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HARYANA VIDHAN SABHA

# **PUBLIC ACCOUNTS COMMITTEE**

**(1997-98)**

**(FORTY SIXTH REPORT)**

## **REPORT**

**ON THE**

**REPORT OF THE**

**Comptroller and Auditor General**

**of India for the year ended**

**31 March, 1994**

**(CIVIL AND REVENUE RECEIPTS)**



Presented to the House on

January, 1998

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**HARYANA VIDHAN SABHA SECRETARIAT  
CHANDIGARH**

**1998**

## TABLE OF CONTENTS

	Paragraph(s)	Page(s)
Composition of the Public Accounts Committee		(iii)
Introduction		(v)
Report on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1994 (Civil and Revenue Receipts)		
1 General	1—2	1
<b>Part-I (Civil)</b>		
1. Technical Education	3	5—7
2. Home	4	8—9
3. Housing	5—6	10—14
4. Agriculture	7—8	15—19
5. Education	9—14	20—29
6 P.W.D. (B&R)	15—27	30—46
7. P.W.D. (Public Health)	28—30	47—56
8. Town and Country Planning	31—32	57—61
9. Irrigation	33—34	62—65
10. Animal Husbandry	35	66—68
11. Finance (Lotteries)	36—40	69—93
<b>Part-II (Revenue Receipts)</b>		
12. Prohibition and Excise	41—42	97—101
13. Commercial Taxes	43—52	102—118
Appendix showing outstanding observations/ recommendations of the Public Accounts Committee		119—144

(iii)

## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

### CHAIRMAN

- \*1 Shri Ram Bhajan Aggarwal
- \*\*2 Shri Anil Vij

### MEMBERS

- \*\*\*3 Shri Harsh Kumar
- 4 Shri Nafe Singh Jundla
- 5 Shri Kapoor Chand Sharma
- 6 Shri Dhir Pal Singh
- 7 Shri Ashok Kumar
- 8 Shri Jai Singh Rana
- 9 Shri Dev Raj Diwan
- 10 Shri Nirmal Singh
- \*\*\*+11 Shri Somvir Singh

### SECRETARIAT

- 1 Shri Sumit Kumar
- 2 Shri Kuldip Singh

Secretary

Joint Secretary

- 
- \* Resigned from the Membership & Chairmanship of the Committee w.e.f. 3rd September, 1997 (A.N.) on his appointment as Minister of State, Haryana.
  - \*\* Nominated as Member and Chairman of the Committee for the remaining period of the year 1997-98 against the vacancy caused by the resignation of Shri Ram Bhajan Aggarwal, M.L.A.
  - \*\*\* Resigned from the Membership of the Committee w.e.f. 3rd September, 1997 (A.N.) on his appointment as Minister of State, Haryana.
  - \*\*\*\* Nominated as Member of the Committee for the remaining period of the year 1997-98 against the vacancy caused by the resignation of Shri Harsh Kumar, M.L.A.

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, having been authorised by the Committee in this behalf, present this Forty-Sixth Report on the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1994 (Civil and Revenue Receipts).

2. The Report of the Comptroller and Auditor General of India for the year ended 31 March 1994 Civil was laid on the Table of the House on 26th September, 1995 and Revenue Receipts on 6th March, 1995.

3. The Committee during its tenure examined the Reports of Comptroller and Auditor General of India for the year ended 31 March, 1994 (Civil and Revenue Receipts) and also conducted the oral examination of the representatives of the concerned Departments. The Committee also made On-the-Spot Study in order to make an assessment of the actual working of various projects/Dams of the Irrigation Department.

4. The Committee considered and approved this Report at their sitting held on 14th January, 1998.

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 to 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 is also thankful to the Secretary, Joint Secretary and Officials of the Haryana Vidhan Sabha for the whole hearted co-operation and assistance given by them to the Committee.

Chandigarh :  
the 14th January, 1998.

ANIL VIJ  
Chairman

## **REPORT**

### **GENERAL**

1. The Committee for the year 1997-98 was nominated by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 11th March, 1997, authorising him to nominate the members of the Committee on Public Accounts for the year 1997-98, on 2nd April, 1997.

2. The Committee held 71 meetings in all at Chandigarh and other places upto 14th January, 1998.

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**PART—I (CIVIL)**

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## TECHNICAL EDUCATION DEPARTMENT

### [3] 3.7 Non-recovery of transport charges

The Board of Governors of Chhotu Ram State College of Engineering, Murthal (Sonipat district), decided (February 1989) to provide free transport facility to the children/dependents of its staff for attending schools and colleges in Sonipat town, subject to the approval of the State Government. The matter was referred to the Government for approval in March, 1989. But without waiting for approval, the Institute implemented this decision from April 1989. Government informed (July, 1989) the Institute that the decision of the Board of Governors was not proper and should not be implemented. The Institute approached Government repeatedly between August 1989 and January 1990 for reconsideration of the decision but every time Government rejected the decision of the Board. However, the Institute continued to provide free transport facility till March, 1993.

On the irregularity being pointed out (June, 1991) by Audit the, Institute again approached (February and May, 1992) Government for approval of the Board's decision. However, Government not only rejected it but also ordered (July and October 1992) recovery of the cost of free transportation from the concerned staff. The Institute started recovery from April 1993 and also approached Government (February 1994) for sanction for waiver of the recovery of Rs. 1.47 lakhs calculated @ Rs. 2 50 per k m. for 58,744 Kms. The Institute also intimated in July 1994 that some of the affected members of its staff had approached a court of law and had been granted an interim stay of recovery by the court.

The matter was referred to Government in May 1994; reply has not been received (December 1994).

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

CR State College of Engineering Murthal (Sonapat)

Non-Recovery of transport charges.

C. A. G. para No. 3.7 of 1993-94.

Para pertains to three defferent reports i. e. for the period 7/86 to 12/89, 5/91 to 4/92 and 5/92 to 12/93. Para No. 8 for the period 5/92 to 12/93 was got settled during the course of inspection for the period 1/94 to 4/95.

Period of report/audit para

Reference No. & date vide which  
reply was sent A. G. Haryana

7/86 to 12/89	5-4-90
5/91 to 4/92	7-7-90
5/92 to 12/93	21-3-94

23-11-90 No. (3732)
29-5-93 No. (6931)
23-6-94

The Board of Governors of CR State College of Engg. Murthal in its forth meeting held on 25-2-89 decided to provide free transport facility to the children/dependents of the staff for attending Schools and Colleges in Sonapat. In pursuance of the decision of BOG a proposal was sent to Govt. vide memo No ECM/1548 dt. 11-3-89 that free transport facility in addition to other incentives be allowed Govt. in Technical Education Deptt. vide their memo No 25/3/89-Tech. dated 1-5-89 allowed the college to implement the decision of BOG.

The Department does not agree due to following reason:- The matter was again taken up for reconsideration in 6th meeting of Board of Governors held on 3-1-90 under item No. 6 18 This meeting was also attended by Sh. B. S. Ojha, IAS the then Financial Commissioner and Secy. to Govt. Haryana, Finance Department. Following decision was taken:—

“Transport facility be provided free of cost to children/dependents of the staff for attending Schools/Colleges in Sonapat. Further resolved that decision will be effective retrospectively”

The proposal to provide free transport facility was approved by the BOG which including the representative of the Finance Deptt. i. e Sh. B. S. Ojha, IAS the then Financial Commissioner and Secy. to Govt. Haryana Finance Deptt. But the formal approval of the same was not issued by the Finance Deptt

—do—

—do—

1.47 Lacs

Reply as per above paragraph,

The facility of providing free transport was stopped as pointed out by the audit party in its inspection. An amount of Rs. 24140.60 has been recovered and deposited in to Government treasury.

Rs. 147315.00

Rs. 123174.40

The remaining amount Could not be recovered because concerned staff members filed civil suits in the Court at Sonapat and the matter is still sub-judice.

The facility of free transport has been stopped.

No. Similar case/complete scheme/project etc. is under review.

### 3.7 Non-recovery of transport charges

After hearing the departmental representatives, the Committee is failed to understand that how the Institute decided to implement the decision of



Board of Governors without getting the concurrence of the Finance Department. Not only this, the Committee further observed that when the Government rejected the decision of Board time and again, even then Institute continued to provide free transport facility till March, 1995.

The Committee also pained to observe that recovery proceedings were not started immediately inspite of the orders of the Government for the recovery of the cost of free transport in July-October, 1992. The Committee is not satisfied with the explanation given by the Department and desired that certain information in respect of the Civil Suit pending in the Court at Sonapat be supplied for the perusal of the Committee. The Department promised to supply the desired information within a period of one month. But the said information has not been sent to the Committee till the finalisation of the report. The Committee, therefore, recommends that sincere efforts be made by the Department to get the stay vacated from respective Court which is pending since 1992 so that the balance recovery of Rs. 29.236 be effected at the earliest. The steps taken by the Department be intimated to the Committee within a period of three months.

## HOME DEPARTMENT'

### [4] 3.9 Non-recovery of charges in advance for deployment of police personnel

Punjab Police Rules, 1934, as applicable in Haryana provide that Superintendents of Police shall bill parties and corporate bodies supplied with additional police month by month, in advance, as per prescribed charges. The Rules further stipulate that additional police shall not be supplied until advance payment had been received.

Test-check of records maintained in seven\* district police offices conducted between April 1993 and August 1994, revealed that additional police had been supplied to Indian Oil Corporation Bhakra Beas Management Board Punjab National Bank, Haryana State Electricity Board, Cabinet Secretariat and Bharat Electronics Limited without recovering any charges in advance. Subsequent billing had resulted in recoveries remaining uneffected since October, 1988. The arrears for the period from October, 1988 to March, 1994 in these offices had accumulated to Rs. 90.41 lakhs.

On this being pointed out (between June 1993 and September 1994) in audit, the Department issued instructions (March 1994) to all the district police offices in the State to take concrete steps to ensure compliance of rules, raise bills and recover the dues in time in future and realise the outstanding balances without any loss of time.

An amount of Rs. 2.99 lakhs pertaining to the years 1991-92 and 1992-93 was reported (May 1994) to have been recovered by the Superintendent of Police, Karnal. Progress of recovery in the remaining cases has not been received (September 1994).

The matter was referred to Government in July 1994; reply has not been received (December 1994).

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

The para under reference relates to the recovery of charges for deployment of police personnel to various organisations, etc. so far as the recovery from the various units on account of deployment of police personnel to BBMB and Indian Oil Corporation for the period October, 1988 to March, 1994 is concerned, the latest position is as under.—

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\* Ambala, Faridabad, Gurgaon, Hissar, Karnal, Kurukshetra and Rewari.

Name of Unit	Amount of recovery	Amount recovered	Balance
1	2	3	4
	(In lacs)		
1. SP/Ambala	40.57	4.33	36.24
2. SP/Faridabad	8.22	8.22	—
3. SP/Gurgaon	17.51	17.51	—
4. SP/Hisar	6.66	6.66	—
5. SP/Karnal	2.99	2.99	—
6. SP/Kurukshetra	13.17	13.17	—
7. SP/Rewari	1.29	1.29	—
Total	90.41	54.17	36.24

It is thus, intimated that out of total amount of Rs. 90.41 lacs recoverable from BBMB and Indian Oil Corporation, an amount of Rs. 54.17 has been recovered so far. The balance recovery of Rs. 36.24 lacs is outstanding from Indian Oil Corporation & BBMB for which matter has already been taken up with the Corporation by SP/Ambala.

### 3.9. Non-recovery of charges in advances for deployment of Police personnel

During the course of oral examination, the Committee was informed that a sum of Rs. 36.24 lakhs is still to be recovered from Indian Oil Corporation in respect of the deployment of police force. The Committee is constrained to observe that why the police was posted without getting any advance payment from the concerned organisation as stipulated under the Rules which resulted the accumulation of huge amount and becomes very difficult to recover at this stage. The Committee, therefore, recommends that matter be taken up with the concerned organisation at a higher level so that recovery be effected within a stipulated period. The efforts taken in this direction be intimated to the Committee within a period of three months.

The Committee further recommends that no deployment of police personnel be made without getting the advance payment except in emergent cases.

14/6/08

## HOUSING DEPARTMENT

### [5] 6.8 Infructuous expenditure

The work of construction of 36 low income group single storey houses including sanitary and electric installations (estimated cost Rs. 6.11 lakhs) in Housing Board Colony, Phase-II Cheeka was awarded in August, 1986 to a contractor by the Executive Engineer (EE), Housing Board, Ambala. The work was to be completed by February, 1987

However, on the request of the contractor, the completion date was later extended by the Chief Engineer (CE) of the Board up to May 1987. Payment of Rs. 2.56 lakhs was made to the contractor through six running bills up to April 1987. Thereafter, on 22 May 1987 the contractor stopped the work for reasons not on record. Notwithstanding the stoppage of the work his seventh running bill for Rs 0.21 lakh was paid on 6 June 1987. It had all along been certified that the work done was as per PWD specifications

After serving a notice on the contractor on 19 August 1987, the Executive Engineer levied (7 September, 1987) compensation of Rs. 0.62 lakh (10 per cent of contract value) and asked the contractor to complete the work by 30 September 1987. As there was no further progress in the work the position was reported to the CE on 3 November 1987, also stating that some cracks had developed at the junction of horizontal and vertical walls in almost all the houses.

However, on an assurance from the contractor to complete the work by January 1988, the CE reduced (18 November 1987) the amount of compensation from 10 to 2 per cent as an interim measure and advised that the position would be reviewed after completion of work. Notwithstanding this concession, there was no further progress in execution of the work. Meanwhile, the contractor applied for extension up to 30 April 1988. However, his request was not acceded to by the EE, Ambala.

In June 1988 the CE advised the Executive Engineer (EE) to take action against the contractor according to the terms and conditions of agreement. Meanwhile, Superintending Engineer (SE) and the EE of the Board inspected the site on 10 August 1988 in connection with cracks in brick work. On the observations made at site by the SE the EE reported on 12 August 1988 that there was no earth filling inside the houses up to the DPC level and that the walls had collapsed due to poor workmanship and non-provision of proper bending joints. He further reported that the cracks would widen with the passage of time. The Executive Engineer, Housing Board Haryana Karnal who also inspected the site in October 1992, reported to the CE that there was no point in repairing/rectifying the defects as the same would prove costlier for the allottees. The Chief Administrator, Housing Board visited (April 1993) the site with a committee of engineers and decided to dismantle 33 partly constructed houses.

According to the estimates (March 1990) of the EE, Ambala, there would be a net loss of Rs 2 39 lakhs after taking into account labour charges for dismantling the work and receipts on account of salvaged material.

The progress regarding dismantling of houses and action taken against the contractor as well as to fix responsibility on the departmental officials was awaited as of April 1994.

The matter was referred to Government in August 1994; reply has not been received (December 1994)

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

The matter was examined technically and it was felt that it will not be technically feasible to complete the construction of these 36 LIG houses. On the basis of detailed deliberations held in the various meetings of various officers of the Board and finally the site was inspected on 19-4-1993 by the officers of the Board & it was decided to dismentle these LIG houses partly constructed as there is/was no use in making further investment on these partly constructed houses. The then Chief Engineer, Housing Board Haryana (Sh. D.P. Gupta) vide his letter No. 1372 dated 17-3-1995 accorded the approval to dismentle theses LIG houses. The Executive Engineer concerned has dismentled these LIG houses. It has been decided to auction these plots after completing the development works and the development work is still in progress.

As regards disciplinary action against the erring officers/officials, on the basis of preliminary enquiry held by the Vigilance Cell of the Board, following officers/officials were found responsible .—

1. Sh. K.K. Garg, Xen (On deputation from P.W.D. (B&R)
2. Sh. V.P Gupta, Xen (Now Superintending Engineer)
3. Sh. Sunil Singla, A E (Now Executive Engineer)
4. Sh. J.K. Batra, A.E.
5. Sh. R.P. Singla, J.E.
6. Sh. D.S. Chauhan, A.E. (services terminated from the Board w.e f. 9-6-89)

It was decided to charge-sheet the above officers/officials except Sh. D.S. Chauhan, A.E under Rule 7 of (P&A) Rules, 1987 in January, 1995 and the charge-sheets were served upon Sh. V.P. Gupta, Xen (now S E.), Sh. Sunil Singla, A E. (Now Xen), Sh. J.K Batra, A E. and Sh. R.P. Singla, J.E. in January, 1995 Charge-sheet under Rule 7 of (P&A) Rules, 1987 has also been served to Sh. D.S. Chauhan, A.E. on 4-7-96. As regards Sh K.K. Garg, the charge-sheet was sent

to P.W.D. (B&R) Deptt., but some information regarding total loss in respect of the work in question was asked for and that information is being sent to the P.W.D. (B&R) Deptt., where-after the charge-sheet will be served upon him. As regards other officers/officials of the Board, on receipt of the reply from S/Sh. V.P. Gupta and Sunil Singla, they were not found guilty of the charges levelled against them by the competent authority and, therefore, it was decided to drop the charges against them vide order dated 13-9-1995. As regard Sh. J.K. Batra and Sh. R.P. Singla their replies have been examined and the same have been found unsatisfactory. Consequently, the enquiry officer has been appointed to conduct regular enquiry. The necessary action will be taken on receipt of the enquiry report in due course of time. The enquiry is under process.

As regards taking action against the contractor, it is brought out that Sh. D.P. Gupta, the then Chief Engineer, being Competent authority, vide his letter No. HBH/C/95/3415-16 dated 9-6-95 decided as under.

“Whereas in exercise of the powers conferred on the Xen, under Clause-2 of the contract agreement, Xen, HBH, Ambala levied 10% compensation amounting to Rs. 61,000 on Sh. Lalit Kumar, Contr. House No. 121, Sector-6, Panchkula for not completing the work. In the hearing under Clause-2 held on 16-11-1987 an interim decision was taken to reduce the compensation from 10% to 2% and the final decision regarding the amount of compensation was to be taken after completion of the work. Sh. D.P. Gupta, the then Chief Engineer, in exercise of powers conferred in him, under clause-2 of the contract agreement after hearing the entire matter, finally reduced the compensation from Rs. 12,212 to Rs. 6,620 to be recovered from the contractor.”

Sh. D.P. Gupta further decided vide his letter No. HBH/CE/95/3417-18 dated 9-6-95 regarding the work in question that under the circumstances explained and as recommended by the Xen, HBH, Karnal, he (Xen) was allowed not to affect the penal rate recovery of 138 bags of cement at the rate of Rs. 53 each plus 3% storage charges for Rs. 7,533/42 from the contractor so as to avoid the Board from dragging it into unnecessary litigation.

In view of the above decision of the then Chief Engineer, Sh. D.P. Gupta, nothing remains to be recovered from the contractor. In the light of the position explained above, it is requested that the audit para may kindly be dropped.

## 6.8 Infructuous expenditure

After hearing the departmental representatives, the Committee is constrained to observe that penal recovery was not effected from the Contractor inspite of the fact that defects were noticed in the work executed

by him. Not only this, the then Chief Engineer arbitrarily used his powers in reducing the recovery from 10% to 2%. The Committee is of the view that undue favour was given to the Contractor in the instant case. The Committee further observed that follow-up action against the erring Officer/officials is being taken at a slow pace. The Committee, therefore, recommends that action against the erring Officer/officials be completed within a period of six months alongwith the total loss of recovery under intimation to the Committee.

[6] 6 9 *Loss owing to construction of houses on unapproved layout plan*

*Proof 14-2-2002*  
The Housing Board, Haryana, took possession of 7.716 hectares of land in Sector 10, Ambala, in March 1992 from Haryana Urban Development Authority (HUDA) for construction of Low Income Group houses. The layout plan of the houses to be constructed on the land allotted by HUDA is required to be got approved from the Chief Town Planner, HUDA, before starting any work thereon. While the matter regarding approval of layout plan was under correspondence with HUDA, the Board allotted construction of 254 houses to a contractor who commenced the work in May 1992 in blocks I and II consisting of 20 and 24 houses, respectively.

In the meanwhile, HUDA had taken up the issue of development of Sector 10 with the Indian Oil Corporation (IOC) whose Mathura-Jalandhar pipeline was passing through that area. In July 1992, HUDA passed on an IOC communication intimating that no habitation was permissible within 15 meters on either side of the pipeline. Thereupon, the construction work already in hand was stopped. However, by that time, the construction work in block I had been completed up to Damp Proof Concrete (DPC) level and in block II up to 13 1/2" brick work level. The cost incurred was Rs. 4.44 lakhs. Accordingly, the plan initially proposed for approval was revised and finally approved by HUDA in August 1993. The work already executed at Rs. 4.44 lakhs had to be dismantled after incurring further expenditure of Rs. 0.34 lakh. Material valued at Rs. 1.03 lakhs only was salvaged.

Thus due to commencement of work before getting the layout plan approved by HUDA, there was infructuous expenditure of Rs. 3.75 lakhs.

The Board stated (July 1994) that it was not aware of the guidelines for leaving a setback alongside the IOC pipeline and that the construction work was stopped as soon as the matter was brought to the notice of the Board. The reply was endorsed by Government in August 1994. The reply was not tenable as even if the Board was ignorant of the IOC requirements, it should have waited for clearance of the layout plan by HUDA.

