upto December 1990) containing 5314 audit objections with money value of Rs. 2657.55 lakhs remained outstanding out of which 564 inspection reports containing 1178 objections with money value of Rs 1136.90 lakhs were outstanding for more than 5 years

(ii) In respect of 213 inspection reports issued between April 1990 and March 1991 even the first replies had not been received (August 1991) despite issue of instructions by the Finance Department in February 1991 to all Heads of Departments for sending replies to the Audit Office within the prescribed period

The matter regarding non-receipt of initial replies from the departments was reported to the Government between June 1991 and July 1991, their reply has not been received (January 1992).

The above position was also brought to the notice of the Chief Secretary to the Government of Haryana in November 1991; the reply has not been received

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

9. Co-operation

Year	Number of inspection reports	Number of audit objections	Amount (In lakhs of rupees)
	2	3	4
Upto 1985-86	32	72	5.33
1986-87	11	33	1.61
1987-88	9	16	0.65
1989-90	23	45	22.32
Total	75	166	29.91

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

All the Paras/Audit objections relating to the period 86-87, 87-88, 89-90 have been dropped/settled as they not appear in the list issued by A.G. Haryana (A) vide letter No. RAW/OR/95-96/218 dated 26-6-95, position is as under :—

No. of Inspection Reports	Inspection Report Settled	Balance Inspection Notes
75	58	17

No. of Audit objections	Audit objection settled	Balance
166	144	22

The departmental officers have inspected that offices reviewed that position from time to time which helped in settling most of the audit objections. remaining audit objections will also be settled in course.

Suitable instructions dated 7-3-95 have been issued to the field functionaries such as Deputy Registrars/Asst. Registrars, that final assessment of audit fee be made as soon as the audit reports are received from staff and no society should be left without assessment. The position be reviewed regularly and the products of the audit reports at the time of inspection to A.G. Audit Party be ensured and reconciliation of audit fee accounts be made with the Terasury regularly.

1990-91

1.8. Outstanding Inspection Reports :

During the course of oral examination the Committee was informed that 75 inspection reports and 166 audit objections involving amount of Rs. 29.91 lacs are outstanding for more than five year. The Committee was further informed that out of this, audit objections of Rs. 29.1 lacs had already been settled and now only audit objections of amounting of Rs. 90 thousand are left for settlement. The Committee, therefore, recommends that these may be got settled within a period of three months under intimation to the Committee.

7/6/08

NON-TAX RECEIPTS

5.1. Results of Audit

Test check of records of departmental offices dealing with assessment, collection and realisation of non-tax receipts, conducted during the year 1991-92, revealed under-assessment or losses of revenue amounting to Rs. 442.79 lakhs in 9618 cases as indicated below :

Name of Department	Number of cases	Amount (In lakhs of rupees)
Irrigation	8407	342.42
Mines and Minerals	615	46.97
Agriculture	8	19.97
Co-operation	588	33.43
Total	9618	442.79

During the course of the year 1991-92 the department accepted under-assessment etc. of Rs. 282 lakhs involved in 1813 cases of which 1312 cases involving Rs. 176.68 lakhs had been pointed out in audit during 1991-92 and the rest in earlier years, of which an amount of Rs. 5.33 lakhs in 333 cases has been recovered. One draft review and 10 draft paragraphs containing cases involving financial effect of Rs. 146.57 lakhs bringing out major irregularities noticed during the year 1991-92 or earlier years were issued to the Government for their comments. The departments have accepted the observations in 183 cases involving 105.24 lakhs and recovered Rs. 3.61 lakhs up to August 1992. Reply has been received in 10 cases involving Rs. 41.33 lakhs.

A few illustrative cases including a review on "Receipts from tal waters" are given in the following paragraphs.

The Department in their written reply, explained the position under :-

The audit fee is initially assessed provisionally on the profit & loans A/c prepared by the society in their Annual statements. Later on audit fee is finalised (Reassessed) on the basis of audited Profit & Loss account figures. The position is reviewed in each and every case at the time of final assessment.

Latest position of recovery and pending cases is as under :—

No. of cases	Cases settled	Balance cases
588	498	90
Total Amount	Amount recovered	Balance amount
33.43 lakhs	39.29	4.04

The Assistant Registrars have been directed to make recovery of the remaining cases

1991-92

5.1. Result of Audit

The Committee desires that remaining cases be settled within a period of three months under intimation to the Committee.

1992-93

[100] 5 8 *Short recovery of audit fee*

Under the Haryana Co-operative Societies Rules 1989 every co-operative society is liable to pay audit fee as prescribed by Government for audit of its annual accounts by the auditors of the Co-operative Department. The fee is charged at the rate of 5 per cent of the net profit of the society

In the office of Assistant Registrar Co-operative Societies Panipat audit fee amounting to Rs 75,000 was recovered from three societies and a co-operative sugar mill on the basis of net profits reflected in the accounts for the Co-operative year 1989-90 before these were audited by the department. Later, on completion of audit of accounts of the Societies, additional audit fee amounting to Rs. 4.25 lakhs became recoverable on the basis of audited figures of profits but the same was not demanded.

On this being pointed out (February 1992) in audit, the department intimated (July 1993) that out of total recoverable amount of Rs 4,25,214 an amount of Rs. 2,31,597 has been recovered and efforts are being made to recover the balance amount of Rs. 1,93,617. Report on recovery of balance amount has not been received (July 1993).

The case was reported to Government in April 1992, their reply has not been received (July 1993).

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

The audit fee is initially assessed on the profit & loss account prepared by the society, in their Annual statements. Later on, audit fee is finalised on the basis of audited profit & loss figures. Hence there is time gap in between the initial and final assessment of audit fee.

Out of the balance of Rs. 1,93,617 an amount of Rs. 3406 has been recovered.

Now Rs. 1,90,211 is outstanding against the Panipat Co-operative Sugar Mills Ltd., Panipat. Efforts are being made to recover the said amount from the Panipat Cooperative Sugar Mills.

1992-93

5.8. Short Recovery of Audit Fee

The Committee recommends that efforts be made to recover this amount from the Panipat Sugar Mills within a stipulated period under intimation to the Committee.

REVENUE

1990-91

(Stamps and Registration Fee)

[101] 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 Government Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement

(i) At the end of June 1991, 1889 inspection reports (issued upto December 1990) containing 5314 audit objections with money value of Rs. 2657.55 lakhs remained outstanding out of which 564 inspection reports containing 1178 objections with money value of Rs. 1136.90 lakhs were outstanding for more than 5 years.

(ii) In respect of 213 inspection reports issued between April 1990 and March 1991 even the first replies had not been received (August 1991) despite issue of instructions by the Finance Department in February 1991 to all Heads of Departments for sending replies to the Audit Office within the prescribed period.

The matter regarding non-receipt of initial replies from the departments was reported to the Government between June 1991 and July 1991, their reply has not been received (January 1992).

The above position was also brought to the notice of the Chief Secretary to the Government of Haryana in November 1991; the reply has not been received

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

1. Stamps and Registration Fee

Year	Number of inspection reports	Number of audit objection	Amount (In lakhs of rupees)
Upto 1985-86	98	155	38.34
1986-87	37	56	16.39
1987-88	49	97	18.13
1988-89	60	158	62.04
1989-90	67	178	17.87
1990-91	62	177	28.03
Total	373	821	180.80

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 u/s 47-A of the Indian Stamp Act 1899. However the latest position of such Inspection reports/Audit objection is given as under :—

	No of Inspection reports	No of Audit Objections	Amount involved (Rs. in lacs)
1	2	3	4
Pending	98	155	38.34
Settled	90	139	33.58
Balance	8	16	4.76

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. There is difference in the CAG report for the year 1989-90 & 1990-91 shown by A.G as per details below :—

CAG report	Year	No. of Inspection reports	No. of Audit objections	Amount involved (Rs. in lacs)
1	2	3	4	5
1989-90	1989-90	57	172	13.90
1990-91	1989-90	67	178	17.87
Difference		10	6	3.97 (shown in excess)

In view of the difference A.G. was requested to reconcile the figures. Reply is awaited. However, latest position out of total actual recoverable amount is given as under :—

	No. of Inspection reports	No. of Audit objections	Amount involved (Rs. in lacs)
1	2	3	4
Pending	363	815	176.83
Settled	155	355	68.22
Balance	208	460	108.61

Yearwise position of the pending cases is as under :—

Year	No. of inspection reports	No. of audit objections	Amount involved (Rs. in lacs)
1	2	3	4
1985-86	8	26	4.76
1986-87	20	34	6.49
1987-88	33	79	13.37
1988-89	41	94	50.93
1989-90	49	112	11.85
1990-91	57	115	21.21
Total	208	460	108.61

The collectors have been advised to review the position at their level and fix responsibility in such cases for taking action against the delinquents. D.R.Os. have been conferred with the powers of Collectors u/s 47-A of the Indian Stamp Act, 1899 vide notification No. 1755-E-III-94/2397 dated 21-2-95 so that pending cases could be decided promptly.

1.8. Outstanding Inspection Reports

During the course of oral examination the Committee was informed that 208 inspection reports and 460 audit objections are still pending for settlement upto 1990-91. The amount involved in it is 108.61 lacs. After going through the above said figures of the pending cases the Committee observed that the pendency of the cases is very high. The Committee was also informed that new D.R.O's. have been conferred with the powers of collector U/S 47-A of the Indian Stamp Act 1899 so that the pending cases could be decided expeditiously. After hearing the version of the Department the Committee recommends that the effective steps be taken by the Department to settle these outstanding cases by 31st March, 1996. The progress made in this behalf may also be intimated to the Committee.

OUTSTANDING INSPECTION REPORTS

[102] 1.8. *Land Revenue*

Audit observations of 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 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. Under Land Revenue 48 inspection reports containing 76 audit objections were outstanding upto 1990-91 as per details given below :—

Year	No. of inspection reports	No. of audit objections	Amount (in lacs of rupees)
1	2	3	4
Land Revenue			
Upto 1985-86	16	21	6.21
1986-87	1	1	0.32
1987-88	6	12	1.00
1988-89	8	15	0.76
1989-90	4	6	19.92
1990-91	13	21	0.37
Total	48	76	28.58

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

As intimated by A.G. vide his letter No. RAW/OR/93-94/253, dated 21-6-93, 21 objections involving Rs. 5,25,576 were outstanding upto 1990-91. Out of these 21 objections 5 objections involving Rs. 1,37,058 have been settled. Out of remaining 16 objections an amount of Rs. 1 04 283 has also been recovered leaving a balance of Rs. 2,84,235. With a view to settle these 16 objections, concerned D.Cs. have been requested on 3-8-95 to settle the same at the earliest.

1.8. Outstanding Inspection Report

(Land Revenue)

The departmental representatives informed the Committee that 16 audit objections and 28 inspection reports involving an amount of Rs. 4.76 lacs are pending for settlement at present. After hearing the version of the department the Committee recommends that the balance pending cases be settled by 31st March, 1996 under intimation to the Committee.

STAMPS AND REGISTRATION FEES

[103] 3 1. *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1990-91, revealed short levy and non-levy of stamp duty and registration fee and other irregularities amounting to Rs. 135 74 lakhs in 1555 cases, which broadly fall under the following categories :

	Number of cases	Amount (In lakhs of rupees)
1	2	3
1. Loss of stamp duty and registration fee due to under valuation of properties	770	84 60
2. Evasion of stamp duty and registration fee	181	17 32
3. Irregular exemption of stamp duty and registration fee	267	7 65
4. Short-non-levy of stamp duty and registration fee	212	3.98
5. Other irregularities	125	22.19
	1555	135 74

Some of the important cases noticed in 1990-91 and earlier years are mentioned in the following paragraphs :

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

Yes, department has checked cases of similar nature. Internal audit has checked 3853 cases of such nature involving a deficiency of Rs 178.07 lacs.

Latest position in respect of 1555 cases is as under :—

Loss of stamp duty and registration fee due to under valuation of properties.

	Amount (Rs. in lacs)	No. of cases
1	2	3
1. Recovery already mentioned in CAG's report.	2.54	50
2. Amount dropped by A.G. in the subsequent audit.	5.44	37
3. Amount dropped by Collectors/ D.Cs	23.02	303
4. Amount recovered by the deptt	11.49	95
5. Amount does not relate to S.R. Sewani	0.46	13*
6. Cases in Courts	38.31	250
7. Balance amount	3.34	22
	84.60	770

*A. G. requested to indicate the Regn. office to whom it relates.

2. Evasion of stamp duty and Registration fee

1. Recovery already mentioned in CAG's report	2.30	70
2. Amount dropped by A.G. in subsequent audit.	5.75	20
3. Amount dropped by Collectors/ D.C.s.	2.16	16
4. Amount recovered by the Deptt.	0.90	22
5. Cases in Courts	3.51	16
6. Balance amount	2.70	37
Total :	17.32	181

3. Irregular exemption of stamp duty and Registration fee

1. Recovery already mentioned in C.A.G's. report	1.01	29
2. Amount dropped by A.G. in subsequent audit	2.08	72
3. Amount dropped by D.Cs./ Collectors	0.26	6
4. Amount recovered by the Deptt.	1.49	120
5. Cases in Courts	1.67	2
6. Balance amount	1.14	38
Total :	7.65	267

4. Short/Non levy of Stamp duty and Registration fee

1. Recovery already mentioned in CAG's report	0.16	10
2. Amount dropped by A.G. in subsequent audit	0.86	100
3. Amount dropped by Collectors/D.Cs.	1.55	5
4. Amount recovered by the Department	1.19	90
5. Balance amount	0.22	7
Total	3.98	212

5. Other Irregularities

1. Recovery already mentioned in CAG's report	1.04	25
2. Amount dropped by A.G. in subsequent audit.	1.02	9
3. Amount dropped by Collectors/D.Cs.	1.20	13
4. Amount recovered by the Deptt.	1.32	15
5. Cases in Courts	0.28	4
6. Amount relates to T.O. Kurukshetra	7.57	2
7. Balance amount	9.76	57
Total	22.19	125

Over all picture is as under

1. Recovery already mentioned in CAG's report	7.05	184
2. Amount dropped by A.G. in subsequent audit	15.15	238
3. Amount dropped by Collectors/D.Cs.	28.19	343
4. Amount recovered by Departments	16.39	342
5. Cases in Courts	43.77	272
6. Amount does not relates to S.R. Sewani	0.46	13
7. Amount relates to T.O. Kurukshetra	7.57	2
8. Balance amount	17.16	161
Total	135.74	1555

Yes, details are as under :—

(A) Loss of stamp duty and registration fee due to under valuation of properties.

	Amount (Rs. in lacs)	No. of cases
1. Amount recovered/settled	42.49	485
2. Amount does not relate to S.R. Sewani	0.46	13
3. Cases in Courts	38.31	250
4. Balance amount	3.34	22
Total	84.60	770

(B) Evasion of stamp duty and Registration fee

1. Amount recovered /settled	11.11	128
2. Cases in Courts.	3.51	16
3. Balance amount	2.70	37
Total	17.32	181

(C) Irregular exemption of Stamp duty and Registration fee

1. Amount recovered/settled	4.84	227
2. Cases in Courts	1.67	2
3. Balance amount	1.14	38
Total	7.65	267

(D) Short/Non levy of Stamp duty and Registration fee

1. Amount recovered/settled	3.76	205
2. Cases in Courts	—	—
3. Balance amount	0.22	7
Total	3.98	212

(E) Other Irregularities

1. Amount recovered/settled	4.58	62
2. Cases in Courts	0.28	4
3. Amounts relates to T.O. Kurukshetra	7.57	2
4. Balance amount	9.76	57
Total	22.19	125

ABSTRACT of Recovery/Pendency

1. Amount recovered/settled	66.78	1107
2. Cases in Courts	43.77	272
3. Amount does not relate to S.R. Sewani (wrong objection)	0.46	13 (A.G. requested to clarify)
4. Amount relates to T.O. Kurukshetra	7.57	2
5. Balance amount	17.16	161
Total	135.74	1555

3.1 RESULT OF AUDIT

During the course of oral examination, the departmental representatives informed the Committee that at present 161 cases involving an amount of Rs. 17.16 lacs in respect of short-levy and non-levy of stamp duty, Registration fee and other irregularities are pending for settlement. The departmental representatives assured the Committee that the pending cases will be settled by the end of March, 1996. The Committee therefore, desires that the progress report in this regard be submitted to the Committee,

[104] 3.2 Irregular exemption of stamp duty

Under the India Stamp Act, 1899, as applicable to Haryana, Stamp Duty in respect of an instrument of mortgage (where possession of the property or any part of the property comprised in such deed is not given) is chargeable at one and a half per cent of the amount of loan secured by such instrument. Further, Government vide their notification dated 6th August 1981, remitted Stamp Duty chargeable under the Act *ibid*, in respect of instruments of mortgage deeds without possession executed by Small Scale Industrial Concerns in favour of the Haryana Financial Corporation, for loans secured by them from the Haryana Financial Corporation.

In the Office of sub-Registrar, Ballabgarh, an instrument of mortgage (without possession of property) for securing a loan of Rs. 51.30 lakhs was executed (August 1989) in favour of the Haryana Financial Corporation by a firm which was not a Small Scale Industry on non-judicial stamp paper of Rs. 18 instead of execution of the same with Stamp Duty at one and a-half per cent amount of loan secured. This resulted in short levy of Stamp Duty amounting to Rs. 76,932.

On the omission being pointed out (December 1990) in audit, the sub-Registrar issued (December 1990) notice for recovery. The matter was again brought to the notice of the Department in February 1991. Further development has not been intimated (January 1992).

The case was reported to Government in March 1991; their reply has not been received (January 1992).

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

It was a laps on the part of Sh. Narinder Singh Kadian Joint Sub-Registrar Ballabgarh. Action against him is being initiated. This amount has not been recovered so far. Because Firm had filed a Civil suit in the court of S. J. I. C. Faridabad challenging the notice for recovery issued to him by Sub-Registrar Ballabgarh. The Court has decided the case against the State on the version that the notice recovery should have been issued by the Collector only. In view of the verdict given by the court the matter was referred to District Collector U/S 31 of the Indian Stamp Act 1899. Now the case has been decided by the Collector and recovery is being effected as arrears of land Revenue,

No such has come to the notice of Internal Audit Agency (Stamp Auditors).

3.2 IRREGULARITIES OF EXEMPTION OF STAMP DUTY

The Committee was informed that due to lapse on the part of Shri Narender Singh Kadian, Joint Sub-Registrar, Ballabgarh, the department was put to a loss of Rs. 76,932 on account of short levy of stamp duty. The Departmental Representatives further informed the Committee that the action against him is being initiated. The Committee recommends that the action may be decided at the earliest under intimation to the Committee. The committee further recommends that steps be taken to effect the recovery as arrear of land revenue without any further delay. The action taken in this regard be intimated to the Committee.

[105] 3.4 Short levy of stamp duty on lease deed

Under the India Stamp Act, 1899, as applicable to Haryana, on an instrument of lease, stamp duty is chargeable on the basis of periods of lease and the amount of the average annual rent reserved.

In two cases involving short levy of stamp duty Rs.22,400 and registration fee Rs. 925 due to misclassification of instruments, the whole amount was recovered on being pointed out (July 1990) in audit. Other cases are given below :

In the office of the Sub-Registrar, Panipat, three lease deeds for a period of 99 years were registered in July 1989. Stamp duty on these instruments was charged on the basis of basic rent instead of average annual rent. This resulted in short levy of stamp duty and registration fee amounting to Rs. 28,682 (stamp duty, Rs. 28022; registration fee, Rs. 660).

On the mistake being pointed out (November 1990) in audit Department accepted the short recovery and issued notices for recovery in November 1990. Further progress has not been received (January 1992).

The case was reported to Government (January 1991); their reply has not been received (January 1992).

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

Latest position of Rs.28,682/- is as under :—

	Amount (in rupees)	No. of cases
Amount recovered by the deptt.	18,559	2
Recoverable amount (balance)	10,123	1
Total	28,682	3

3.4 SHORT LEVY OF STAMP DUTY ON LEASE DEED

The departmental representatives assured the Committee that the balance amount of Rs. 10 123/- in respect of one case will be recovered by 31st March, 1996. The Committee therefore desires that the latest position of recovery may be intimated to the Committee.

[106] 3.6 Recovery at the instance of Audit

In 76 cases, short levy of stamp duty and registration fee amounting to Rs. 94879, where money value did not exceed Rs. 20,000 in each case due to under valuation of properties, misclassification of instruments etc. was accepted and recovered by the Department.

14/4/07

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

This department has evolved a system of internal audit which conducts audit of such documents and points out irregularities involving loss of revenue so that such cases do not escape notice. Training of concerned officials has been started. The department is thus quite watchful in the matter of safeguarding Government Revenue. Action is also being taken to recover the deficiencies detected and to bring the delinquents to book.

3.6 RECOVERY AT THE INSTANCE OF AUDIT

The Committee recommends that the balance recoveries be effected by 31st March, 1996. The Committee further recommends that action against the delinquent officials who committed irregularities involving loss of revenue be also initiated under intimation to the Committee.

EXCISE AND TAXATION

1990-91

[107] I.3. Assessments in arrears

The number of assessment cases finalised during the year 1990-91 and pending at the end of 1990-91 alongside figures for the preceding year, are given below :

1	2	3		4		5		6
		Sale Tax 1989-90	Sale Tax 1990-91	Passengers and Goods Tax 1989-90	Passengers and Goods Tax 1990-91	1989-90	1990-91	
(i) Number of assessments due for completion during the year								
(a) Arrear cases		63491	83619		173		214	
(b) Current cases		137997	144220		407		422	
(c) Remand cases		1383	1371		7		5	
(ii) Number of assessments completed during the year								
(a) Arrear cases		38581	47908		107		89	
(b) Current cases		79727	81257		264		243	
(c) Remand cases		944	895		2			
(iii) Number of assessments pending finalisation at the end of the year								
(a) Arrear cases		24910	35711		66		125	
(b) Current cases		58270	62963		143		179	
(c) Remand cases		439	476		5		5	
		247						

Year-wise break up of the pending assessments as at the end of the year 1990-91 is given below :

Upto	Year	Number of cases	
		Sales Tax	Passengers and Goods Tax
Upto	1985-86	314	3
	1986-87	1863	8
	1987-88	8268	23
	1988-89	24990	70
	1989-90	63715	205
	Total	99150	309

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

Out of 99150 cases pointed out by the audit, 98902 cases have decided upto 30-6-95, leaving a balance of 248 cases. The assessing authorities have been directed to dispose of these cases by the end of December 1995

1990—91

1.3 Assessments in arrears

During the course of discussion, the Committee was informed that out of 99150 cases, 182 cases are yet to be decided. The Committee observed that these cases are five years old and still lying undecided. The Committee, therefore, recommends that the assessing authorities may be directed to dispose of these cases by 31st March, 1996, under intimation to the Committee.

[108] 1.4 Uncollected Revenue

Analysis of arrears

(a) Sales Tax

Sales Tax demand raised but not collected as on 31st March 1991 amounted to Rs. 82.72 crores as against Rs. 66.40 crores outstanding on 31st March 1990. The increase in arrears by Rs. 16.32 crores (24.58 per cent) was stated to be due to increase in number of cases assessed and more dealers having left the state resulting in issue of recovery certificates. Year-wise break up of the outstanding

amount as on 31st March 1991 as given below :

Year	Amount (In crores of rupees)
upto 1985-86	18.75
1986-87	5.11
1987-88	9.29
1988-89	18.98*
1989-90	10.58
1990-91	20.01
	82.72

Recovery of Government dues exceeding Rs 2 lakhs was outstanding in respect of 353 cases involving an amount of Rs. 63.35 crores.

District-wise position of individual cases with recovery due exceeding Rs. 5 lakhs was as under :

District	Number of cases	Amount (In lakhs of rupees)
1. Karnal	17	1915.64
2. Faridabad (West)	36	1106.15
3. Faridabad (East)	42	895.26
4. Sonapat	11	838.70
5. Rewari	11	139.22
6. Gurgaon	8	125.99
7. Bhiwani	3	121.42
8. Ambala	7	120.78
9. Jagadhri	11	107.42
10. Rohtak	5	106.91
11. Hisar	11	104.53
12. Jind	7	103.07
13. Panipat	2	49.57
14. Sirsa	2	20.22
	173	5754.88

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

Out of the uncollected arrears of Rs. 82.72 crores, an amount of 29.84 crores stands recovered, leaving balance of Rs. 52.88 crores as on 30-6-95. The reason wise details of

*Increase in the figures as compared with those shown in the Audit Report for the year 1989-90 was stated to be due to additional demand becoming due as a result of re-assessment which is transferred to the arrears of previous years if not recovered in time.

balance arrears of Rs. 52.88 crores is as under:—

	(Amount in crore)
1. Under stay	26.56
2. Under instalments	0.15
3. Under liquidation	5.31
4. Inter state arrear	2.96
5. Inter district arrear	0.16
6. Writing off	6.24
7. Recoverable	11.50
Total	52.88

1.4 Un-collecte Revenued

During the course of discussion the departmental representatives informed the Committee that the uncollected arrears of Sales Tax of Rs. 52.88 crores is still to be recovered and similarly the uncollected arrears of Excise Duty of Rs. 4.04 crores is pending for recovery. The Committee after going through the details of these cases recommends that strenuous efforts be made to recover the said amount at the earliest and the progress in this regard be intimated to the Committee.

The Committee also recommends that the break up of the cases pertaining to inter-state arrears be sent to the Committee for its perusal.

[109] 1.5 Frauds and evasions of taxes

The table below indicates the amount of taxes/receipts assessed during the year 1990-91 in cases of frauds and evasions of taxes/receipts detected by the departments concerned during 1990-91 and earlier years :

Nature of tax/ receipt	Cases pen- ding as on 1st April 1990	Num- ber of cases detected during the year	Number of cases finalised during the year	Number of cases pending as on 31st March 1991	Amount of tax, interest and penalty levied		
1	2	3	4	5	6		
Sales Tax	190	4562	130	4371	60	191	417.53
Passengers and Goods Tax	149	3666	93	3514	56	152	53.40
Entertainment Duty and Show Tax	4	34	—	25	4	9	10.66
State Excise	—	60	—	60	—	—	0.77
Medical	1	—	—	—	—	1	—
Animal Husbandry	1	—	—	—	—	1	0.66

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

Out of 60 and 191 cases mentioned in Col. 5,60 and 169 cases have since been decided levying tax and penalty of Rs. 95.81 lac out of which Rs. 77 81 lac stands recovered and efforts are being made to recover the balance amount 22 cases in respect of Ambala district could not be reviewed owing to burning of files in the Anti-Mandal Agitation.

1.5 Frauds and evasion of Taxes.

The Committee was informed that out of 251 cases, 229 cases stands disposed of levying tax and penalty of Rs. 95.81 lakhs. The Committee was further informed that remaining 22 cases pertaining to Ambala District could not be reviewed owing to burning of record in Anti Mandal Commission agitation. The Committee was also informed by the departmental representatives that case in this regard has also been registered with the police but no investigation has so far been made in this regard. The Committee after going through the facts of this case, recommends that the report of investigation be submitted to the Committee and thereafter the Committee will make its recommendations accordingly.

[110] 1.8 Outstanding Inspection Reports 21-21/14

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 Governments. Half-yearly reports of audit objections outstanding for more than six months are also forwarded to Government to expedite their settlement.

(i) At the end of June 1991, 1889 inspection reports (issued upto December 1990) containing 5314 audit objections with money value of Rs. 2657.55 lakhs remained outstanding, out of which 564 inspection reports containing 1178 objections with money value of Rs.1136.90 lakhs were outstanding for more than 5 years.

(ii) In respect of 213 inspection reports issued between April 1990 and March 1991, even the first replies had not been received (August 1991) despite issue of instructions by the Finance Department in February 1991 to all Heads of Departments for sending replies to the Audit Office within the prescribed period.

The matter regarding non-receipt of initial replies from the departments was reported to the Government between June 1991 and July 1991, their reply has not been received (January 1992).

The above position was also brought to the notice of the Chief

Secretary to the Government of Haryana in November 1991; the reply has not been received.

(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. Sales Tax			
upto 1985-86	65	196	186.60
1986-87	22	158	8.18
1987-88	22	262	40.77
1988-89	22	229	114.45
1989-90	24	365	293.03
1990-91	10	46	84.54
	Total	1256	727.57
2.	*	*	*
3.	*	*	*
4. State Excise			
upto 1985-86	45	62	221.12
1986-87	10	23	4.42
1987-88	9	16	4.55
1988-89	12	24	52.81
1989-90	33	48	27.17
1990-91	18	82	27.19
	Total	255	337.26
5.	*	*	*

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

SALES TAX

Year	Inspection Report			Audit Paras			Amount (in lacs)		
	Pointed out by A.G.	Settled	No. of inspection Reports Balance	Pointed out by A.G.	Settled	No. of Audit Para balance	Pointed out by A.G.	Settled recovered	Balance
Upto									
1985-86	65	59	6	196	188	7	186.60	184.49	2.11
1986-87	22	15	7	158	134	24	8.18	1.41	6.77
1987-88	22	10	12	262	195	67	40.77	25.30	15.47
1988-89	22	9	13	229	163	66	114.45	45.16	69.29
1989-90	24	10	14	365	274	91	293.03	192.19	100.84
1990-91	10	2	8	46	6	40	84.54	4.00	80.54
	165	105	60	1256	961	295	727.57	452.55	275.02

STATE EXCISE

Year	Inspection Report			Audit Paras			Amount (in lacs)		
	Pointed out by A.G.	Settled	No. of inspection Reports Balance	Pointed out by A.G.	Settled	No. of Audit Para balance	Pointed out by A.G.	Settled recovered	Balance
Upto									
1985-86	45	43	2	62	60	2	221.12	215.48	5.64
1986-87	10	9	1	23	22	1	4.42	0.97	3.45
1987-88	9	7	2	16	14	2	4.55	1.93	2.62
1988-89	12	9	3	24	20	4	52.81	44.40	8.41
1989-90	33	29	4	48	40	8	27.17	19.88	7.29
1990-91	18	14	4	82	76	6	27.19	20.39	6.80
	127	111	16	255	232	23	337.26	303.05	34.21

1.8. Outstanding Inspection Reports

After going through the figures of outstanding inspection reports, the Committee recommends that these figures may be got reconciled with the Accountant General and the outstanding reports may be got settled within a period of 30 days under intimation to the Committee.

During the course of discussion, A. G., Haryana pointed out that the first replies had not been submitted to the A. G. office by the department inspite of the instructions issued by the Finance Department in this regard. The Committee took a serious view for the lapse on the part of the department and recommends that strict instructions afresh be issued to all the concerned authorities to supply the initial reply to the A. G. office within the prescribed period.

SALES TAX

[111] 2.1 Results of Audit

21-
21/6
14

Test check of sales tax assessments and other records of 23 units conducted during the year 1990-91 revealed under assessment of tax of Rs. 394.48 lakhs in 771 cases, which broadly fall under the following categories:

Details	Number of cases	Amount (In lahs of rupees)
1. Incorrect computation of turnover	227	190.75
2. interest not charged on non-payment/delayed payment of tax	74	55.20
3. Under-assessment under the Central Sales Tax Act	73	51.75
4. Non/short levy of penalty	81	33.12
5. Application of incorrect rate of tax	62	32.96
6. Other irregularities	254	30.70
	771	394.48

Out of 771 cases, the Department, in 171 cases, raised additional demands amounting to Rs. 6.84 lakhs. A few important cases noticed during 1990-91 and earlier years and findings of audit reviews on "Pendency of appeals at various levels" and "Recovery of Demands in arrears under Sales Tax" are mentioned in the succeeding paragraphs.

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

Out of 771 cases, 486 cases have been reviewed with following results:—

No. of cases	Amount pointed out by audit (in lacs)	Result of review
343	172.92	The cases have been settled without any additional demand.
143	12.42	Settled with additional demand.

285 cases involving an amount of Rs. 209.14 lac are under review.

2.1 Result of Audit

During the course of discussion, the Committee was informed that out of 771 cases, 486 cases stand disposed of leaving a balance of 285 cases, which are under review. The Committee therefore recommends that these pending cases be also settled within a stipulated period under intimation to the Committee.

The Committee also desires that district-wise details of these pending cases be also supplied to the Committee.

[112] 2.2.6 Details of appeals pending as on 31-3-1990 *21-216/14*

Year-wise details of appeals pending with the Appellate Authorities at Faridabad and Rohtak as on 31st March 1990 are given below

Name of Appellate Authority	Year	Number of cases	Amount of tax involved (In lakhs of rupees)
Joint Excise and Taxation Commissioner (Appeals) Rohtak	Prior to 1987-88	29	Figures not available with the authority
	1987-88	49	
	1988-89	79	
	1989-90	374	
	Total	531	
Joint Excise and Taxation Commissioner (Appeals) Faridabad	Prior to 1987-88	400	Figures not available with the authority
	1987-88	598	
	1988-89	847	
	1989-90	1038	
	Total	2883	
High Court	Prior to 1987-88	34	262.46
	1987-88	35	333.08
	1988-89	121	755.84
	1989-90	87	366.14
	Total	277*	1717.52*
Supreme Court	Prior to 1987-88	48	221.88
	1987-88	2	5.91
	1988-89	—	—
	1989-90	19	2.67
	Total	69*	230.46*

*Does not include information relating to districts of Ambala Sirsa and Solaput as the records were stated to have been destroyed during disturbances.

The information in respect of Appellate Authority at Ambala could not be collected as the records were stated (May 1991) to have been burnt during disturbances.

The details of appeals pending with the High Court/Supreme Court, their tax effect and age of pendency could not be collected as no record in this regard was maintained by the Department. The information called for from the Department (March 1991) has not been received (January 1992)

Against 2883 appeals pending as on 31st March 1990 Appellate Authority Faridabad, informed the Commissioner (April 1990) that 1633 appeal cases only were available. The case files in respect of 1086 appeals which have to be 1250 in number were not traceable and were stated to be missing.

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

Out of these 531 and 2883 appeals, 525 and 2881 appeals have been disposed of by the Jt. ETC(A) Rohtak and Faridabad respectively. Now 6 and 2 appeals upto 31-3-90 are pending with Jt. ETC(A) Rohtak and Faridabad respectively. They have been directed to clear these cases by 31-8-95.

2.2.6 The Committee was informed that out of 531 appeals and 2883 appeals only 8 appeals are pending due to the court stay. The Committee therefore recommends that final outcome of appeals be also intimated to the Committee.

[113] 2.2.13. *Delay in taking up of appeal cases*

(i) to (iii) * * * * *

(iv) Demands amounting to Rs 6.57 lakhs pertaining to the years 1979-80, 1983-84 and 1984-85 were created against three dealers of Sirsa in November 1989, March 1989 and October 1987 respectively. The dealers filed appeals before the Appellate Authority, Rohtak between February 1988 and December 1989 and requested for grant of stay against payment of demands. The stay applications and appeals were still pending with the Appellate Authority (November 1991) resulting in locking up of revenue of Rs. 6.57 lakhs for a period ranging between 1½ to 3 years.

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

1. M/s Kishori Lal Mahabir Parsad, Dabwali, A.Y. 1979-80.
2. M/s Hari Ram Bajrang Dass, Sirsa, A.Y. 1983-84.
3. M/s Haryana State Coop. Society and Mkt. Federation Sirsa, A. Y. 1984-85.

In the case at Sr. No. 1 demand of Rs. 2.31 lacs stands quashed by the appellate authority vide his orders dated 26-3-92.

In the case at Sr. No. 2, the case was remanded by the appellate authority vide his orders dated 3-3-92. The remand case was decided by the assessing authority on 23-8-95 creating additional demand of Rs. 73146/-, which will be recovered in due course.

In the case at Sr. No. 3, the appeal was rejected by the appellate authority vide his orders dated 27-2-92. After exhausting all the legal remedies for recovery, the case is now under process for writing off the amount.

- 2.2.13 (iv) 1. M/s Hari Ram Bajrang Dass, Sirsa A.Y., 1983-84.
2. M/s Haryana State Coop. Society and Mkt. Federation, Sirsa, A.Y. 1984-85.

The Committee after going through the details of these cases, recommends that the amount of Rs. 73146/- be recovered within a period of 30 days and inform the Committee. So far as the case of Haryana State Coop. Society and Marketing Federation is concerned, the Committee was informed that the said firm had gone into liquidation. The Committee, therefore, recommends that the steps be initiated to write off this amount under intimation to the Committee.

[114] 2.2.14 *Delay in finalisation of follow up action on cases remanded by the Appellate Authorities.*

Departmental instructions issued in October 1984 provide that the cases remanded back by the Appellate Authorities to the Assessing Authorities for re-assessment should be decided within the financial year in which these were remanded.

(i) In respect of 130 remand cases, which were test checked, the re-assessment proceedings were not finalised within the financial year in which these were remanded. Eighty five cases were not finalised within the same financial year but finalised after 5 to 27 months from the date of remand by the Appellate Authority, 27 cases were still pending finalisation though a period ranging between 9 and 41 months had elapsed from the date of remand. In eighteen cases remand orders from the Appellate Authorities had not been received by the Assessing Authorities (after a lapse of period ranging between 14 and 48 months) though the same were remanded during the period between April 1987 and February 1990.

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

In this para 27 remand cases were shown as pending where the orders have been issued by the Appellate Authorities and 18 cases were shown as pending where the orders were yet to be received from the Appellate Authorities. As per list supplied with the para, there were 44 cases instead of 45 cases.

Out of these 44 cases, 38 cases have since been decided. Now, six cases are under process for which DETC's have been directed to get these cases decided at the earliest.

2.2.14 (i)

The Committee was informed that out of 44 cases only one case pertaining to Faridabad District is pending for decision. The Committee, therefore, recommends that the said case be disposed of within a period of one month.

[115] 2.2.16 Stay of Sales tax demands by the Appellate Authorities

In the matter of grant of stay on acceptance of bank guarantee, the Supreme Court observed* in May 1985 that "Governments are run on public funds and if large amounts all over the country are held up during the pendency of litigations, it becomes difficult for the Government to run and become oppressive to the people. Government's expenditure can not be made on bank guarantees or securities. Thus courts should refrain from passing any interim orders, staying the realisation of indirect taxes or passing such orders which may have the effect of non-realisation of indirect taxes. This will be healthy for the country and courts". Further, Calcutta, High Court, following the ratio of supreme Court's judgement, held** that "the direction of the trial judge regarding the securing of the amount through bank guarantees was liable to be set aside".

A test check of records of Faridabad, Gurgaon, Panipat, Rewari, Hisar, Rohtak, Karnal, Jagadhri and Bhiwani districts revealed (April 1991 to June 1991) that in 78 cases tax (including penalty and interest) of Rs. 280.04 lakhs demanded by the Department was stayed by the Appellate Authorities without obtaining cash security despite the Supreme Court/High Court's Judgements referred to as above

Effective steps to get the stay orders vacated have not been taken (November 1991) by the Department

The foregoing facts were reported (July 1991) to the Government; their reply has not been received (January 1992).

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

The present position of the cases is as under

1. Total cases as shown in this para.	78
2. Cases missing in the list :	5
3. Net cases :	73

Out of 73 cases, 50 cases have been decided and as a result, a sum of Rs. 40.31 lacs stands recovered. The remaining cases are still pending with the Appellate authorities.

*Empire Industries Limited and other v/s Union of India (1985) (20) ELT-179 (S.C.)

**Assistant Collector of Central Excise, Chandan Nagar, West Bengal v/s Dunlop India Limited (1985) SCC-260.

2.2.16

During the course of discussion, the Committee was informed that only 17 cases are pending with the appellant authorities for decision. The Committee recommends that these pending cases be decided expeditiously under intimation to the Committee.

[216] 2.3 Recovery of Demands in arrears under Sales Tax**2.3.1 Introductory**

In Haryana, Sales Tax is levied and collected under the Haryana General Sales Tax Act, 1973 and the rules made thereunder. Every registered dealer is required to deposit the tax due alongwith his monthly/quarterly returns to be submitted to the department. Assessment proceedings are required to be initiated within five years by the Department after the expiry of return period. On assessment, the tax already paid by the dealer is adjusted and an additional demand for the balance amount if any, is raised against the dealer. The tax demanded is payable within thirty days from the date of service of the demand notice. If the sales tax dues (including interest, penalty, composition fee etc.) are not paid by the dealer within the time specified in the demand notice or within the extended period, if any, the Assessing Authority may apply to the Collector for recovery of the Government dues as arrears of land revenue. After approval by the Collector, the Assessing Authority (the Assistant Collector) is required to issue recovery certificates and take all legal steps such as attachment of property and arrest and detention of dealer necessary for recovery of the tax dues as arrears of land revenue.

2.3.2 Scope of audit

Out of the sixteen sales tax districts in Haryana, records of nine districts viz. Ambala, Jagadhri, Karnal, Panipat, Faridabad, Gurgaon, Rewari, Rohtak and Hisar relating to the years 1986-87 to 1990-91 were test checked (February 1991 to May 1991) with a view to examining cases of arrears in sales tax demands due to delay in assessment of cases, non-issue of recovery certificate, non-initiation of recovery proceedings, irregular grant of exemption certificate, cancellation of registration certificate and non-verification of genuineness of dealers/sureties.

2.2.3 Organisational set-up

The overall control and superintendence of the Sales Tax Organisation vests with the Excise and Taxation Commissioner who is assisted by the Deputy Excise and Taxation Commissioners, the Excise and Taxation Officers. Assistant Excise and Taxation Officers. Taxation Inspectors and other allied staff in the administration of State Sales Tax Act, 1973 and Central Sales Tax Act, 1956. The amount of tax, interest and penalty imposed under this Act, which remains unpaid after the due date, shall be recoverable as arrears of land revenue and powers to this effect are vested with the Assessing

Authorities. The Assistant Excise and Taxation Officers and the Excise and Taxation Officers have been vested with powers of Assistant Collector Grade I and the Deputy Excise and Taxation Commissioners have been delegated powers of Collector under Section 27 of the Punjab Land Revenue Act, 1887.

2.3.4 Highlights

- Ineffective action by the Department to get the stay orders, granted by courts vacated without obtaining cash security despite the directive of the Supreme Court resulted in accumulation of arrears amounting to Rs. 5.34 crores.
- Cancellation of registration certificates before assessments resulted in non-recovery of arrears involving Rs. 65.50 lakhs.
- Delay in assessment resulted in non-recovery of arrears of Rs. 143.70 lakhs.
- Failure to verify the genuineness of the sureties/dealers resulted in non-recovery of arrears of Rs. 31.79 lakhs.
- Irregular grant of exemption certificate resulted in non-recovery of arrears involving Rs. 16.80 lakhs.
- Non-initiation of recovery proceedings resulted in non-recovery of arrears involving Rs. 65.70 lakhs.

2.3.5 Position of arrears

As per information supplied by the Department (July 1991) the tax dues pending collection during the last 5 years were as under :

Year	Total receipt under Sales tax (In crores)	Arrears upto the end of the year	Increase)+ Decrease(—)	Percentage of arrears to total revenue under Sales Tax
1986-87	256.24	34.58	+ 1.56	13.50%
1987-88	314.93	47.00	+ 12.42	14.92%
1988-89	370.56	52.96	+ 5.96	14.29%
1989-90	415.18	66.40	+ 13.44	15.99%
1990-91	496.31	82.72	+ 16.32	16.67%

The arrears of Rs. 82.72 crores outstanding at the end of the year 1990-91 were at the following stages of action:—

Stage of action.	Amount of arrears (In crores of rupees)
1. Recoveries stayed by Courts and other Appellate Authorities	38.76
2. In the process of recovery including amounts covered by recovery certificates	28.85
3. Recoveries held up due to insolvency of the dealers	6.60
4. Demands likely to be written off	5.45
5. Recoveries stayed by other authorities	2.41
6. Other stages	0.65
Total	82.72

Year-wise break up of the arrears as is under :

Year	Amount of arrears (In crores of rupees)
Upto 1986-87	23.86
1987-88	9.29
1988-89	18.98
1989-90	10.58
1990-91	20.01
Total	82.72

Some of the important cases involving heavy amounts of arrears are mentioned in the following paragraphs :

2.3.6. Stay of demands by High Court against bank guarantee/other securities

In the matter of grant of stay on acceptance of the bank guarantee,

the Supreme Court had observed* in May 1985 that "Governments are run on public funds and if large amounts all over the country are held up during the pendency of litigations, it becomes difficult for the Government to run and becomes oppressive to the people. Government's expenditure can not be made on bank guarantees or securities. Thus Courts should refrain from passing any interim orders, staying the realisation of indirect taxes or passing such orders which may have the effect of non-realisation of indirect taxes. This will be healthy for the country and courts". Further Calcutta High Court following the ratio of Supreme Court's judgement held** that "the direction of trial judge regarding the securing of the amount through bank guarantee was liable to be set aside".