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

It relates to construction of 254 LIG houses in Housing Board Colony, Sector-10, Ambala City and against the work of 254 LIG houses the contractor commenced the work in May, 1992 in block I & II costing of 20 and 24 houses. It has

been observed that due to commencement of work before getting the layout plan approved by H.U.D.A., there was infructuous expenditure of Rs. 3.75 lacs.

The land for the construction of Housing colony in Sector 10, Ambala City was allotted by HUDA during the year 1992. The plan of the land for which the possession was given by HUDA indicated 9 Mts wide road on three sides and Indian Oil Corporation's (I.O.C.) pipeline on the fourth side. The Sectoral plan of the Deptt. of Town & Country Planning Haryana dt. 16-4-1990 indicates the planning of various sizes of plots of HUDA, site earmarked for Housing Board Haryana & other related features i.e. roads, parks etc. In the approved sectoral plan, nothing has been mentioned about leaving any set back on either side of Right of Way (R.O.W.) of I.O.C Pipeline. Since nothing was mentioned about leaving the setback beyond right of way of I.O.C. pipeline towards the Housing Board site and the possession was handed over to the Board of the entire pocket and as such planning was done by the Board on the analogy of planning adopted by HUDA. There was no instruction from HUDA about leaving a setback along Right of Way (ROW) of I.O.C pipeline while handing over the possession of the land no proper cautionary pillars had been provided along the pipeline by I.O.C. which could indicate restriction in carrying out construction beyond R.O.W. Rather a lot of construction have been done on the R.O.W. as well as along the R.O.W. in the near vicinity of Housing Board site which also indicate that no proper cautionary measures have been taken by the I.O.C. Thus the construction leading to this situation were beyond the control and as such no responsibility can be fixed on Housing Board Haryana. Regarding taking up of the construction prior to the approval of layout plan by HUDA, it is intimated that in order to achieve the target fixed by the State Govt. during the Silver Jubilee Year, the construction was started after formally discussing the layout plan with the concerned officer in HUDA. This was the usual practice being adopted in respect of all the Housing colonies whose construction were taken in hand during the Silver Jubilee Year. The expenditure of Rs. 3 75 lacs is proposed to be met out from the 5% unforeseen charges of the houses constructed in this colony. The 5% unforeseen charges are being provided to meet out such type of unforeseen liability in the cost of houses.

In view of the position explained above, it is requested that this para may kindly be dropped.

#### 6.9 Loss owing to construction of houses on unapproved layout plan

After hearing the departmental representatives, the Committee observed that the construction work was allotted to the Contractor in un-planned manner before getting the layout plan approved by HUDA which resulted in infructuous expenditure of Rs. 3.75 lakhs due to the lapse on the part of the Department. The Committee, therefore, recommends that a detailed enquiry be conducted in the matter and fix the responsibility of the Officer/officials so that the recovery be made from him. The action taken in the matter be intimated to the Committee within a period of six months.



## AGRICULTURE DEPARTMENT

### [7] 5.2 *Purchase of reverse rotary rig machine*

For the implementation of a Centrally sponsored scheme for strengthening of minor irrigation units, the Director, Supplies and Disposals, Haryana, (DSD) placed (March 1991) an order, on behalf of the Agriculture Department, on a firm of Ghaziabad for the supply of a rotary rig machine capable of drilling holes of 27" diameter up to a depth of 600 feet. Though the firm had not supplied the rig of this capacity to any Government or semi-Government organisation in the past, the order was placed on the consideration that the firm's premises had earlier been inspected by a team of officers of the Agriculture Department and the Haryana State Minor Irrigation and Tubewell Corporation (HSMITC), who had reported that the firm had the requisite capacity to manufacture the rigs of the type sought to be procured. According to the terms and conditions of the order, 90 *per cent* payment was to be released against despatch documents, supported by satisfactory inspection note and physical delivery of the equipment to the Sub-Divisional Officer, Gobar Gas Plant, Kurukshetra (consingee), and the balance 10 *per cent* after satisfactory trial bore of 600 feet at site

Inspection of the machine was carried out at the firm's premises on 5 August 1991 by a team of two officers of the Department who approved the machine as being according to the specifications. The machine was brought by the supplier to Kurukshetra on 16 August 1991. The consignee, on finding visual defects in the machine, informed the Additional Director (Agriculture Engineering), the indenting officer, on 19 August 1991 that the machine was below specifications and, as such, 90 *per cent* payment should not be released. Notwithstanding this, the payment of Rs. 17.60 lakhs was released (20 August 1991) to the firm by the Additional Director (Agriculture Engineer). Subsequently, the machine was put on trial bore at three sites, in October 1991, January 1992 and April 1992, when it failed to bore beyond the depths of 320, 330 and 350 feet respectively, and that, too, after repairs by the firm during the intervening periods. Since then, the machine, though acquired for boring up to a depth of 600 feet, was being utilised by the Department for boring of tubewells of lesser depths.

A committee appointed (February 1994) by the Director of Agriculture with an Executive Engineer each of HSMITC and Public Health Department and Additional Director, Agriculture Department, as members, concluded (February 1994) that pre-delivery inspection of the machine had not been carried out properly and that the machine of an unrepented make should not have been purchased. The Director of Agriculture, while informing the DSD that the machine had never worked satisfactorily, stated that it was below specifications, had remained out of order for long periods due to frequent breakdowns, and that the firm was not equipped to manufacture such a big machine. It was also requested by him that the 10 *per cent* balance payment of Rs. 1.77

lakhs lying with the Agriculture Department and the security of Rs.0.75 lakh lying with the Director, Supplies and Disposals., be forfeited. Further developments were awaited (November 1994).

Responsibility for the purchase of substandard machine had, however, not been fixed (August 1994).

The matter was referred to Government in September 1994, reply has not been received (December 1994).

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

The audit para was issued by the Accountant General Haryana vide No. Report/Civil/1-2/93-94/DP 46/394 dated 30-9-1994 through Govt. letter No. 4091-Agri-II (I)-94/10088 dated 13-10-94 received in the department on 17-10-94.

The action was initiated on 24-4-95 & reply sent to Financial Commissioner Agriculture on 10-5-95.

A Committee was constituted by this office order No. 5693-94/ADA dated 9-2-94 comprising XEN, HSMITC, Kurukshetra, XEN, PWD (Public Health) Kurukshetra and Project Director (Kandi) Directorate of Agriculture, Haryana. The Committee observed that this un specified machine should not have been purchased by the department and at the same time wanted to fix the responsibility on the Inspecting Officers. The matter has been referred to the Vigilance Department Vide U.O. No. 2788-Agri. II (5)-96/2296 dated 27-12-96.

The Govt. was requested to ask the Vigilance Department to enquire into this matter vide this office letter No. 508 dated 10-5-95. The DSD was requested to forfeit ten percent payment worth Rs. 1.77 lakhs and security amounting to Rs. 75,000 vide this office letter No. 1204/ADA dated 13-6-94. The matter was referred to the Arbitrator Sh. P.K. Chaudhry, IAS, now M.D. HSIDC vide D&SD letter No. 339/HR/ES 2/90-91/33156 dated 18-12-94. The matter is pending before the Arbitrator.

The reverse Rotary Rig Machine was purchased by the Department through Director, Supplies & Disposals, Haryana. A team of three officers constituted by the Director, Supplies & Disposals submitted a report that the firm has a capability to manufacture such machines. In fact the firm supplied the machine on dated 16-8-91 and the consignee, S.D.O. (GGP) Kurukshetra refused to accept the machine on the following two grounds :—

- (1) The specifications of the machine given in the supply order are not matching with inspection note.
- (2) The firm has failed to supply the machine with the delivery period of 11 weeks mentioned in terms & conditions of supply order.

The above two issues were considered and the then Director of Agriculture ordered that the machine was got received by Well Supervisor of S.D.O.'s office. The 90% payment was released to the firm as per conditions of supply order and 10% payment alongwith security of firm is still not released.

That the machine purchased from the M/s Rubi International Gaziabad never worked smoothly from the very first day. The actual operation of the machine was started on 5-10-91 at Ratgal Farm and till 7-10-91 the machine could only drill 50 fts. The machine was again put on trial upto 12-10-91. This machine could drill only 320 fts. The machine was put on second trial at Lukhi Farm on January, 1992 but could not drill beyond 330 fts. After some repairs undertaken on this machine it was again put on third trial at Ladwa Farm. The machine could not drill beyond 350 fts. During the trial period, frequent break-down and heavy maintenance cost was incurred by the supplier. Therefore, it is clear that initially lot of defects were encountered during the operations of machine and failed to give at trial demonstration upto a depth of 600 fts. as laid down in the terms and conditions of the Director, Supplies & Disposals, Haryana. A committee was constituted comprising of XEN, Haryana State Minor Irrigation and Tubewell Corporation., Kurukshetra, XEN (PWD Public Health), Kurukshetra and Project Director (Kandi) Directorate of Agriculture, Haryana, Chandigarh to look into the functioning of the machine. The committee observed in its report that this unspecified machine should not have been purchased by the Department and at the same time, wanted to fix responsibility on the Inspecting Officer. However, this fact also came to the notice in a meeting held on 9-3-93 in the office of Director, Supplies & Disposal, Haryana when the papers for the purchase of the second Reverse Rotary Rig Machine were being processed that M/S Ruby International is not a genuine manufacturer in supplying this machine but the machine was manufactured by M/S Kamal Engineering works, Delhi. While intimating to the Director, Supplies and Disposal, Haryana vide letter No. 3920 dated 29-12-94. It was categorically mentioned that the firm was not equipped to manufacture such as Rig machine, which requires technical skill and precision. The matter was thus referred to Director, Supplies and Disposals for taking action against the firm. The matter has now been referred to arbitration and the proceedings of arbitration are in progress. The further comments can only be given after the decision of arbitration in this case.

## 5.2 Purchase of reverse rotary rig machine

After going through the details of this case as well as hearing the departmental representatives, the Committee took a serious view that inspite of the information given by the consignee in the month of August, 1991, about the defects in the machine and also not confirming to the specification as per supply order even then, the then Director of Agriculture ordered for receipt of said machine and 90% payment was released

to the firm inspite of the timely intimation sent by the S.D.O., Kurukshetra for not releasing the payment. The Committee, therefore, observed that this unspecified machine should not have been purchased by the Department and at the same time wanted to fix the responsibility on the inspecting Officer. The Departmental Representatives further informed the Committee that the matter has already been referred to the Vigilance Department for detailed enquiry into the matter. The Committee, therefore, desires that the report of the Vigilance Department be submitted to the Committee for its information.

[8] 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 1994, Proforma accounts for 1993-94 in respect of none of these undertakings had been received as of August, 1994.

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

Sr. No.	Name of undertakings	Extent of arrears
1	Agriculture Department (Purchase & Distribution of pesticides)	, 1979-80 to 1993-94.

2. Agriculture Department (Seed Depot Scheme) 1982-83 to 1993-94.

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 proforma for preparation of accounts has also not been prescribed in the past year. The decision on these two points was taken late i.e. in 1979 when proforma accounts of more than 12 years were already due. By that time the record scattered at various units had become old and non available. This rendered the verification/reconciliation of the transaction difficult in 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 1986-87 onwards no major purchase has been effected under the scheme by the

Agriculture Department and now the purchase are made through institutional agencies.

### 7.1

During the course of oral examination, the Committee was informed that the proforma accounts is pending from 1980-81 onwards. The Committee recommends that all possible efforts be made for making the proforma accounts upto-date within a period of three months under intimation to the Committee.

## EDUCATION DEPARTMENT

### [9] 3.2. *Improvement of science education in schools*

3.2.1. to 3.2.4.                      \*                      \*                      \*                      \*

### 3.2.5. Financial outlay and expenditure

The position of funds released by the Government of India and the expenditure incurred thereagainst during 1988-89 to 1993-94, was as under :

Year	Requirement of funds intimated by the State Government	Central assistance received	Funds allocated by the State Government	Expenditure
(Rupees in lakhs)				
1988-89	243.27	279.66 /	Nil	Nil
1989-90	Nil	Nil	279.66	279.66
1990-91	160.40	Nil	Nil	Nil
1991-92	Nil	Nil	Nil	Nil
1992-93	Nil	121.71	134.97	Nil
1993-94	477.49	460.03	126.37	126.37
<b>Total</b>	<b>881.16</b>	<b>861.40</b>	<b>541.00</b>	<b>406.03</b>

The Central assistance being generally received towards the close of the year, the State Government had been making budgetary allocations therefor only in the following years.

(i) No expenditure was incurred during the years 1990-91 to 1992-93.

(ii) No Central assistance was received during the years 1989-90 to 1991-92 and it was not even sought for by the State Government during 1989-90, 1991-92 and 1992-93

The department further supplied information as under :—

The position regarding release of funds by the Government of India and the expenditure incurred from the year 1988-89 to 1993-94 as given in the table is correct. It is also a fact that these central assistances were received towards the feg end of the year, thus, giving very little time for the pur-

chases. It was for this reason that the State Government could not utilize this central assistance for the year 1990-91 to 1992-93. Hence, no expenditure was incurred during these years. It is also a fact that no central assistance was received during the years 1989-90 to 1991-92 because the already sanctioned grant remained unutilized due to 'cumbersome purchase procedure and formalities. It was for this reason that the State Government did not apply for any grants during the year 1989-90 to 1991-92. An amount of Rs. 134.97 lacs was sanctioned by the Government of India during the year 1992-93 towards the end of the financial year and after seeking extension for the year 1993-94, it could be utilized only by 31-3-94. It may be mentioned that a grant of Rs. 460.03 lacs was received for the year 1993-94 at the end of financial year out of which a sum of Rs. 1.92 crores could be utilized for the purchase of Science Books in March, 1995, after revalidation from Government of India.

### 3.2.5 Financial outlay and expenditure

During the course of oral examination, the Committee was informed that out of central assistance of Rs. 460 lakhs received at the end of the financial year out of which purchases have been made for Rs. 192 lakhs and the amount of Rs. 268 lakhs is still lying un-utilised for which the Government of India has been requested to extend the validity period upto 31-3-98 for utilising the same. After hearing the departmental representatives, the Committee recommends that the entire system be improved so that the central assistance be received well in time so that the very purpose of the scheme for which these were sanctioned be achieved properly in future. The Committee further desires that steps taken in this direction be intimated to the Committee alongwith the intimation of balance amount by 31st March, 1998.

#### [10] 3.2.8. *Laboratory equipment*

Assistance of Rs. 0.75 lakh (Rs. 0.90 lakh from 1993-94 onwards) for the establishment of new laboratories and Rs. 0.25 lakh (Rs. 0.30 lakh from 1993-94) for deficient laboratories for acquiring necessary equipment/apparatus and facilities was to be provided in each secondary and senior secondary school.

(i) Out of Rs. 170.25 lakhs released by the Government of India in February 1989, science equipment valued at Rs. 161.24 lakhs were purchased during 1989-90 for 681 school laboratories leaving a balance of Rs. 9.01 lakhs lying unutilised as of March 1994.

(ii) The purchase of laboratory equipment and raw materials was made by the Director, Secondary Education, centrally, for supply to 641 secondary and 40 senior secondary schools. Supplies were f.o.r. destination to SDEOs who were to arrange further transfer of the materials to the concerned schools. Seventy seven of the 96 schools tested checked made available their stock accounts of science equipment for scrutiny in audit. In the case of 50 of these schools, science material supplied between May 1990 and March 1993 valued at Rs. 1.06 lakhs

was noticed as having not been accounted for at all (Rs. 0.96 lakh) or short accounted for (Rs. 0.10 lakh).

(iii) Science raw materials valued at Rs. 1.33 lakhs supplied during 1990-91 were lying unconsumed in 53 schools as of February 1994.

(iv) Laboratory materials worth Rs. 0.45 lakh purchased in January-March 1992 were not issued by the SDEOs to the schools even as of May 1994 resulting in short equipping of the laboratories to that extent.

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

- (i) originally orders were placed approximately Rs. 170.25 lacs but some firms failed to comply with the supply order. The balance of Rs. 9.01 lacs remained un-utilized non-compliance of supply orders by these firms. The balance money has since been deposited in the treasury.
- (ii) All the SDEOs have distributed the purchased material to the concerned schools and stock entries have also been made. There is no material which is not accounted for now. Certificates to this effect have been obtained from the concerned DEOs
- (iii) The consumable items of science raw materials have since been consumed and the concerned DEOs have submitted certificates to this effect.
- (iv) Laboratory material purchased in January-March, 1992 are also issued to the SDEOs which has been certified by the DEOs.

### 3.2.8 Laboratory equipments

After hearing the departmental representatives, the Committee desired to know as to why the laboratory materials worth Rs. 0.45 lakhs purchased in January-March, 1992, not issued to the schools even upto May, 1994 and further the details of the unconsumed science raw-materials lying in schools till February, 1994. The departmental representatives promised to supply the detailed information but the said information has not been supplied till to-date. The Committee, therefore, desires that the said information be supplied to the Committee immediately for its consideration. The Committee further recommends that system of quarterly check up be made and also a Committee be set up for test check at higher level to ensure the proper consumption and distribution of science raw materials in the respective schools in future. The action taken in the above recommendation of the Committee be intimated.

### [11] 3.2.9. *Selection of Schools without proper survey*

The State Government was required to conduct a survey of laboratories and libraries in the schools selected for assistance to determine



the existing deficiencies and thereafter to formulate a phased programme for equipping the laboratories/libraries

The State Council of Education Research and Training to which the task of identification of deficient school laboratories/libraries and preparation of project proposals was assigned, selected the schools on the basis of only a sample survey (1987-88) without, however, pinpointing the exact deficiencies in each school

The following points were noticed in the 96 schools testchecked :

(i) Only 2 schools had separate science laboratories for all the three streams of science, 84 had only one classroom converted into laboratory, 6 had no laboratory at all and the remaining 4 schools did not furnish the information.

(ii) Fifteen schools had provision for both electricity and water, 38 schools had only electricity, 34 schools had neither electricity nor water facilities and the information was not furnished by the remaining 9 schools

(iii) There was no post of laboratory attendant in any of the schools.

In the absence of proper survey, assistance actually required for upgradation of laboratories could not be determined and 681 schools were provided with science equipment/materials at the uniform scale of Rs. 25,000 each, meant only for the upgradation of the existing science laboratories, notwithstanding the fact that the schools where no laboratory existed were eligible for assistance at the higher scales of Rs. 75,000/90,000 per school

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

The State Government conducted test survey under the guidance of experts from S.C.E.R.T. Haryana Gurgaon in order to provide assistance on uniform scale to prospective schools. The scale of Rs 75,000 and Rs. 90,000 per school was raised on the recommendation of this survey team of S.C.E.R.T. Gurgaon. It may be mentioned that separate Science labs for Physics, Chemistry and Biology exist only in Senior Secondary Schools with science groups whereas, high and middle school have one general science room. However, the State Government is making efforts to provide separate lab for all the three disciplines of science under its programme of expansion of school buildings and provision of infrastructural facilities. Similarly, the provision of lab attendant exists only in Senior Secondary Schools with Science group at present in original scheme

### 3.2.9. Selection of schools without proper survey

After hearing the departmental representatives the, Committee desired that a list of concerned schools alongwith the number of science students

with their pass percentage be supplied to the Committee for its consideration which is still awaited. The Committee, therefore, desires that the said information be supplied to the Committee without any further delay.

[12] 3 2.12 *Assistance to voluntary organisations*

Under the scheme, voluntary organisations suitable for taking up programmes in the field of science education were to be assisted for taking up innovative programmes for promoting scientific temper, increasing awareness, promotion of science education, teacher training programmes, development of instructional materials/text books etc.

No assistance was, however, provided to any voluntary organisation in the State for this purpose (May 1994)

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

It is stated that no voluntary agency approached this department for getting assistance for this purpose. So no case for providing assistance under this scheme was recommended to Government of India.

3.2.12. *Assistance to voluntary organisations*

During the course of oral examination the Committee asked for the detailed information regarding various voluntary organisation schemes received from the Government of India alongwith the details of assistance given to them. The Committee is pained to observe that the said information has not been supplied to the Committee till the finalisation of the report. The Committee, therefore, desires that the said information be sent to the Committee immediately.

[13] 3.3. *Avoidable extra expenditure*

Under the New Educational Technology Scheme introduced with effect from 1986, the Government of India sanctioned (22nd March 1991) grant of Rs. 50 lakhs for the purchase of 5,000 radio-cum-cassette players (RCCPs) for educational use in primary schools in the State at Rs. 1,000 per RCCP during 1990-91 itself. The grant could not, however, be utilised during 1990-91 apparently because the sanction had been issued at the fag end of the year. In June 1991, the Government of India permitted utilisation of the amount during 1991-92. The State Government had a subsisting rate contract valid for one year from 3rd January 1991 with a firm of Hyderabad at Rs. 930.79 per unit inclusive of taxes and duties.