During test check of records it was noticed (February 1991 on May 1991) that, despite the clear ruling of the Supreme Court, in 156 cases the tax amounting to Rs. 5.34 crores demanded from the assessee by the department was stay by the Punjab and Haryana High Court between March 1989 to March 1991 with out obtaining cash securities.

The Department had not taken any effective steps to get the stay orders vacated in these cases. This resulted in accumulation of arrears of Rs. 5.34 crores.

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

The audit has pointed out 156 cases in which the Punjab and Haryana High Court had granted stay of tax amounting to Rs. 5.34 crores. In this regard it is pointed out that out of 156 cases 104 cases pertain to stay of recovery of purchase tax on paddy which is purchased by Rice Millers from the State of Haryana husked and the rice is exported out of the territory of India. The issue was referred to the full bench of the High Court which on 17-8-95. decided the issue in favour of the Government and upheld the levy of purchase tax in the case of United Rice Land Karnal and others v/s the State of Haryana. A list of other 113 cases has been sent to the Advocate General for their disposal by the High Court in the light of the above decision, as the issue involved in these cases is the same. Recovery in the cases decided in under progress Besides, 22 other cases have also been decided in which the amount of Rs. 14.81 lakhs has been recovered. The remaining 30 cases are still pending in the High Court for decision,

2 3 6. Stay of demands by High Court against bank guarantee/other securities

During the course of discussion, the Committee was informed that these cases are regarding stay of demands by High Court against bank guarantee/other securities and most of the cases pertain to stay of recovery of purchase tax on paddy. The High Court decided these

*Empire Industries Limited and others v/s Union of India 1985(20)(ELT 179(SC))

** Assistant Collector Central Excise Chandan Nagar West Bengal v/s Dunlop India Limited 1985/SCC-260.

cases on 17.8.95 in favour of the Government but the parties have filed an appeal in the Apex Court against the decision of the High Court. After going through the version of the department, the Committee recommends that these pending cases be pursued vigorously in the High Court as well as in the Apex Court and the outcome of these cases be intimated to the Committee.

[117] 2 3.7. Cancellation of registration certificate.

Under the Haryana General Sales Tax Act, 1973, the Commissioner may from time to time by order, amend or cancel any Certificate of Registration if the dealer has violated any of the provisions of the act or the rules, made thereunder or for any other sufficient cause including misuse of the certificate or when any business, in respect of which certificate has been granted has been discontinued. Besides, the certificate may also be cancelled, if the dealer does not furnish the security or the additional security demanded from him. As per instructions issued by the Excise and Taxation Commissioner, Haryana in May 1976, prompt action is required to be taken for cancellation of Certificate of Registration and finalisation of assessment in order to ensure that the demands created do not become irrecoverable.

(ii) A dealer of Faridabad was asked to furnish additional security of Rs. 0.50 lakh by November 1986, but the dealer failed to give the additional security. As a result, the registration certificate was cancelled in November 1986. The assessment for 1986-87 was framed in March 1990 and penalty case decided in July 1990. Additional demand of Rs. 4.93 lakhs was raised in March 1990 and July 1990. As the dealer failed to deposit the tax, recovery certificate was issued to the Collector Mathura in November 1990. The firm had since been closed. The sureties had also closed down their business and the dues continued to remain unrealised (November 1991).

Failure to finalise the assessment immediately after cancellation of registration certificate resulted in accumulation of arrears amounting to Rs. 4.93 lakhs.

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

M/s Ganesh Trading Co. Hodel A.Y. 1986-87

The firm was assessed for 1986-87 on 28-3-90 creating a demand of Rs. 1.63 lacs under HGST Act and Rs. 5667/- under CST Act, Action u/s 48 was finally decided on 28-7-90, imposing a penalty of Rs. 3.25 lac. The case was sent in suo-motu before DETC (I) who remanded the case on 25-5-93. Remand case was decided on 20-7-93 and tax of Rs. 163/- under HGST Act and Rs. 50863/- under CST Act was levied Rs. 163/- under HGST and Rs. 19863/- under CST has been recovered. Efforts are being made to recover the balance amount of Rs. 31000/-.

2.3.7.(ii) M/S Genesh Trading Co., Hodel A. Y. 1986-87

The Committee was informed that only an amount of Rs. 5155 is left to be recovered from the firm. The Committee, therefore, recommends this amount be recovered within a period of 30 days under intimation to the Committee.

(118) 2.3.8. Non-recovery of arrears due to delay in assessment

In Haryana, Sales Tax is levied and collected under the Haryana, General Sales Tax Act, 1973 and the Central Sales Tax Act, 1956 and the rules made thereunder. Dealers registered under the Act ibid are required returns periodically. If the Assessing Authority is satisfied that the returns furnished are correct and complete, he shall assess the amount of tax due from the dealer on the basis of such returns without requiring the presence of the dealer, Where the Assessing Authority is not satisfied without requiring the presence of the dealer who furnished the returns, he shall serve on such dealer a notice in the prescribed manner requiring him on a date and at a place specified therein, either to attend in person or to produce or to cause to be produced any evidence on which dealer may reply in support of such returns. The Assessing Authority, on the day specified, in the notice or as soon as possible be after hearing such evidence as the dealer may produce, assess the amount of tax due from the dealer, In case, the dealer fails to comply with the terms of notice, the Assessing Authority shall within five years after the expiry of such period, proceed to assess, to the best of his judgement the amount of tax due from the dealer, Demand created as a result of assessment is payable by the dealer within thirty days from the date of service of notice.

During scrutiny of records (February 1991 to May 1991) it was noticed that in eight cases detailed below, the arrears of Rs. 143.70 lakhs could not be recovered due to delay in finalisation of assessments.

(1) The assessment of a dealer of Faridabad for the years 1984-85, 1985-86 and 1986-87 were initiated during July 1989 to May 1990 and completed during March 1990 to June 1990 although he had applied for cancellation of Registration Certificate in June 1987. Reassessment for 1983-84 under Section 31 of the Haryana General Sales Tax Act, 1973 was initiated in 1986-87 but was completed in March 1990 Total demand amounting to Rs 36 79 lakhs in respect of all these years including additional demand of Rs 7.04 lakhs for the year 1983-84 was raised but the same remained unrealised. Recovery certificate was issued to the Collector Guwahati in October 1990 Recovery is awaited (January 1992), Action to recover Rs. 0.25 lakh from one surety having immovable property in Faridabad, was also not taken No recovery could be made from the second surety as he had also closed down his business.

Reasons for delay in assessment after application of the dealer for cancellation of Registration Certificate in June 1987 and non-recovery of demand of Rs. 0.25 lakh from the surety though called for (April 1991) have not been intimated by the Department (January 1992).

(ii) A dealer of Faridabad had closed down his business with effect from March 1984 and applied for cancellation of Registration

Certificate in April 1984. His assessment for the year 1984-85 was made in March 1990 after a lapse of about five years and a demand of Rs. 3.82 lakhs was raised. Recovery Certificate was issued to the Collector New Delhi in November 1990. Both the sureties had withdrawn surety with effect from 24th November 1984 and 3rd January 1985. Fresh Sureties were not obtained. As a result the amount could not be recovered from the sureties of the dealer. No reasons for not finalising the assessment for more than 5 year from receipt of intimation of closure of business in March 1984 and application for cancellation. of certificate in April 1984 were intimated.

This resulted in non-recovery of demand amounting to Rs. 3.82 lakhs.

(iii) The assessments of a dealer of Faridabad for the years 1978-79 to 1982-83 were finalised between February 1984 and March 1987 and additional demand of Rs. 17.76 lakhs was raised. The assessee did not pay the tax as he had left Faridabad. Recovery certificates were issued to the Collector, Delhi in July 1984 and July 1985. The Collector, Delhi informed in July 1985 that the defaulter had left Delhi long ago. The Department, however, later came to know that the defaulter had not actually left Delhi and had only shifted his residence. Accordingly recovery certificate to Collector Delhi was again issued in January 1991. The amount also could not be recovered from the sureties as both the the sureties had left Faridabad and their whereabouts were not known.

Delay in assessment of the cases from four to five years resulted in non-recovery of Government dues amounting to Rs. 17.76 lakhs.

(iv) Assessment proceedings of a dealer of Rewari for the year 1983-84 were started in November 1987 and finalised in September 1989. Additional demand of Rs. 4.86 lakhs under State and Central Act was raised. On refusal of the Joint Excise and Taxation Commissioner (Appeals) to entertain the appeal without payment of tax, the dealer went in appeal to the Sales Tax Tribunal Haryana. The tribunal vide orders (April 1990) directed the dealer to pay tax of Rs 0.40 lakhs (in four instalments of Rs. 0.10 lakh) and furnish surety of the balance amount. The dealer had neither deposited Rs. 0.40 lakh nor furnished any surety for the balance amount of Rs. 4.46 lakhs. The sureties furnished at the time of registration of the dealer in March 1981 were also found to be non-genuine. Thereafter, the case was not pursued for recovery with the dealer. The delay in assessment and non pursuance of case after decision of the Tribunal resulted in non-recovery of due amounting to Rs. 4.86 lakhs.

(v) The Registration Certificate of a dealer of Jagadhri was cancelled by the Assessing Authority in October 1981 as the dealer was found indulging in dubious transactions. The dealer also closed down his business in the year 1981. However, his assessments for the year 1980-81 and 1981-82 which were pending at the time of cancellation of Registration Certificate, were finalised in September 1990 raising an additional demand of Rs. 4.71 lakhs. The recovery has neither been effected from

the dealer despite issue of notices nor from sureties as one surety had closed down his business and no attempt was made to contact the second surety. In response to audit observations (March 1991) regarding inordinate delay in the assessment, the Assessing Authority stated (March 1991) that assessment proceedings had been initiated in October 1981 but details of dubious transactions were furnished by another Assessing Authority in August 1990. The delay in finalisation of assessments due to non-pursuance of case resulted in non-recovery of dues amounting to Rs. 4.71 lakhs (November 1991).

(vi) Assessment of a dealer of Karnal for the years 1978-79 to 1982-83 were made in November 1990 and additional demand of Rs. 1.70 lakhs was raised. The dealer did not pay the tax as he had already closed down his business sometimes during 1984-85 and left for Ahmedabad as per statement of two dealers recorded by the Department in January 1987. No action to recover the arrear from sureties had been taken so far. The delay for eight to eleven years in finalising the assessment cases had resulted in non-recovery of tax of Rs. 1.70 lakhs.

(vii) In Faridabad assessments of a limited company for the years 1981-82 to 1983-84 were framed after three to four years between September 1985 and March 1988 and an additional demand of Rs. 67.11 lakhs under State Act and Central Act was raised. By the time the assessments were framed the company had gone into liquidation (August 1984) as per orders of the Delhi High Court. The official liquidator called for (September 1984) details of sales tax arrears from the Deputy Excise and Taxation Commissioner, Faridabad, which were intimated to the official liquidator in September 1985 (1981-82), March 1987 (1982-83) and May 1988 (1983-84). The assessments were not finalised expeditiously despite having received (September 1984) intimation that the firm was under liquidation. The amount could not be recovered from the sureties as both the sureties had obtained stay from the Civil Court Faridabad in May 1988.

On this being pointed out (April 1981) in audit the Assessing Authority stated (May 1991) that assessment proceedings had been taken up in time but finalised late and in case these had been decided earlier the dealer would have gone into liquidation earlier resulting into unemployment of labour.

The Assessing Authority's reply was not acceptable as it was hypothetical. The Excise and Taxation Commissioner to whom the case was referred (July 1991) for comments accepted the audit point (December 1991) and asked the concerned Deputy Excise and Taxation Commissioner to initiate the appropriate action against the defaulting Assessing Authority. The delay in assessment resulted in non-recovery of dues of Government to the tune of Rs. 67.11 lakhs.

(viii) In Rewari, assessments of a limited company for the years 1980-81 and 1981-82 were finalised between January 1985 and July 1986 raising a demand of Rs. 6.95 lakhs under State Act and Central Act. The company had in the meantime closed down its business and gone into liquidation in April 1985. The de-

mand was declared between September 1985 to September 1986, as recoverable under Punjab Land Revenue Act. The official liquidator was requested in October 1986 to register the claim who in turn informed (March 1990) that the claim would be registered when the same was called for. Two Directors of two other firms who had stood sureties of Rs. 0.50 lakh each had withdrawn their sureties in April, 1986. Delay to assess the cases and non-recovery of dues from sureties (to the extent of Rs. one lakh) resulted into accumulation of arrear of Rs. 6.95 lakhs.

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

M/s Blue Super Flame Industry Faridabad, A.Y. 1984-85 to 1986-87

The dealer has closed down the business and reported to have settled at Gauhati in Assam. Recovery Certificate was sent to Collector Gauhati in October 1990, but nothing has been recovered so far. Action was also initiated against the sureties and amount of Rs. 4,000 was recovered from the surety. The other surety filed a Civil suit which stand dismissed on 9-4-95. Steps are under way to recover the balance amount of Rs. 21,000 from the sureties.

Disciplinary action is under process against the defaulting officers for delay in assessment and non recovery of the arrears.

M/s Ajay Trading Co., Ballabgarh, A.Y. 1984-85

Rs. 0.45 lakh stands recovered from the sureties. Recovery Certificate was issued to Collector, Delhi as two partners are residing in Delhi. No amount has been received from Collector, Delhi so far.

M/s Rodker Agency, Faridabad for the year 1978-79 to 1982-83

The firm stands closed. There is no property in the name of the partners at Faridabad. Partners have left Faridabad and settled at Delhi. Recovery certificate has been issued to Collector Delhi but no amount has been recovered so far. The whereabouts of the sureties are not known. Since the entire amount of Rs 17.76 lacs pertains to the levy of tax for disallowing the deduction of sales of R.D. for non production of declaration forms ST-15, the case has been referred to DETC-(I), Faridabad for suo-motu action. The case is still pending with him. He has been directed to decide the case early.

M/s Surinder Metal Rewari A.Y. 1983-84

The firm stands closed. The sureties submitted at the time of grant of R.C. cannot be proceeded against for the recovery of arrears as the arrears pertains to the year 1983-84 when the company had changed its name and constitutions. No surety was obtained at the time of renewal of R.C. in the year 1982. Subsequently efforts were also made to obtain the sureties. The dealer

furnished the surety bond of Rs. 50,000 in the year 1984 which was not accepted by the Assessing Authorities as the financial position of the sureties was not sound. The immovable property of the company was auctioned by the Haryana Financial Corporation for realising the loan advanced to the company. No amount has been recovered so far. Disciplinary action against the defaulting officers is under way for delay in assessment and for not obtaining the surety bond in November, 1982 while renewing the R.C. upto 31-3-87.

M/s Pardeep & Co. Yamuna Nagar, A.Y. 1980-81 & 1981-82

Rs. 0.10 lakh stands recovered from the sureties. Prop. has no movable or immovable property at Jagadhri as intimated by Collector, Yamuna Nagar. Prop. has left Jagadhri and is not traceable.

M/s Nihal Chand Bahadur Chand, Karnal, A.Y. 1978-79 to 1982-83

Assessment in these cases was framed ex parte. The dealer deposited Rs. 319 only. Recovery Certificate was issued to Collector, Delhi but the same was received back as the defaulter is not residing at the given address. Surety amount of Rs. 5,000 stands recovered from one of the sureties. Action to initiate disciplinary proceedings against the defaulting Assessing Authorities failed to frame the assessments in time and to recover the amount is under way.

M/s Bharat Carpet Ltd, Faridabad, A.Y. 1981-82 to 1983-84

Firm declared lock out in May, 1984 and provisionally wound up in August, 1984. Liquidator was appointed by Delhi High Court on 30-10-1984. Claim has been lodged with the official liquidator. Both the sureties have filed civil suit and recovery has been stayed by the Additional District & Sessions Judge. Cases have been fixed up for 27-9-1995 and 9-10-1995.

M/s Haryana Detergent Limited, Dharuhera, A.Y. 1980-81 & 1981-82

The company was limited concern and joint venture with H.S.I.D.C. (Govt. undertaking), I.F.C.I., I.D.B.I., N.C.I.C.I. the National Financial Institutions. The company received set back due to the collapse of Joint Sector (P) under which it was set up and failed to honour the financial commitment and ultimately was wound up by the order of Hon'ble Punjab and Haryana High Court. The assessment proceedings for the year 1980-81 were initiated on 16-3-84 and for 1981-82 on 24-5-84. Hence there was no delay in assessment. The arrear of Sales Tax have occurred due to non production of declaration and rejection of Branch Transfer as the assessment was framed ex parte. The company being limited concern, the recovery under Land Revenue Act cannot be invoked against the directors. The company have already gone into liquidation and claim has been registered with official liquidator. Recovery Certificate was sent to the Deputy

Excise and Taxation Commissioner, Faridabad on 6-7-85 for recovery from sureties who were said to be non resident of Faridabad, and his factory was also closed and Sh. K.M. Dabriwala had resigned from Directorship of M/s Jai Hind Investment and Ind. Limited, Faridabad. Recovery Certificate was also sent to Collector, Delhi for recovery from sureties who were residing there. It was informed that immovable property of the company be proceeded against. Since the company is under liquidation recovery is not possible till the claims are invited and settled by the official liquidator.

2.3.8 (i) M/s Blue Super Flame Industry Faridabad, A.Y. 1984-85 to 1986-87

The Committee was informed that Rs. 36.79 lakhs are still to be recovered from the dealers. The Committee is of the view that a huge amount is lying pending for recovery. The Committee, therefore, recommends that efforts be made to recover this amount at the earliest under intimation to the Committee. The Committee further recommends that disciplinary action against the defaulting officers, who delayed in finalising assessment, be taken and recovery of the arrears be finalised within a period of one month.

2.3.8 (ii) M/s Ajay Trading Co., Ballabgarh, A.Y. 1984-85

The Committee was informed that out of Rs. 3.82 lakhs, only Rs. 45,000 has been recovered from the sureties and the recovery certificate has been issued to Collector, Delhi. The Committee, therefore, recommends that the matter be pursued vigorously by the department, so that the amount may be recovered and the final outcome in this regard be intimated to the Committee.

2.3.8 (iii) M/s Rodker Agency, Faridabad for the year 1978-79 to 1982-83

The Committee was informed that the revisional authority has dropped suo-motu proceedings vide order dated 20-9-95. The Committee, therefore, recommends that the strenuous efforts be made by the departments to recover the Government dues at the earliest.

2.3.8. (iv) M/s Surinder Metal, Rewari A.Y. 1983-84

The Committee was informed that the action against the defaulting officers is under way, who delayed in assessment and failed to obtain the surety bond while renewing the R.C. The Committee desires that the action taken by the department in this regard be intimated to the Committee.

2.3.8 (v) M/s Pardeep & Co., Yamuna Nagar, 1980-81 and 1981-82

The Committee directs the department to make strenuous efforts for tracing out the Proprietor of the firm so that the balance amount be recovered.

2.3.8 (vi) M/s Nihal Chand Bahadur Chand, Karnal, A.Y. 1978-79 to 1982-83

The Committee, recommends that disciplinary action may be finalised against the defaulting assessing authority, who failed to frame the assessments in time and recover the amount at the earliest under intimation to the Committee.

2.3.8 (vii) M/s Bharat Carpet Ltd. Faridabad, A.Y. 1981-82 to 1983-84

The Committee was informed that Civil suits filed by the sureties are pending in the Court. The Committee, therefore, desires that final outcome of the said cases be intimated to the Committee.

2.3.8 (viii) M/s Haryana Detergent Limited, Dharuhera, A.Y. 1980-81 and 1981-82

The Committee was informed that since the company is under liquidation and recovery is not possible till the claims are invited and settled by the official liquidator. The Committee, therefore, recommends that sincere efforts be made to settle this case, so that the recovery may be effected under intimation to the Committee.

[119] **2.3.9. Failure to verify the genuineness of dealers/sureties**

Under Haryana General Sales Tax Act, 1973 and Haryana General Sales Tax Rules, 1975, the Assessing Authority before granting a Certificate of Registration is required to satisfy himself, after making an enquiry, that the applicant is a bonafide dealer and the particulars furnished by him are correct. The dealer may also be required to furnish cash security or personal bond along with the application for registration where it appears to be necessary to do so by the Assessing Authority for the proper realisation of tax payable. The amount of security shall in no case exceed the tax payable as estimated by the Assessing Authority on the turnover of the dealer for the year in which such security is required to be furnished before registering a dealer, after checking his financial position, the genuineness of persons standing as surety is also to be verified. A certificate issued under the Act shall be valid up to such period as may be prescribed provided that if application for renewal of registration certificate is made within the prescribed time, the holder of the registration certificate shall be deemed to be in possession of valid registration certificate until the registration certificate is renewed or till the dealer is informed that the renewal of the registration certificate has been refused. Further, if the Assessing Authority is satisfied that the application is in order and the fee has been paid or deposited, he shall after satisfying himself regarding the continuance of the business and genuineness of the security, renew the certificate of registration.

A few cases where the genuineness of the dealers/sureties was not verified are as under :

- (i) The assessment of a dealer of Gurgaon (comprising of two partners) for the years 1983-84 and 1984-85 were finalised in March 1986 and December 1988 respectively and total demand of Rs. 3.19 lakhs was raised. The firm had closed its business and

recovery certificates were issued in June 1986 and March 1989 to Collector Delhi for effecting recovery. One person who was stated to be partner was found to be an employee of a Nationalised Bank but he denied his partnership in the firm. He submitted an affidavit in this respect to the Collector Delhi and also filed a suit in the civil court of Delhi in March 1990 against the Department. Second person also gave an affidavit to the Collector Delhi denying his partnership in the said firm.