The Department placed an order for 3,914 RCCPs on the Hyderabad firm on 1st January 1992 asking the firm to complete the supply before 2nd January 1992. The firm informed the Department on 15th January 1992 that as the rate contract had expired on 2 January 1992, it could supply the material only at Rs. 998 each. Subsequently, the firm supplied 2,400 RCCPs at Rs. 956.68 per RCCP and 1,514 RCCPs at Rs. 965.86 per RCCP which the Department accepted in November

1992. Payment of Rs. 37.58 lakhs was accordingly made in December 1992, the amount having earlier been drawn from the treasury in March 1992 and kept in the shape of two bank drafts

Audit scrutiny revealed that sanction of the State Government for the purchase of RCCPs was sought for by the Director of Secondary Education late, in December 1991, six months after the Government of India had permitted utilisation of the grant during 1991-92. Thus, delay in processing the case resulted in avoidable extra expenditure of Rs. 1.15 lakhs, apart from depriving the students of the intended benefits for over one year. Besides, drawal of the amount in March 1992 and its retention outside the Government account involved loss of interest of Rs 3.26 lakhs, computed at 13 *per cent annum* being the rate of interest on Government borrowings during 1992-93.

The matter was referred to Government in September 1993; reply has not been received (December 1994)

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

It was not possible to utilise the grant in 1990-91 as the same was issued on 22-3-91 by the Government of India. Government of India allowed the utilization of the grant during 1991-92 vide their letter dated 13-6-91 it was received in the department on 19-8-91. The matter remained under correspondence with S.C.E.R.T. Gurgaon as information regarding to number of schools (District wise) was to be ascertained. After the collection of the information, Government was requested on 6-12-91 for issue of financial sanction amounting to Rs. 39.14 lacs for the purchase of Radio-cum-Cassette players. Orders for the supply of the Radio-cum-Cassette player could only be placed with the firm after the issue of sanction by the State Government. State Government issued the sanction on 1-1-92, and the same was issued on 1-1-92. The supply order was placed with the firm on the same day. The firm asked for increase in rates due to enhancement of rates of excise duty. The matter was referred to the Director, Supplies & Disposals, who agreed to the rates in March, 1992, after examining the documents submitted by the firm regarding the enhancement of excise duty.

The amount was drawn on 31-3-92 by the Department. Had the amount been not drawn the whole process would have to be repeated again. The supply made by the firm was to be inspected and after the inspection payment was made to the firm in December 92.

### 3.3. Avoidable extra expenditure

After hearing the departmental representatives, the Committee observed that the department had enough time to utilise the grant within the year 1991-92. But due to delay in processing the case by the department at various levels, the rate contract was allowed to lapse in January, 1992, which resulted in an extra expenditure of Rs. 1.15 lakhs apart

from depriving the students of the intended benefits for over one year and also the loss of interest in the whole process at the rate of 13%. The Committee is not satisfied with the clarification given by the department and therefore, desired that a calendar of events w.e.f. March, 1991 onwards be supplied to the Committee for its consideration so that responsibility of the concerned officers/officials be fixed accordingly. The desired information is still awaited from the department. The Committee, therefore, desires that the said information be supplied to the Committee within a period of one month.

[14] 64 Avoidable expenditure

The Executive Council of the Maharishi Dayanand University, Rohtak, resolved in March and October 1987 to set up a Chair in the name of Sir Chhotu Ram to conduct research on his work mainly in the fields of Political Science, History and Economics. Sanction was accorded by Government in April 1988 for setting up of the 'Chair' as also for the creation of posts necessary for the purpose.

It was noticed (July-October 1993) in audit that the University first delayed action by over 3 years, and then appointed (December 1991) a professor of Psychology on the 'Chair' and attached the 'Chair' to the Psychology Department. Thus, the direct nexus with the specified fields of study was lost. An expenditure of Rs. 1.02 lakhs on the pay and allowances (Rs. 1.01 lakhs) and contingencies (Rs. 0.01 lakh) was incurred for the incumbent, who joined the 'Chair' in February 1992 and resigned from the post in September 1992 without doing any specific research work.

Later on, in December 1992, the Director, Higher Education, Haryana, issued specific directions to make appointment against the 'Chair' in the field such as History, Political Science and Rural Development, where Sir Chhotu Ram's work is remembered and also pointed out that the Department of Psychology had no relevance. The 'Chair' was set up in July 1993 in the Department of Rural Development of the University.

Apart from delay in establishment of the 'Chair' by more than 5 years for research work in the specified field, the University incurred an infructuous expenditure of Rs. 1.02 lakhs in a field which did not serve the desired purpose.

The University stated (October 1993) that the fields of History, Political Science and Economics were approved by the Executive Council for research ideology under the 'Chair' and not for appointment of the professor. The reply was not tenable as the appointment was to be made in the fields specified.

The matter was referred to Government in June 1994; reply has not been received (December 1994)

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

In terms of Executive Council's Reso No. 12 of its meeting held on 21.3.87, Sir Chhotu Ram Chair was set up in the Department of History. Consequent upon the receipt of the sanction of the Govt. of Haryana, the steps were taken to fill up the post. The post was advertised several times but the same could not be filled up for non-availability of suitable person.

As already stated the post could not be filled up non-availability of suitable person in terms of Executive Council's Reso No 28 of its meeting held on 16.10.87, the vice-Chancellor had decided that the Chair in the name of Sir Chhotu Ram Chair be set up in the post department of Psychology. In terms of Executive Council's Reso No 28 of its meeting held on 27.11.91, Dr. Satbir Singh Prof & Head, Deptt of Psychology G.N.D. University, Amritsar was offered the post of Professor in Sir Chhotu Ram Chair. Dr. Satbir Singh remained on the Chair from 10.2.92 to 30.9.92. A photo copy of research work done by him is also enclosed. (Annexure-A)

As per letter of the Director, Higher Education, Haryana, Chandigarh vide letter dated 24.12.92, Sir Chhotu Ram Chair was set up in the Department of Rural Development

The post of Professor on Sir Chhotu Ram Chair has been advertised six to seven times but each time the response has been found to be very poor.

Therefore, the post could not be filled up. The post remained filled up w. e. f. 10.2.92 to 30.9.92 and the work remained continued thereafter.

Dr. Satbir Singh was appointed as professor on Sir Chhotu Ram Chair keeping in view his professional experience and scholarship accomplishment at both National and International levels. He had the requisite qualifications as laid down for the post of Professor for Sir Chhotu Ram Chair. Moreover, the Psychology subject is also related to the Faculty of Social Sciences and its wider scope for interdisciplinary research in the areas of History, Political Science and Economics.

The requisite information required by the Govt. was sent from time to time.

#### ANNEXURE-A

#### PROGRESS REPORT FOR THE PERIOD 10-2-92 TO 30-9-92

##### Research Project

A research project entitled, "Facilitators and Retradors of agricultural productivity among Haryana Farmers,, was submitted to the Indian council of Social Sciences Research, New Delhi for financial assistance of about Rs. 100000.00.

The project is still under consideration for financial assistance of about Rupees one lakh as 7 or 8 months are normally required for evaluation.

##### 2. RESEARCH JOURNAL

The author planned to start a Bi-annual research journal: "Sir Chhotu Ram International journal of peasant Studies". General information, scope editorial policy including style and format have been prepared and the proposal has been sent to the University. However, due to financial stringency the proposal could not get the required financial assistance

### 3. Book

I want to write a clear, systematic and expository book on Sir Chootu Ram. Consequently, I had gone through a large number of books, journal and Articles of interest. Finally, the Bibleography was prepared and decision was also made regarding the title of the book, "Sir Chootu Ram."

#### **Personality Dynamics and Peasant Power.**

### 4. Research Publication

Submitted two research papers for publication :—

- (i) General differences in work values and personality Characteristics among Indian executive. American Journal of Social Psychology (under publication).
- (ii) Personal characteristics differentiating rural working wives from rural housewives.

**Personality study and Group Behaviour, : An International Journal (under publication)**

### 5. Research Supervision

Two research students have completed their Ph.D. thesis and submitted for evaluation to the G.N.D. University.

### 6. Talks

All India Radio, Rohtak invited me to gave a talk on "Psychological education and teacher".

### 7. Honours/Nominations

1. Nominated consultant by the Advisory Board of the **Praachi Journal of Psycho-Cultural Dimensions**.

2. Nominated as member of the Research Degree Committee by **Himachal Pradesh University, Shimla**.

3. Nominated as member of the Seminar Grant Committee for the year 1992-93 by **Indian Council of Social Science Research, North-Western Regional Centre**.

4. Appointed as subject expert by the **Ministry of Home Affairs** (some confidential work related to Union Public Service Commission).

5. The Institute of Mind and Behaviour, P.O. Box 522, Village Station, New York (USA) appointed me as **Review expert for reviewing the book "Challange the Therapeutic State, critical perspectives on psychiatry and the mental health systems"**.

## 8. Additional Charge

In addition to my own duties, the executive council of Maharishi Dayanand University appointed me Proctor and Dean Student's welfare from 16-2-92 to 21-2-92)

(Dr. Satvir Singh)  
Professor  
Sir Chootu Ram Chair,  
Maharishi Dayanand University,  
Rohtak—124001.

## 6.4 Avoidable expenditure.

After hearing the version of the Department the Committee recommends that a reference be made to His Excellency the Governor of Haryana for taking appropriate action in the matter as He may deem fit.

## PUBLIC WORKS DEPARTMENT

### (Building and Roads)

[15] 4.1 State Highways, District and Village roads.

4.1.1 to 4.1.8

4.1.9 (a) Sanction of new roads without assurance of funds

It is usual to specify, depending on the nature of the works, any period between 3 months and 48 months for construction of new rural roads. To adhere to this schedule, it is necessary, *inter alia*, to ensure flow of adequate funds. It was, however, observed that new works of village road construction were being sanctioned without regard to availability of funds.

In April 1992, the total cost incurred on on-going works of rural roads (length : 1,903 kms.) sanctioned by the Department was Rs. 6324 lakhs. The balance works required to be done comprised 464 km of earth work, 910 km. of stone soling, 988 km. of stone metalling and 1,162 km. of black topping, besides construction of bridges and culverts. The aggregate estimated cost of the balance works added up to Rs. 4600 lakhs. The actual provision made in the annual plan (1992-93) for such works was only Rs. 545 lakhs.

Considering the paucity of funds, the State Government decided (June 1992) to freeze 125 on-going works (cost : Rs. 1500 lakhs) where expenditure to the extent of only Rs. 0.50 lakh or 10 per cent of the amount of administrative approval which ever was more had been incurred up to April 1992. It was noticed in test-check that in 10 divisions<sup>5</sup> expenditure of Rs. 21.53 lakhs already incurred on 43 such frozen works was rendered wasteful.

Meanwhile, 112 new works of road construction were sanctioned at the cost of Rs. 2124.10 lakhs during July 1992 to March 1994. Due to sanction of new works, the requirement of funds for completion of the works rose to Rs. 5224.10 lakhs against which Rs. 1095 lakhs only were provided in the annual plans for 1992-93 and 1993-94.

The Engineer-in-Chief stated (June 1994) that the new works should not have been sanctioned as funds available were insufficient even for completion of on-going roads. However, he further stated that new works were sanctioned by Government keeping in view the aspirations of the people. The reply was not tenable as such sanctions result in the spreading of scarce resources over many projects with consequential delay in completion of the roads, resultant cost escalation and denial of the benefits of investments, apart from possible freeze of on-going projects with possibility of waste in such cases.

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5 Provincial Divisions, Bhiwani, Fatehabad, Hansi, No. 1 Hissar, Jhajjar Jind, No. 1 Rohtak, No. 1 & II Siisa and Sonipat.



#### 4 1.9(b) Time overrun

The public Accounts Committee in its 34th Report had observed that all factors should be judged before-hand and the work completed within the scheduled period to avoid unnecessary expenditure and delay in completion. The position of works taken up, completed and those remaining incomplete in the 12 divisions test-checked during the period from 1987-88 to 1993-94 was as under :

Period	Number of works taken up	Estimated cost	Number of works completed up to March 94	Expenditure	Number of works remaining incomplete up to March 1994	Expenditure
		(Rupees in lakhs)		(Rupees in lakhs)		(Rupees in lakhs)
Up to 1986-87	223	1747.58	157	1299.38	66	515.25
1987-88	52	402.54	38	184.02	14	124.16
1988-89	26	219.48	17	80.20	9	75.52
1989-90	63	635.42	33	249.80	30	249.92
1990-91	52	633.55	27	135.22	25	261.68
1991-92	18	116.74	16	92.33	2	5.11
1992-93	12	75.12	9	30.89	3	22.00
1993-94	20	341.72	4	20.06	16	55.41
<b>Total</b>	<b>466</b>	<b>4173.15</b>	<b>301</b>	<b>2091.90</b>	<b>165</b>	<b>1309.05</b>

- (i) Of the 301 works completed, 228 were taken up at the estimated cost of Rs. 1588.24 lakhs and were completed at Rs. 1659.74 lakhs delay in completion ranged between 4 months and 12 years in these cases. The delay in completion of works was attributed by the divisions mainly to delay in acquisition of land, land disputes, delay in construction of bridges, paucity of funds and shortage of material. However, completion reports of none of the 301 completed works had been prepared as of June 1994.
- (ii) Of the 165 incomplete works, 136 were under execution even after the scheduled completion period, rendering the investment of Rs. 1125.60 lakhs therein as idle for varying periods ranging upto 15 years and more. The extent of delay was as under :

Period	Number of works
Upto 5 years	71
5 to 12 years	50
10 to 15 years	12
Beyond 15 years	3
<b>Total</b>	<b>136</b>

The delay in the completion of these works was due mainly to paucity of funds (107 cases), land disputes (13 cases), change in alignment (5 cases), non-construction of bridges (3 cases), non-availability of consolidation path (3 cases), non-construction of railway level crossing (3 cases) and delay in execution by contractors (2 cases).

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

#### 4.1.9 (a) Sanction of new roads without assurance of funds.

The sanctioning of new work /roads in as per requirement of paper. It is an establish fact that people from smaller city/village migrate to the bigger cities and accordingly the new roads are required to be constructed and rut s/roads which have been condemned/left by the people requires no further expenditure. So in view of the public interest desanction/desanctioning of roads is to be made. However in June 1992 it was done due to Paucity of funds and the programme have been made in such a way to bring many road works to completion as possible. Out of the 129 Nos. roads desanction, no expenditure was incurred against 72 Nos. roads. The expenditure against 57 Nos. roads cannot be treated as wasteful/unfruitful because it has been incurred on earth work which resulted in to consolidation far improvement which serves as Kachha road to the villagers.

#### 4.1.9 (b) Time Overrun

Completion of target for each road/work are fixed from time to time by taking into consideration that the demand of the people of the area and availability of funds. In most of the cases reasons for the time overrun is inadequacy of budget.

#### 4.1.9 (a) Sanction of new roads without assurance of funds.

##### (b) Time overrun.

During the course of oral examination, the Committee observed that the new roads in rural areas are being sanctioned in the absence of availability of adequate funds. The committee further observed that why works were started if there was paucity of funds. The Committee, therefore, recommends that availability of sufficient funds should be ensured before starting the construction of new roads in future. The Committee further recommends that priority for construction of new roads be maintained by the department keeping in view the emergent need of the area to avoid blockade of Government funds.

#### [16] 4.1.10 (b) Execution of works without technical sanction of estimates.

Rules provide that execution of works shall not be commenced without obtaining technical sanction of detailed estimates from the competent authority it was noticed that technical sanction of the competent authority was not obtained in respect of 282 out of 466 road works completed/in progress during 1987-88 to 1993-94 in the 12 divisions test-checked. Thus, expenditure of Rs. 1942.51 lakhs has been incurred on such works up to 31 March 1994 in contravention of codal provisions.

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

Out of the 282 works in which technical sanction of estimate has not been obtained, 108 works pertaining to the Hisar circle and action to get the expost technical sanction is being taken by the circle office.

Similar action is also being taken by the other circle.

#### 4 1.10 (b) Execution of works without technical sanction of estimates.

The Committee recommends that necessary instructions be issued to all the Circle offices not to execute the works without obtaining the technical sanction. The Committee further recommends that technical sanction of the remaining works be obtained within a period of two months under intimation to the Committee.

#### [17] 4.1.12. Other points of interest

##### (i) Overpayment to contractors

According to the PWD Schedule of Rates, 1988, the rate for painting the roads surface, using precoated aggregate with bitumen is Rs. 123.25 per hundred square meters. As per specifications for this rate 11 kg. bitumen and 0.10 cubic meters (cum) of bajri were to be used for every 10 square meters of road surface.

However, in July 1992, the Engineer-in-Chief advised adoption of PW Specification, 1963, thereby reducing the consumption of bitumen and bajri to 8 kg. and 0.06 cum per 10 square meters, respectively. It was however, noticed in audit that even after reduction in the consumption of material, the payment to contractors was allowed at the earlier rate of Rs. 123.25 per hundred square meters or at rates slightly reduced on ad-hoc basis, for 17.84 lakh square metres of road surfacing in 7 divisions during August 1992 to October 1993. The analytical rate derived and paid by other divisions under the control of PWD, B & R Circle, Hisar, for the work of surfacing was at the correct derived rate of 108.90 per hundred square meters. Failure to regulate the payments at the proportionately reduced rates resulted in overpayment of Rs. 3.91 lakhs to contractors as detailed below :

Sr. No.	Name of Division	Number of cases	Quantity executed (Sq. mt.) ( Rupees in lakhs )	Amount paid	Amount payable	Amount excess paid	Period
1	2	3	4	5	6	7	8
1.	Provincial Division, Bhiwani	55	3 77,124	7.38	6.94	0.44	October 1992 to September 1993
2.	Provincial Division, Charkhi Dadri	37	3,35,203	6.54	5.78	0.76	August 1992 to June 1993

1	2	3	4	5	6	7	8
3.	Provincial Division, Hansi	3	36,783	0.75	0.67	0.08	May 1993 to September 1993
4.	Provincial Division, No. 1, Hisar	20	1,45,900	3.30	2.80	0.50	March 1993 to September 1993
5	Provincial Division, Jhajjar	37	2,44,687	4.89	4.36	0.53	March 1993 to October 1993
6.	Provincial Division, Naraingarh	24	1,87,152	3.77	3.33	0.44	September 1992 to August 1993
7.	Provincial Division, Narnaul	43	4,56,882	9.98	8.82	1.16	September 1992 to September 1993.
<b>Total</b>		<b>219</b>	<b>17,83,731</b>	<b>36.61</b>	<b>32.70</b>	<b>3.91</b>	

An amount of Rs. 1.34 lakhs overpaid by Provincial Divisions. Charkhi Dadri, Hansi and No 1 Hisar, had been recovered after being pointed out in audit.

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

**(i) Over payment to contractor**

Out of the 7 divisions the 3 divisions namely Charkhi Dari, Hansi, Hisar-2 have already recovered the over payment from the contractor. However, the Provincial Division Naraingarh and Provincial Division Jhajjar have already recovered the over payment from the contractor.

The remaining 2 divisions namely Provincial Division Bhiwani, Provincial Division Narnaul have been directed to recover the over payment from the concerned contractor.

**4.1.12 (i) Overpayment to contractors.**

After hearing the departmental representatives, the Committee recommends that the balance recovery from the concerned contractors be recovered under intimation to the Committee.

**[18] 4.1.12. (ii) Extra expenditure**

Construction of a bridge over river Markanda including its approaches at Ambala-Hisar road near village Jalbera was administratively approved by Government in August 1981 for Rs. 95.55 lakhs. The construction of main bridge was awarded to a contractor in September 1982 by the Executive Engineer, Provincial Division No. II, Kurukshetra to be completed within 24

months. The main bridge was, however, completed in December, 1992. Revised estimate for Rs 182.99 lakhs for construction of bridge and approaches was submitted in July 1992 but it remained un-sanctioned as of November, 1994. The delay in construction was attributed (March, 1994) by the Executive Engineer to delay in approval of drawings, plugging of wells and shortage of cement.

For the approaches the earthwork (estimated quantity 50,700 cum) was commenced departmentally through Mechanical Division, Ambala, in June, 1983, but the construction of main bridge was not commenced by the contractor. Therefore, after completion of 2,334 cum earth work, further execution was suspended in March, 1984. About 60 per cent of main bridge work was completed during 1984 to 1986 and visualising the progress of bridge construction, 37,953 cum earthwork (including 2,334 cum executed up to March 1984) was executed till October 1987 at the cost of Rs 5.65 lakhs. Due to slow progress of further construction of main bridge, the earthwork was again suspended up to November, 1990.

In November 1990, tenders for the balance earth work of 12,747 cum were called for and the work was allotted to a contractor in May 1991 at Rs. 21.30 per cum. While the earthwork was in progress, the Chief Engineer directed (May 1992) reduction of the length of approaches by 250 metres thereby decreasing the total requirement of earthwork from 50,700 cum to 41,510 cum. It was noticed (August 1992) in audit that against the revised balance quantity of 3,557 cum, the actual quantity executed at site during June 1991 to August, 1992 was 15,568 cum. As per departmental calculations 12,011 cum extra earthwork had to be executed at the cost of Rs 2.56 lakhs to recoup the earthwork that had been washed away during 1987 to 1990 due to delay in completion of the bridge. Thus, failure of the Department to synchronise the construction of approaches and the bridge due to delay in approval of drawings, etc resulted in extra expenditure of Rs. 2.56 lakhs.