Failure to verify the bonafides and genuineness of the dealer at the time of registration of new firm resulted in accumulation of arrears of Rs. 3.07 lakhs (after adjustment of demand of Rs. 0.12 lakh from two sureties).

(ii) Registration certificate of a dealer of Hisar granted in September 1984, was cancelled in January 1986 on receipt of intimation (June 1985) from two sureties of their intention to withdraw and failure of the dealer to furnish fresh sureties and findings of the Department that the dealer was fictitious. Assessment proceedings for 1984-85 were not pursued during the period from September 1985 to July 1987 and December 1987 to January 1990. Assessment was finalised in January 1991 i.e. after five years after cancellation of registration certificate and demand of Rs. 5.35 lakhs was raised. The demand remained outstanding (November 1991).

Failure to verify the genuineness of the dealer at the time of grant of registration and delay in assessment after cancellation of registration certificate resulted in non-recovery of tax amounting to Rs. 5.35 lakhs.

(iii) Assessment of a dealer of Hisar for the year 1988-89 was framed in January 1990 and a demand of Rs. 12.19 lakhs was raised. The dealer had however, already closed down his business and left the State. Recovery certificate was issued to the Collector Sriganaganagar in December 1990. No reply has been received from the Collector. Two sureties of Rs. 0.50 lakh each obtained at the time of grant of registration in March 1987 were also found to be untraceable.

Failure of the Department to verify the genuineness of the sureties at the time of registration resulted in non-recovery of Rs. one lakh out of arrears of Rs. 12.19 lakhs from the sureties.

(iv)

* * * * *

(v) A demand of Rs. 3.19 lakhs for the assessment year 1986-87 was raised in June 1990 against a dealer of Jagadhri. Registration Certificate of the dealer was renewed in May 1987 on the condition that fresh surety bond would be furnished within fifteen days, otherwise registration certificate would be cancelled.

Neither the dealer furnished fresh surety bond nor his registration certificate was cancelled by the Department. However, after the non recovery was pointed out in audit, Rs. 0.18 lakh has been recovered from the dealer upto August 1991. The balance amount of Rs. 3.01 lakhs is still to be recovered for which the Department has written to the revenue authorities not to change the ownership of the property owned by the dealer. Further progress has not been received.

Failure to cancel the Registration Certificate and to obtain fresh surety bond at the time of renewal of Registration Certificate resulted in non recovery of tax demand of Rs. 3.01 lakhs.

(vi) Registration certificate of a dealer of Hisar was renewed in September 1982 without obtaining fresh surety bond despite report of inspector to obtain fresh bonds. The Department gave notice in October 1988 asking the dealer to furnish two sureties otherwise registration certificate would be cancelled from March 1987. The dealer did not comply with this. A demand of Rs. 0.57 lakh was raised for the year 1985-86 in February 1990. On non-payment by the dealer, recovery certificate to Collector-cum-Deputy Excise and Taxation Commissioner Jind was issued in August 1990 as the dealer had closed down his business at Hisar and was carrying on business in Jind district. The surety (Rs. 0.40 lakh given at the time of initial registration) had also closed down his business.

Failure to obtain fresh surety at the time of renewal of registration certificate resulted in non recovery of Rs. 0.40 lakh out of arrear of Rs. 0.57 lakh.

(vii) In Faridabad, assessments of a dealer for seven years from 1977-78 to 1983-84 were framed between March 1984 to July 1988 and additional demand of Rs. 4.06 lakhs was raised. The business was closed in the year 1982-83. For recovery of demand, recovery certificates were issued to the Commissioner of commercial taxes Calcutta/Collector Calcutta in January 1985, June 1986 and January 1989. Summons for recovery were issued to two persons who had stood surety for Rs. 0.10 lakh each. One surety replied that the surety bond given by him was not accepted as it was not signed by the assessing authority in token of its acceptance. Last letter to second surety was issued in September 1988. No further action to recover the arrears was taken.

Failure to complete the surety papers and late finalisation of assessment after the closure of the business resulted in accumulation of arrears of tax amounting to Rs. 4.06 lakhs.

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

M/s Bhagwan Tyres and Spares, Gurgaon, A.Y. 1993-84 and 1984-85

Rs. 15,500 stands recovered from the sureties. One partner filed a suit in the Court on the ground that he has never been a partner in this firm which was dismissed by Tis Hazari Court, Delhi. Further action is underway to recover the amount from the partners.

M/s Sant Lal Murli Dhar, Hisar, A.Y. 1984-85

When the earlier sureties had withdrawn the Assessing Authority demanded fresh sureties. Since the dealer failed to give fresh sureties, his R.C. was cancelled by the Assessing Authority. However, efforts are being made to recover the amount from old sureties. Prop. has no property in his name. He is also untraceable.

M/s Mahalaxmi Dal Mill, Hissar, A.Y. 1988-89

File pertaining to this para is in the Court of Sub-Judge, Hisar. Reply of this para will be furnished on receipt of record from the court.

M/s Singla Rice & General Mills, Jagadhari, A.Y. 1986-87

Out of total demand of Rs. 3.19 lac, a sum of Rs. 1.22 lac on account of interest was quashed by the Tribunal vide his order dt. 3-1-95. Out of the balance amount of Rs. 1.97 lac, Rs. 0.40 lac stands recovered from the dealer upto January, 1992 leaving the balance of Rs. 1.57 lac. Property of the dealer was attached and the same was put to auction on 4-5-95 but no bidder came forward. However, before the next date for auction could be fixed, Jagadhari branch of S.B.I. brought to the notice of the department that the said property is already mortgaged with them since 1983 against bank loan taken by the dealer and they have obtained a decree from the civil court for sale of property. The claim of this department is also being lodged with the bank authorities.

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M/s Jyoti Parsad Vinod Kumar, Hissar, A.Y. 1985-86

Nothing has been recovered so far. However, action against the assessing authority and T.I. who are responsible for renewing the R.C. is under way.

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M/s Maheshwari Fasterns (P) Ltd. Faridabad, A.Y. 1977-78 to 1983-84

No amount has been recovered so far. Action against the defaulting officers for delaying assessment, failure to complete surety papers and non-recovery of amount is underway.

2.3.9 (i) M/s Bhagwan Tyres and Spares, Gurgaon, A.Y. 1983-84 and 1984-85

The Committee was informed that out of Rs. 3.19 lacs only an amount of Rs. 15,500 has been recovered from the sureties. The Committee, therefore, recommends that sincere efforts be made by the department to effect the balance recovery from the partners at the earliest under intimation to the Committee.

The Committee also observed that due to the failure on the part of the assessing authority to verify the bonafides and genuineness of the dealer at the time of registration of new firm resulting in accumulation of arrears. The Committee, therefore, recommends

that the action against the officers, who granted the R.C. be initiated under intimation to the Committee.

2.2.9 (ii) M/s Sant Lal Murli Dhar, Hisar, A.Y. 1984-85

The Committee recommends that sincere efforts be made to recover the amount from old sureties.

2.3.9 (iii) M/s Mahalaxmi Dal Mill, Hisar A.Y. 1988-89

After going through the facts of the case, the Committee observed that due to failure of the department to verify the genuineness of the sureties at the time of registration resulted in non recovery of arrears from the sureties. The Committee, therefore, recommends that action against the assessing authority be initiated under intimation to the Committee.

X 2.3.9 (iv) M/s Singla Rice & General Mills, Jagadhari, A.Y. 1986-87

The Committee recommends that final outcome of the case be intimated to the Committee.

X 2.3.9 (v) M/s Jyoti Parsad Vinod Kumar, Hisar, A.Y. 1985-86

The Committee recommends that action be completed against the assessing authority, who was responsible for renewing the R.C. within a period of one month under intimation to the Committee.

2.3.9 (vi) M/s Maheshwari Fastners (P) Ltd., Faridabad, A.Y. 1977-78 to 1983-84

The Committee was informed that no action has been taken against the defaulting officer, who delayed in assessment and failed to complete the surety papers. The Committee recommends that action against the defaulting officer be completed within a period of 30 days under intimation to the Committee and that sincere efforts to effect the balance recovery from the firm be made.

[120] 2.3.10 *Irregular grant of exemption certificates*

Haryana Government Excise and Taxation Department by a notification issued in June 1985 exempted the unit, in whose favour a certificate of genuineness of its being a tiny rural unit has been or is issued by the Industries Department of the Haryana State, from the payment of tax on the purchase and sale of goods under the Haryana General Sales Tax Act, 1973 provided the goods purchased without payment of tax to the selling registered dealers are required by it for use in the manufacture/production of goods for sale.

A dealer of Hisar was granted Registration Certificate in April 1985 and exemption certificate from October 1986 to October 1987 was granted on the basis of a report by Taxation Inspector on 14. October 1986. It was however, noticed by the Department,

that the dealer was not doing any manufacturing work and the factory premises remained locked from March 1986 to September 1987 except August 1986. Electric connection was disconnected in November 1986. The dealer had also not purchased/hired generator for running the factory. The exemption certificate was withdrawn by the Department in September 1987 vide orders of November 1987. The assessment for the year 1986-87 was finalised in December 1990 and additional demand of Rs. 16.80 lakhs was raised in respect of exempted sales. The arrears were declared recoverable under Punjab Land Revenue Act, 1887 in March 1991 but recovery certificate was yet to be issued.

Failure of the Department to verify the genuineness of the unit at the time of grant of exemption certificate and delay in finalisation of assessment resulted in accumulation of arrears of Rs 16 80 lakhs

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

M/s Shiv Industries Bhodia Khera, A.Y. 1986-87

Amount was declared as arrears to be recovered under Land Revenue Act on 4-3-1991. In the meantime dealer filed an appeal before the Appellate Authority, who allowed the dealer to deposit Rs 20,000 per month subject to the production of surety bond. The dealer deposited Rs. 20,000 and furnished the surety bond for the balance amount. The case was finally remanded by the Appellate Authority vide his orders dated 30-4-1992. Remand case was decided by the Assessing Authority on 24-4-95 creating additional demand of Rs. 16.80 lacs. Out of this Rs. 0 20 lacs already stands recovered leaving a balance of Rs. 16.60 lacs. Efforts are being made to recover this amount under Land Revenue Act.

2.3.10. M/s Shiv Industries Bhodia Khera A.Y. 1986-87

The Committee recommends that recovery certificates be issued immediately under intimation to the Committee.

[121] 2.3.11. Delay in initiating/non-pursuance of recovery proceedings

In Haryana, sales tax is levied and collected under the Haryana General Sales Tax Act, 1973 and the rules made thereunder. If the sales tax dues (including interest, penalty and composition fee etc.) are not paid by the dealer within the time specified in the demand notice or within the extended time, if any, the Assessing Authority may apply to the Collector for recovery of the Government dues as arrears of land revenue. After approval by the Collector, the Assessing Authority (the Assistant Collector) is required to issue recovery certificates and take all legal steps necessary for recovery of tax dues as arrears of land revenue.

During scrutiny of records, it was noticed that in the following cases the tax demanded could not be recovered due to non-pursuance/delay in initiating recovery proceedings.

(1)

(ii) Assessment of a dealer of Karnal for the years 1979-80 and 1980-81 was finalised in August 1984 and June 1985 and a demand of Rs. 11.88 lakhs was raised. Arrears of Rs. 11.85 lakhs (after adjustment of refund of Rs. 3229) was declared as arrear recoverable under Punjab Land Revenue Act, 1887 in September 1984 and July 1985. Summons were issued to both the sureties for recovery of Rs. 0.30 lakh in July 1986 but no follow up action was taken. In March 1987 warrant of arrest was issued against one partner of the firm who was released after keeping him in lock up/jail for 40 days. Warrant of arrest issued against the other partner in January 1987 could not be executed upto March 1990. In November 1990, the other partner submitted medical certificate that he was suffering from heart disease. Details of property held by the partners had not been called for from the Revenue Authorities.

Failure to take up the follow up action against the second partner for three years (March 1987 to March 1990), against the sureties after July 1986 and to obtain the details of property resulted in non-recovery of arrears amounting to Rs. 11.85 lakhs.

(iii) A dealer of Faridabad was granted Registration Certificate in December 1984. Assessment notices for 1984-85 were issued in June 1985 and March 1986. However, the dealer did not respond and it came to the notice of the Department that there was no such firm at the given address. The Assessment cases for 1984-85 to 1986-87 were finalised between March 1987 and July 1990. A demand of Rs. 19.70 lakhs was raised. The arrears were declared as recoverable under Punjab Land Revenue Act, 1887 and recovery certificates were issued to the Collector, Delhi between November 1987 to November 1990. Recovery of Rs. 0.25 lakh was effected from one of the sureties. The Assessing Authority had directed in November 1987 to procure property certificate from the Revenue authorities but no action had been taken (April 1991). The Collector, Delhi also sought additional information in August 1989, but the same had not been furnished (November 1991).

Ineffective pursuance of the recovery case and non obtaining of the details of property for attachment resulted in accumulation of arrears of Rs. 19.45 lakhs.

(iv) * * * * *

(v) Assessments of a dealer of Rewari for the years 1983-84 to 1985-86 were finalised between March 1989 and August 1990 and a demand of Rs. 9.29 lakhs was raised. As the dealer failed to make the payment and had already closed down business, recovery certificates were issued to the Collector, Delhi between August 1990 and January 1991. One surety of the dealer had withdrawn his surety during July 1983. No action had been taken against the other surety upto May 1991.

Failure to finalise the cases in time, to obtain fresh surety in place of the surety already withdrawn and also to take action

against the second surety resulted in non-recovery of arrears to the extent of Rs. 9.29 lakhs.

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

M/s Ram Lal & Sons, Karnal, A.Y. 1979-80 and 1980-81

Nothing has been recovered so far. One partner was kept in revenue lock up from 8-1-87 to 17-1-87 and in judicial custody from 18-1-87 to 16-2-87 (total 40 days). Other partner could not be arrested being a heart patient. Recovery from sureties to the extent of Rs. 30,000 could not be effected owing to misplacement of surety bonds. Disciplinary action against the defaulters who have misplaced the surety bonds is under way.

M/s A.V. Enterprises, Faridabad (West) A.Y. 1984-85 to 1986-87

The case was referred to the Revisional Authority for *suo-motu* action. He remanded the case on 30-9-92 which is still pending DETC has been directed to get the remand case decided immediately.

M/s Geetanjali Metal Works Rewari A.Y. 1983-84 to 1985-86

This dealer was granted provisional registration under section 21 of the state Act with validity from 16-3-83. The dealer did not get provisional R.C. regularised. He closed his business and was not traceable. Ex-parte assessments were made creating additional demand of Rs. 9.29 lacs. Efforts were made to recover the amount from the sureties namely Shri Ratan Lal and Shri Varinder Kumar. Shri Ratan Lal informed the office that he had already withdrawn his surety. However, both Shri Ratan Lal and Shri Varinder Kumar filed civil suits in the local court at Rewari which were decided on 23-4-92. In the case of Shri Ratan Lal the suit was decided in his favour and in the case of Shri Varinder Kumar, the court ordered that the department could effect the recovery if it failed to recover the amount from the proprietor of the principle debtor. Shri Varinder Kumar filed an appeal before the Additional Session Judge Rewari which is still pending. The next date of hearing is 21-11-95.

2.3.11 (ii) M/s Ram Lal & Sons, Karnal, A.Y. 1979-80 and 1980-81

After going through the facts of the case the Committee recommends that steps be initiated to write-off of this amount under intimation to the Committee.

2.3.11 (iii) M/s A.V. Enterprises, Faridabad (West) A.Y. 1984-85 to 1986-87

The Committee observed that the said case is pending since 1992, the Committee, therefore, directs that the case be decided within a period of 30 days under intimation to the Committee.

2.3.11 (v) M/s Geetanjali Metal Works, Rewari, A.Y. 1983-84 to 1985-86

After going through the facts of the case, the Committee observe that a considerable delay has been made in finalising this case. The Committee, therefore, direct that responsibility be fixed who failed to finalise this case in time. Action taken in this regard be intimated to the Committee.

[122] 2 3 12 *Other interesting cases* 2/ - 21/19

(i) Assessments of a firm of Karnal (Comprising of 8 partners) for the years 1987-88 and 1988-89 were framed in March 1990 and a demand of Rs 2 41 lakhs was raised. The arrears were declared (October 1990) recoverable under Punjab Land Revenue Act, 1887. Rs. 0.50 lakh was recovered from one of the partners and Rs. 0 25 lakh from a surety. Out of the eight partners, six partners were still doing business in Haryana but no action was taken to recover the amount from them. Failure to take effective steps against the partners resulted in non-recovery of arrears of Rs 1 66 lakhs

(ii) Two dealers of Faridabad were assessed to tax of Rs. 2.35 lakhs (for 1984-85 and 1985-86) in one case and Rs. 1.66 lakhs (for 1984-85 to 1986-87) in a second case between March 1988 and March 1990. An amount of Rs. 0 25 lakh was recovered from their sureties. Arrears in both cases were declared recoverable under the Punjab Land Revenue Act, 1887 as the dealers failed to pay the amount. Properties in both the cases were attached in June 1988 and March 1990 respectively. No proceedings to realise the arrears by auctioning their properties had been taken so far (November 1991)

In reply to one case, the Department stated (April 1991) that action to start proceedings to auction the property was being taken shortly. Failure to auction the properties to realise arrears resulted in accumulation of tax of Rs. 3.76 lakhs

The above-cases were reported to the Government in July 1991; their reply has not been received (January 1992)

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

M/s Singla Rice Mills, Munak (Karnal) A.Y. 1987-88 and 1988-89

Out of Rs. 2.41 lacs involved in this case Rs. 0.50 lac were recovered from one partner on 7-1-91 and Rs. 0.25 lac from a surety leaving a balance of Rs. 1.66 lac. Main partner Sh. C B Singla was murdered on 10-10-89. Wife of the main partner applied for grant of instalment on 4-12-91 and instalment of Rs. 1000/- per month was allowed by the DETC on 19-12-91. Out of Rs. 1.66 lacs, Rs. 0.39 lacs has further been recovered from the wife of the deceased leaving a balance of Rs. 1.27 lac.

24/1/08 1. M/s B.M. Industries, Faridabad, A.Y. 1984-85 & 1985-86.

2. M/s Saraswati Ceremics, Faridabad, A.Y. 1984-85 to 1986-87.

The case mentioned at Sr. No 1 in which additional demand of Rs. 2-35-lakh was created was taken up by the Revisional Authority for

suo-moto action. The case for the year 1984-85 was decided on 15-9-89 by creating additional demand of Rs. 52262/-. The case for the year 1985-86 was decided with nil demand. An amount of Rs. 0.10 lakh stands recovered from the sureties. The firm closed down its business in 1988-89 and left for Calcutta Recovery Certificate was issued to Collector, Calcutta. Moveable property was attached on 28-6-1988 but the dealer started making payment for the previous years and in this way Rs. 1.90 lakhs were recovered and adjusted against additional demand upto 1983-84. Therefore attachment was postponed. In the mean time Hon'ble High Court, Calcutta declared the firm under liquidation. Claim has been lodged with the official liquidator on 16-6-95. In the second case of Rs. 1.66 lakhs, an amount of Rs. 0.20 lakh stands recovered from one surety and the other surety is not traceable. The immovable property of the firm has been attached and will be auctioned after getting necessary permission from the Excise and Taxation Commissioner.

2.3.12(i) M/s Singla Rice Mills, Munak (Karnal), 1987-88 and 1988-89

After going through the facts of the case, the Committee observed that an instalment of Rs. 1000/- is very less. The Committee, therefore, recommends to increase the instalment suitably, so that the recovery may be effected expeditiously under intimation to the Committee.

- 2.3.12(ii)**
1. M/s B.M. Industries, Faridabad, A.Y. 1984-85 and 1985-86 2475/88
 2. M/s Saraswati Ceramics, Faridabad, A.Y. 1984-85 to 1986-87

The Committee after going through the facts of the case recommends that permission of the Excise and Taxation Commissioner be obtained immediately so that the property be auctioned without any further delay. Action taken in this regard be intimated to the Committee.

[123] 2.5. *Evasion of tax*

Under the Haryana General Sales Tax Act, 1973, "turnover" includes the aggregate of the amounts of the sales and purchases and parts of sales and purchases made by any dealer whether as principal agent or in any other capacity during the given period less any sum allowed as cash discount under ordinary trade practice but including any sum charged for anything done by the dealer in respect of the goods at the time of, or before delivery thereof. Further, if a dealer has maintained false or incorrect accounts, with a view to suppressing his sales, purchases or stocks of goods, he is liable to pay by way of penalty, in addition to the tax to which he is assessed or is liable to be assessed an amount which shall not be less than twice and not more than ten times (five times from 17th April 1984 and three 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.

A dealer of Faridabad did not disclose sale of tea (taxable at the stage of first sale) amounting to Rs. 87.69 lakhs made to two dealers of Karnal during the year 1982-83. While finalising (August 1989) the assessment,

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the Assessing Authority failed to include the sale in the gross turnover though the facts about suppression of sales were on records of the Department. The omission resulted in short levy of tax of Rs. 6.26 lakhs. Besides, minimum penalty of Rs. 12.52 lakhs was also leviable.

On the omission being pointed out (February 1991) in audit, the Department referred (June 1991) the case to the Revisional Authority for taking suo-moto action. Further, report has not been received (January 1992).

The case was reported to Government in April 1991; their reply has not been received (January 1992).

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

M/s Harish Brothers, Faridabad (A.Y. 1982-83)

Suo-motu case was decided by the Revisional Authority on 30-10-91 by creating an additional demand of Rs. 6.38 lakhs. Action to levy interest and penalty was kept pending. The case has been referred to DETC (Inspection) for review on 21-6-95 as the Revisional Authority levied the tax without any evidence on the file which could link the purchases of Karnal dealer to M/s Harish Brothers. Revisional Authority has been directed to decide the case immediately.

2.5. Evasion of Tax

M/s Harish Brothers, Faridabad A.Y. 1982-83.

The Committee was informed that case has been referred to DETC Inspection for review. The Committee, therefore, direct the department to decide this case within a period of one month under intimation to the Committee.

[124] **2.6. Non-levy of tax on incidental charges**

Under the Haryana General Sales Tax Act, 1973, "turnover" includes the aggregate of the amounts of sales and purchases and parts of sales and purchases made by any dealer including the sum charged for anything done by the dealer in respect of the goods at the time of or before delivery thereof. Further, for non payment of tax due along-with the returns, the dealer is liable to pay interest at the rate of one per cent for the first month and at one and half per cent thereafter.