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

## (ii) Extra Expenditure

The work of construction H.L Bridge over river Markanda near village Jalbera including its approaches on Ambala Hisar road stands administratively approved for Rs 1,37,57,300/- vide Secy. to Govt. Haryana letter No. 13/6/78/PWII(2) dated 13th October, 1991. The revised estimate of Rs. 1,82,99,000/- is under process. For the construction of the approaches the quantity of Earth work was required 50,700 cum. The work was got commenced from the Mechanical wings of the Department. The Mechanical wings has only executed the 37,900 cum Earth work for Rs. 5.65 lacs upto October, 1987. The work was suspended because the progress of the main bridge was slow. Therefore, after three years the balance work was allotted to Sh Hem Raj Government contractor vide Executive Engineer Provincial Division No. 2, P.W.D. B&R Branch Kurukshetra letter No. 1779 dated 31st May, 1991 for Rs. 2.00 lacs. The earth work for Rs. 2.58 lacs was washed away in 3 years in a span which was unavoidable. No official/officer can be held responsible for this loss.

#### 4.1.12(ii) Extra expenditure

The Committee is not satisfied with the clarification given by the department. The Committee, therefore, recommends that the enquiry be conducted to analyse the reason of washing away of earth works to the tune of Rs. 2.60 lakhs and also to fix the liability for such a lapse within a period of three months under intimation to the Committee.

#### [19] 4.1.12. (iii) Blocking of funds

In the Provincial Division, Hansi, strengthening of Tohana-Sanyana Road from 3 to 7 and km 14 to 17 was administratively approved by Government in February, 1987 for Rs. 7.17 lakhs. In May 1987, the supply of 1,494 cum stone metal for km 3 to 7 was allotted to contractor 'A' at the cost of Rs. 2.58 lakhs. The contractor 'A' supplied only 308.72 cum stone metal valued at Rs. 0.33 lakh in August 1987 and thereafter left the work. The supply of the balance quantity of material revalued at Rs. 2.26 lakhs was allotted to contractor 'B' in November 1990 at the risk and cost of contractor 'A'. The contractor 'B' supplied 940.18 cum stone metal in December 1990 and January 1991 for which he was paid Rs. 2.27 lakhs (September 1991). In April 1993, the Executive Engineer submitted a detailed estimate for the work with proposal to replace the specification of additional crust strengthening with second coat surfacing in all the kilometres and widening of road in km 3 to 7. The work of widening the road was also not taken up. Of the quantity of 1,248.90 cum stone metal procured at the cost of Rs. 2.60 lakhs only 38 cum was consumed on the heavy patch work and 55.28 cum was transferred to other works. The balance 1,155.62 cum stone metal valued at Rs. 2.50 lakhs was still lying at site resulting in blocking of funds.

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

The work was not completed on Tohana-Sanyana road due to the paucity of funds. As reported by the circle office the efforts are being to utilise the material lying at site.

#### 4.1.12(iii) Blocking of funds

After hearing the departmental representatives, the Committee recommends that the enquiry be made regarding the utilisation of excess materials lying at site and a report be sent to the Committee for its consideration within a period of three months.

#### [20] 4.2. Defective construction of diversion road

Administrative approval for construction of an overbridge near Badkhal Lake at Faridabad in place of an existing railway crossing was accorded by Government in March 1992. In anticipation of the administrative approval, however, the Executive Engineer, Provincial Division No. II, Faridabad, had constructed a diversion during March 1991 to March 1992 at the cost of Rs. 11.27 lakhs.

The Executive Engineer Provincial Division No. I, Faridabad, to whom the work was transferred in April, 1992, pointed out to his counterpart in Provincial Division No. II, Faridabad, in September 1992, that the diversion

road constructed by the latter division had settled and subsided badly at a number of places. The site was inspected (November 1992) by the Engineer-in-Chief who observed that the site conditions and the prevailing ground levels had not been taken into account while executing the work and that the diversion road had settled at various places due to inadequate compaction. The settled portion of the road was finally dismantled and reconstructed during 1992 to December 1993 after incurring an avoidable extra expenditure of Rs 3.26 lakhs.

On this being pointed out (December 1993) in audit, the Executive Engineer, Provincial Division No. I, Faridabad attributed (July 1994) the settlement of diversion road to :

the diversion road towards Badkhal Lake side had to be constructed on an existing road and thus could not be raised due to the existence of plots in the adjoining area :

the sub-base of the existing road being clayee could not bear the heavy load of traffic and also become slushy during rainy season :

existence of water pipelines laid by the Haryana Urban Development Authority which leaked at a number of places due to heavy pressure of traffic as proper computation of earth filled in the trenches had not been carried out while laying the water lines : and

the existence of an unlined channel parallel to the diversion to carry storm water which damaged the sub-base by saturating it.

The reply was not tenable as the factors mentioned were within the knowledge of the departmental officers and could have been taken care of during the execution of the work.

The matter was referred to Government in September 1994; reply has not been received (December 1994) .

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

- (i) C.A.G. report was received in the deptt. on 7-11-95.
- (ii) Action was initiated in 11/95.
- (iii) A inquiry in this irregularity has been ordered.
- (iv) Inquiry in this case is being got conducted from Head Office and further appropriate action will be taken after the receipt of the inquiry report.

Since inquiry has been initiated to know the background and cause of financial irregularity/defective work. Further appropriate departmental action against the delinquent if any found in the investigation will be taken as per procedure laid by the Govt. in this regard.

#### 4.2. Defective construction of a diversion road.

After hearing the departmental representatives, the Committee recommends that departmental action against the delinquent officials be finalised within a period of three months under intimation to the Committee.

##### [21] 4 3 *Avoidable extra expenditure*

Anti-termite treatment being a specialised job, the Engineer-in-Chief had issued instructions in January 1985 that to provide effective and lasting protection to Government buildings/structures, this item of work should be allotted only to such agencies as possessed a thorough knowledge of chemicals, the soil, the insects to be dealt with, etc., and had been actively involved in this field for a period of 8 to 10 years. The instructions further provided that a contractor entrusted with the main building work was not to be allowed to take up anti-termite treatment work directly, or even indirectly through a sub-agency. Preference was to be given to firms registered with the Pest Control Association of India.

In disregard of these instructions, the Executive Engineer, Provincial Division No 2, Karnal, did not invite tenders from specialised agencies, but instead allowed the building contractors themselves to whom the building works had been allotted during 16 May 1992 to 14 1992 to execute 2,724 54 square metres of anti-termite treatment work in 4 buildings at Rs. 133.75 per square metre plus 55 *per cent* premium. The item of work was not even included in the detailed notice inviting tenders (DNIT) and had been awarded without inviting any competitive bids. Final payments aggregating Rs 5.65 lakhs had been made to the contractors (May 1994). In the same Division, however, anti termite treatment work in some other buildings had been allotted in December 1992 to a firm engaged in anti-pest and fumigation services, after inviting quotations, at the comparatively lower rate of Rs. 133.75 per square metre plus a premium of 10 *per cent*).

The failure of the Executive Engineer to get the anti-termite job done through an agency specialising in such works, in violation of instructions issued by the Engineer-in-Chief, would render the quality of the work done suspect. Even otherwise, award of the works without inviting competitive bids resulted in avoidable extra expenditure of over Rs 1.64 lakhs.

The Engineer-in-Chief stated (November 1994) that the anti-termite work had been entrusted to main contractors on the basis of discussions with the authorities of the World bank (since these works had been taken up under a World Bank aided project) whose guidelines provided that all the works relating to a building project were necessarily to be executed through a single agency. A perusal of the record note of the discussions with the World Bank representatives revealed that the decision to entrust the works to a single agency had been taken on 16 July 1992. However, the decision dated 16 July 1992 did not dispense with bidding for works, but stated instead that works would be allotted on the basis of composite bidding. In the instant case, the main works were allotted before the decision of 16 July 1992 and the same contractors were allowed to do the anti-termite work also without going in for any tenders. Further,



the concept of a single agency was not extended to electrical and public health components of these works. The reply was also not tenable as, in any case, the item of work should have been included in the DNIT for the construction of the buildings, so as to avail of the benefit of the competitive rates, which was not done.

The matter was referred to Government in September 1994 . reply has not been received (December 1994).

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

The point wise reply is as under :—

- (i) The report was received in the Deptt. in 11/95.
- (ii) Action was initiated in 11/95
- (iii) No inquiry has been considered necessary in this regard as the then Executive Engineer Sh. V.K. Behal has since expired.
- (iv) In view of the reply against Sr. No 3 no inquiry has been considered necessary at the Head Quarter level for this irregularity

It is introductory para based on facts hence no comments.

2. It is a fact that the item of anti-termite treatment was not provided in the DNIT of the work mentioned in the para. In case the area is found to be full of termite during execution of the work, anti-termite treatment becomes a necessity. This treatment can be got done from the original agency (Building Contractor) as per provision of clause 12 in the Contract Agreement at reasonable rates. Approval of such rates, however, rests with the Competent Authority. It is always expedient to get any additional item necessitated during execution of the work from the original contractor as otherwise it is going to delay the completion of the work and may involve unscrupulous claims of the agency due to this hindrance.

In this particular case the work has been allotted to the original agency at a much lesser rates as compared to that of the basic rates+sanctioned ceiling premium. In Central Public Works Deptt., which is a premier construction agency/Deptt. of Govt. of India, no such instructions of getting the work done through speciliewd agency are there for anti-termite treatment.

3. No separtye allotment letter for providing antitezmite tzeatment has been issued to the building contractor which is in conformity with the provisions of clause 12 of the contract agreement. As already detailed above this item of work can be got executed from the original contrator under the clause mentioned above. Regarding admissibility/resonability of rates,

the Executive Engineer has acted wisely and had got the work done from the original agency at a rates much lesser than the quoted sanctioned rates.

The scope of the contract agreement was enhanced as per site requirement. As the work has been executed under World Bank Scheme, its 90% value was to be reimbursed by World Bank authorities.

As such no extra expenditure has been incurred for getting the work done from same contractor.

### 4.3 Avoidable extra expenditure

The Committee is not satisfied with the clarification of the department as to why the anti-termite job was entrusted to an agency which was not all specialised in such works in violation of instructions issued by Engineer-in-Chief. The Committee, therefore, recommends that action against the erring officials be completed within a period of six months under intimation to the Committee.

[22] 5 1 *Stores and Stock*

5.1.1 to 5.1.3                   \*                   \*                   \*                   \*                   \*

### 5.1.4 Reserve Stock Limit

According to the codal provisions, there is a limit in the value of stock (termed as 'Reserve Stock Limit') up to which the Divisional Officer can keep in his store,) material required for use on works. The Executive Engineers are required to regulate the purchase of stock in such a way that during any month, the value of balance stock in hand does not exceed the Reserve Stock Limit.

In respect of 14 of the Divisions test checked, the Reserve Stock Limit for 1993-94 had not been sanctioned till May 1994. Of the others, in 3 Divisions the value of stock held in excess of the Reserve Stock Limit during 1993-94 ranged between 3 and 68 *per cent*. The excess was attributed to receipt of bulk supply of material.

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

- (i) The matter regarding sanction of Reserve Stock Limit for the year 1993-94 is under consideration. However, the Reserve Stock Limit in respect of Provincial Division No. 2 Hisar has been sanctioned
- (ii) The concerned Division namely Provincial Division Kaithal, Provincial Division Rohtak and Mechanical Division Karnal have been asked to get the matter regularised with the sanction of competent authority.

#### 5.1.4 Reserve stock limit

The Committee desires that intimation be sent to the Committee after regularising the sanction from the competent authority in respect of the reserve stock limit of the concerned divisions.

#### [23] 5.1.6. Surplus materials

Rules provide that stores should not be held in excess of requirement and stores remaining in stock for more than one year should be declared surplus unless there were sufficient reasons to hold the same beyond that period. In 8 of the 32 divisions test-checked, materials valued at Rs. 15.59 lakhs had been lying unutilised for the last 2 to over 20 years, as detailed below :

Name of Division	Amount (Rupees in lakhs)	Period since when laying in the stores
1. Provincial Division No. I Ambala Cantt.	3 38	1984-1989
2. Mechanical Division (PWD B&R), Hisar	2.78	1986-1992
3. Provincial Division, Jind	1.37	1980-1992
4. Provincial Division No. II Karnal	1 01	1976-1992
5. Provincial Division No. I, Panipat	0.98	1982-1991
6. Provincial Division No. II, Rohtak	1 05	1973-1978
7. Provincial Division No. IV Rohtak	1.16	1983-1991
8. Provincial Division No. I, Sirsa	3.86	1932-1991
<b>Total</b>	<b>15.59</b>	

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

The divisions-wise position regarding disposal of surplus materials is as under :—

- |                                 |  |
|---------------------------------|--|
| 1. Prov. Div.No. 1<br>Ambala    | Action initiated by the concerned circle for the disposal of surplus material. |
| 2. Proovl. Div. No.2<br>Karnal- | Para has been settled by the A.G. as per report of the circle office.          |
| 3. Provl. Divn. Jind            | Action initiated for the disposal of plus material.                            |

- |                                   |   |
|-----------------------------------|---|
| 4. Mech. Divn. Hisar              | S.E. Mech. circle Karnal has been directed to settle the issue at the earliest. |
| 5. Provl. Divn. No 1 Panipat      | Efforts are being made by the concern office for disposal of surplus material   |
| 6. Provl Divn. No. II & IV Rohtak | Do  |
| 7. Provl Divn. Sirsa              | Para settled by A.G vide No. WAD Construction/Audit/94-95/153-154 dated 5-8-94  |

### 5.1 6 Surplus materials

After hearing the departmental representatives, the Committee recommends that the action for disposal of surplus materials of concerned divisions be finalised within three months under intimation to the Committee. The Committee further desires that the details of the surplus materials of all the divisions of the department to date be supplied to the Committee.

[24] 5 1.8 *Other points of interest*

#### (i) Blocking of funds

An estimate for the procurement of a drilling unit for Research Laboratory, Haryana (PWD B&R) Hisar, was technically sanctioned in February 1988 for Rs. 3 lakhs by the Engineer-in-Chief, Haryana (PWD B&R). Affording to the estimate, the unit was required for taking out samples of soil at substantial depths where manual working was not possible, and for determining the bearing capacity of different kinds of soil.

An order for its supply was placed in March 1989 with a Delhi based firm by the Director, Supplies and Disposals, Haryana. The equipment was received in May 1989 and payment of Rs. 3.13 lakhs was made in May 1989 (Rs. 2.80 lakhs) and August 1989 (Rs. 0.33 lakh).

Scrutiny of the records revealed that the equipment had not been utilised ever since its purchase in May 1989.

On this being pointed out in audit, the Executive Engineer stated (March/May 1994) that the machine could not be used as no work had been received from the field, since the proposals for the construction of high level bridges across the rivers had not matured owing to financial constraints. The machine was, however, stated to have been used for demonstration and training of engineers. Thus, assessment of the need for the machine purchased proved wrong and the purchase resulted in blocking of funds of Rs. 3.13 lakhs.

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

The equipment is to be used for a specific and a particular job

i.e. testing of sub soil for determining Bearing Capacity and soil characteristics at substantial depth below ground level and also where hard strata is usually met with during exploration.

For bridge design with deeper foundations hard strata is usually met with at places like Panchkula, Morni, Atela, Tosham, Gurgaon etc., and sub soil investigation can be carried out easily with the help of Drilling Units.

So, to be in readiness this Drilling Machine had been purchased for the Research Lab. and it has been added to the Lab. as a permanent asset because such machine cannot be procured at short notices whenever required. Moreover, as the machine is being regularly used for imparting training to field engineers from time to time, there is no blockage of funds. As far as the cost factor is concerned, the present day prices have increased manifold and infact the equipment has been added with the deptt. at the relatively very low price. Hence, the para may be dropped.

#### 5.1.8(i) Blocking of funds

After hearing the departmental representatives, the Committee desired that the details of staff posted for the operation and maintenance of the said drilling unit alongwith the total amount spent on their pay and other allowances from 1989 to todate be supplied for the consideration of the Committee as the Committee feels that the equipment had not been utilised ever since its purchase. The required information is still awaited from the department.

#### [25] 5.1.8(ii) *Short receipt of material*

The Superintending Engineer, PWD, B&R Circle, Hisar, placed (March 1991) a supply order with a Government of India Corporation for 1,400 tonnes packed bitumen to be delivered in the Provincial Division No. II, Sirsa against the rate contract of the DGS&D. The Corporation supplied 1,409 tonnes (8,712 drums) bitumen in February 1992 and payment of freight charges of Rs. 11.15 lakhs was made in the same month to Railways by the Executive Engineer, Provincial Division II, Sirsa, against Railway Receipts. Of the total supply of 8,712 drums, the number of drums received by the Department between March 1992 and July 1992 was 8,561. The shortage of 15/ drums (24,4318 tonnes) costing Rs. 1.17 lakhs was noticed by the Department in July 1992 and was reported to the Chief Commercial Superintendent, Northern Railway, Bikaner, in August 1992 but the claim was rejected (June 1994) by the Railway authorities, being time-baired. The Department, however, again took up (August 1994) the matter with the Railways stating that claim had been lodged with in the validity period. Further developments were awaited (September 1994). The amount was placed in 'Miscellaneous Works Advances' against the Railways.

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

The material regarding refund of Rs. 1.17 lacs, on account of shortage of bitumen .15. drums) is under correspondence with railway authorities Bikaner.

#### 5.1.8(ii) Short receipt of material

The Committee recommends that the intimation be sent to the Committee after recovering the amount from the railway authorities.

#### [26] (iii) *Fictitious Adjustment*

According to the rules, fictitious stock adjustments with a view to avoiding lapse of budget grant are strictly prohibited. In 310 divisions material costing Rs. 47 40 lakhs was debited to works in March 1992 (Rs. 20.35 lakhs) and in March 1993 (Rs. 27.05 lakhs) without actual requirement. The material was written back to stock in the subsequent financial years (1992-93 Rs. 20.35 lakhs and 1993-94 Rs. 27.05 lakhs) The fictitious adjustment was obviously intended to avoid lapse of funds

The matter was referred to Government in August 1994) reply has not been received (December 1994).

10. (1) Provincial Division No. III, Karnal, (2) Provincial Division, Naraingarh and (3) Provincial Division No. 1, Sirsa.

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

Since the funds were allotted at the end of the financial year, so the material was booked for works which were completed/taken up in hand through the next year on priority basis, but later on the work was postponed deferred due to paucity of funds and as such the material already booked against work was returned to stock

#### 5.1.8(iii) Fictitious adjustment

After hearing the departmental representatives, the Committee desires that the detailed report of the adjustment and the work completed be supplied to the Committee within a period of two months.

[27] 5.3 (a)

#### 5.3 (b) *Procurement of sub-standard cement*

(b) Similarly, the Provincial Division, Nuh, received 250 tonnes of cement costing Rs. 4.35 lakhs between 6 December 1992 and 19 December 1992 without getting the cement inspected and without having it tested in a laboratory. An advance payment of Rs. 2 lakhs was made to the firm on 3 December 1992. The Executive Engineer directed

(23 December 1992) the Sub-Divisional Engineer that since no prior inspection had been carried out, the cement should be tested before submission of bill of the firm to the Division for payment. However, it was seen in audit that notwithstanding these instructions, the Executive Engineer himself authorised further payment of Rs 1 35 lakhs on 24 December 1992 on the bill dated 19 December 1992 preferred by the firm.

The samples of cement were sent for laboratory test in February 1993 and the test report received in April 1993 disclosed that compressive strength of the cement was below the standard to the extent of 44 to 50 per cent as compared to the ISI specification laid down in the supply order

The Director, Supplies and Disposals, also directed (March 1993) the supplier to lift the defective cement for which payment was yet to be made and to replace the cement for which payment had been made by the consignee. The firm had not replaced the sub-standard cement (March 1994) despite repeated requests by the Division. Meanwhile, 88.05 tonnes (cost : Rs. 1 53 lakhs) of sub-standard cement had been consumed on various works during December 1992 to May 1993 and the balance 161.95 tonnes were lying with the Division as of September 1994.

Thus, failure of the divisions to get the cement tested from a reputed laboratory as stipulated in the supply order had resulted in acceptance of sub-standard cement valued at Rs 27.61 lakhs against which payment of Rs. 24.23 lakhs (Irrigation Department : 1200 tonnes : Rs. 20.88 lakhs; Buildings and Roads Department : 192.50 tonnes : Rs. 3.35 lakhs) had already been released. Further, of the supply received, sub-standard cement valued at Rs. 9.23 lakhs had already been consumed on works (Irrigation Department : 442.40 tonnes : Rs. 7.70 lakhs; Buildings and Roads Department : 88.05 tonnes : Rs. 1 53 lakhs). The security deposit available with the Director, Supplies and Disposals, amounted to only Rs. 3.46 lakhs.