A dealer of Kurukshetra realised incidental charges of Rs. 31.93 lakhs from Food Corporation of India on account of sale of food grains effected in the course of inter-State trade and commerce during the year 1980-81. However, this amount was not included in the gross turnover as returned by him. While finalising the assessment (January 1987), the Assessing Authority did not include the element of incidental charges which was part of the sale value. The omission resulted in under assessment of tax amounting to Rs. 1.28 lakhs. Besides, interest amounting to Rs. 1.32 lakhs for short payment of tax alongwith the returns was also leviable.

On the omission being pointed out (September 1990) in audit the Department raised (June 1991) additional demand of Rs. 3.59 lakhs (tax Rs. 1.28 lakhs and interest Rs. 2.31 lakhs). Report on Recovery has not been received (January 1992).

The case was reported to Government in December 1990; their reply has not been received (January 1992)

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

M/s DFSC, Kurukshetra, A.Y. 1980-81

The matter regarding the levy of tax on incidental charges is still under dispute between FCI, DFSC and Govt. and the recovery has been stayed by the Government vide their Memo No. 5838-ET-V-82 dated 5-1-1983 and No. 1730-ET-5-88, dated 26-4-1988.

2.6. Non levy of tax on incidental charges

During the course of oral examination the Committee was informed that FCI has agreed to appoint an Arbitrator. The Committee recommends that department should initiate steps at the earliest so that such type of cases decided without any further delay. Action taken in this regard be intimated to the Committee.

[125] 2.7. Application of incorrect rate of tax

(i) to (v)

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(vi) Under the Central Sales Tax Act, 1956, tax on sale of goods other than declared goods to unregistered dealers in the course of inter-State trade or commerce shall be calculated at the rate of ten per cent or at the rate applicable to the sale or purchase of such goods inside the appropriate State, whichever is higher. In Haryana, airconditioners and water coolers are liable to sales tax at the rate of ten per cent and twelve per cent respectively plus two per cent surcharge (ten per cent surcharge with effect from 1st January, 1988) on the amount of tax payable. In addition, interest is also chargeable from the dealer for non payment of tax alongwith returns.

A dealer of Faridabad made inter-State sales of airconditioners and water coolers valued at Rs. 40.21 lakhs and Rs. 7.77 lakhs respectively to unregistered dealers during the year 1987-88. While finalising the assessment (November 1989), the Assessing Authority levied tax on these sales at the lower rate by ignoring the element of surcharge. The mistake resulted in short levy of tax by Rs. 27,153. Besides, interest of Rs. 7,616 was also chargeable for short payment of tax alongwith the returns.

On the omission being pointed out (July 1990) in audit, the Department referred (November 1990) the case to Revisional Authority for *suo-motu* action. Action taken by Revisional authority has not been intimated (January 1992).

The above cases were reported to Government between October 1990 and March 1991; their reply has not been received (January 1992).

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

2.7 (vi) M/s Sidhwal Refrigeration (P) Ltd., Faridabad, A.Y. 1987-88.

In fact there is no provision of surcharge under the CST ACT, 1956. The levy of surcharge came into effect as a result of Andhra Pradesh High Court judgement in the case of Satya Narain Spinning Mills Vs. CTO (1987) (APST) 142. This decision might not have been in knowledge of assessing authority at the time of decision and owing to this fact the surcharge could not be levied. The Hon'ble High Court held that surcharge is nothing but an additional tax. Hence, surcharge is also levied in case of sales made in CST Act, if no form C are received. The Revisional Authority vide his order dated 27.3.91 created an additional demand of Rs. 1,03,386 under Central Sales Tax Act, 1956 which include amount of surcharge and interest thereon. Out of total demand of Rs. 1,03,386 a sum of Rs. 51,683 stands recovered on 22.8.91 and the balance 50% has been stayed by the Tribunal in STA No. 162 of 1991-92 dated 24.7.91. The case is still pending with the Sales Tax Tribunal.

The Committee recommends that the said cases be decided at the earliest under intimation to the Committee.

2.7 (vi) M/s Sidhwal Refrigeration (P) Ltd., Faridabad, A.Y. 1987-88.

[126] 2.14 Non/short levy of interest

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 from him according to his return which is to be submitted by the prescribed date. 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 a half times the amount of tax to which he is assessed or is liable to be assessed.

(i) A dealer of Bhiwani did not pay tax due alongwith returns during the year 1985-86. While finalising assessment (February 1990), the Assessing Authority created additional demand of tax of Rs. 35,706. Besides penalty, interest chargeable amounting to Rs. 27,470 for non payment of tax alongwith the returns was not demanded.

On the omission being pointed out (August 1990) in audit, the Department raised (August 1990) additional demand of interest of Rs. 31,218 calculated upto August 1990 and further stated (January 1991) that action to impose penalty would be taken separately as the dealer is not traceable as yet.

(ii) In the case of a dealer of Faridabad, the Assessing Authority while finalising (March 1990) the assessment for the year 1983-84, erroneously calculated interest for 65 months instead of for 77 months. The mistake resulted in short levy of interest of Rs. 31,878.

On the mistake being pointed out (March 1991) in audit, the Department created (March 1991) demand of Rs. 31,878 and issued (June 1991) recovery certificate for additional demand to the Collector Guwahati.

The above cases were reported to Government in November 1990 and April 1991; their reply has not been received (January 1992).

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

M/s Haryana Textiles. Bhiwani, A.Y. 1985-86

The case was referred to Jt. ETC(A) for taking *suo-motu* action. The case was remanded by the JETC(A) vide his orders dated 22-3-1993 which was decided by the assessing authority on 17-5-1993 creating additional demand of Rs. 25,221 and Rs. 20,285, under HGST Act and CST Act respectively. Interest amounting to Rs. 21,723 and Rs. 27,167/- under HGST Act and CST Act respectively was also levied by the assessing authority vide his order dated 24-9-93. Penal action u/s 47 has been condoned by the assessing authority vide his order dated 24-9-93. The dealer closed down his business and is residing at Delhi. Recovery certificate has been issued to Collector, Delhi but nothing has been recovered so far. One surety has expired 7-8 years ago and the other surety separated from the firm 10-12 years ago and at present is posted as Session Judge at Delhi. Efforts are being made to recover the amount from the defaulters through Collector, Delhi.

2.14(i) M/s Haryana Textiles, Bhiwani, A.Y. 1985-86

After hearing the departmental representatives the Committee recommends that factual position of this case be sent to the Committee within a period of one month.

OTHER TAX RECEICTS

[127] 4.1. *Results of Audit*

Test check of records in departmental offices, conducted in audit during the year 1990-91, revealed short/non-recovery of excise duty, taxes on vehicles amounting to Rs. 606.35 lakhs in 8291 cases which broadly fall under the following categories :

	Number of cases	Amount (In lakhs of rupees)
A. State Excise	301	592.13
B. Taxes on Vehicles	7990	14.22
	8291	606.35

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

Out of 301 cases, 275 cases have been reviewed with the following results :—

222 cases involving the amount of 17.38 lacs have been settled with additional demand.

53 cases involving the amount of 19.67 lacs have not been admitted by the Department.

26 cases involving the amount of 555.09 lacs are yet to be settled and are under active consideration of the Department.

4.1. *Result of Audit*

During the course of discussion the Committee was informed that out of 301 cases, 275 cases stand settled leaving only 26 cases which are under active consideration of the Department. The Committee, therefore, recommends that these cases be got settled within a period of one month under intimation to the Committee.

A—STATE EXCISE

[128] 4.2. *State Excise Duty*4.2.1. *Introductory*

01-01-79

Excise Duty on alcoholic liquors for human consumption and on medicinal and toilet preparations containing alcohol or opium Indian hemp and other narcotic drugs and narcotics in Haryana, is levied and is

collected under the authority of the following Central and State laws and rules made thereunder :

- (a) Medicinal and Toilet Preparations (Excise Duties) Act, 1955 and rules made thereunder.
- (b) The Punjab Excise Act, 1914 and rules made thereunder, namely, the Punjab Excise Fiscal Orders 1932, the Haryana Liquor licence rules, 1970, the Punjab liquor Permit and Pass Rules, 1932, the Punjab Distillery Rules 1932, the Punjab Breweries Rules, 1956, the Punjab Sweets (Manufacture) Rules, 1955 and the Punjab Excise Bonded Warehouse Rules, 1957. These State laws and rules are applicable to the State of Haryana also.

The revenue is mainly derived from "fixed", "assessed" and "auction" fees for the grant of licences of various vends under the Haryana Liquor licence Rules, 1970 and "excise duties" levied on spirit and beer removed from distilleries and breweries and on that imported/exported to and from any other State under the Punjab Excise Fiscal Orders, 1932. Fees and duties are levied and accounted for in the offices of the concerned Deputy Excise and Taxation Commissioners/ Deputy Excise and Taxation Commissioners (Inspection).

4.2.2. Scope of audit

Out of 17 Deputy Excise and Taxation Commissioner's Offices records in respect of 6 offices of Ambala, Karnal, Rohtak, Jind, Bhiwani and Gurgaon for the years 1987-88 to 1990-91 were test checked (January 1991 to March 1991) with a view to ascertaining the extent of compliance of various rules and orders regarding the levy and collection of excise duties.

4.2.3. Organisational set up

The Excise Department in Haryana functions under the administrative control of the Excise and Taxation Commissioner. To assist the Commissioner in the proper administration of the Department, Deputy Excise and Taxation Commissioners are appointed.

In each of the 17 Excise districts there is one Deputy Excise and Taxation Commissioner. From October 1990 the charge of excise branch has been transferred to the Deputy Excise and Taxation Commissioner (Inspection). Each bonded warehouse, distillery brewery and bonded pharmacy is under the charge of an officer of the Excise Department.

These units serve as primary units for levy and collection of excise duties and allied levies.

4.2.4. Highlights

—Additional licence fee amounting to Rs. 6.39 lakhs was not recovered on lifting of excess quota of country liquor.

—Import duty amounting to Rs. 2.67 lakhs on the import of beer and Indian made foreign liquor in Haryana from places outside the State was not charged.

—Excise duty at revised rates on Indian made foreign liquor, beer and rum amounting to Rs. 1.54 lakhs was not recovered.

—Excise duty of Rs. 2.29 lakhs on wastage of spirit in excess of prescribed norms was not recovered.

—Revenue of Rs. 1.10 lakhs on cancellation of licences and re-auction of the vends was not recovered from the defaulting licences.

—Additional excise duty of Rs. 2.09 lakhs due to irregular adjustment of security was not recovered.

—Revenue amounting to Rs. 12.50 lakhs on re-auction of vends was not realised due to non-observance of prescribed procedure.

4.2.5.	*	*	*	*
4.2.6.	*	*	*	*
4.2.7.	*	*	*	*
4.2.8.	*	*	*	*
4.2.9.	*	*	*	*
4.2.10	*	*	*	*
4.2.11.	*	*	*	*

4.2.12. Non-levy of duty on excess wastage

(a) The Punjab Distillery Rules, 1932 as applicable to Haryana provide for wastage allowance of spirit during storage, bottling - operations and in bottled spirit room at 2 per cent, 1.5 per cent and one per cent respectively. Excise duty on spirit wasted in excess of the prescribed limits is recoverable from the distillery.

In a bottling plant at Sonapat and a distillery in Hisar, duty amounting to Rs. 1.20 lakhs on wastage of 2574.6 proof litres of Indian made foreign spirit and 1446.95 proof litres of country spirit during 1988-89 to 1989-90 in excess of the permissible limits was not levied.

On the mistake being pointed out (July 1990 and September 1990) in audit, the Department recovered (January 1991 and February 1991) Rs. 1.03 lakhs. Report on recovery of the balance amount of Rs. 17364 has not been received (January 1992).

(b) The Medicinal and Toilet Preparations (Excise Duties) Rules, 1956, empower the State Government to fix, from time to time, the

percentage of wastage of alcohol used in the production of medicinal or toilet preparations. Duty was leviable on any wastage in excess of the permissible limit. The State Government by a notification dated 11th November 1987 fixed the percentage of wastage of alcohol.

In Karnal, Gurgaon and Rohtak districts, eighteen licensees of pharmaceutical works claimed during the years 1987-88 to 1989-90 allowance for wastage of 1444.82 alcoholic litres in excess of the prescribed limit used in medicinal preparations resulting in short realisation of excise duty amounting to Rs. 1.09 lakhs.

On the omission being pointed out (December 1989 and March 1991) in audit, the Department stated (February and March 1991) that notices for recovery were being issued in 16 cases of Karnal district and referred one case in respect of Gurgaon district to the Excise and Taxation Commissioner for comments. Reply in one case of Rohtak has not been received (January 1992).

Further progress of the cases has not been received (January 1992).

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

(a) Rs. 17,364/- has been recovered vide T.R. No. 54 dated 24-7-1992 by the DEFC, Hisar from A.D L. Hisar.

(b) Recovery in Eleven cases amounting to Rs. 54000/- has been effected and in remaining seven cases of Karnal district, efforts are being made to recover the balance amount of Rs. 55000/-.

4.2.12. (b) *Non-levy of duty on excess wastage*

The Committee was informed that still an amount of Rs. 52,000/- left to be recovered. The Committee, therefore, recommends that sincere efforts be made to recover this amount at the earliest and also desist that details of these cases alongwith the reasons as to why this amount has not been recovered so far be intimated to the Committee.

[129] 4.2.13. *Loss of revenue due to re-auction of vends*

Under the Haryana Liquor Licence Rules, 1970, licences of vends for country liquor and Indian made-foreign liquor are granted by auction. A successful bidder is required to deposit, by way of security, an amount equal to 16 $\frac{2}{3}$ percent of the annual licence fee (bid money) of which 5 per cent is payable at the fall of the hammer and the remaining 11 $\frac{2}{3}$ per cent within a period of ten days from the date of auction. The entire amount of security or ninety per cent, as may be deemed proper by the Excise and Taxation Commissioner, is required to be adjusted against the last instalments of licence fee payable. The remaining licence fee is payable in monthly instalments equal to one eleventh of the total annual licence fee by the 20th of each month. The Excise and Taxation Officer incharge of the district, may authorise the licensees to deposit the amount of instalment or part thereof upto the last day

of the month for which the instalment is due, on payment of interest at the rate of 15 per cent per annum for the period from the first day of the month to the date of payment of instalment or any part thereof deposited after due date. For failure to pay any instalment alongwith interest by the due date, the licence for vend is liable to be cancelled and re-auctioned at the risk and expense of the defaulting licensee. The amount is recoverable from the original vendor as arrears of land revenue.

In Bhiwani district, two vends, one each of country liquor and Indian made foreign liquor, were auctioned (March 1989) for the year 1989-90 for Rs. 13.41 lakhs to two licensees. The licensees, after paying instalments and security aggregating Rs. 6.52 lakhs (upto June and July 1989), stopped making further payments. The Department cancelled their licences and re-auctioned (August 1989 and October 1989) the vends for Rs. 5.80 lakhs. The re-auction resulted in loss of Rs. 1.10 lakhs (including Rs. 1000 as expenses on re-auction of vends) recoverable from the defaulting licensees. No recovery has, however, been effected (January 1992).

On this being pointed out (May 1990 and October 1990) in audit, the Department stated (March 1991) that recovery proceedings against the defaulters had been initiated. Further report on the recovery has not been received (January 1992)

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

In one case of L-2 Railway Station, Bhiwani, out of arrear of Rs. 69,458/- an amount of Rs. 2314/- has been recovered and balance is yet to be recovered.

In another case of L-14A Meham Road Bhiwani, out of Rs. 40,300/- a sum of Rs. 24,300/- has been recovered. Recovery of balance amount of Rs. 16000/- is in progress.

4.2.13. Loss of revenue due to reauction of vends

The Committee recommends that sincere efforts be made to effect the balance recovery within the stipulated period under intimation to the Committee.

[130] 4.2.15. Short recovery of composite fee

Under the Haryana Liquor Licence Rules, 1970, on grant or renewal of a licence for retail vend of foreign liquor in a restaurant or in a bar attached to a restaurant a composite fee is charged in four quarterly instalments payable by the 10th of the 1st month of the quarter. In towns with population exceeding 50,000 composite fee of Rs. 1.5 lakhs per annum is leviable for the grant of or renewal of a licence. Further, under the Punjab Excise Act, 1914, for contravention of any of the provision of the Act or of any rule penalty to the extent of Rs. 200 is leviable.

In Panipat, two licences (L-4, L-5) of a licensee were renewed for the year 1989-90 in August 1989 on his application of renewal and

deposit of 1st instalment of Rs. 37,500 in March 1989. The Licensee paid 2nd instalment (July 1989) and 3rd instalment (part payment) of Rs. 12500 (October 1989). The balance of 3rd and 4th instalment amounting to Rs. 62500 was neither paid by the licensee nor demanded by the Department.

On the omission being pointed out (July 1990) in audit, the Department admitted the mistake and recovered the entire amount in August 1990. Penalty for non payment of licence fee was not levied (January 1992).

The case was reported (July 1990) to Government; their reply has not been received (January 1992).

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

Penalty cannot be imposed at this belated stage when licence is not operative. However, Sh. Rattan Singh, ETO (WExcise) and Sh. Sushil Gaur, E.I. are responsible for this lapse. Disciplinary proceedings against both of them are under way.

4.2.15. Short recovery of composite fee

The Committee recommends that disciplinary action against the E.T.O. and Excise Inspector be completed within a period of one month under intimation to the Committee.

[131] 4.2.17 *Non-recovery of licence fee and interest*

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 would render him liable to pay interest at 15 percent per annum from the first day of the relevant month upto the day of payment.

In Gurgaon, Bhiwani, Karnal and Jind districts, five vends for the year 1987-90 were auctioned in March 1989 for Rs. 39.92 lakhs. Against this the licensees deposited Rs. 39.35 lakhs upto March 1990, resulting in short deposit of Rs. 56620 which was not demanded by the Department. Besides, interest amounting to Rs. 10.506 was also recoverable upto March 1991.

On the omission being pointed out (between July 1990 and October 1990) in audit the Department recovered (July 1990 and February 1991) Rs. 24,152 in two cases. Report on recovery of the balance amount of Rs. 42,974 has not been received (January 1992).

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

Out of Rs. 42,974 recovery of Rs. 25,016 has been effected, and efforts are being made to recover the balance amount of Rs. 17,958 in the case of Bhiwani District.

4.2.17. Non recovery of license fee and interest

The Committee recommends that the balance amount of Rs. 17,958 be recovered at the earliest under intimation to the Committee.

[132] 4.2.19. *Loss due to non observance of prescribed procedure regarding auction of vends*

The Haryana Liquor Licence Rules 1970, inter-alia, provide that if any person whose bid has been accepted by the Presiding Officer at the auction, fails to deposit the prescribed amount of security or refuses to accept the licence, the Collector or any officer authorised in this behalf may re-sell the licence in public auction at the risk and cost of the defaulting bidder and the deficiency in licence fee shall be recoverable from him as arrears of land revenue.

(i) In Bhiwani and Rohtak districts, one country liquor vend and one Indian made foreign liquor vend, were auctioned (March 1989) for Rs. 7.10 lakhs and 11.02 lakhs respectively for the year 1989-90. The successful bidders signed the bid sheets (March 1989) and deposited 5 per cent security (March 1989) but refused to accept the licences and deposit the balance security. The collector re-auctioned (March and April 1989) the vends for Rs. 4.75 lakhs and Rs. 7.31 lakhs respectively and directed (April 1989) the Deputy Excise and Taxation Commissioner Rohtak to initiate proceedings for recovery of deficient amount of Rs. 3.16 lakhs from the defaulting bidder. No action except forfeiture of security of Rs. 35,500 was taken by the Department to realise the deficient amount of Rs. 2 lakhs from the defaulting bidder of Bhiwani district.

On the omission being pointed out (May 1990) in audit, the Department stated (April 1991) that the recovery was being effected in one case of Rohtak district. As regards the case of Bhiwani district, the Department stated that it was not valid contract as the bidder had not deposited the full amount of security and as such no loss was caused to the State. The reply of the Department is contradictory as in a case relating to Rohtak district, the Department agreed to recover the deficient amount whereas in the other case stated that the amount is not recoverable though facts and circumstances of both the cases were similar in nature. Report on recovery in case of Rohtak district is awaited (January 1992).

(ii) * * *

(iii) * * *

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

In the case of L-2 vend Rohtak recovery proceedings were initiated under the Land Revenue Act against all the five partners. One partner was detained twice in revenue lock-up but was released on health grounds. Two partners have since expired. There

is no property in the name of any of the partners. Efforts are being made to recover the amount from the remaining two partners

In the case of country liquor vend Bhiwani direction has been issued to Dy. Excise and Taxation Commissioner Bhiwani on 13-9-95 to recover the balance amount of loss sustained as a result of re-auctioned by the 1st successful bidder.

4.2.19 (i) Loss due to non-observance of prescribed procedure regarding auction of vends

The Committee recommends that the balance amount be recovered within stipulated period under intimation to the Committee.

[133] 4.2.22 Interest not recovered 21-07-96

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. 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 of instalment or any part thereof deposited after due date.

Licensees in Bhiwani, Jind and Karnal districts, failed to pay the monthly instalments of licence fee by the prescribed dates during the years 1987-88 to 1989-90. Interest of Rs. 46,492 was chargeable on belated payment of licence fee which was not demanded.

On the omission being pointed out (between October 1988 and October 1990) in audit, the Department recovered (between October 1989 and March 1991) Rs. 15,511. Report on recovery of balance amount is awaited (January 1992).

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

Out of Rs. 46,492, a sum of Rs. 29,000 has been recovered. For the balance, recovery is in progress.

4.2.22. Interest not recovered

The Committee was informed that a sum of Rs. 17,492 is yet to be recovered. The Committee, therefore, recommends that the said amount be also recovered within a period of one month under intimation to the Committee.

[134] 4.2.23. Non-recovery of penalties

Under the Punjab Excise Act, 1914, as applicable to Haryana, penalty is leviable in the event of contravention of any of the provisions of the Act or of any rule, notification or order made, issued or given thereunder.

Test check of records in audit of five offices (Gurgaon, Karnal, Rohtak, Jind and Bhiwani) revealed that no action had been taken to recover the amount of Rs. 1.66 lakhs in respect of penalties imposed by the Department in 56 cases during the period from 1987-88 to 1989-90.

On this being pointed out between October 1988 and March 1991 in audit, the Department recovered between September 1990 and December 1990 Rs. 22,730 in four cases. Report on recovery of the balance amount has not been received (January 1992).

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

Out of Rs. 1.66 lakhs, a sum of Rs. 90,000 has been recovered. Efforts are being made to recover the balance amount of Rs. 76,000.

4.2.23. Non recovery of penalties

The Committee recommends that sincere efforts be made by the department to recover the balance amount of Rs. 76,000 within stipulated period under intimation to the Committee.

1991-92

[135] 1.3 Assessments in arrears

The number of assessment cases finalised during the year 1991-92 and pending at the end of 1991-92 alongside figures for the preceding year, are given below :

	Sales Tax		Passengers and Goods Tax	
	1990-91	1991-92	1990-91	1991-92
	1	2	3	4
(i) Number of assessments due for completion during the year				
(a) Arrear cases	83619	107930	214	585
(b) Current cases	144220	149666	422	296
(c) Remand cases	1371	1796	5	3
(ii) Number of assessments completed during the year				
(a) Arrear cases	47908	68977	89	316

1	2	3	4	5
(b) Current cases	81257	79175	243	188
(c) Remand cases	895	1070	—	1
(iii) Number of assessments pending finalisation at the end of the year				
(a) Arrear cases	35711	38953	125	269
(b) Current cases	62963	70491	179	108
(c) Remand cases	476	726	5	2

Year-wise break up of the pending assessments as at the end of the year 1991-92 is given below :

		Number of cases	
		Sales Tax	Passengers and Goods Tax
Upto	1986-87	454	27
	1987-88	1648	20
	1988-89	10308	40
	1989-90	28286	96
	1990-91	69474	196
	Total	110170	379

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

Sales Tax

Out of 1,10,170 cases pointed out by the audit, 1,08,576 cases have been decided upto 31-7-95, leaving a balance of 1594 cases. The Assessing Authorities have been directed to dispose of these cases by the end of March, 1996.

Passengers and Goods Tax

Out of 379 cases pointed out by the audit, 370 cases have been decided upto 31-7-95, leaving a balance of 9 cases. The Assessing Authorities have been directed to dispose of these cases by the end of December, 1995.

1991-92

1.3. Assessment in arrears

During the course of discussion the Committee was informed that out of 110170 cases of sales tax, only 1431 cases are pending for decision at present. Similarly, out of 379 cases of passengers and goods tax, only 9 cases are left. After assessing the performance of the department the Committee recommends that these cases be decided by March, 1996 and the progress report in this regard be sent to the Committee.

[136] 1.4 *Uncollected Revenue*

As on 31st March 1992, arrears of revenue pending collection under principal heads of revenue, as reported by the departments, were as under :

Heads of revenue	Total arrears	Arrears outstanding for more than five years
(In crores of rupees)		
1. Sales Tax	94.37	23.93
2. Taxes and Duties on Electricity	24.34	6.97
3. State Excise	8.10	3.83
4. Other Taxes and Duties on Commodities and Services		
(i) Receipts under the sugarcane (Regu- lations, Supply and Purchase Control) Act	3.32	0.21
(ii) Receipts under the Punjab Entertainment (Cinematograph Shows) Act	0.12	0.03
5. Stamps and Registration Fee	2.87	0.18
6. Non-ferrous Mining and Metallurgical Industries	1.84	0.76
7. Taxes on Goods and Passengers	4.07	0.49
8. Co-operation	2.29	0.82
9. Land Revenue	0.21	0.06
Total	141.53	37.28

Year-wise break up of uncollected revenue was as under :
 Amount
 (In crores of rupees)

Up to 1986-87	37.28
1987-88	13.46
1988-89	15.96
1989-90	15.58
1990-91	19.37
1991-92	39.88
Total :	141.53

According to the information furnished by the departments (September 1992) the amount of arrears as on 31st March, 1992 was in the following stages of action :

	Amount (In crores of rupees)
1. Recoveries stayed by appellate authorities/courts	43.43
2. Amount covered by recovery certificates	9.44
3. Amount likely to be written off	35.91
4. Other stages	52.75
Total :	141.53

Analysis of arrears

(a) Sales Tax

Sales tax demand raised but not collected as on 31st March 1992 amounted to Rs. 94.37 crores as against Rs. 82.72 crores outstanding on 31st March 1991. The increase in arrears by Rs. 11.65 crores (14.08 per cent) was stated to be due to increase in number of cases assessed and more dealers having left the State resulting in issue of recovery certificates. Year-wise break up of the outstanding amount as on 31st March 1992 is given below :

Year	Amount (In crores of rupees)
Up to 1986-87	23.93
1987-88	11.05
1988-89	9.19
1989-90	9.48
1990-91	14.26
1991-92	26.46
	94.37

Recovery of Government dues exceeding Rs. 2 lakhs was outstanding in respect of 377 cases involving a sum of Rs. 63.87 crores.

District-wise position of individual cases with recovery due exceeding Rs. 5 lakhs was as under :

District	Number o cases	Amount (In lakhs of rupees)
Bhiwani	2	115.20
Faridabad (E)	21	306.29
Faridabad (W)	55	1,433.12
Gurgaon	5	90.61
Hisar	16	261.26
Jagadhari	16	140.47
Jind	7	104.34
Kaithal	5	33.88
Karnal	22	1,651.70
Kurukshetra	3	32.28
Rewari	13	841.13
Rohatak	13	274.37
Ambala	8	132.24
Panipat	4	284.71
	190	5,701.60

The arrears had also accumulated due to late finalisation of assessments. A few such cases are mentioned below by way of illustrations :

(i) The assessments of a dealer of Faridabad for the years 1986-87 and 1987-88 were finalised ex-parte in July 1990 and August 1990 creating additional demands of Rs. 10.75 lakhs and Rs. 38.33 lakhs respectively. The firm closed down its business and its assets were already sold by the Haryana Financial Corporation in July 1990. No other assets or property were left/available to recover the arrears of sales tax. Recovery of Rs. 36,000 was made from two sureties up to August 1992. Registration certificate was not renewed from April 1990 as the dealer failed to furnish sureties for Rs. 50,000 each under both the Acts. The department did not take any action to get the amount recovered as arrears of land revenue.

Delay in assessment and failure to take action to recover the amount resulted in accumulation of tax arrears of Rs. 48.72 lakhs.

(ii) Assessment of a dealer of Sonipat for the years 1984-85, 1985-86 and 1986-87 were framed on best judgement basis in March

1990 creating an additional demand of Rs. 10.65 lakhs (Rs. 0.45 lacs for 1984-85, Rs. 7.14 lakhs for 1985-86 and Rs. 3.06 lakhs for 1986-87). Registration certificate was cancelled in December 1986. The amount could not be recovered as the firm was bogus and whereabouts of the dealer were not known to the department. The amount could also not be recovered from the sureties as the same were also not genuine. Recovery certificate issued to the collector, Delhi in August 1990 was received back with the remarks that the dealer was not available at the given address.

Failure to verify the genuineness of the dealer and sureties at the time of grant of registration certificate and delay in assessment resulted in non-recovery of tax amounting to Rs. 10.65 lakhs.

(iii) A dealer of Faridabad was granted registration certificate in July 1983 for trading in iron and steel. The registration certificate was cancelled in July 1986 as the dealer was found to be making clandestine transactions. He filed returns disclosing turnovers of Rs. 35.97 lakhs and Rs. 18.56 lakhs for the years 1983-84 and 1984-85 against his actual turnovers of Rs. 175.00 lakhs and Rs. 140.00 lakhs respectively. The assessments were finalised in December 1989 and March 1990 on turnovers of Rs. 175.00 lakhs and Rs. 140.00 lakhs and demands worth Rs. 7.00 lakhs and Rs. 5.60 lakhs were created against the dealer; however, the demands could not be recovered as the dealer was found to be bogus. A sum of Rs. 35,000 was recovered from the sureties.

Failure of the department to verify the genuineness of the dealer at the time of grant of registration certificate and delay in finalising the assessments soon after cancellation of registration certificate resulted in loss of revenue of Rs. 12.25 lakhs.

(b) * * * *

(c) * * * *

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

Sales Tax

Out of the uncollected arrears of Rs. 94.37 crores the amount of Rs. 30.75 crores stands recovered leaving a balance of Rs. 63.62 crores as on 31-7-95. The reasonwise details of balance arrears of Rs. 63.62 crores are as under :—

	Amount (In Crores of Rupees)
1. Under Stay	35.39
2. Under Instalments	0.45
3. Under Liquidation	6.52
4. Inter-State arrears	7.30
5. Inter-distt. arrears	0.96
6. Writing off	6.49
7. Recoverable	6.51
Total :	63.62

Out of the uncollected arrears of Rs. 8.10 crores, an amount of Rs. 3.38 crores stands recovered leaving a balance of Rs. 4.72 crores as on 31-7-95. The reasonwise details of balance arrears of Rs. 4.72 crores are as under :—

	Amount (in crores)
1. Under stay	2.49
2. Under instalments	0.34
3. Inter-state arrears	0.28
4. Inter-district arrears	10.30
5. Writing off	0.38
6. Under liquidation	0.09
7. Net recoverable	0.84
Total .	4.72

Passengers and Goods Tax

Out of the uncollected arrears of Rs. 4.07 crores, an amount of Rs. 2.12 crores stands recovered, leaving a balance of Rs. 1.95 crores as on 31-7-95. The reasonwise details of balance arrears of Rs. 1.95 crores are as under :—

	Amount (in crores)
1. Under stay	0.22
2. Inter-state arrear	0.31
3. Recoverable	1.42
Total .	1.95

Entertainment

Out of the uncollected arrears of Rs. 0.12 crore, an amount of Rs. 0.02 crore stand recovered, leaving a balance of Rs. 0.10 crore. Out of Rs. 0.10 crore Rs. 0.07 crore stand written off and Rs. 0.01 crore are under process for writing off leaving a balance of Rs. 0.02 crore. The reasonwise details of balance arrears of Rs. 0.02 crore are as under :—

	Amount (in crores)
1. Under stay	0.01
2. Net recoverable	0.01
Total :	0.02

M/s. Khandelwal Chemical (P) Ltd., Faridabad, A.Y. 1935-87 and 1937-83

The firm has gone into liquidation. The immovable property of the Company has been auctioned by the Haryana

Financial Corporation for realising the loan advanced to the company. However, recovery of Rs. 50,000 from both sureties has been effected.

M/s. Bharat Auto Sales, Sonipat, A.Y. 1984-85 to 1986-87

Nothing has been recovered so far out of the total demand of Rs. 10.65 lacs. However, disciplinary action against the defaulting officers/officials was initiated. Two increments of Sh. H. S. Chauhan, E.T.O (now DETC) were stopped without commulative effect vide TTCs. order dated 10-1-92. This order was set aside by the Financial Commissioner, Excise & Taxation vide order dated 17-8-95. Simple warning was issued to Sh. Devinder Gaur, ETO on 12-11-90. One increment of Sh. R. N. Dhawan, TI was stopped with commulative effect vide E.T.C's order dated 21-10-92.

M/s. Shiva Steel, Faridabad, A.Y. 1991-92

Except Rs. 35,000 from the sureties nothing has been recovered from the dealer. However, disciplinary proceedings against the defaulting officers/officials are under way for the irregularities committed by them.

1.4. Uncollected Revenue (Sales Tax)

During the course of discussion, it was informed that out of uncollected arrears of Rs. 94.73 crores in respect of sales tax, a sum of Rs. 63.62 crores are pending for recovery at present. Similarly, out of uncollected arrears of Rs. 8.10 crores in respect of state excise, Rs. 4.72 crores are yet to be recovered and in respect of PGT tax out of uncollected arrears of Rs. 4.07 crores, a sum of Rs. 1.95 crores is balance to be recovered and in respect of entertainment tax out of uncollected arrears of Rs. 0.12 crore a balance of Rs. 0.03 crores is still to be recovered. After going through the above said figures of the arrears, the Committee is of the view that a huge amount is still to be recovered under various categories. The Committee, therefore, recommends that department should make strenuous efforts to expedite the recovery of the above said amount and the progress of recovery be intimated to the Committee regularly.

1.4.(i) M/s. Khandelwal Chemical (P) Ltd., Faridabad, A.Y. 1986-87 and 1987-88

The Committee after going through the facts of this case, recommends that department should move a case to write-off this amount under intimation to the Committee.

1.4 (ii) M/s. Bharat Auto Sales, Sonipat, A.Y. 1984-85 to 1986-87

After hearing the departmental representatives, the Committee recommends that the department should initiate steps for writing off the said amount against the said firm.

1.4. (iii) M/s. Shiva Steel, Faridabad, A.Y. 1991-92

The Committee recommends that action against the defaulting officers/officials be completed within a period of one month under intimation to the Committee alongwith the position of the recovery.

[137] 1.5. *Frauds and evasions of taxes*

The table below indicates the amounts of taxes/receipts assessed during the year 1991-92 in cases of frauds and evasions of taxes/receipts detected by the departments concerned during 1991-92 and earlier years :

Nature of tax/receipt	Cases pending as on 1st April 1991	Number of cases detected during the year	Number of cases finalised during the year		Number of cases pending as on 31st March 1992		Amount of tax, interest and penalty levied
			Out of Col. 2	Out of Col. 3	Out of Col. 2	Out of Col. 3	
					(In lakhs of rupees)		
Sales Tax	251	2397	163	2238	88	159	142.68
Passengers and Goods Tax	208	1671	13	875	195	796	24.31
Medical	1	—	1	—	—	—	—
Entertainment Duty and Show tax	13	19	—	19	13	—	0.31
State Excise	—	60	—	60	—	—	1.61
Animal Husbandry	1	—	—	—	1	—	0.66
Stamp Duty and Registration fees	661	253	124	45	537	208	50.38

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

Sales Tax

Out of 247 cases pointed out by the audit, 181 cases have since been decided levying tax and penalty of Rs. 23.20 lacs. Out of which Rs. 20.50 lacs stands recovered and efforts are being made to recover the balance amount. Out of the remaining 66 cases, files in respect of 22 cases pertaining to Ambala district have been burnt in the Anti Mandal Agitation, 44 cases are under review and concerned DETCs have been directed to dispose of these cases by January, 1996.

Passengers and Goods Tax

Out of 991 cases (195+796) pointed out by audit, 924 cases have since been decided levying tax and penalty of Rs. 18.29 lacs which stands realised, 67 cases are under review for which DETCs have been directed to dispose of by 31-1-96.

Entertainment Duty and show tax

All the 13 cases pointed out by the audit have since been decided levying tax and penalty of Rs. 7951 which stands recovered.

1.5. Frauds and Evasions of taxes

The Committee direct the department that instructions be issued to the concerned DETCs to dispose of these 44 pending cases which are under review without further delay and the progress report in this regard be sent to the Committee.

[138] 2.1 Results of Audit

Test check of sales tax assessments and other records of 28 units conducted during the year 1991-92 revealed under-assessment of tax of Rs. 477.43 lakhs in 1131 cases, which broadly fall under the following categories :

Details	Number of cases	Amount (In lakhs of rupees)
1. Incorrect computation of turnover	305	170.21
2. Under-assessment under the Central Sales Tax Act	162	58.92
3. Interest not charged on non-payment/delayed payment of tax	158	54.53
4. Application of incorrect rate of tax	78	30.85
5. Non/short levy of penalty	70	88.64
6. Other irregularities	358	74.28
Total :	1131	477.43

During the course of the year 1991-92 the department accepted under-assessment of Rs. 83.96 lakhs involved in 401 cases of which 389 cases involving Rs. 76.22 lakhs had been pointed out in audit during 1991-92 and the rest in earlier years, out of which an amount of Rs. 8.78 lakhs has been recovered. 28 draft paragraphs and one review involving financial effect of Rs. 52.64 lakhs and bringing out major irregularities noticed during the year or earlier years were issued to the Government for their comments. The department has accepted the observations in 28 cases involving Rs. 52.64 lakhs of which Rs. 5.26 lakhs have been recovered up to August 1992. A few illustrative cases are given in the following paragraphs :

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

Out of 1131 cases, 577 cases have been reviewed with following results :—

No. of cases	Amount pointed out by audit (in lacs.)	Result of review
445	165.18	The cases have been settled without any additional demand.
132	17.26	Settled with additional demand.

554 cases involving an amount of Rs. 294 99 lacs are under review

2.1 Result of Audit

After hearing the departmental representatives, the Committee recommends that the remaining cases which are under review be decided within stipulated period under intimation to the Committee.

[139] 2.2. *Under-assessment due to irregular grant of exemption to non-manufacturers*

To encourage Tiny Rural industries in Haryana Government issued notifications dated 2 June 1979 and 5 August 1985 under section 13 of Haryana General Sales Tax Act, 1973, allowing exemption to Rural Tiny Industrial units from the payment of tax on the purchase or sale of goods. The entitlement of exemption was subject to the conditions that (i) the goods purchased are used in the manufacture/production of goods for sale within the State (ii) the capital investment on machinery and equipment of the unit should not exceed rupees one lakh (iii) a certificate of genuineness is issued by the Industries Department Haryana

A dealer of Jind who was granted exemption certificate (valid from 20 March 1985 to 14 February 1987) for a rural tiny industrial unit for the manufacture of cattle feed, mustard oil and basen, made huge purchases of Khal, wheat, bajra, binola, pulses, sarson, dal, jowar, guar, gram, etc., without payment of tax from within the State during the years 1985-86 and 1986-87 and sold the goods as such without undertaking any manufacturing process. The assessing authority erroneously allowed (March 1989) exemption from payment of tax on his sales turnover of Rs. 201.44 lakhs (1985-86 : Rs. 195.53 lakhs and 1986-87 : Rs. 5.91 lakhs). As the dealer had sold the goods without undertaking any manufacturing process, the exemption from payment of tax was not admissible. Irregular grant of exemption resulted in short assessment of tax of Rs. 11.71 lakhs and interest of Rs. 5.80 lakhs. Besides, penalty not exceeding Rs. 17.56 lakhs for short payment of tax alongwith returns was also leviable

The Department accepted the audit objection (September 1991 and December 1991) and raised an additional demand of Rs. 11.71 lakhs (1985-86 : Rs. 10.10 lakhs and 1986-87 : Rs. 1.61 lakhs). Report on action to levy interest and penalty has not been received (August 1992).

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

M/s. Ashoka Trading Co., Kinana, A.Y. 1985-86 and 1986-87

The cases were referred to DETC(I) for *suo-motu* action, who after examining the legality and propriety of assessment orders, revised the original assessment vide his

orders dated 30-9-91 and 20-11-91 creating an additional demand of Rs. 10.10 lacs and Rs. 1.61 lacs for the year 1985-86 and 1986-87 respectively. Aggrieved with the orders of Revisional Authority, the dealer preferred appeals before the Sales Tax Tribunal which were dismissed on 22-10-92 being not maintainable. The dealer approached the High Court and filed two writ petitions No. 975/93 and 976/93. These writ petitions were decided on 5-8-93 and the above order of the Tribunal was quashed and cases remanded to the Tribunal for fresh decision. The cases are still pending before the Tribunal.

2.2. Under assessment due to irregular grant of exemption to non-manufacturers

The Committee direct that the above said case to be pursued with the Tribunal, so that it may be decided without further delay.

[140] 2.3 Under-assessment due to short/non-levy of purchase tax

(a) Under the Haryana General Sales Tax Act, 1973, a dealer is liable to pay tax on the sale or purchase of goods made in the State at the stages specified in the Act. Besides, penalty not exceeding one and half times the amount of tax assessed, interest is also chargeable at one per cent per month for the first month and at one and a half per cent per month thereafter for non-payment of tax.

(i) A dealer of Faridabad transferred 1824 Nos. of air conditioners during the year 1986-87 to his branches outside the State of Haryana. Out of 1,824 air conditioners 1,440 were manufactured from goods partly purchased from out of Haryana and partly from within Haryana and the remaining 384 air-conditioners were manufactured exclusively from the material purchased from Haryana. While framing assessment (March 1990), the assessing authority levied purchase tax on 1,440 air conditioners only and the remaining 384 air conditioners escaped assessment. The mistake resulted in under-assessment of purchase tax of Rs. 1.77 lakhs and interest of Rs. 89,335. Besides, penalty up to Rs. 2.66 lakhs for short payment of tax due alongwith returns was also leviable.

On the omission being pointed out (February 1991) in audit, the department referred (June 1991) the case for taking suo-moto action. Further report on action taken has not been received (August 1992).

The case was reported to Government in April 1991; their reply has not been received August 1992).

(ii) A dealer of Jind purchased without payment of tax, paddy chilka, waste paper old gunny bags and other consumable stores valued at Rs. 45.90 lakhs during the year 1987-88 and used the same in the manufacture of paper sold within the State, as well as in the course of inter-State trade or commerce or sent

on consignment basis/branch transfers. While framing assessment (March 1989), the Assessing Authority did not levy purchase tax on purchases made in the State of Haryana. The mistake resulted in short levy of tax of Rs. 82,312, besides interest and penalty.

On the omission being pointed out (September 1989) in audit, the department referred the case (April 1990) to the Revisional Authority for taking *suo-motu* action. After verification the Revisional Authority in his order (November 1991) determined purchases as made within Haryana State at Rs. 27.97 lakhs and created additional demand of Rs. 58,129. The balance purchases were either made from outside the State or related to purchase of machinery and as such were not taxable. Action to levy interest amounting to Rs. 9,296 and penalty up to Rs. 87,194 is awaited (August 1992).

The case was reported to Excise and taxation Commissioner in January 1990; their reply has not been received (August 1992).

(b)	*	*	*	*	*	*
(c)	*	*	*	*	*	*
(d)	*	*	*	*	*	*

(e) Under the provisions of Haryana General Sales Tax Act, 1973, every dealer is liable to pay tax under the Act on the sale or purchase of goods in the State at the stage specified in the Act. Further, interest at the rate of one per cent for the first month and one and a half per cent per month thereafter and penalty is also chargeable for non/short payment of tax along with returns.