These cases were referred to Government in August 1994; replies have not been received (December 1994).

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

- (b) In this connection, it is submitted that before receiving this cement Sh. B.L. Pruthi, J.E. was deputed on 27-11-92 to the office of the Thar Cement Ltd Safdarjang New Delhi to collect the proforma invoice and test results if any. The firm delivered a photo copy of test report 27-10-92 for cement manufacturing work No. 40. The cement company also supplied test result dated 8-12-92 from their own laboratory according to which the cement received was found to be of proper quality. The cement received was duly ISI marked. On the above basis, total payment of Rs. 3 35 lacs was made for 3850 Nos. bags only.

In view of two test reports alongwith ISI marked Cement, 1761

bags of cement amounting to Rs 1.53 lakhs were issued during 1/93 to 3/93 to the different works going on in the division and it was found that cement supplied by M/S THAR CEMENT LTD. is sub standard. Accordingly the cement samples were sent to National council for Cement and Building Material Ballabgarh for getting it tested and as per test report the cement was not found as per ISI specification.

Matter was taken up with M/S Thar Cement Ltd. by the office as well by the Director, Supplies and Disposals, Haryana, Chandigarh to replace the defective cement immediately. The then Executive Engineer, Sh. T.D. Aneja, and S.D.E. (P-I) Nuh incharge of store at Nuh have contacted the firm personally and the said purpose. The office also approached the bureau of India Standard Manak Bhawan, New Delhi for taking action against the cement firm which was supplied Sub Standard Cement with ISI mark. The use of defective cement was stopped immediately by the deptt. However the deptt. has filed the case against the supplier in the court of Distt. Consumer Dispute Redressed Forum, Gurgaon on 16-11-1994 and an Arbitrator has been appointed

The matter has also been taken up with the Director, Supplies and Disposals Haryana for black listing this firm for further registration and supplying of cement to various Govt. organisation in Haryana (CP-212).

### **5.3 (b) Procurement of sub-standard cement**

After hearing the version of the department the Committee desires that a report be sent to the Committee after finalising the case which is pending in the Court. The Committee further desires that the report in respect of present status of 3300 bags of cement which are lying in the stores of department be sent to the Committee alongwith the proposal of the department to dispose of this cement within a period of three months.



## PUBLIC HEALTH DEPARTMENT

### [28) 4.5. *Avoidable expenditure*

The Construction Public Health Division, Sonapat, completed and commissioned in February 1988, a scheme for supply of drinking water to Garhi Ujialekhan group of 4 villages. The inlet channel constructed to carry raw water off-take from the Israna distributary at RD 1.31.350.

In the drawing, still lying unapproved (October 1994) but given to the contractor along with the agreement, the bed level of the inlet channel was kept at par with the bed level of the distributary. While executing the work, however, the bed level of the inlet channel was kept higher at 98.57 metres as against the level of the distributary at the off-take point which was 98.34 metres, without obtaining sanction of the competent authority. This led to lesser supply of raw water from the distributary. Accordingly, the matter was taken up (August 1990) by the Public Health Division, Gohana, (to which the scheme had been transferred in March 1990) with the Executive Engineer Panipat Division, Western Jamuna Canal (WJC), Bijnhol, responsible for the running of the distributary. The latter Division responded (October 1990) by pointing out that the main problem was the defective construction of the inlet channel whose bed level was higher by 8 inches than that of the distributary. The reply was reiterated in February 1992 on receipt of another reference from the Gohana Division.

The existing inlet channel was finally lowered by 8 inches in April-June 1992 by dismantling and remodelling the inlet channel at the cost of Rs. 1.65 lakhs. The Executive Engineer, Public Health Division, Gohana, stated (June, 1994) that the bed level of the inlet channel at the off-take point had been kept higher with a view to ensuring that silt did not enter the inlet channel and that it was a technical requirement. The reply was not tenable as the bed level had ultimately to be lowered as a final solution to the problem.

Thus, the initial construction of the bed of the inlet channel at a level higher than that of the distributary had resulted in the intended supply of drinking water to the inhabitants of the four villages remaining erratic for over 4 years. There was also an avoidable expenditure of Rs. 1.65 lakhs on remodelling of the inlet channel.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

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

As a matter of fact that the extra expenditure involved is Rs. 1,48,452 & not Rs. 1,65,000 as stated in the para. This expenditure has been incurred on remodelling of inlet channel

for water supply scheme Gamri which stopped functioning due to less flow of water in Israna Distributory bed level of inlet channel being 100.65 as against 100 of Israna distributory and non-availability of sufficient head at take off point.

The bed level of inlet channel at take off point was approved as that of the distributory i.e. 100 as per D.N.I.T. drawings. But the field officers constructed the channel keeping the bed level 0.23 meter higher than the bed level of the distributory. Thus inlet channel constructed at site was not in accordance with the D.N.I.T. drawings. The channel functioned for two and half year after the scheme was commissioned in 2/88. Later on due to shortage of raw water proper head was not available at the take off point for filling the tanks and after discussion with Irrigation Department in 10/90, an estimate for lowering the bed level of inlet channel to the bed level of distributory was prepared for Rs. 1,21,000 and was approved by the State Sanitary Board, Haryana on 14-3-91 vide Resolution No. 11 alongwith token allocation of funds. The bed level of inlet channel was lowered at a cost of Rs. 1,48,452 against the approved estimate so that drinking water supply could be restored to the villages. This amount is proposed to be recovered from the defaulting officers/officials who constructed the inlet channel in the first instant with a higher bed level instead of keeping it equal to that of Israna distributory as per approved D.N.I.T. The charge sheet under rule 8 to Sub Divisional Engineer/Junior Engineer have been finalised and being got issued to Sh. Ranjit Singh, Sub Divisional Engineer and Sh. Chand Singh Malik, Junior Engineer.

Thus, there will be no loss to the Government, as extra expenditure incurred will be recovered from the defaulting officer/official

#### 4.5 Avoidable expenditure

The Committee failed to understand the reasons for the allotment of work and executing the agreement with the Contractor without getting the drawings of the work approved which resulted in an avoidable expenditure of Rs 1 48 lakhs on remodeling of inlet channels. During the course of the oral examination, the Committee was informed that disciplinary action has already been initiated against the defaulting Officials. The Committee pained to observe that enquiry has not been finalised till todote. The Committee further observed that due to the lack of supervision by the higher authorities, the beneficiaries could not had the benefits of this scheme for a period of five years. The Committee, therefore, recommends that enquiry against the defaulting officials be completed within a period of three months and also recover the amount from erring officials under intimation to the Committee.

#### [29] 4.6 Unfruitful expenditure

Providing sewerage in Jhajjar town. Phase I for a length of 15.270 feet at the cost of Rs 19.71 lakhs was administratively approved by the Haryana State Sanitary Board in November 1971

- (a) The works (subsequently transferred in June, 1977 to Public Health Division, Jhajjar) was split up into two parts.

(Part I : 1.680 feet and Part II : 13.590 feet) for execution by the Public Health Division No 1, Rohtak. The second part of the work was to be connected with the first part of the sewerage line. The two parts were successively allotted to contractors as under :

Name of contractor	Date of allotment	Length of sewerage line allotted/ completed In feet)		Amount paid (Rupees in lakh)	Date of last payment	Remarks
Part-I (length : 1.680 feet)						
A	January 1976	1 680	354	1.09	February 1979	Work left incomplete by contractor A
B	July 1981	188	188	0 15	August 1981	Left over work of contractor A
C	January 1982	1 099	1049	0 95	August 1984	
D	May 1994	89	—			Still in progress (August 1994)
			1591			
Part-II (length : 13.590 feet)						
E	September 1984	13.590	8 765	2.85	May 1986	Work left incomplete left-over work allotted to Contractor F:
F	June 1990	4 725	1.170	0 27	March 1991	Left-over work in a length of 3655 feet yet to be allotted (August 1994).
			9.935			

Thus, out of 15 270 feet of the sewerage line to be laid, the work had been completed to the extent of 11 526 feet, 23 and 18 years after administrative approval and commencement of work respectively. It was also noticed that due to an incomplete portion of 89 feet, 8380 feet sewerage line constructed at the cost of Rs. 5.71 lakhs was still non-unctional

(b) As the works had been awarded to successive contractors at the risk and cost of their predecessors, the total amounts recoverable from them worked out to Rs 5.22 lakhs including the cost of materials (at penal rates) remaining unutilised with them but excluding the liabilities, if any of contractor. Since the length left incomplete by him was yet to be allotted as of August 1994, as per the following details :

Name of contractor	Risk and cost	Compensation	Value of unutilised material	Miscellaneous recoveries	Total	Amount recovered	Balance
(Rupees in lakhs)							
A	0.01	0.26	0.46	—	0.73	0.11	0.62
C	1.31	0.12	—	0.84	2.34	0.12	2.22
E	0.90	0.38	1.10	—	2.38	—	2.38
Total	2.29	0.76	1.56	0.84	5.45	0.23	5.22

Thus, of the total recoverable amount at Rs. 5.45 lakhs, only Rs.0.23 lakh had been recovered from the running bills of contractors and security deposit aggregating Rs 0.29 lakh only were available with the Department leaving a balance amount of Rs. 4.93 lakhs still recoverable. The Division had filed a claim with the arbitrator for recovery of Rs. 2.22 lakhs against contractor only. The action taken to effect recovery from the other contractors has not been intimated as of August 1994.

The matter was referred to Government in September 1994, reply has not been received (December 1994)

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

The estimate for Providing Master Sewerage scheme Jhajjar Town amounting to Rs. 19.71 lakhs was administratively approved by the Haryana State Sanitary Board in November, 1971 under the jurisdiction of PWD Public Health Division, Rohtak (Now remained as PWD Public Health Division No. I, Rohtak) and most of the work was also executed under PWD Public Health Division, Rohtak. Further the above said work was subsequently transferred to Public Health Division, Jhajjar in June 1977 on formation of New Division.

The work from Point L to J of 24" i/d R.C.C. pipes sewer with the length of 1680' was allotted to M/S Neel Kanth Allied Enterprises, Rohtak for agreement amount of Rs 2.60 lacs. The firm laid 354' length of sewer and left the work incomplete. Out of the balance work, a portion of sewer for a length of 188' was allotted and completed on work order basis vide No. 1319 dated 27.7.81 to Sh. Ram Chander, Contractor. The balance work of laying of 24" i/d R.C.C. piper sewer was allotted to Sh. Ran Singh, Contractor vide Executive Engineer, Public Health Division, Jhajjar No. 322 dated 8.1.82 for and agreement amount of Rs 1.15 lacs. The contractor completed the major portion of the sewer and left only 89' length of the sewer incomplete. This 89' length of sewer was reallotted to Sh. Inderjeet Dabas, contractor for agreement amount of Rs 0.90 lac which has been completed.

As such, with the completion of 89' left over length of 24" I/d R.C.C. pipe sewer, the complete work of laying a 1680' R.C.C. pipe sewer from point L to J has been completed and with the connection of already laid branch pipe sewers of adjoining area at point L, the whole length of sewer has been made functional and as such there is no unfruitful expenditure.

Against the Ind part, 9935, sewer has been laid and been made functional after completing the gap of 89' of sewer. The work of balance length of sewer, (13590—9935+3655) stand allotted to the Budana Co-op. I & C society for which the necessary action is being taken to get the same completed.

So far as the recovery of amount of Rs. 4.93 lacs from various contractors is concerned the detail is given as under —

Sr.	Name of contractor	Amount of claim (Rs. in lacs)	Whether applied for Arbitration or not
1.	M/s, Neel Kanth Enterprises	0.73	The case is already under Arbitration. Last hearing was held on 16-7-96
2.	Ran Singh, Contractor	2.08	The case is already under Arbitration. Last hearing was held on 16-7-16
3.	Devi Singh, contractor	1.58	The case is being applied for Arbitration within a week.

4.39

Therefore, the balance recoverable amount from the contractors is not Rs. 4.93 lacs but actually it is 4.39 lacs as stated above.

The action regarding recovery of cost of material remained unutilised with the contractor has already been taken into consideration while applying the claims for arbitration.

#### 4.6 Unfruitful expenditure

After hearing the departmental representatives, the Committee observed that due to non-completion of work within stipulated time the people of the

area were deprived to the benefits, of sewer lines. The Committee was further informed that the action against the officers responsible for the delay is being taken. The Committee, therefore, recommends that action against the erring officers alongwith the recovery be settled within a period of three months. The Committee further recommends that the cases which are pending with the arbitrator for the recovery of amount of 4 39 lakhs from various contractors be finalised within a period of three months under intimation to the Committee.

#### [30] 4.7 Outstanding inspection reports

Audit observations on financial irregularities and defects noticed in the initial accounts and records during local audit and not settled on the spot are communicated to the concerned Heads of offices and next higher authorities through inspection reports so that appropriate action can be taken to rectify the defects and omissions. More important irregularities are also reported to the Heads of Departments and Government. Half-yearly reports of audit observations outstanding for more than six months are also sent to Government to get their settlement expedited.

A review of the inspection reports issued up to December 1993 pertaining to 40 divisions of the Public Health Department disclosed that 673 paragraphs relating to 244 inspection reports and involving Rs. 5711.05 lakhs remained outstanding at the end of June 1994. These included 27 inspection reports containing 33 paragraphs which had remained unsettled for more than 10 years.

The year-wise position of unsettled inspection reports/paragraphs was as under :

Period during which issued	Number of inspection reports	Number of paragraphs	Amount involved
(Rupees in lakhs)			
Up to			
1983-84	27	33	27.17
1984-85	9	9	10.45
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
1991-92	35	86	403.05
1992-93	36	125	2113.18
1993-94	40	250	2628.10
<b>Total</b>	<b>244</b>	<b>673</b>	<b>5711.05</b>

In respect of 16 inspection reports consisting of 101 paragraphs issued between May 1993 and April 1994, even the initial replies which were required to be furnished within nine weeks were not received as of June, 1994.

The irregularities commented upon in the inspection reports which had not been settled as of June 1994 were of the following categories.

Serial number	Nature of Irregularities	Number of paragraphs	Amount involved
			(Rupees in lakhs)
1.	Losses due to theft, misappropriation and embezzlement	42	23.67
2.	Loss of measurement books	8	—
3.	Non-accounting of material	20	43.65
4.	Undue financial aid to contractors	6	5.29
5.	Extra and avoidable expenditure	32	101.69
6.	Infructuous expenditure and blockade of funds	82	594.26
7.	Execution of substandard works	21	94.55
8.	Irregular and injudicious purchases	49	249.73
9.	Unfruitful expenditure	45	412.64
10.	Excess expenditure on deposit works	19	1128.25
11.	Non-closing of manufacturing accounts	4	92.86
12.	Short receipt of material	7	2.45
13.	Excess consumption of material	15	28.61
14.	Recoverable amounts from contractors on account of excess payment, excess issue of material, cost of work done at their risk and cost, etc.	154	251.75
15.	Recoverable amount on account of shortages/excess payment to Government officials	75	68.04
16.	Non-recovery of sales tax from the contractors	14	6.73
17.	Irregular utilisation of departmental receipts	7	30.42
18.	Unsanctioned estimates	73	2576.46
	<b>Total</b>	<b>673</b>	<b>5711.05</b>

Of the 673 outstanding paragraphs, 46 cases involving Rs. 76.29 lakhs were pending with courts and arbitrators and 27 cases (Rs. 183.23 lakhs) were pending with Government/Engineer-in-Chief/Superintending Engineers for their comments. The remaining 600 paragraphs rested with the divisional offices.

An analysis of the system and procedure for monitoring and pursuance and final settlement of inspection reports and paragraphs revealed that checks prescribed by the Finance Department requiring the administrative departments to maintain registers containing the substance of all outstanding objections and details of action taken thereon, the reference made to subordinate offices, replies received from them, etc. were not exercised. Not satisfied with the pace of progress of settlement of audit objections, the Finance Department issued (January 1992) instructions that the departments should submit progress reports to Finance Department in the prescribed pro forma every quarter regarding action taken by them towards settlement of audit objections/paragraphs. It was noticed that Public Health Department had submitted a quarterly progress report for the quarter ending March 1993 alone and no further reports were submitted as of June 1994.

The matter was referred to Government in August 1994; reply has not been received (December 1994).

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

The yearwise position of the Inspection reports/paras and amount is as under :—

Year	Total			Cleared			Balance		
	I.R.	Paras	Amount	I.R.	Paras	Amount	I.R.	Paras	Amount
Upto									
1983-84	27	33	27.17	4	5	3.63	23	28	23.59
1984-85	9	9	10.42	—	—	—	9	9	10.42
1985-86	8	11	7.72	—	—	—	8	11	7.71
1986-87	9	12	11.45	2	2	4.14	7	10	7.31
1987-88	13	22	31.58	3	5	4.70	10	17	26.88
1988-89	19	24	103.34	2	6	52.01	17	18	51.33
1989-90	23	39	68.56	3	12	37.63	20	27	30.93
1990-91	25	62	206.48	3	26	189.49	22	36	116.99
1991-92	35	86	403.85	5	44	203.00	30	42	200.05
1992-93	36	125	2113.18	4	59	1152.11	32	66	961.07
1993-94	40	250	2628.10	3	87	994.00	37	163	1634.10
<b>Total</b>	<b>244</b>	<b>673</b>	<b>5711.65</b>	<b>29</b>	<b>245</b>	<b>2640.71</b>	<b>215</b>	<b>427</b>	<b>3070.34</b>



The department further supplied the additional information/latest position of the inspection paras from 1983-84 to 1993-94 which is as under :—

Regarding paragraph 4.7 this para is to be discussed in the meeting and relates to outstanding inspection reports. The latest position of the Inspection Reports from 1983-84 to 1993-94 is as under :—

## AUDIT OBSERVATIONS.

## LATEST POSITION.

Year	Inspection Reports.	Paras	Amount Rs. in lakhs	Inspection Reports.	Paras	Amount . Rs. in lakhs.
1983-84	27	33	27.17	17	18	7.55
1984-85	9	9	10.42	8	8	6.35
1985-86	8	11	7.72	7	10	6.22
1986-87	9	12	11.45	2	2	1.34
1987-88	13	22	31.58	11	14	17.44
1988-89	19	24	103.34	18	23	21.93
1989-90	23	45	68.56	20	33	66.09
1990-91	25	62	306.48	16	21	66.92
1991-92	35	86	403.5	20	37	162.58
1992-93	36	125	2113.18	26	61	437.29
1993-94	40	250	2688.10	29	47	559.00
Total :	244	673	5711.05	174	274	1352.72

## Latest

Sr. No.	Nature of Irregularities	No. of Paragraphs.	Amount involved.	No. of Paragraphs.	Amount
1	9	3	4	5	6
1.	Losses due to theft misappropriation and embezzlement.	142	23.67	30	20.53
2.	Loss of measurement Books.	8	—	5	—
3.	Non accounting of material	20	43.65	10	17.52
4.	Undu. financial aid to contractors.	6	5.29	5	4.13
5.	Extra and avoidable expenditure.	32	101.69	20	90.38

1	2	3	4	5	6
6.	Infructuous expenditure & blockade of funds.	82	594.26	24	166.02
7.	Execution of sub standard work.	21	94.55	5	4.73
8.	Irregular and injudicious purchases.	49	249.73	21	197.93
9.	Unfruitful expenditure	45	412.64	21	197.93
16.	Excess expenditure on deposit works.	19	1128.25	9	167.79
11.	Non closing of manufacturing accounts.	4	92.86	2	0.69
12.	Short receipt of material	7	2.45	4	2.29
13.	Excess consumption of material.	15	28.61	2	3.39
14.	Recoverable amount from the contractors on account of excess payment, excess issue of material cost of work done at their risk and cost etc.	154	251.75	74	143.97
15.	Recoverable amount on account of shortages/excess payment of Government officials.	75	68.04	29	40.10
16.	Non recovery of sales tax from the contractor.	14	6.78	1	0.85
17.	Irregular utilisation of departmental receipts.	7	30.42	1	4.80
18.	Unsanctioned estimates.	73	2576.40	23	335.98
		673	5711.06	274	1352.72

Matter is pursued constantly with the field offices to get the paras settled as early as possible.

#### 4.7 Outstanding Inspection Reports

After going through the above-stated position the Committee recommends that the pending inspection reports/paras be settled with the Accountant General Haryana by holding special meeting within a period of three months under intimation to the Committee.