A dealer of Rewari purchased goods valued at Rs. 2.60 lakhs from within the State during the year 1987-88 without payment of tax, and used them in the manufacture of tax free and taxable goods sold within the State in the course of inter-State trade or commerce as well as in goods sent to branch offices. While framing assessment (November 1990), the assessing authority did not levy the purchase tax. The mistake resulted in under-assessment of tax of Rs. 20,529 and interest of Rs. 9,123 besides penalty not exceeding Rs. 30,794.

On the omission being pointed out (October 1991) in audit, the department referred (January 1992) the case to the Revisional Authority for taking *suo-motu* action. Further report has not been received (August 1992).

The case was reported to Government in December 1991; their reply has not been received (August 1992).

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

M/s. Electronics Limited, Faridabad A.Y. 1986-87

The case was referred to the Revisional Authority, who

has held that the purchase value has been determined correctly by the Assessing Authority and dropped the *sua-moto* proceedings. However, while examining the order of the Revisional Authority, it was found that the same is not correct and legal as he had not given reasons for vacating the notice and had not analysed how purchase tax was levied correctly. Revisional Authority vide this office letter No. 8021/AA.I. date 17-10-95 has been directed to review his orders under section 41(3) of the HGST Act.

M/s. Amar Jawala Paper Mills, Jind Assessment Year 1987-88

The Revisional Authority vide his orders dated 14-11-1991 created an additional demand of Rs. 58,129. Aggrieved with the orders, the dealer preferred an appeal before the Hon'ble Sales Tax Tribunal Haryana. The Tribunal vide his orders dated 12-5-1993 remanded the case for fresh assessment. The remand case has been decided by the Dy. Excise and Taxation Commissioner-cum-Assessing Authority, vide orders dated 24-5-1993, creating an additional demand of Rs. 49,385.

The dealer, again not being satisfied with the orders dated 24-5-1993 has gone in appeal before the Joint Excise and Taxation Commissioner (A) Hissar. The appeal is pending before the Appellate Authority, who has been directed to decide the case at the earliest.

M/s. Hafed Dall Mills Hissar, A.Y. - 1985-86 and 1986-87

The cases for the years 1985-86 and 1986-87 were referred for *sua-moto* action and the Revisional Authority vide his orders dated 24-4-1995 has created additional demands of Rs. 42,686 and Rs. 21,887 respectively which stands recovered on 24-8-95.

M/s. Multitech International Ltd., Dharuhera - A.Y. 1987-88

The case was referred to the Revisional Authority who after examination of the case held that the dealer purchased only oxygen/DA gas cylinders and Gypsum Powder on the authority of his registration certificate which were used by the firm for the purpose of welding, repairs and maintenance. Gypsum Powder was consumed under the mandatory requirement of State Govt. under the water and Air Pollution Control Act. He Accordingly dropped the *sua-moto* proceedings in this case. However, the Revisional Authority has been advised to review his orders u/s 41 (3) in view of the amendments vide Act No. 4/91, whereunder every purchase made from within the State has been made taxable.

2.3. (a) (i) M/s Electronics Limited, Faridabad A. Y. 1986-87

The Committee recommend that the Revisional Authority may be directed to review the order under section 41(3) of the HGST Act and the Committee be informed accordingly.

2.3. (a) (ii) M/s Amar Jawala Paper Mills, Jind - A. Y. 1987-88

After hearing the departmental representatives, the Committee, recommends that recovery proceedings be finalised within a period of one month under intimation to the Committee.

2.3.(e) M/s Multitech International Ltd., Dharuhera - A.Y. 1987-88

The Committee desired that Revisional Authority may be directed to review his order under section 41 (3) under intimation to the Committee.

[141] 2.4. *Under-assessment due to excess rebate*

(a) Under the Haryana General Sales Tax Rules, 1975 a registered dealer may reduce the amount of tax paid under the Act at the first stage of sale of goods purchased by him, from the amount of tax payable by him on such goods or goods manufactured or processed therefrom, when sold within the State or in the course of inter-state trade or commerce, or in the course of export outside India. For non/short payment of tax alongwith the returns, however, interest at prescribed rates is chargeable from the dealer.

(i)	*	*	*	*	*
(ii)	*	*	*	*	*
(iii)	*	*	*	*	*

(iv) A dealer of Karnal purchased maida, vegetable ghee, wrapper and refined oil (taxable at the stage of first sale) valued at Rs. 14.43 lakhs during the year 1989-90 from within Haryana State after payment of tax. The goods were used in the manufacture of bread sold within the State, sent on consignment basis and branch transfers. While finalising (December 1990) the assessment, the assessing authority erroneously allowed rebate of tax paid on the entire purchases, instead of allowing the same in proportion to the goods sold in the State, no rebate being admissible in respect of manufactured goods sold on consignment basis or transferred to branch offices. The omission resulted in under-assessment of tax of Rs. 28,585, besides interest of Rs. 3,289.

On the omission being pointed out (June 1991) in audit, the department referred (January 1992) the case to the Revisional Authority for *sou moto* action. Further report has not been received (August 1992)

The case was reported to Government in September 1991; their reply has not been received (August 1992).

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

M/s Jagson Pal Pharmaceutical Ltd., Faridabad, A. Y. 1988-89

Penalty of Rs. 25000 was levied on 29-4-92 u/s 47 of the HGST Act which stands recovered on 3-6-92.

M/s Melrose Foods (P) Ltd., Madhuban, A. Y. 1989-90

The case was forwarded to the Revisional Authority who created an additional demand of Rs. 52,832 vide his orders dated 20-1-93. The demand includes amount of interest of Rs. 17617. Out of total demand of Rs. 52832 a sum of Rs. 16832 stands recovered. However, the dealer was granted exemption certificate u/s 13-B w.e.f. 18-12-1989 and as such no tax/interest is leviable in this case in view of the provisions of rule 28-A of the Haryana General Sales Tax Rules, 1975. Accordingly, the DETC, Karnal has been directed to refer the case to the Revisional Authority for review of his orders u/s 41(3) of the Act, as the firm has been exempted u/s 13-B.

2.4 (a) (iv) M/s Melrose Foods (P) Ltd., Madhuban, A.Y. 1990-91

The Committee recommend that the revisional authority may be directed to review this case within a period of one month.

[142] 2.7. *Under-assessment due to short levy of purchase tax and incorrect deduction*

Under the Haryana General Sales Tax Act, 1973 a dealer is liable to pay tax on the sale or purchase of goods made in the State, at the appropriate stage specified in the Act. For non-payment of tax alongwith returns, the dealer is liable to pay interest at the rate of one per cent per month for the first month and one and a half per cent per month thereafter. Further a registered dealer may deduct from his gross turnover, sale value of goods sold to registered dealers after furnishing the prescribed declarations in form ST-15. The assessing authority, before 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 forms. Further, penalty not less than twice and not more than five times the amount of tax involved is leviable on the assessee for the offence of maintaining false or incorrect accounts with a view to suppressing his sales or purchases or for producing before the assessing authority any account return or information which is false or incorrect.

Out of purchases of Rs. 35.11 lakhs of chemicals made by a dealer of Hisar during the year 1986-87 from within the

State, without payment of tax, chemicals valued at Rs. 16.70 lakhs were used by him in the manufacture of goods sent on consignment basis/branch transfers. While finalising assessment (July 1989), the assessing authority, however determined the value of chemicals used in goods sent on consignment basis/branch transfers as Rs. 14.28 lakhs only. The mistake resulted in under-assessment of Rs. 14,495 (tax Rs. 9,840 and interest Rs. 4,655). Further during cross verification, the assessing authority also noticed that sales of Rs. 5.24 lakhs made to a registered dealer of Rohtak were not supported by valid declarations as these forms were neither issued by the department to the purchasing dealer nor the purchases were accounted for by the purchasing dealer. The assessing authority instead of disallowing the claim, allowed the deduction. Thus, tax was neither paid by the selling dealer nor by the purchasing dealer resulting in loss of tax of Rs. 64,190. As the assessee had wilfully tried to evade tax by filing false returns and by showing bogus sales to a registered dealer of Rohtak, minimum penalty of Rs. 1.28 lakhs (twice of Rs. 64,190) was also leviable. The mistake on both the counts resulted in under-assessment of Rs. 2.07 lakhs (tax Rs. 74,030, interest Rs. 4,655 and penalty Rs. 1.28 lakhs).

On the omission being pointed out (July 1991) in audit, the department referred (November 1991) the case to the Revisional Authority for *suo moto* action. Further report on action taken has not been received (August 1992).

The case was reported to Government (September 1991); their reply has not been received (August 1992).

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

M/s Parkash Pipes and Industries Ltd., Hissar, A. Y. 1986-87

The case was referred to the Joint Excise and Taxation Commissioner (Appeals) Rohtak for taking *suo-motu* action for the year 1986-87. Joint Excise and Taxation Commissioner (Appeals) Rohtak passed ex-parte order and remanded the case to the Assessing Authority vide his orders dated 24-2-93. Being aggrieved the dealer filed a writ petition (No. 9685/1990 & No. 9415 of 1990) in the Hon'ble Punjab and Haryana High Court. The Hon'ble Court stayed the proceedings. The matter is still pending in the High Court.

2.7 M/s Parkash Pipes and Industries Ltd. Hisar, A.Y. 1986-87

The Committee recommends that this case be pursued vigorously so that stay order be got vacated from the High Court and the final decision in this regard be intimated to the Committee.

[143] 2.10 Interest not charged

(a)

(b) 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 which are 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 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 a half times the amount of tax to which he is assessed or is liable to be assessed.

(i) In the case of a dealer of Rewari, the assessing authority while finalising (March 1991) the assessment for the year 1986-87 levied interest short by Rs. 24,687.

On the omission being pointed out (October 1991) in audit, the department informed (June 1992) that demand of Rs. 24,687 has been raised. Further report on recovery has not been received (June 1992).

(ii)

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

M/s J.B. Paper Mills Ltd., Dharuhera, A.Y. 1986-87

The firm had gone into liquidation. Official Liquidator was approached to lodge the claim but the Official Liquidator vide letter dated 30-11-1994 intimated that the claim would be registered as and when sufficient funds were available. Recovery Certificates have been issued to sureties residing at Rohtak, Faridabad and Delhi to deposit the amount to the extent they stood surety. Nothing has been recovered so far. One surety which is residing at Delhi has obtained stay from Hon'ble Delhi High Court.

2.10(b) (i) M/s J. B. Paper Mills Ltd., Daruhera, A. Y. 1986-87

The Committee recommends that the case be pursue vigorously with the Delhi High Court and the progress made in this regard be intimated to the Committee.

[144] 2.11 Short levy of penalty

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 of stocks of goods or has concealed any particulars of his sales or purchases or has furnished to or produced before any authority under the Act, any account, return or information which is false or incorrect in any material particular, he is liable to pay, by way of penalty, in addition to the

tax to which he is assessed or is liable to be assessed, an amount which shall not be less than twice and not more than ten times (five times from 17 April 1984 and three times from 1 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) In the case of a dealer of Rewari, the assessing authority while finalising (August 1990) assessment for the year 1985-86 detected suppression of purchases and enhanced the gross turnover by Rs. 25.26 lakhs and levied additional tax of Rs. 2.06 lakhs and penalty of Rs. 3.72 lakhs only instead of the minimum leviable penalty of Rs. 4.12 lakhs. The mistake resulted in short levy of penalty of Rs. 40,300.

On the omission being pointed out (October 1991) in audit the department referred (February 1992) the case to the Revisional Authority for taking suo moto action, who raised (March 1992) an additional demand of Rs. 40,300. Further report on recovery has not been received (September 1992).

The case was reported to Government in December 1991; their reply has not been received (August 1992).

(ii) In the case of a dealer of Faridabad, the assessing authority while finalising (March 1991) assessment for the year 1986-87, detected suppression of sales and enhanced the gross turnover by Rs. 4.00 lakhs and levied tax of Rs. 32,640 and imposed penalty of Rs. 32,640 only as against the minimum leviable penalty of Rs. 65,280. The mistake resulted in short levy of penalty of Rs. 32,640.

On the omission being pointed out (February 1992) in audit, the assessing authority raised (February 1992) additional demand of Rs. 32,640. Report on recovery has not been received (August 1992).

The case was reported to Government in April 1992; their reply has not been received (August 1992).

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

M/s Geetanjali Metal Works, Rewari, A. Y. 1985-86

The Dy. Excise and Taxation Commissioner (I) Rewari had created a demand of Rs. 2,61,408/- vide order dated 30.3.92 including penalty of Rs. 40,300/- but recovery could not be effected as the dealer had closed his business and was not even traceable. Then efforts were made to recover the amount from the sureties namely Sh. Rattan Lal and Sh. Varinder Kumar. Sh. Rattan Lal informed the office that he had already withdrawn his surety. However, both Sh. Rattan Lal and Sh. Varinder Kumar filed Civil Suits in the local court at Rewari which were decided on 23.4.92. In the case of Sh. Rattan Lal the suit was decided in his favour and in the case of Sh. Varinder Kumar the court ordered that the Deptt. could effect the recovery if it failed to recover the amount from the proprietor of the principle debtor. Sh. Varinder Kumar filed an appeal before the Addl. Session Judge, Rewari which is still pending. The next date of hearing is 21.11.95.

M/s Reliable Stone Crushing Co., Faridabad, A. Y. 1986-87

The assessment in the case was framed on 18.3.91 and after issuing statutory notice, a penalty of Rs. 65,280/- was imposed u/s 48 of the H GST Act 1973 vide orders dated 12.4.91 and entry to this effect was made in Disposal Register at Sr. No. 23-B/86-87, but due to typographical error, the figure of Rs. 32,640/- was type out instead of Rs. 65,280/-. As regards recovery, property of the firm has since been attached, but due to non availability of bidder, the property could not be auctioned resulting into non recovery of the amount.

2.11(i) M/s Geetanjali Metal Works, Rewari, A. Y. 1985-86

After the hearing the departmental representatives, the Committee recommends that the case which is pending in the court of Additional Session Judge, Rewari be pursued, so that it may be decided without further loss of time and the action taken in this regard be intimated to the Committee.

2.11(ii) M/s Reliable Stone Crushing Co., Faridabad, A. Y. 1986-87.

After going through the facts of this case, the Committee recommends that the department should take suitable steps to get the property in question auctioned immediately and the steps taken in this regard be intimated to the Committee.

[145] 4.1 Results of Audit

Test check of records in departmental offices, conducted in audit during the year 1991-92, revealed short/non-recovery of taxes on vehicles and of excise duty amounting to Rs. 938.66 lakhs in 17,957 cases which broadly fall under the following categories :

	Number of cases	Amount (In lakhs of rupees)
A. Taxes on vehicles	17,818	149.95
B. State Excise	139	788.71
	17,957	938.66

During the course of the year 1991-92 the departments accepted under-assessment etc. of Rs. 1668.20 lakhs involved in 29,395 cases of which 11,531 cases involving Rs. 996.51 lakhs had been pointed out in audit during 1991-92 and the rest in earlier years, out of which an amount of Rs 1.22 lakhs in 36 cases has been recovered. One draft review and one draft paragraph containing 26,294 cases involving financial effect of Rs. 213.84 lakhs bringing out major

irregularities noticed during the year 1991-92 or earlier years were issued to the Government for their comments. The department has accepted the observations in 26,294 cases involving Rs. 213.84 lakhs of which Rs. 64.86 lakhs have been recovered up to August 1992.

A few illustrative cases including a review on "Taxes on Motor Vehicles" are given in the following paragraphs :

The Department in their written reply explained the position as under :—

Out of 139 cases, 109 cases have been reviewed with the following results :—

- (i) 103 cases involving the amount of Rs. 134.94 lacs have been settled with additional demand.
- (ii) 6 cases involving the amount of Rs. 48.59 lacs have not been admitted by the Department.
- (iii) 30 cases involving the amount of Rs. 605.18 lacs are yet to be settled and are under active consideration of the Department.

4.1 Results of Audit

During the course of discussion, the Committee was informed that out of 139 cases of state excise, 109 cases stands disposed of leaving a balance of 30 cases involving the amount of Rs. 605.18 lakhs. The Committee, therefore, recommends that these cases be also got settled within a period of one month under intimation to the Committee.

APPENDIX—X

GLOSSARY

A	Achievement
ADC	Additional Deputy Commissioner
ANMs	Auxiliary Nurses/Mid-wives
BCG	Bacillus Calmette and Guérin
CADA	Command Area Development Authority
CADP	Command Area Development Programme
CCO	Cold Chain Officer
CHCs	Community Health Centres
DIO	District Immunization Officer
DPT	Diphtheria Pertussis and Tetanus
DRDA	District Rural Development Agency
EPI	Expanded Programme on Immunization
ESI	Employees State Insurance
GH	General Hospital
GOI	Government of India
HERU	Health Equipment Repair Unit
HLRDC	Haryana Land Reclamation and Development Corporation Limited
HS	Health Supervisor
HSMITC	Haryana State Minor Irrigation and Tubewells Corporation Limited
ICMR	Indian Council of Medical Research
IEC	Information, Education and Communication
ILR	Ice Lined Refrigerator
IMA	Indian Medical Association
JLN	Jawahar Lal Nehru
MO	Medical Officer
MPW	Multipurpose Workers
NA	Not Available
NB	Number of Beneficiaries covered
NMHS	Non-Medical Health Supervisor
NMS	Non-Medical Supervisor
OFD	On-Farm Development
OPV	Oral Polio Vaccine
PHCs	Primary Health Centres
PP Centre	Post-Partum-Centres
SCs	Sub-centres

SLBP	Special Livestock Breeding Programme
SLPP	Special Livestock Production Programme
T	Target (fixed)
TT	Tetanus Toxoid
TT (PW)	Tetanus Toxoid (Pregnant Women)
UIP	Universal Immunization Programme
VCES	Vaccination Coverage Evaluation Surveys
VPDs	Vaccine Preventable Diseases
VS	Veterinary Surgeon
WIC	Walk-in-Cooler

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.	Controller of Stores	16	Purchase of Cotton Yarn.
		15th report	
6.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
		16th report	
7.	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	
8.	P.W.D. (Public Health)	31	Recoveries due from Contractors.
9.	Co-operation	39	Co-operative Consumer Stores.
10.	Revenue	44	Under-valuation of immovable property.
		19th report	
11.	Public relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).

1	2	3	4
12.	Co operation	25 (ii)	Co-operative Consumers stores
13.	Agriculture	28	Social conservation and water management works.
14.	Excise and Taxation	40	Loss of duty on excess wastage.
15.	Transport	45 (a)	Short levy of token tax due to incorrect classification of vehicle.
21st report			
16.	P.W.D. (Public Health)	12	Outstanding Recoveries against contractor
17.	Irrigation	14	Excess payment to contractor
18.	Irrigation	15	Outstanding Recoveries against contractor.
19.	Irrigation	23	Arrears of water rates for supply of water for Irrigation/non irrigation purpose.
20.	Revenue	25	Result of Audit.
21.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
22.	Excise and Taxation	28	Result of test Audit in General.
23.	Excise and Taxation	29	Incorrect deductions.
24.	Excise and Taxation	30	Short levy of purchase Tax.
22nd report			
25.	Transport	3	Theft of Cash.
26.	Industries	10 (ii)	Industrial Estate
27.	Electronics	13 (iii)	Excess grants.
28.	Co-operation	16	Co operative Consumer stores.
29.	Co operation	17	Haryana State Federation of Consumers Co operative Wholesale Store Limited, Chandigarh.
30.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement.
31.	Agriculture	29 (5 & 6)	Alleged mis-appropriation of cash and stores.
32.	Revenue	39 (6 (ii), 8)	Land holding tax.
33.	Revenue	40	Non-levy of registration fee.
34.	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation.

1	2	3	4
35.	Excise and Taxation	53	Loss of duty on excess storage wastage.
36.	Excise and Taxation	54	Shortfall in duty.
37.	Excise and Taxation	56	Recovery due from contractor.
23rd report			
38.	Irrigation	29	Avoidable loss.
39.	Irrigation	31	Shortages.
40.	Co-operation	34	Co-operative Consumer Stores.
41.	Co-operation	35	Haryana State Federation of Consumer, Co-operative wholesale Stores Limited Chandigarh.
42.	Revenue	40	Undervaluation of immovable property.
43.	Excise and Taxation	47	Uncollected Revenue.
44.	Excise and Taxation	55	Result of test audit in general.
45.	Excise and Taxation	57	Failure to initiate section to recover the licence fee.
46.	Excise and Taxation	58	Loss of duty on excess storage wastage.
47.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation.
25th report			
48.	Co-operation	5	Co-operative Consumer Stores.
49.	Colonization	9	Encroachment of Land.
50.	Colonization	11	Recoveries from plot holders.
51.	Food and Supplies	15	Abnormal shortage/quality cuts on damaged wheat stocks.
52.	Transport	18	Theft of cash.
53.	Education	30	Embezzlement.
54.	Fisheries	31	Development of Fisheries.
55.	Irrigation	34	Pandit Jawahar Lal Nehru Lift Irrigation Scheme.
56.	Irrigation	36	New Tajewala Barrage at Hathnikund.
57.	Excise and Taxation	54	Un-collected revenue.
58.	Excise and Taxation	58	Incorrect computation of tax on interest state sales.
59.	Excise and Taxation	65	Result of Audit.

1	2	3	4
60.	Excise and Taxation	66	Internal audit of tax assessment and collection.
61.	Excise and Taxation	67	Irregular allowance for wastage.
62.	Excise and Taxation	68	Interest not recovered.
63.	Excise and Taxation	69	Failure to enforce licence conditions.
26th report			
64.	Printing and Stationery	3	Loss due to fire.
65.	Revenue	10	Gratuations relief for crops/houses damaged.
66.	Irrigation	21	Defective Execution of earth work.
67.	Irrigation	22	Faulty measurement of work resulting in over payments.
68.	Civil Aviation	28	Irregular payment of customs duty.
69.	Transport	33 Sub Para (5& 6)	Fabrication of Bus bodies.
70.	Transport	38	Irregular grant of exemption from Motor Vehicles Tax.
71.	Revenue	40	Short recovery of stamps duty and registration fees due under valuation of immovable property.
72.	Revenue	41	Short levy due to mistake in computation.
73.	Excise and Taxation	49	Uncollected revenue.
74.	Excise and Taxation	55 (Food corp., Karnal)	Interest not charged.
75.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms.
76.	Excise and Taxation	63	Non-recovery of licence fee and interest.
28th report			
77.	Education	5	Irregularities on release/utilisation of grant.
78.	Irrigation	10	Masani Barrage Project.
79.	Irrigation	11	Excess payment.
80.	PWD (B&R)	14	Shortage of Steel.
81.	Printing and Stationery	22	Stationery Branch.
82.	Printing and Stationery	23	Printing and issue of forms (Form Branch).

1	2	3	4
83.	Police	26.	Over-payment of daily allowance.
84.	Industrial Training	28.	Avoidable expenditure.
85.	Development	29	National Rural Employment Programme.
86.	Development	30	Selection of works.
87.	Development	32	Irregular release of subsidy
88.	Excise and Taxation	41	Registration of dealers under Sale Tax Act.
89.	Excise and Taxation	44.	Non-recovery of licence fee and interest.
90.	Excise and Taxation	45	Interest not charged.
91.	Transport	49	Irregular grant of exemption or rebate.
92.	Revenue	52.	Non-recovery of stamp duty.
29th report			
93.	Forest	8	Afforestation, Social Forestry & (including Rural fuel wood plantation) and farm forestry.
94.	Irrigation	13.	Major and medium irrigation projects
95.	Irrigation	14.	Financial results of Irrigation projects
96.	Irrigation	15.	Modernisation of existing channel
97.	Irrigation	16.	Water logging.
98.	Irrigation	17	Excess issue of coal.
99.	Irrigation	18.	Injudicious purchase
100.	Irrigation	21.	Misappropriation.
101.	Irrigation	22.	Miscellaneous Public Works Advances.
102.	Development	32.	Forestry sector.
103.	Excise and Taxation	46.	Application of incorrect rate of tax.
104.	Excise and Taxation	47.	Non-levy of penalty.
105.	Excise and Taxation	50.	Non-levy of penalty
106.	Excise and Taxation	51.	Non-levy of penalty.
107.	Excise and Taxation	52.	Short levy of surcharge
108.	Excise and Taxation	53.	Interest not charged.
109.	Excise and Taxation	55.	Non levy of duty on spirit lost in redistillation or conversion.
110.	Transport	58	Result of Audit.

1	2	3	4
111.	Revenue	62	Results of Audit.
112.	Revenue	63	Under valuation of immovable property.
113.	Revenue	64	Under valuation of immovable property.
114.	Revenue	65	Non-levy of stamp duty.
115.	Revenue	66	Mistake in calculations.
116.	Revenue	67	Misclassification of instruments.
117.	Revenue	68	Short levy of line on late Presentation of documents for registration.
118.	Revenue	69	Other topics of interest.
119.	Revenue	70	Arrears of stamp duty and registration fee.
120.	Mines & Géology	71	Result of Audit.
		32nd report	
121.	Industries	4	Development of Small Scale Industries.
122.	Industries	6	Outstanding recovery of loan.
123.	Industries	7	Shortages of power connections.
124.	Industries	8	Alleged Misappropriation.
125.	Irrigation	9	Un-authorized purchases
126.	Irrigation	10	Excess measurements
127.	Irrigation	11	Injudicious purchase of machinery.
128.	Irrigation	12	Misappropriation.
129.	Irrigation	13	Wasteful expenditure on purchase of tractors.
130.	Irrigation	14	Recovery due from contractors.
131.	Irrigation	15	Remodelling of Chandeni Drain.
132.	Irrigation	16	Wasteful expenditure.
133.	Irrigation	18	Shortage of material.
134.	Irrigation	19	Misappropriation of lime
135.	Irrigation	20	Shortage of stores.
136.	Animal Husbandry	21	Expansion of existing and opening of new Intensive Care-Cattle Development Project (ICDP).
137.	Revenue	25	Inadmissible payment.

1	2	3	4
138.	P.W.D. (B&R)	30	Avoidable extra expenditure.
139.	Town & Country Planning (HUDA)	34	Non-Completion of reservoir.
140.	Town & Country Planning (HUDA)	35	Alleged embezzlement.
141.	Town & Country Planning (HUDA)	36	Loss due to defective storage of cement.
142.	Public Health	41	Urban water supply and sewerage scheme.
143.	Public Health	42	Commencement of work without sanction.
144.	Public Health	43	Extra expenditure due to defective work.
145.	Public Health	44	Inflated measurements.
146.	Mines & Geology	47	Uncollected revenue.
147.	Mines & Geology	48	Result of Audit.
148.	Mines & Geology	49	Short recovery or non-recovery of royalty on bricks.
149.	Irrigation	54	Non-recovery of lease money.
150.	Agriculture	56	Embezzlement of licence fee money.
151.	Revenue	59	Result of Audit.
152.	Revenue	60	Incorrect application of rates.
153.	Excise and Taxation	61	Uncollected revenue.
154.	Excise and Taxation	69	Irregular levy of tax at concessional rate.
155.	Excise and Taxation	71	Interest penalty not charged.
156.	Excise and Taxation	74	Non-levy or short levy on duty on excess wastage.
157.	Excise and Taxation	76	Non-pursuance of demand drafts
34th-report			
158.	Animal Husbandry	3	Special employment to educated Youngmen/Women in rural area through Dairy Development.
159.	Animal Husbandry	4	Non-recovery of dues.
160.	Development and Panchayats	6	Over due recoveries.
161.	Development and Panchayats	7	Loss of plants.

1	2	3	4
162.	Development and Panchayats	8	Irregular and wasteful expenditure on books.
163.	Industries	11	Misutilisation and excise release blockage of funds.
164.	Industries	12	Review of the functioning of a few Industries.
165.	Transport	21	Record of old spring leaves.
166.	Home	25	Absence of area/Project approach.
167.	Home	26	Police station without vehicles.
168.	Revenue	29	Land reforms.
169.	Revenue	30	Compensation to landowners.
170.	Revenue	31	Consolidation of holding.
171.	Irrigation	32	Payment for work not measured.
172.	Irrigation	33	Substandard Work.
173.	Irrigation	34	Injudicious purchase.
174.	Irrigation	35	Idle/Under utilised draglines.
175.	Irrigation	36	Defective lining.
176.	Irrigation	37	Extra liability due to retendering.
177.	Irrigation	39	Recovery due from contractor.
178.	Irrigation	41	Defective/fictitious-earth work.
179.	Irrigation	42	Shortages.
180.	Irrigation	43	Shortage of material.
181.	Food & Supplies	45	Avoidable payment of interest.
182.	Food & Supplies	47	Under Storage of wheat.
183.	Local Government	49	Slum clearances and economically weaker sections housing programme.
184.	Social Welfare	51	Haryana State Social Welfare Advisory Board.
185.	Medical and Health	52	Uncollected revenue.
186.	Medical and Health	53	Embezzlement of fees and other dues.
187.	Industries	54	Interest not charged.
188.	Mines and Geology	55	Uncollected revenue.
189.	Mines and Geology	56	Non-recovery/short recovery of royalty.
190.	Mines and Geology	58	Short assessment of royalty.
191.	Excise and Taxation	62	Assessment in arrears.

1	2	3	4
192.	Excise and Taxation	63	Uncollected revenue.
193.	Excise and Taxation	64	Internal control and internal audit.
194.	Excise and Taxation	66	Short levy/non-levy of purchase tax
195.	Excise and Taxation	67	Irregular grant of exemption.
196.	Excise and Taxation	68	Incorrect computation of taxable turnover.
197.	Excise and Taxation	69	Non-Levy of penalty.
198.	Excise and Taxation	70	Non-filing the quarterly returns
199.	Irrigation	71	Receipts from Canal waters.
200.	Irrigation	72	Arrears of Revenue.
201.	Irrigation	73	Short recovery of water charges.
202.	Irrigation	74	Non-raising of demand.
203.	Irrigation	75	Revenue forgone due to non levy of special rate.
204.	Chief Electrical Inspector	78	Uncollected revenue.
205.	Chief Electrical Inspector	80	Arrears of electricity duty.
206.	Chief Electrical Inspector	81	Reconciliation of treasury receipts.
207.	Public Health	82	Results of Audit.
208.	Revenue	83	Results of Audit.
209.	Revenue	84	Under valuation of immovable property.
210.	Revenue	85	Incorrect exemption.
211.	Revenue	86	Short recovery of stamp duty on exchange deeds.
36th report			
212.	Local Self Government	3	Non recovery of Government dues.
213.	Printing and Stationery	5	Idle printing machine.
214.	Printing and Stationery	6	Infructuous expenditure.
215.	Food and Supplies	7	Loss due to storage of wheat.
216.	Food and Supplies	8	Avoidable incidence of interest.
217.	Transport	9	Irregular payment of overtime allowance.
218.	Social Welfare	10	Integrated child development services.
219.	Social Welfare	11	Rescue Homes, rehabilitation Centres and other similar Institutions.

1	2	3	4
220.	Industries	13	Non-utilization of loan.
221.	Town and Country Planning	15	Implementation of Projects
222.	Town and Country Planning	16	Loss on auction of a shop-cum-flate
223.	Industrial Training	17	Implementation of the Apprentic Act, 1961.
224.	Revenue	18	Inadmissible gratuitous relief.
225.	Civil Aviation	19	Procurement, operation and maintenance of aircraft.
226.	Public Health	20	Acceptance of sub-standard material.
227.	Public Health	21	Recovery due from a contractor
228.	Public Health	23	Construction of a water tank.
229.	Public Health	24	Misappropriation of stores.
230.	Haryana State Lotteries	25	Suspended misappropriation of Government money.
231.	P.W.D. (B&R)	26	Defective work.
232.	P.W.D. (B&R)	27	Extra liability due to retendering.
233.	P.W.D. (B&R)	29	Excess measurements.
234.	P.W.D. (B&R)	31	Mis-appropriation of stores.
235.	Agriculture	33	Assistance to small and marginal farmers for increasing agricultural production.
236.	Agriculture	34	Evaluation.
237.	Irrigation	35	Western Jamuna Canal Augmentation Project.
238.	Irrigation	36	Non recovery of Government dues of Rs. 0.70 lakh.
239.	Irrigation	37	Shortage of stores.
240.	Irrigation	38	Unfruitful expenditure.
241.	Irrigation	39	Outstanding Audit observations.
242.	Power.(HSEB)	41	Acquisition of land.
243.	Revenue	42	Outstanding Inspection report.
244.	Revenue	43	Results of Audit.
245.	Revenue	44	Under-valuation of immovable property.
246.	Revenue	45	Irregular grant of exemption.
247.	Revenue	46	Misclassification of Instruments.

1	2	3	4
248.	Revenue	47	Mistakes in calculation.
249.	Revenue	48	Uncollected Revenue.
250.	Mines and Geology	50	Non-recovery/short-recovery of royalty.
251.	P.W.D. (B&R)	51	Results of Audit.
252.	Excise and Taxation	52	Assessments in arrears.
253.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
254.	Excise and Taxation	54	Uncollected Revenue (State-Excise).
255.	Excise and Taxation	55	Uncollected Revenue (Sales Tax).
256.	Excise and Taxation	57	Outstanding inspection reports.
257.	Excise and Taxation	58	Result of Audit (Sales Tax).
258.	Excise and Taxation	59	Short levy/non levy of purchase tax.
259.	Excise and Taxation	62	Incorrect computation of taxable turnover.
260.	Excise and Taxation	63	Incorrect grant of exemption.
261.	Excise and Taxation	65	Exemptions allowed in assessment.
262.	Excise and Taxation	67	Results of Audit.
38 th report			
263.	Social Welfare	1	Education and Welfare of the Handi capped.
264.	Social Welfare	2	Scholarships (Centre) to Physically handicapped.
265.	Social Welfare	3	Un-employment allowance to physi cally handicapped student.
266.	Social Welfare	4	Handicapped persons pension scheme.
267.	Social Welfare	5	Monitoring and Evaluation.
268.	Public Relations	7	Field Publicity.
269.	Public Relations	8	Publicity campaign regarding welfare of Scheduled Castes (SC).
270.	Public Relations	9	Rural Community Theatre Unit (RCTU).
271.	Public Relations	10	Promotion of Cultural Activities.
272.	Public Relations	11	Monitoring and evaluation.
273.	Science and Technology	12	Integrated Rural Energy Programme.
274.	Science and Technology	13	Physical Progress.

1	2	3	4
275.	Science and Technology	14	Distribution/account of solar cckers.
276.	Science and Technology	15	Infructuous expenditure in installation of wind mills.
277.	Science and Technology	16	Evaluation and monitoring.
278.	Medical and Health	18	Stores and Stock.
279.	Labour and Employment	19	Inadmissible payments.
280.	Home	20	Injudicious purchase of cloth.
281.	Revenue	21	Irregular drawal of Grautitious relief
282.	Revenue	22	Embezzlement.
283.	Agriculture	25	Outstanding Inspection reports and paragraphs.
284.	Irrigation	26	Sub standard execution of work.
285.	Irrigation	27	Under utilisation of Crawler Tractors.
286.	Irrigation	28	Excess payment of Earth Work.
287.	Irrigation	29	Misappropriation of cement.
288.	Irrigation	30	Introductory.
289.	Irrigation	31	Reserve stock limit.
290.	Irrigation	32	Surplus material.
291.	Irrigation	33	Tools and Plants/T & P returns
292.	Irrigation	34	Other point of interest
293.	Irrigation	35	Shortage/misappropriation of material
294.	Irrigation	36	Shortage of tiles.
295.	P.W.D.(B&R)	38	Outstanding Inspection reports and paragraphs.
296.	Public Health	39	Rural Water Supply Scheme.
297.	Public Health	40	Extra expenditure due to defective execution of work.
298.	Public Health	41	Excess payment to the contractor.
299.	Public Health	42	Excess Payment.
300.	Public Health	43	Shortage of material.
301.	Town & Country Planning (HUDA)	44	Allotment of work without tenders.
302.	Town and Country Planning (HUDA)	45	Acceptance of tender at higherrate.
303.	Sports	46	Excess payment of grants.

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304.	Food and Supplies	47	Extra Expenditure.
305.	Mines and Geology	49	Outstanding inspection reports.
306.	Mines and Geology	50	Results of Audit.
307.	Mines and Geology	51	Receipts from Mines and Minerals.
308.	Mines and Geology	52	Non-realisation/short realisation of royalty.
309.	Mines and Geology	53	Non-realisation/short realisation of contract money.
310.	Mines and Geology	54	Non-recovery of price on mineral illegally extracted.
311.	Agriculture	55	Results of Audit.
312.	Agriculture	56	Interest not charged on Belated payments.
313.	P.W.D.(B&R)	57	Outstanding inspection reports.
314.	P.W.D.(B&R)	58	Recovery of rent in respect of Government residential buildings.
315.	P.W.D.(B&R)	59	Irregular allotment of accommodation to private persons and non-recovery of rent at market rates.
316.	P.W.D.(B&R)	60	Short recovery of rent.
317.	P.W.D.(B&R)	61	Arrears of rent.
318.	P.W.D.(B&R)	62	Sale of empty bitumens drums.
319.	Revenue	63	Outstanding inspection reports
320.	Revenue	64	Results of Audit.
321.	Revenue	65	Under-valuation of immovable property
322.	Revenue	66	Evasion of stamp duty and registration fee as a result of mis-classification of Instruments.
323.	Revenue	67	Evasion of stamp duty and registration fee through power of attorney.
324.	Revenue	68	Misclassification of Instruments..
325.	Revenue	69	Recovery at the instance of audit..
326.	Excise and Taxation	70	Assessments in arrears.
327.	Excise and Taxation	71	Uncollected revenue.
328.	Excise and Taxation	72	Outstanding inspection reports.
229.	Excise and Taxation	73	Results of Audit.
330.	Excise and Taxation	74	Registration of dealers under the Sales Tax Acts.

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331.	Excise and Taxation	75	Delay in disposal of applications for registration.
332.	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court.
333.	Excise and Taxation	77	Non-levy/short levy of purchase tax
334.	Excise and Taxation	78	Evasion of tax.
335.	Excise and Taxation	79	Suppression of purchases.
336.	Excise and Taxation	80	Incorrect deduction from turnover.
337.	Excise and Taxation	81	Irregular stay of tax and interest.
338.	Excise and Taxation	82	Non-levy of penalty.
339.	Excise and Taxation	83	Non-production of assessment/files
340.	Excise and Taxation	84	Results of Audit.
341.	Excise and Taxation	85	Non recovery of loss on re-auction of Vend.
342.	Excise and Taxation	86	Loss of Excise duty due to issue of forged permit.
343.	Excise and Taxation	87	Recovery at the instance of Audit.
344.	Excise and Taxation	88	Non-levy of goods tax on vehicles belonging to State Govt. Undertakings.

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345.	Agriculture	3	Monitoring and evaluation
346.	Agriculture	4	General
347.	Industrial Training	5	Employment of Successful trainees.
348.	Industrial Training	6	Injudicious purchases
349.	Industrial Training	7	Inventory.
350.	Industrial Training	8	Insufficient Funds for Training Expenses.
351.	Industrial Training	9	Monitoring.
352.	Fisheries	10	Introduction.
353.	Fisheries	11	Loan accounts
354.	Fisheries	12	Re-modelling of fish seed farm.
355.	Fisheries	13	Other points of interest.
356.	Fisheries	14	Intensive Fisheries Development Programme.
357.	Home	15	Non-recovery of telephone calls.

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358.	Home	16	Outstanding Inspection Reports.
359.	Tourism	17	Loss due to short realisation.
360.	Town and Country Planning	18	Non-realisation of service charges.
361.	Town and Country Planning	19	Delay in land acquisition cases.
362.	Town and Country Planning	20	Extra contractual payment.
363.	Hospitality	21	Government dues on account of credit sales.
364.	Irrigation	22	Modernisation of Existing Channels Phase II
365.	Irrigation	23	Extra expenditure.
366.	Irrigation	24	Avoidable expenditure on cartage and transportation.
367.	Irrigation	25	Injudicious purchases
368.	Irrigation	26	Idle operational staff.
369.	Irrigation	27	Avoidable expenditure on Sirsa Branch.
370.	Irrigation	28	Extra expenditure due to delay in finalisation of drawings/tenders.
371.	Irrigation	29	Outstanding Inspection Reports and Paragraphs.
372.	Irrigation	30	Shortage of material
373.	Public Health	31	National Technology Mission on Drinking Water Supply in Villages.
374.	Public Health	32	Irregular expenditure
375.	Public Health	33	Stores and stock
376.	Public Health	34	Injudicious purchases.
377.	Public Health	35	Shortage of material
378.	Public Health	36	Excess issue of material
379.	P.W.D. (B&R)	37	Extra payment due to incorrect entries in Measurement Books.
380.	P.W.D. (B&R)	38	Avoidable extra expenditure due to retendering.
381.	P.W.D. (B&R)	39	Extra Expenditure due to splitting up of work.
382.	P.W.D. (B&R)	40	Injudicious purchase of equipment.
383.	Co-operation	41	Embezzlement.
384.	Printing and Stationery	42	Loss on purchase of paper
385.	Transport	43	General.

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386.	Transport	44	Avoidable payment of Wages.
387.	Transport	45	Avoidable penal charges.
388.	Food and Supplies	46	Avoidable shifting of foodgrains.
389.	Food and Supplies	47	Damage caused to wheat in Storage.
390.	Supplies and Disposals	48	Extra expenditure.
391.	Supplies and Disposals	49	Extra expenditure due to retention of g
392.	Excise and Taxation	50	Assessment in arrears.
393.	Excise and Taxation	51	Uncollected Revenue (SALES TAX):
394.	Excise and Taxation	52	Uncollected Revenue (State Excise)
395.	Excise and Taxation	53	Outstanding Inspection Reports
396.	Excise and Taxation	54	Results of Audit.
397.	Excise and Taxation	55	Delay in re-assessment of remand cases.
398.	Excise and Taxation	56	Cases not initiated/initiated late.
399.	Excise and Taxation	57	Appeals entertained without deposit of tax.
400.	Excise and Taxation	58	Refund allowed prior to decision on remand cases.
401.	Excise and Taxation	59	Other interesting cases.
402.	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax.
403.	Excise and Taxation	61	Application of incorrect rate of tax.
404.	Excise and Taxation	62	Non-levy of tax.
405.	Excise and Taxation	63	Incorrect computation of taxable turnover.
406.	Excise and Taxation	64	Irregular grant of exemption.
407.	Excise and Taxation	65	Loss of revenue due to deficiency in Sales Tax Law.
408.	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers.
409.	Excise and Taxation	67	Suppression of purchases.
410.	Excise and Taxation	68	Non-levy of penalty.
411.	Excise and Taxation	69	Interest not charged.
412.	Excise and Taxation	70	Results of Audit (State Excise).
413.	Excise and Taxation	71	Result of Audit (Entertainment duty of show tax).
414.	Excise and Taxation	72	Working of distilleries and Breweries.

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415.	Excise and Taxation	73	Loss of excise duty due to redistillation.
416.	Excise and Taxation	74	Non-recovery of duty on Wastage in excess of norms
417.	Excise and Taxation	75	Interest not charged.
418.	Excise and Taxation	76	Non-/short recovery of entertainment duty.
419.	Transport	77	Outstanding Inspection Reports.
420.	Transport	78	Results of Audit.
421.	Revenue	79	Outstanding Inspection Reports.
422.	Revenue	80	Results of Audit.
423.	Revenue	81	Under valuation of immovable property.
424.	Revenue	82	Misclassification of instruments.
425.	Revenue	83	Irregular grant of exemption.
426.	Revenue	84	Non/short levy of stamp duty.
427.	Revenue	85	Irregular registration of supplementary deeds
428.	Revenue	86	Short levy of stamp duty on lease deeds.
429.	Revenue	87	Evasion of stamp duty and registration fee through power of attorney.
430.	Revenue	88	Arrears of stamp duty and Registration fee.
431.	Revenue	89	Embezzlement of Government revenue.
432.	Revenue	90	Results of Audit.
433.	Revenue	91	Non-recovery of departmental charges
434.	Revenue	92	Non-recovery of rent of Nazool Land.
435.	Mines and Geology	93	Outstanding Inspection Reports.
436.	Mines and Geology	94	Results of Audit.
437.	Cooperation	95	Results of Audit.