## TOWN AND COUNTRY PLANNING DEPARTMENT

(Haryana Urban Development Authority)

### [31] 6.11 Injudicious grant of extension of time

The Haryana Urban Development Authority (HUDA) Division, Rohtak, allotted (March 1990) the work of laying of salt-glazed stone ware (SW) pipes (quantity : 7,000) sewer, construction of manhole chambers and all other works contingent thereto (estimated cost : Rs 4 lakhs), in EWS Colony, Sector 13, Bhiwani, to a contractor for completion within six months from 13 March, 1990. The contractor requested (August 1990) the Executive Engineer for supply of SW pipes and cement to speed up the work which was stated to have already been commenced by him. The material required was not issued by the Executive Engineer because the contractor had failed to deposit the requisite security. Meanwhile, extension of time for completion of work was granted thrice, up to 20 December 1990, 20 March 1991 and 20 July 1991, by the Superintending Engineer, HUDA Circle, Gurgaon, to the contractor on the plea of non-availability of pipes although sufficient stock was available.

Due to non-completion of work within the stipulated period, the Executive Engineer levied compensation of Rs. 0.40 lakh in August 1992. The work was also allotted at higher rates to another contractor in November 1992 at the risk and cost of the former. The amount of risk and cost worked out to Rs. 2.89 lakhs, based on the actual quantities of various items of work executed by the second contractor. To recover this amount, HUDA went into arbitration and filed (March 1993) a claim for Rs. 6.96 lakhs (risk and cost : Rs. 2.89 lakhs; difference in rates of material : Rs. 2.63 lakhs; penalty : Rs. 0.40 lakh; publication of tenders : Rs. 0.04 lakh and bad name to HUDA : Rs. 1 lakh). The contractor filed (August 1993) a counter claim of Rs. 1.50 lakhs for excavation of sewer line and idle labour, etc. During arbitration proceedings, the contractor pleaded that he had not deposited the security as pipes were not issued to him and further stated that he had already started the work and had excavated 3,200 feet of sewer line, as would be evident from the report of the Sub-Divisional Engineer submitted to the Executive Engineer in October 1990. The contractor also argued that due to non-supply of SW pipes by the Department, extension of time was granted to him and that he could not deposit the requisite security as he was never informed about the availability of SW pipes with the Department. On the other hand, the Department pleaded that he had not started the work, as there was no record entry to this effect in any measurement book. After hearing and consulting the records, the Arbitrator rejected (November 1993) all the claims filed by HUDA.

Advice was sought (December 1993) by the Executive Engineer from the legal cell of HUDA in regard to filing of appeal against the

decision of the Arbitrator. The legal cell opined (December 1993) that the case was not fit for preferring an appeal because the Executive Engineer had failed to issue pipes to the contractor despite having sufficient stock and on the contrary had thrice recommended extensions due to non-availability of material. Thus, due to injudicious grant of extension of time, HUDA suffered loss of Rs. 3.33 lakhs.

The matter was referred to Government in September 1994; reply has not been received (December 1994).

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

The work for the laying of S w pipe, sewer, construction of manholes and all other works contingent there to in E w.S colony sector-13, Bhiwani was allotted to sh Ram ji Lallpahwa contractor. History of the case in respect of allotment of tender to work allotted on risk and cost of the above work may kindly be perused. The work was allotted to the contractor with the time limit of six months (i.e. up to 12.9.90), the contractor vide reference dated 23.8.90 informed the Engineer Incharge that work could not be taken in hand due to none availability cement S.W. pipe and none availability of labour due to harvesting season and further requested to arrange cement and s.w. pipe. In response to the contractor reference, The Executive Engineer HUDA Rohtak informed the contractor vide reference No. 10135 dated 13.9.90 that cement was required only for jointing of s w. pipe which could be given to him and further informed to the contractor to take concrete step towards the completion of work, failing which action under clause-II of contract agreement would be taken against him. The contractor was requested many times by the field staff (S.D.E. and E.E.) to take nishans deposit 5% security and start the work. The contractor was also advised by the Executive Engineer/S D.E. to take the work for execution otherwise action under clause-II of the contract agreement would be taken against him. The contractor did not start the work and did not deposit the security. The contractor informed the Executive Engineer vide reference dated 4-1-91 that an amount of Rs. 5300/- was deposited by him against the work for providing sewerage scheme in city centre Bhiwani and completed the work and further requested to adjust Rs. 5300/- as security against the above work. The contractor vide reference dated 13-9-90 informed the Executive Engineer HUDA Division, Rohtak that work could not be completed due to shortage of cement and further requested for time extension upto 20-12-90. On recommendations of Executive Engineer, Rohtak the Superintending Engineer, Gurgaon extended the time extension upto 10-12-90. Further the contractor applied for time extension upto 20-3-91, 20-7-91 and 20-11-91 on account of non availability of S.W. pipes. The S.D.E. and Executive Engineer, HUDA, Rohtak recommended for the time extension to the Superintending Engineer, Gurgaon. Time extension case was returned by the Superintending Engineer, HUDA Circle, Gurgaon with observations as such further time extension was not granted by Superintending Engineer, HUDA Gurgaon.

Due to non completion of the work even after app. two years of stipulated time limit of the contract agreement, the Executive Engineer, Rohtak levied compensation of Rs 40,000/- in August, 1992. The work

was also allotted at higher rates to another contractor at the risk and cost of the above work. The amount of risk and cost worked out is amounting to Rs 2,72,565/- in place of Rs 2.89 lacs as pointed out in audit note, based on the difference of rates of the above works (i.e. difference of rates of risk and cost work and the original work) and also on the basis of quantities incorporated in the original N.I.T. and work allotted to Sh. Ramji Lal Pahwa contractor, details of amount may kindly be perused at chain 40-41. The Executive Engineer, Rohtak went into arbitrating to recover amount of Rs. 6.96 lacs (Amount of risk and cost of Rs 2.89 lacs + increased rates of S.W. pipes and cement Rs. 2.64 lacs + penalty Rs. 40000/- + publication of tender Rs 4000/- + Bad name to HUDA Rs 1.00 lacs. The contractor also filed counter claims of Rs 1.50 lacs for excavation of sewer line and labour remained idle. The arbitrator rejected all the claims filed by HUDA. Advice was sought by the Executive Engineer, Rohtak from the Asstt. Distt. Attorney working in Estate Office, Rohtak. The A.D.A. offered his opinion that case was not fit for preferring an appeal because the E.E. failed to issue pipes to the contractor having sufficient stock. The Executive Engineer, Rohtak should not have referred the case to the A.D.A. of Estate Office. The advice/decision should have been obtained by the Executive Engineer, Rohtak from the competent Authority. The action of the Executive Engineer is not at all proper for which he is responsible. It is not true that time extension was granted on account of non-availability S.W. pipes. Time extension was only granted for once upto 20-12-90 on account of shortage of cement. Further time extension cases were recommended by the S.D.E./E.E. incharge upto 20-3-91, 20-7-91 and 20-11-91 on account of shortage of S.W. pipes and time extension was not granted by Superintending Engineer HUDA Circle Gurgaon.

Accountant General Haryana in Audit report has stated that due to injudicious grant of extension of time, HUDA suffered loss of Rs. 3.33 lacs. In this regard, it is pointed out that time extension was granted by S.E. Gurgaon upto 20-12-90. Time extension was recommended by S.D.E./E.E. upto 20-12-90 due to shortage of cement. Time extensions were further recommended by the S.D.E./E.E. incharge upto 20-3-91, 20-7-91 and 20-11-91 were not granted by the Superintending Engineer, HUDA, Gurgaon. The observation of the A.G. Haryana that due to injudicious grant of time extension, HUDA suffered loss of Rs. 3.33 lacs is not at all true. Loss has not been occurred due to grant of time extension.

The work was allotted to the contractor with the time limit upto 12-9-90. The contractor was requested by Xen/S.D.E. incharge to start the work and deposit security. Neither the contractor started the work nor deposited the security. The contractor vide reference dated 4-1-91 informed the Xen incharge to adjust amount of his security amounting to Rs. 5300/- i.e. the contractor deposited the security amounting to Rs. 5300/- on 4-1-91. S.W. pipes were available in HUDA store Bhiwani during 7/90 to 29-12-90 and in Huda Store Rohtak during 2/90 to 8-10-90 and these were issued to other works being carried under HUDA Division Rohtak. The contractor had written for the adjustment of the security on 4-1-91 and S.W. pipes were received in HUDA store Bhiwani on 16-11-91 and in HUDA store Rohtak on 30-3-92. Receipt and issue of 8" S.W. pipes may kindly be perused at chain 42-48. Time extensions

were recommended by the S.D.E./E.E. upto 20-3-91, 20-7-91 and 20-11-91 on account of non availability of S.W. pipes. The S.D.E. Bhiwani, informed the Xen Rohtak that his office was approaching M/S. Bhaskar Stoneware pipes to supply S.W. pipes. S.D.E. further informed the Xen Rohtak that suppliers M/S Bhaskar and Lal Chand and Sons, failed to supply S.W. pipes because of low rates. The S.D.E. later on informed the Xen Rohtak that rates of tenderers would be at higher rates if tenders for the work are reinvited. References of S.D.E. Bhiwani may kindly be perused at chain 49-51. The S.D.E./Xen incharge recommended for the time extension upto 20-3-91, 20-7-91 and 20-11-91 and if 80" pipes were not available in stores of Divisions Rohtak, S.W. pipes should have been arranged from other stores of HUDA. If S.W. pipes were not available in other stores of HUDA, S.W. pipes should have been arranged through lower purchase committed and as per the delegation of powers circulated vide C.A. HUDA reference No. ADA/(R)-89/26625 dated 18-9-89. The S.D.E. and Xen incharge did not try at all to arrange L.W. pipes for the contractor and recommended for time extension when the time extension was demanded by the contractor upto 20-11-91 and extension was recommended by S.D.E./E.E. upto 20-11-91 and 3180 Nos. 8" S.W. pipes were received in HUDA Store Bhiwani on 16-11-91. The contractor should have been at once informed by the S.D.E./Xen to get the S.W. pipes from store and complete the work. S.W. pipes could not be arranged due to negligence of the S.D.E. and Xen incharge. Had S.W. pipes been arranged by S.D.E./Xen incharge, there was no possibility of work allotted to the other agency on risk and cost of this work and risk and cost and tender publication amount could be saved.

The Arbitrator in the Supplementary Explanatory memo has pointed out that there was acute shortage of S.W. pipes with the Deptt and these were issued on other HUDA works for bonafide use of the Deptt. and that too mostly on works being executed at Bhiwani. Had the material whatsoever available was issued to this work, then other works would have been suffered because department was facing shortage of pipes and there was no loss to the department. In this regard it has already been pointed out as above that S.W. pipes could not be arranged due to negligence of S.D.E./Xen incharge. Had S.W. pipes been arranged by S.D.E./Xen incharge, the amount of risk and cost and tender publication could be saved by arranging and issuing S.W. pipes to the contractor.

#### 6 11 Injudicious grant of extension of time

After hearing the departmental representatives, the Committee observed that the Executive Engineer failed to initiate timely action against the Contractor. The Committee, therefore, recommends that the disciplinary action be initiated against the concerned XEN immediately. The Committee further recommends that the legal opinion be also obtained to file an appeal against the orders of the Arbitrator. The action taken in the matter be intimated to the Committee.

#### [32]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 31st March 1994. *Proforma* accounts for 1993-94 in respect of none of these undertakings had been received as of August 1994.

The extent of arrears in the Submission of *Pro forma* accounts is shown below :

Serial Number	Name of undertaking	Extent of arrears
1.	Colonisation Department	1969-70 to 1983-84 (up to September 1983)

The Colonisation Department was wound up with effect from 13th September 1983 according to the state Government Notification No. 18/43/82 TCP dated 19th September 1983.

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

The Department has approached the Finance Department to condone the preparation of these proforma accounts erst while Colonisation Department for the period from 1969-70 to 1983-84 on the grounds explained in the quarterly progress report ending 31-3-91. The Govt. has approved the proposal of the Department for the discontinuance of the preparation of Accounts in the prescribed proforma and condoned from 1969-70 to 1983-84 vide their memo No. 13/121/88-3TCP, dated 8-10-92. The similar para regarding preparation of proforma accounts was taken in the 25th report of PAC Para No. 12 on para No. 6 37.08 of C.A.G. report for the year 1986-87. It was also discussed in detail in the PAC meeting held on 19/07/93 and the same has already been dropped in the above said meeting as per proceedings received from Financial Commissioner & Secretary to Govt. Haryana Finance Department vide his memo No. 15/15/93-3 BVK, dated 24/08/93.

In view of above the para may please be dropped.

7.1 After hearing the departmental representatives and also the version of the representatives of the A.G. office, the Committee asked for certain more clarifications from the Department before settling the said para. The departmental representatives promised to supply the said information at the earliest.

## IRRIGATION DEPARTMENT

[33] 4 4 *Derective lining ot Rhajuri Distributory*

Construction of a lined channel parallel to the existing (*kutchha*) Khajuri Distributory (RD 0 to 40,575), with water surface slope of 0.22 foot per thousand feet as approved by the Superintending Engineer (SE), Canal Lining Circle No. II, Hisar, in August 1984, was taken up in different stretches by the Canal Lining Division No. 19, Tohana, and was completed during August 1984 to January 1987. The work was completed in reaches 0 to 28000, 31478 to 32648, 32720 to 34850, 34903 to 37656, 37786 to 38200, 38210 to 38350 and 38890 to 40504, at the cost of Rs. 20.36 lakhs.

While the work was in progress, the cultivators approached (January 1986) the Department for raising the full supply level of the Distributory so that land then covered under Jhallar' (lift) irrigation could also avail of the benefit of flow irrigation from the lined channel. On this, the Chief Engineer, Projects, decided (January 1986) to adopt the water surface slope of 0.15 foot per thousand feet, instead of the earlier approved slope of 0.22 foot per thousand feet. Accordingly, the design of the water surface slope from RD 11,000 to RD 40,575 was revised (January 1986) by the SE. By that time, the work in reaches 0 to 7,000, 8,000 to 11,000, 15,000 to 16,075 and 38,890 to 40,504 had been completed at the cost of Rs. 6.72 lakhs in accordance with the earlier design. Work in the remaining reaches was completed during 1987-88, as per design revised in January 1986 except in case of RDs 7,000 to 8,000 where the work was completed in accordance with the earlier design to maintain continuity. In May 1986, the SE intimated the Chief Engineer that with this change, the lining in reaches 38,890 to 40,504 would have to be dismantled and relaid at the estimated cost of Rs. 0.58 lakh. However, this work had not been taken up as of June 1994.

The incomplete channel was commissioned in February 1988 but the water could flow in the lined channel only up to RD 27,944, whereafter it had to be diverted to the old unlined *kutchha* channel due to the following defects noticed during Hydraulic survey conducted (May 1993) by the Executive Engineer of Canal Lining Division No. 7, Hisar, at the instance of SE :

(i) In reaches 0 to 4,000 and 8,000 to 11,000, the bed levels were slightly higher whereas in reaches 21,000 to 28,000, these were lower by 3 to 6 inches. Free board available was also on the lower side.

(ii) The bed of the lined channel from RD 31,500 to 38,500 was



higher by 6 to 10 inches. The water was, therefore, not being run through this portion of the lines channel. Further, the bed level in reaches 39,100 to 40,575 was lower by 2 feet than that designed.

The Executive Engineer, Canal Lining Division No. 19, Tohana, reported to the SE in August 1993 that the balance work in remaining portions in reaches 28,000 to 40,575 could not be taken up because of major variations in the bed level due to which the entire portion had been rendered of no use to the Department. He also pointed out that lining of gaps that still remained to be covered, too, was not likely to serve any useful purpose. Thus, the expenditure of Rs. 3 70 lakhs incurred on the construction of lines channel in reaches beyond RD 27,944 was rendered infructuous.

The Executive Engineer stated (April 1994) that estimated expenditure to remove the defects in lining had not been assessed as different proposals were under consideration of the higher authorities. Further development were awaited (September 1994).

The matter was referred to Government in August 1994; reply has not been received (December 1994).

#### 4.4. Defective lining of Khajuri distributory

After hearing the departmental representatives, the Committee recommends that the action against the concerned officer/officials who has been held responsible for the defective lining works of the said distributory be finalised within a period of six months under intimation to the Committee.

#### [34] 5.3 Procurement of sub-standard cement

An order for supply of 9,100 tonnes cement (Irrigation Department : 3,950 tonnes; Buildings and Roads Department : 4,250 tonnes and Public Health Department : 900 tonnes) was placed by the Director, Supplies and Disposals, Haryana, in November 1992. The terms of the order, *inter-alia*, provided that inspection of the material would be carried out by the Indenting Officer or by his authorised representative. Besides, bulk supply was to be obtained only after having the cement tested from a reputed laboratory and after receipt of satisfactory test report. Payment was to be made to the supplier after receipt of the cement at consignees' godowns.

(a) Against the supply order, 1,336.60 tonnes cement valued at Rs. 23.26 lakhs was received by the Gurgaon Water Supply Construction Division No. 4, Bahadurgarh, in November-December 1992. Part payment of Rs. 20.88 lakhs was made to the firm for 1,200 tonnes in December 1992 without getting the samples tested from laboratory as required under the terms and conditions of supply order. While inspecting the works at site, the Executive Engineer noticed the poor quality of the cement and directed (December 1992) the Sub-Divisional Engineer not to use it on the slabs of bridges till receipt of the test report. He

further instructed that no further supplies be accepted from the firm without obtaining the test report.

Results of test of the samples sent in January 1993 to the Shri Ram Institute for Industrial Research, Delhi, were received from the laboratory in February 1993 which disclosed that the cement did not conform to the required specification. Accordingly, the firm was asked (February 1993) to lift the defective cement and to refund the payments already made. The firm had not, however, taken any action as of June, 1994. Meanwhile, it was noticed that 442.40 tonnes of defective cement valued at Rs. 7.70 lakhs had been consumed between November 1992 and January 1993 on other miscellaneous works prior to receipt of test reports and the balance quantity of 894.20 tonnes valued at Rs. 15.56 lakhs was lying unused in the store (June 1994).

In July 1993, two Executive Engineers and three Sub-Divisional Engineers were placed under suspension for acceptance of sub-standard cement, but subsequently reinstated in October 1993. Further developments were awaited.

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

Reply could not be given within the stipulated period for want of complete reply from the field officers.

Sh. H.C. Malhotra, XEN (Now Superintending Engineer) along with Shri Q.L. Kapoor, SDO (now Executive Engineer) have been considered responsible for violating the conditions of the agreement. They were charge-sheeted by the Government in 6/94. Reply to the charge-sheet along with field comments thereon have been received. The Government have decided the disciplinary case against Sh. H.C. Malhotra, XEN (Now S.E.) by awarding punishment of a warning while the decision against Sh. Q.L. Kapoor, SDO (now XEN) is under consideration.

The Department had also taken up the issue of supplying sub-standard cement by the Firm M/S Thar Cement Limited, Sitapur (Rajasthan) before the Consumer Court National Commission for redressal, New Delhi during 4/93. The interest of the State was being watched but when the case was at final stage, the Commission referred the case to the Arbitrator (Shri G.C. Jain, retired Justice). The case is being defended before the Arbitrator.

Rs. 20.88 lakh, the cost of cement and Rs. 7,97,309.45 on account of storage charges upto 10/96, against which a sum of Rs. 1,27,903.75 had been paid to the State Warehousing Corporation.

### 5.3 (a) Procurement of sub-standard cement

After hearing the departmental representatives, the Committee

observed that due to lack of supervision on the part of departmental officials, infructuous expenditure of Rs 20.88 lakhs was incurred by accepting the 1200 tonnes sub-standard cement without getting the samples tested from a reputed laboratory as stipulated in supply order. The Committee is constrained to observe that the procedure adopted for making a<sup>1</sup> part payment for the defective cement to the concerned firm and also to utilise the sub-standard cement on ongoing works requires thorough investigation. The Committee, therefore, recommends that the matter be enquired afresh from the S. E., Vigilance and a final report after taking a final action against the erring officer/officials within a period of three months be sent to the Committee for its consideration.

## ANIMAL HUSBANDRY DEPARTMENT

[35] 3 10 *Outstanding inspection reports/paragraphs*

Audit observations on financial irregularities and defects in initial accounts, noticed during local audit and not settled on the spot, are communicated to Heads of Offices and to next higher authorities through inspection reports. The more important irregularities are reported to the Heads of Department and Government. Half-yearly reports of audit observations outstanding for more than six months are also sent to Government to get their settlement expedited.

A review of the outstanding inspection reports relating to the Animal Husbandry Department revealed that action was pending as of June 1994 in respect of 213 paragraphs contained in, 100 inspection reports issued up to December 1993, as detailed below :

Period during which issued	Number of		Money value
	inspection reports	paragraphs	
	(Rupees in lakhs)		
1988-89 and earlier years	27	41	54.33
1989-90	7	12	9.15
1990-91	9	25	89.61
1991-92	22	47	215.78
1992-93	12	40	84.00
1993-94 (up to December 1993)	23	48	79.41
Total	100	213	532.28

Of the 100 inspection reports issued between June 1984 and December 1993, even the first replies to 82 inspection reports containing 180 paragraphs which were required to be submitted within six weeks had not been received in the Audit Office as of June 1994. In 17 other cases, the first replies were received with delay ranging between 15 days and 33 months.

The more important types of irregularities commented upon in inspection reports which had not been settled, broadly fall under the

following categories :

Nature of irregularity	Number of paragraphs	Money value (Rupees in lakhs)
1. Blocking up funds/idle machinery	16	133.46
2. Misappropriation/shortage/losses/ theft of cash/stores	38	104.63
3. Irregular purchases/expenditure	38	100.01
4. Non-recovery of dues from other departments/organisations/ individuals	14	71.77
5. Drawal of funds from treasury to avoid lapse of budget grant	8	54.23
6. Irregular payment of pay and allowances, travelling allowance and bonus	36	19.01
7. Non-adjustment of advances	2	18.32
8. Non-observance of rules relating to custody and handling of cash, reconciliation of withdrawals from treasury and maintenance of cash book	16	14.29
9. Amounts held under objection for want of actual payees' receipts	17	11.38
10. Non-disposal of unserviceable store articles/vehicles	20	3.56
11. Non-utilisation of insecticides/medicines	5	0.84
12. Payment of idle wages	3	0.78
Total	213	532.28

The matter was referred to Government in December 1994; reply has not been received (December 1994).

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

There are 213 outstanding paragraphs of 100 inspection reports of this Department, of these 213 Paragraphs 62 audit paragraphs have been got settled and 33 paragraphs relate to other Department which have been transferred to the concerned departments by A.G.Haryana. For the quick settlement

of remaining 118 and other audit paras, a special meeting with the representative of A.G.'s office was held on 22-12-1997 in the Directorate of Animal Husbandry at Chandigarh in which a number of paragraphs have been recommended by the Audit Party for their settlement to A.G. Haryana. The report of A.G. in this regard is awaited.

### **3.10. Outstanding inspection reports/paragraphs**

After going through the written reply given by the Department, the Committee desires that a final report of the outstanding paragraphs and inspection reports be sent to the Committee after settling the same with the A.G. Office.

## FINANCE DEPARTMENT

[36] 3.1 (*Haryana State Lotteries*)

### 3.1.6 (b) Appointment of main stockists

With a view to earning more profits under the scheme of lotteries, the Directorate introduced in 1992 a scheme of appointing 'Main Stockists' for managing the lotteries on behalf of Government.

On the basis of tenders invited in April 1992 and negotiations held with the tenderers, a private firm of New Delhi was appointed (7 May, 1992) as main stockists for running 7 lottery schemes (one for each day of the week) for one year from 1 July, 1992.

The salient features of the scheme of 'main stockists' were as follows :

(i) The main stockists were required to pay to the Directorate an amount of Rs. 1.97 lakhs towards royalty, at 4.11 per cent of the total face value of 24 lakh tickets (Rs. 2 per ticket) per draw;

(ii) all prizes were to be paid by the main stockists to the winners direct, except for the amount of the first prize which was to be paid by the main stockists to the Department for disbursement to the ticket holder;

(iii) unsold tickets were to be retained by the main stockist and prize money thereon, too, was their property, and

(iv) the main stockists were required to furnish an irrevocable bank guarantee from a nationalised bank in favour of the Director for an amount of Rs. 371 lakhs, to be arranged within a period of 15 days from the date of receipt of the appointment letter, after which a formal agreement was to be executed.

Without receiving the bank guarantee from the firm, the Directorate executed an agreement on 29 June 1992 providing, *inter alia*, (i) that all payments would be made by bank drafts at Chandigarh, (ii) before delivery of the tickets for the first draw, the firm would furnish the requisite bank guarantee, (iii) the main stockists would pay Rs. 2,700 per 1 lakh tickets as charges for printing paper and designs etc. Rs. 1,000 per draw as miscellaneous administrative expenses, Rs. 15,000 per draw as charges for publishing the results of draw in newspapers and (iv) 10 per cent of the first prize would be deducted by the Directorate towards office expenses.

Although the firm had not furnished the bank guarantee, it was

allowed to lift lottery tickets from 1 July 1992. The bank guarantee for Rs. 371 lakhs issued by a nationalised bank at Patna on 28 July 1992 was furnished by the firm on 3 August 1992. The firm was, however, not able to run the lotteries profitably and stopped lifting the tickets from 15 September 1992. According to the Directorate, the main reason for the poor sale of lottery tickets was that the main stockists had not been honouring the prize winning tickets available with the agents which led to considerable loss of goodwill to Haryana lotteries. In terms of provisions of the agreement, the Directorate started the sale of lottery tickets on its own from 18 September 1992, at the risk and cost of the main stockists.

The Directorate worked out the liability of the main stockists up to 27 October 1992 as under :

	Rupees in lakhs
(i) Prize winning tickets lying with the agents as intimated to the Directorate	150.00
(ii) Amount of royalty prior to 15 September 1992 due from the main stockists (including administrative charges)	45.64
(iii) Amount of royalty and cost of printing and publicity from 15 September 1992 to 27 October 1992	119.55
Total	315.19

On 3 December 1992, when the liability of the main stockists had increased to Rs. 753.35 lakhs, the Directorate approached the Patna Bank for invoking the bank guarantee towards adjustment of its dues against the main stockists. The Bank, however, refused to encash the bank guarantee as the original guarantee was not presented to it having been left at Chandigarh. On 7 December 1992, the firm filed a civil suit in a Patna court for declaring the agreement as illegal and void and for issuing an injunction restraining the Haryana Government from enforcing the bank guarantee on which a stay order was granted by the Court on 18 December 1992 in favour of the firm. On 23 June 1993, the court passed an order/judgement declaring that the bank guarantee stood terminated and not enforceable against the main stockists. On 16 August 1993, regular first appeal was filed by the Government against the judgement in the Patna High Court as also an application for stay of operation of the judgement. The application for stay of operation of the judgement was dismissed by the Patna High Court on 22 November 1993. A special leave petition was filed by the State Government in the Supreme Court on 29 November 1993. The Supreme Court stayed the operation of the order of the Patna High Court directing the latter to decide the appeal filed by the State of Haryana expeditiously. The hearing was concluded on 5 September 1994 but the judgement was yet to be pronounced by the Court (October 1994).



The Director attributed (September 1994) the delay of more than two months in approaching the Patna Bank for invoking the bank guarantee to time taken in (i) ascertaining the procedure for invoking the bank guarantee, (ii) working out the recoveries due from the main stockists, and (iii) obtaining advice from the Director, Institutional Finance and Credit Control, Haryana, and the Legal Remembrancer, Haryana. The following points were also noticed :

(i) A Sales Officer at Delhi had accepted 14 cheques dated 18 August 1992 to 22 August 1992 for Rs. 52,34,106, instead of bank drafts for issuing tickets to the firm. The cheques were dishonoured on presentation on 20, 26 and 29 August 1992 owing to insufficient balance in the account of the main stockists. The Director stated (September, 1994) that the Sales Officer had been suspended and charge-sheeted and that a criminal case under the Negotiable Instruments Act had been filed with the Metropolitan Magistrate, Delhi/Commissioner, Police, New Delhi, on 4 November 1992 against the main stockists. The latest date fixed for hearing of the case was 23 November 1994. Further developments were awaited (November 1994).

(ii) Thirty-three first prize winning tickets (PWTs) of Rs. 1.00 lakh each were accepted by the Sales Officer, Delhi and lottery tickets issued there against without deducting 10 per cent for office expenses resulting in loss of Rs. 3.30 lakhs.

(iii) An amount of Rs. 12.57 lakhs recoverable on account of income tax to be deducted at source from 33 PWTs of Rs. 1.00 lakh each was also not deducted before issuing the tickets to the main stockists.

(iv) PWTs on which the main stockists had claimed to have allowed prizes aggregating Rs. 3.25 lakhs were not found enclosed with the adjustment accounts of two schemes received from the main stockists.

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

(i) Admitted as per clause 2 of the agreement with the Main Stockist (Annexure C)

(ii) Admitted as per clause 14 of the agreement with the Main Stockist (Annexure C)

(iii) Admitted as per clause 15 of the agreement with the Main Stockist (Annexure C). Unsold tickets were to be retained by the Main Stockist and the prize money thereon was their property.

(iv) Admitted as per clause 10 of the Agreement with the Main Stockist (Annexure C).

## ANNEXURE—C

## AGREEMENT

This memorandum of agreement made this day 29th June, of the year one thousand nine hundred and ninety two between the Governor of Haryana (hereinafter referred to as the "Government" which expression shall, unless excluded by or reognant to the context here-of include his successors in office and/or assigns acting through the Director, Haryana State Lotteries, Chandigarh) of the one part and M/s Deep Mayanak and Associates, Partnership firm having its branches A 25/18, Sujan Singh Building, Middle Circlu, Carnaught Place, New Delhi; Balaji Bhawan New Dak Banglow, Road Patna-I and Head Office 133, Canning Street Chopra House Room No. 9, 3rd floor, Calcutta-I (hereinafter referred to as the Main Stockist which expression shall, unless excluded by/or reognant to the context hereof, include its successors and assigns acting through (1) Sh. Om Parkash Chirania S/o Late R.P. Chirania, (2) Sh. Binod Kumar Chirania S/o Late R.P. Chirania and (3) Sh. Gauri Shankar Mittal S/o Sh. (Late) K.C. Mittal, Partners of the other part

Whereas the main stockist is already in the lottery business and has agreed to become the main stockist for the Government in respect of JAI DURGE, MAHADEV, HARI OM, Jai Vishnu, SHRI GANESH, MAHALAKSHMI AND MAHABALI weekly lottery schemes with effect from the 1st July, 1992 and parties have agreed to the terms and conditions herein contained;

Now, therefore, this deed witnesses as follows :—

1. The terms and conditions of the weekly lottery scheme are given in annexure 'A' of this agreement.
2. That the main stockist will pay a minimum royalty of 4.11% on the face value of 24.00 lacs of tickets i.e. Rs. 48.00 lacs per draw per scheme/amounting to Rs. 1,97,280 per draw to the department (Rs. One lac ninety seven thousand two hundred and eighty only).
3. That the minimum number of tickets per draw per scheme will be 24.00 lacs (Twenty four lacs).
4. That the Director, Haryana State Lotteries will arrange the printing of lottery tickets for each draw and the main stockist shall pay @ Rs. 2,700 per lac tickets as charges for printing, paper and design etc.
5. That the draws will be held by the Director of Lotteries at Chandigarh or such other places as may be decided by the Government and the draws will be taken out from all the tickets issued to the main stokists.
6. That the result of Haryana State weekly lottery schem be got published by the Director, Haryana State Lotteries in the selected

ted newspapers and the main stockist shall pay Rs. 15,000 per draw, per scheme.

7. That the main stockist shall pay Rs. 1,000 per draw per scheme as miscellaneous administrative expenses

8. That the order for the printing of weekly lottery tickets will be placed by the Director, Haryana State Lotteries, only after the Main stockist has paid amount equal to the royalty, printing charges, publicity charges and administrative expenses for three draws. The tickets of only one draw will be released against the charges deposited as mentioned above for three draws i.e. for one draw for which the tickets are being released and two succeeding draws. The same procedure shall be adopted for the subsequent draws. The amount of 1st prize i.e. Rupees one lac shall have to be paid by the Main stockist at the time of taking over tickets of each weekly draw and the same procedure shall be followed for the subsequent draws. All payments shall be payable by way of Bank Drafts payable at Chandigarh only.

9. That in case of enhancement of Director of Audio and Visual Publications rates of publication with retrospective effect, the main stockist shall pay to the Director, Haryana State Lotteries, the difference worked out on enhanced rates even after the expiry of this contract or the same shall be recovered from the Bank guarantee

10. That the delivery of tickets of each draw will be arranged at Camp Office, Delhi or Chandigarh by mutual consent of the parties. Before the delivery of tickets of 1st draw is given to the Main stockist, he shall furnish an irrevocable Bank guarantee of Rs. 371.00 lacs (Rs. three crores and seventy one lacs only) from a nationalised Bank. The Bank guarantee shall be pledged in favour of the Director, Haryana State Lotteries, Chandigarh.

11. That the main stockist shall take delivery of tickets atleast 10 days before the date of draw and in case he fails to do so the Director, Haryana State Lotteries, may take any step for the sale of tickets of that draw/scheme at the cost and risk of main stockist. If the 'Main Stockist' wants to continue with the scheme from the next or any later draw, he will have to deposit the charges for three draws afresh as mentioned in para 8 and the such amount already deposited by him in the past shall stand forfeited to the department. The continuation will, however, be subject to the satisfaction of the Director of Lotteries, Haryana.

12. That before taking delivery of tickets the main stockist will ensure that each ticket book contains the correct number of tickets and that there is no defect either in printing or number. If any such defects.....  
noticed, he shall immediately return the defective tickets back and get those exchanged with correct number printed tickets. Under no circumstances the main stockist shall sell any defective ticket to the public and the responsibility for any dispute arising due to non-compliance shall rest on the main stockist.

13. That the expenses on account of agency commission to various stockists, appointed by the main stockist, supply of tickets to stockists and sub-agents, printing of office stationery, forms and registers, required for running and managing the lottery, expenses on collection of prize winning tickets, maintenance of accounts in his office, and any other miscellaneous expenditure shall be borne by the main stockist.

14. That it would be the liability of the main stockist only to make payment of all prizes declared as payable under the scheme, except the first prize, the amount of which would be paid by him to the Government and that will be disbursed by the Government to the holder of the ticket.

15. That the unclaimed/unsold prizes of whatever denomination will be the property of main stockist after deductions as per scheme.

16. That in case the main stockist wants to drop the lottery scheme, at his own will, he will have to give prior notice of four months or four months royalty amount. A penalty @ 10% will also be paid by the main stockist on the total amount of royalty relating to remaining period of the agreement i.e. from the date from which he wants to discontinue, to the date of conclusion of the agreement. The Director, Haryana State Lotteries will also have a right to terminate the agreement with the main stockist, to discontinue the running of lottery through him, after giving him a period notice of four months.

17. That in case the main stockist does not give any notice and drops the lottery scheme, then the amount of royalty for full remaining period of the contract alongwith the penalty as enumerated in para 16 above will be recovered out of the Bank guarantee.

18. That the main stockist shall conduct the business in accordance with the law, rules and regulations as may be in force in various States/Union Territories in India.

19. That the Director of Lotteries, Haryana will further be empowered to terminate the contract without assigning any notice and without any payment of money, in case of following eventualities :—

(a) Violation of conditions of contract.

(b) Mis-conduct.

(c) Fraud or any other offence etc.

(d) Non-payment of prize money payable by the main stockist.

20. That this agreement will be for a period of one year i.e. for 52 draws for each of the weekly lottery starting from 1st July, 1992

21. That if the main stockist wants to get the number of tickets increased, the Director of Lotteries Haryana may allow it at the approved royalty rates decided at the time of agreement — 4.11%. Such

increase shall also be accompanied by a proportionately increased Bank guarantee by the main stockist. The Director, Haryana State Lotteries may allow the main stockist to reduce the number of tickets, so increased, later but not below the level of 24.00 lacs tickets per draw.

22. That the Director, Haryana State Lotteries or his nominee can at any reasonable time enter the premises of the main stockist and inspect the accounts and other records, pertaining to the Haryana State Weekly Lottery Schemes and can call for any information from him in this regard.

23. That the prize winning tickets received by the main stockist will be defaced/destroyed by him in the presence of the Director of Lotteries or his nominee other to avoid their re-cycling in the market.

24. That any modification to this agreement shall be made only with the consent of both the parties to the agreement.

25. That the agreement has been finalised and executed at Chandigarh and for the settlement of any dispute thereunder or relating there-to only the court at Chandigarh will have jurisdiction.

26. That in case of any dispute or clarification of clauses of this contract the Secretary to Government, Haryana, Finance Department, will work as Arbitrator and his decision will be final and binding on both the parties.

27. That this agreement is being executed in duplicate and both the parties shall keep a copy, each of which shall be deemed to be original.

## ANNEXURE—'A'

## HARYANA STATE LOTTERIES

Weekly lottery scheme having the maximum retail price of Rs. 2 per ticket at 24.00 lacs tickets per draw per scheme.

MADE EFFECTIVE WITH EFFECT FROM 1-7-1992

"Mahalakshmi"	for every Monday
"Mahabali"	for every Tuesday.
"Jai Durge"	for every Wednesday
"Mahadev"	for every Thursday
"Hari Om"	for every Friday.
"Jai Vishnu"	for every Saturday.
"Shri Ganesh"	for every Sunday

1. The tickets will be Printed in four series.
2. The maximum retail price will be Rs. 2 per ticket.
3. Rates for the Agents/Main Stockits.
  - (i) Rs. 184 for per 100 tickets, for lifting of 100 tickets or more upto 14,999 tickets in a draw.
  - (ii) Rs. 180 for per 100 tickets, for lifting of 15,000 tickets or more in a draw.

4. Details of prizes are as under :—

<i>1st prize</i> (1) Rs. 1,00,000 (Common to all series)	100000
(10 % of the 1st prize will be deducted for office expenses and will go to the Government).	
<i>2nd Prize</i> (3) Rs. 1,000 each (on tickets having the same number as that of 1st prize in remaining series)	3,000
<i>3rd prize</i> (upto 20 )Rs. 200 each (Last 5 digits of of 1st prize).	4,000
<i>4th prize</i> (upto 216) Rs. 50 each (Lest 4 digits of the 1st price).	Rs. 10,800
<i>5th prize</i> (upto 2160) Rs. 20 each (Last 3 digit of the 1st prize)	Rs. 43,200
<i>6th prize</i> (upto 237600) Rs. 16 each (Last I digit of Ist prize ).	Rs. 38,01600
Total Prizes 2,40,000	Rs. 39,62,600 82.55%

## 5. Date of Draw

Weekly draws will be held on every day at 3.00 P.M. in the office of the Director, Haryana State Lotteries, Sector 17, Chandigarh.

- Note ..
- (i) Income tax at Source will be deducted as per rules.
  - (ii) Number of prizes may increase or decrease as per print order per draw from time to time.
  - (iii) One ticket is entitled to only one prize i.e. the highest prize drawn against it.
  - (iv) All prizes except first prize will be paid by the Main stockist only.

### Other terms and conditions .—

The holder of Ist prize winning ticket should produce ticket either in person to the Director, Haryana State Lotteries, sector 17, Chandigarh (Allahabad Bank Building Ist Floor) or claim his prize winning ticket through any scheduled Bank having offices at Chandigarh. No prize shall be awarded for ticket produced after 30 days from the date of draw. The ticket which is forget, torn mutilated or tempered with, shall not considered as valid ticket for any prize.

In case of dispute the decision of the Director, Haryana State Lotteries Departent, Chandigarh shall be final and binding.

The legal jurisdiction of the lottery will be at Chandigarh.

(Back side material to be printed on the ticket)

Haryana State \_\_\_\_\_ Weekly lottery  
th Draw on \_\_\_\_\_

The tickets are printed in Four series and the prizes are as under:—

Ist Prize(i) Rs. 1,00,000 (Common to all series)

2nd Prize (3) Rs. 1,000 each (on tickets having the same number as that of Ist prize, in remaining series).

3rd Prize (upto 20) Rs.200 each (Last 5 digits of the Ist prize).

4th Prize (upto 216) Rs. 50 each (Last 4 digits of the 1st prize).

5th Prize (upto 2160) Rs. 20 each (Last 3 digits of the Ist Prize).

6th Prize (upto 237600) Rs. 16 each (Last 1 digit of the Ist Prize).

1. A ticket is entitled to only one prize that is the highest prize drawn against it.

2. 10% of the 1st prize will be deducted for office expenses and will go to the Government.

3. All prizes, except the 1st prize, will be paid by the main stockist only.

4. The holder of the 1st prize winning ticket may either produce ticket in person to the Director, Haryana State Lotteries, Sector 17, Chandigarh or claim his prize through any scheduled bank having offices at Chandigarh. Prize winning tickets shall be produced as per rules in force. No prize will be awarded for a ticket produced after 30 days from the date of draw. A ticket which is forged, torn mutilated or tampered with shall not be considered as a valid ticket, for any prize.

5. In case of dispute the decision of the Director, Haryana State Lotteries shall be final and binding.

6. The legal jurisdiction of the lottery will be at Chandigarh.

Key to Numbers : .....

Stamp of Haryana  
Finance Lotteries Department

Signed sealed and delivered at Chandigarh in the presence of

Witnesses :

1. Signature :

Name :  
Date :  
Address :

Signature :  
Name :  
Date :

2. Signature :  
Name :  
Date :  
Address :

Designation Director of Lotteries,  
for and on behalf of the Governor  
of Haryana.

Witnesses:—

1. Signature :  
Name :  
Date :  
Address :

It is stated that the Bank Guarantee was immediately given by the Main Stockist on 23-06-1992. On examination it was found that it required some modifications. Hence returned in original. Thereafter, an amended Bank Guarantee bearing No GT/100/92 dated 27/06/1992 (Annexure D) of Rs. 371 lac was received from the Main Stockist on 27/06/1992 i.e. much before the execution of Agreement on 29/06/1992. Rest of the para admitted.



**ANNEXURE—'D'**

DENA BANK  
 MAURVA Lok  
 Block (A), 1st Floor  
 PATNA—800 001 (BIHAR)  
 Gram : DENA BANK  
 Phone : 22211/52207

Ref. No. PTA/CEN/82

27--06--

.....

To,

**The Director of Lotteries & Joint Secretary to Govt. of Haryana Finance,  
 Department: Chandigarh.**

Dear Sir,

**Re : Our Bank Guarantee No. GT/100/92 dt. 23-6-92 for Rs. 371 lacs**

We are in receipt of your letter No. DOL/HR/SSO(C)/92/Spl.1/1 dated 26th June, 1992 requesting us for the two amendments in qua.

As desired by you, we, hereby forward you amended guarantee No. GT/100/92 dated 27-6-92 for Rs. 371 lacs.

Please send us your acknowledgement for the same.

Thanking you,

Your faithfully,  
 For Dena Bank

Sd/-  
 Senior Manager.

**BANK GUARANTEE No. GT/100/92**

Dated 23rd June 1992

Sd/-

Whereas the Governor of Haryana (hereinafter referred to as Government) has appointed M/S Deep Mayank & Associates, having its head office at room no. 9 3rd Floor 133 Canning Street Chopra House Calcutta—1 and Branches at A—25/18 Middle Circle Cannaught Place, New Delhi and Balajee Bhawan, New Dakhnaglow Road, Patna as the "Main Stockist" For lottery tickets for sale in India.

AND WHEREAS M/S Deep Mayank & Associates, (hereinafter referred to as the "Main Stockist") has agreed to receive, hold and arrange the sale of lottery tickets of the Haryana State MAHALAKSHMI/MAHABALI/JAI DURGA/MAHADEV/HARI OM/JAI VISHNU AND SHRI GANESH Weekly lottery schemes on the terms and conditions contained in the Agreement (Annexure-A) dated 29th June 1992 and to remit regularly every week, to the Director, HARYANA STATE LOTTERIES SECTOR 17 CHANDIGARH

the amount of profit printing paper and design and administration charges, result publicity and the prize money for the tickets above the value of Rs. 1000.

AND WHEREAS in accordance with the terms of the said Agreement the "Main Stockist" is required to furnish and irrevocable Bank Guarantee to secure payment of all moneys which shall from time to time become due from the Main Stockist to the Government or any liabilities occurring to the Government due to conduct of the Main Stockist within the limit of Rs. Three crores and seventy one lakhs at any one time.

Now, therefore Dena Bank, MouryaLok, Patna hereby Guarantee the payment of all such sums of money by the Main Stockist to the Government as and when such sums become payable under the said Guarantee Agreement and upon default the said Main Stockist, the aforesaid Bank shall on demand pay the said sum to the Government, provided the liability of the Bank hereunder shall not at any time exceed the sum of Rs 3 crores 71 lakhs (Rupees three crores and seventy one lakhs only). Provided further that the Guarantee hereby furnished shall be containing one to the extent heretofore as stated and shall remain in force till 30th June, 1993:

Provided further that grant of time or other indulgence to Main Stockist by the Government shall not discharge the liability of the Bank hereunder.

Notwithstanding what has been stated above unless as action to enforce a claim under the Guarantee is filed against us within three months from 1st July, 1993 all your rights under the said Guarantee shall be forfeited and we shall be relieved and discharged from all liability under the Guarantee.

Be limited to a sum of Rs. 3.71 crores (Rupees three crores and seventy one lakhs only.)

Stand completely discharged and all your rights under Guarantee shall stand extinguished if no claim or demand is made upon us in writing on or before 30th September, 1993.

In case of any dispute the legal jurisdiction will be at Chandigarh only.

/-

Sr. Manager  
Dena Bank,  
Patna.

Asstt. General Manager  
Dena Bank Regional Office,  
Calcutta.

Bank Guarantee No. Ga/100/72

Dated 23rd June, 1992.

Whereas the Governor of Haryana hereinafter referred to as Government has appointed M/s Deep Mayank & Associates, having its branches at A-25/18 Middle Circle, Connaught place New Delhi and Balagee Bhawan, New Dak Banglow Road, Patna as the "Main Stockist" for lottery tickets for sale in India.

AND WHEREAS M/s Deep Mayank & Associates (hereinafter referred to as the "Main Stockist") has agreed to receive hold and arrange the sale of lottery tickets of the Haryana State MAHALAKSHMI/MAHABALI/

JAIDURGA/MAHADEV/HARI OM/JAI VISHNU AND SHRI GANESH weekly Lottery schemes on the terms and conditions contained in the Agreement (Annexure-A) dated ——— and to remit regularly, every week, to the Director, HARYANA STATE LOTTERIES, SECTOR 17, CHANDIGARH, the amount of profit, printing, paper and design and administration charges, result publicity and the prize money for the tickets above the value of Rs. 1000/-.

AND WHEREAS in accordance with the terms of the said Agreement the "Main Stockist" is required to furnish an irrevocable Bank Guarantee to secure payment of all moneys which shall from time to time become due from the Main Stockist to the Government or any liabilities occurring to the Government due to conduct of the Main Stockist within the limit of Rs. Three crores and seventy one lakhs at any one time

Now, therefore Dena Bank, Maurya Lok, Patna hereby Guarantee the payment of all such sums of money by the Main Stockist to the Government as and when such sums become payable under the said Guarantee Agreement and upon default by the said Main Stockist, the aforesaid Bank shall on demand pay the said sum to the Government, provided the liability of the Bank hereunder shall not at any time exceed the sum of Rs. 3 crores 71 lakhs (Rs. three crores and seventy one lakhs only), provided further that the Guarantee hereby furnished shall be containing one to the extent herein before as stated and shall remain in force till 30th June, 1993:

Provided further that grant of time or other indulgence to Main Stockist by the Government shall not discharge the liability of the Bank hereunder.

Notwithstanding what has been stated above unless as action to enforce a claim under the Guarantee is filed against us within three months from 1st July, 1993 all your rights under the said Guarantee shall be forfeited and we shall be relieved and discharged from all liability under the Guarantee.

- (a) Be limited to a sum of Rs. 3.71 crores (Rs. three crores and seventy one lakhs only).
- (b) stand completely discharged and all your rights under the Guarantee shall stand extinguished if no claim or demand is made upon us in writing on or before 30th September, 1993.

Sd./-

Sr. Manager  
Dena Bank,  
Patna.

Asstt. General Manager,  
Dena Bank, Regional Office,  
Calcutta.

Since the amended bank guarantee was received on 27th June, 1992, the tickets were allowed to be lifted from 1st July, 1992. In the light of advice of L.R. Haryana, re-amended bank guarantee dated 28th July, 1992 (Annexure-E) reached this office on 3rd August, 1992.

## Annexure—E

6/102/92

DENA BANR

3-18-1992

Director

Chandigarh Branch

Haryana State Lotteries

Sector 17-C, Madhya Marg

Chandigarh

Chandigarh-160017

Dear Sir

Reg.— Bank Guarantee No. GT/100/92

Dt 28-7-92

Please find enclosed here with the above Guarantee received, from our Patna Branch Office

So please a acknowledge receipt

Thanking you.

S/d

Yours faithfully

## Annexure—E

BANK GUARANTEE NO. GT/100/92

Dated 28th Jnly, 1992

Whereas the Governor of Haryana (hereinafter referred to as Government) has been appointed M/s. Deep Mayank & Associates, having its head office at room no. 9, 3rd Floor, 133, Canning Street, Chopra House, Calcutta—1 and branches at A-25/18 Middle Circle, Cannaught Place, New Delhi and Balajee Bhawan, New Dakbanglow Road Patna as the "Main Stockist" for lottery tickets for sale in India.

AND WHEREAS M/s. Deep Mayank & Associates (hereinafter referred to as the Main Stockist) has agreed to receive hold and arrange the sale of lottery ticket of the Haryana State MAHALAKSMHI/MAHABALI JAIDURGA/MAHADEV/HARI OM/JAI VISHNU AND SHRI GANESH, Weekly lottery schemes on the terms and conditions contained in the Agreement (Annexure—A) date 29th June 1992 and to remit regularly, every week, to the Director, HARYANA STATE LOTTERIES, SECTOR 17 CHANDIGARH, the amount of profit, printing paper and design and administration charges, result publicity and the prize money for the tickets above the value of Rs. 1000/.

AND WHEREAS in accordance with the terms of the said Agreement the "Main Stockist is required to furnish and irrevocable Bank Guarantee to secure payment of all money which shall from time to time become due from the Main Stockist to the Government or any liabilities occurring to the Government due to conduct of the Main Stockist within the limit of Rs. 3 crores and seventy one lakhs at any one time.

Now, therefore, Dena Bank, Mauryalok, Patna, hereby guarantee the payment in all such sums of money by the Main Stockist to the Government as and when such sums become payable under the said said Guarantee Agreement and upon default by the said Main stockist,

the aforesaid Bank shall on demand pay the said sum to the Government, provided the liability of the Bank hereunder shall not at any time exceed the sum of Rs. 3 crores 71 lakhs (Rupees three crores and seventy one lakhs only) provided further that the Guarantee hereby furnished shall be containing one to the extent hereinafore as stated and shall remain in force till 30.6.1993.

Provided further that grant of time, other indulgence or relaxation in any term of the agreement to the advantage of the main stockist by the Government shall not discharge the liability of the Bank hereunder

Notwithstanding what has been stated above unless as action to enforce a claim under the Guarantee is filed against us within three months from 01.07, 1993 all your rights under the said Guarantee shall be forfeited and we shall be relieved and discharged from all liability under the Guarantee.

- (a) Be limited to a sum of Rs. 3.71 crores (Rupees three crores and seventy one lakhs only).
- (b) Stand completely discharged and all your rights under the Guarantee shall stand extinguished if no claim or demand is made upon us in writing on or before 30.9.1993.
- (c) In case of any dispute the legal jurisdiction will be at Chandigarh only.

Sd/—

Sr Manager  
Dena Bank  
Patna

Sd/—

Asst. General Manager  
Dena Bank Regional Office  
Calcutta

The liability in the light of terms and conditions works out as under:—

(A)	(i)	Amount due on A/C of dropping of the Lottery Scheme without notice as per clause 17 of the Agreement (for 289 days from 15-09-92 to 30-06-93 (i.e. Rs. 197280/- for each day)	Rs. 57013920.00 570
	(ii)	Amount of penalty @ 10% as per clause 16 of the agreement	Rs. 57013920.00
	(iii)	Balance Amount of bounced cheques.	Rs. 4234106.00
	(iv)	Amount of PWTs. paid to various Agents by Lottery Deptt on behalf of stockist.	Rs. 13353628.00
	(v)	The Stockist claimed full amount of first prize of Rs. 1.00 lac each instead of Rs. 90,000/- after deducting administrative charges of Rs. 10,000/- each for 33 first winning tickets	Rs. 330000.00

- (vi) The amount of Income-Tax @ 40% not deducted on first prize tickets of Rs. 1.00 lac each after deducting Rs. 10.000 /- as administrative charges and allowing exemption of Rs. 5.000 each for 50 tickets. Rs. 1904000.00

Total (A) :— 8,25,37,046.00

- (B) Less Amount of PWTs. deposited by the main stockist. & found excess.

Total (B) :— 6,74,630.00

Net recoverable Amount (A-B) Rs. 8,18,62,416.00

As regards the position of the Court case after 10/94 it is intimated that the judgement was pronounced in the open Court at Patna on 03/02/95 when the learned counsel of the State was allowed to take notes from the judgement. Our Counsel informed on telephone as well as in writing that the judgement and decree of the Trial Court has been set aside and the following new issues have been framed by the Hon'ble been directed by the Hon'ble High Court. The Trial Court has been directed by the Hon'ble High Court to record fresh evidence, is required on the following points

- (i) Did the Defendants-appellants practised fraud upon the plaintiffs respondents by not inserting the terms and conditions determined and finalised between the Director of Lottery, Haryana State and the plaintiff at Patna ?
- (ii) Did the defendants—appellants insert the terminal conditions in the deed of contract contrary to the terms and conditions of tender on which the plaintiffs were appointed stockist ? &
- (iii) Was the performance of contract made impossible by leaking out the first prize winning ticket on behalf of the defendants—appellants subsequent to the contract.

An L.P.A. was also filed in the High Court Patna against the judgement incorporating the new issues when a certified copy of the judgement of the High Court Patna was received, the words "judgement & decree of the Trial Court is set aside" had been found crossed with the stroke of a pen.

The State of Haryana then filed an S.L.P. in the Supreme Court against the changes found made in the certified copy of the above judgement. The impugned judgement was stayed on 16/07/95. This S.L.P. came up for hearing in the month of November, 1995. The Hon'ble Supreme Court granted relief and held that the confusion has been created due to some mis-understanding and confusion regarding provisions of law

and held that the Trial Court will record evidences as per issues framed by the High Court of Patna and submit as directed by the Patna High Court. The High Court would expeditiously dispose of the appeal of the Haryana Govt. The Trial Court has given its finding on 18/02/97 which were received in this office on 15/04/1997 and the Advocate was requested to file objection against the finding of the Trial Court. Written argument sent by the Advocate were approved and submitted to the Advocate on 15/05/97. It was informed by the Advocate on 11/08/97 that the objections have been filed in the Hon'ble High Court Patna. No date of hearing has so far fixed by the Patna High Court.

- (i) Admitted that Shri Jadish Chand, Sale Officer Delhi accepted Cheques of Rs. 52,34,106 in lieu of Drafts. These cheques were dishonoured on presentation. However the Main Stockist has already deposited Rs. 10.00 lac in cash and a sum of Rs. 42,34,106/- is still recoverable from them.

Shri Jadish Chand Ex- S.O., who accepted the cheques in contravention of the terms of agreement was placed under suspension on 25/08/1992 and charge sheeted on 30/11/1992. An F.I.R. was also lodged against him at Cannaught Place in Delhi 27/03/93. The matter is also being pursued with Police Authorities at Delhi for expeditious action. No action appears to have been taken by them. The departmental inquiry has been completed. The matter is under process with the competent authority for deciding the penalty to be imposed upon him.

As regards the criminal case against the Main Stockist U/S 138 of Negotiable Instrument Act, for cheating the Deptt., it is stated that the summons have been issued against the defaulters. The defaulter/main stockist have filed an appeal before the Hon'ble High Court Delhi which was fixed by hearing on 16/07/97. The Hon'ble High Court kept the judgement reserved. Further action will be taken as and when the judgement is released by the Hon'ble High Court.

- (ii) This lapse is also included in the above charge sheet served upon Sh. Jagdish Chand Ex. S.O., Delhi on 30/11/92.
- (iii) Since no cash payment was made and only lottery tickets of the current draws were issued against the first Prize Winning tickets, no Income Tax was considered to be deducted at that time, however, this claim was included in the petition as a safety measure and to avoid any legal implications in future.
- (iv) A sum of Rs. 3.25 lac has already been adjusted from the balance 10% amount of Rs. 10,55,150.00 payable to the main stockist.

### 3.1.6 (b), Appointment of main stockists.

After going through the records and oral examination of the departmental representatives, the Committee is of the view that laxity on many parts did take place in this case. At times, looking at the circumstances and the events, the Committee has no doubt in its mind, while concluding that deliberate efforts to help the main stockists at the cost of great danger to the

interest of the Government was made at various levels. The Committee surprised that even after coming to know the intention of the main stockist to play fraud on the department (when he submitted cheque which were dishonoured), the department rather than taking corrective measures to safeguard the interest of the Government further, rather decided to extend more benefits and relaxations to the main stockists. The Committee, therefore, is fully convinced that bonafide intention alone can't guide the conduct of the department during this course. It also does not appeal to the Committee how the Bank guarantee could be invoked on a photo copy of the original bank guarantee as the likelihood of such type of photo copies finding its way to the hands of hundreds of persons can not be ruled out. The Committee, therefore, of the consensus opinion that deliberate lapses, acts and omissions did take place at various levels.

The Committee is, therefore, of the opinion that it is a strong case of directing the entire episode to be investigated through competent and independent agency. Therefore, the Committee directs that this case be referred to the State Vigilance Bureau immediately to complete the investigation within a period of three months and the department will also intimate the progress made in the course of investigation every month to the Committee. The scope of investigation shall include (a) to (e) as under:—

- (a) whether all the procedures were adequately followed at the time of floating the tender for this purpose and the acceptance of bid and grant of contract to M/S Deep Mayan & Co ?
- (b) whether after the department entered into an agreement with this firm, at all points of time the interest of State Govt. was adequately safeguarded, in case it was not done so, who were responsible for this continuing happenings which ultimately culminated into the abandonment of responsibility on part of the main stockist causing great monetary loss to the State Govt. ?
- (c) what was the extent of loss to the Govt. and who were responsible for that ?
- (d) in assessing the loss to the Govt. and invoking the bank guarantee whether extraordinary delays took place and who were responsible for such delays; and
- (e) under what circumstances at the time of invoking the bank guarantee insufficient and incompetent documents were produced before the bank.

The Committee further recommends that State Vigilance department should investigate the matter thoroughly to see who were the persons responsible so that further action be initiated against them as per the rules. The Committee further desires that the Vigilance Department should also re-assess the amount of loss suffered by the department on this account as the amount of loss may be more than Rs. 8.18 crores.

The Committee also viewed it very seriously that Shri Jagdish Chand, Ex-Sales Officer, accepted the cheques for Rs. 42,34,106 which were bounced



incontravention of the terms and conditions of the agreement. The Committee, therefore, recommends that the proceedings initiated against Shri Jagdish Chand for this lapse may be finalised within a period of three months and progress be reported to the Committee.

During the course of oral examination the Committee was informed that one more case of mis-appropriation of sale proceeds of lottery tickets by Shri Rajbir Singh, Assistant, Ex-Sale Officer, Lucknow is also pending for final decision. The Committee was also informed that Shri Rajbir Singh while working as Sales Officer from 11-5-93 to 21-12-95 at Camp Officer, Lucknow, manipulated the account by not supplying the details of cash remittance, non-submission of accounts to the head-quarter, non-reconciliation of accounts with the agents and also accepted the Cheques in lieu of cash/bank draft and also sale of tickets on credit basis instead of in cash basis in contravention of accounting procedure and policy of the Government. On this account, a sum of Rs. 177.70 lakhs has been found as embezzled by him in connivance with six firms. The Committee was also informed that due to various lapses on the part of Shri Rajbir Singh and non-recovery of the amount from the firms despite efforts made by the officers of the department. An F. I. R. was lodged with the police authorities on 9-9-96 for registration of the case under Section 409 and 420 of IPC against Shri Rajbir Singh and other six firms on the advice of L. R. Haryana. The case was registered by the police authorities on 7-10-96. The matter at present is pending in various Courts against the bail applications moved by the defaulting agencies in various Courts.

Shri Rajbir Singh has also been charge-sheeted under Rule 7 of Punishment and Appeal Rules, 1987, on 23-12-96. He has not replied to the charge-sheet, therefore Enquiry Officer has been appointed on 6-11-97 for necessary action.

After going through the above facts, the Committee is of the view that proper measures were not taken by the department to safeguard the Government funds. The Committee also feels that a huge amount was left at the disposal of the junior functionary of the department in the absence of regular surveillance by the senior officers of the department. Shri Rajbir Singh cheated the Government in connivance with the firms and embezzled such a huge amount of the Government.

The Committee, therefore, recommends that suitable preventive measures should be adopted by the department to check the possibilities of recurrence of such type of happening in future and also to safeguard the Government funds. The Committee further recommends that senior officers of the Department be posted at each sale offices in the other States so that proper account of sale of lotteries be maintained in future. The Committee also desires that the cases which are pending in various Courts be pursued vigorously and a final decision alongwith the position of recovery be intimated to the Committee.

#### (d) Loss due to excess claims of prize winning tickets

According to the general scheme of the lotteries run by the Directorate, since only one prize is admissible and guaranteed in each block of ten tickets. The number of prizes has a direct correlation with the number of the tickets sold. The PWTs received from Sales Officers are

first punched in the parcel branch of the Directorate before being sent to the respective branches for checking that these are within the framework of the concerned lottery scheme. Discrepancies if any, are to be brought to the notice of concerned sales officers for necessary recovery.

It was, however, noticed that the checks prescribed had not apparently been exercised with care as a result of which the number of PWTs had exceeded, at times, the maximum admissible number as per the lottery tickets sold.

(1) Scrutiny in audit of the PWTs claim registers for the period from February 1989 to September 1989 of 3 lottery schemes revealed (February 1990) that prizes aggregating Rs. 5.72 lakhs of various denominations relating to 26 draws were given in excess of the admissible number of prizes as per the schemes.

The Department stated (July 1993) that 52 and 15 tickets each carrying prizes of Rs. 500 and Rs. 50, respectively, were found as having been paid for twice. Of these double payments of Rs. 26,750, recovery of Rs. 23,250 was stated to have been effected from the sales Officers. However, the position in regard to the remaining excess payments of Rs. 5.49 lakhs had not been intimated even after lapse of over 4 years (August 1994).

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

There was boom in the sale of lottery tickets during the year 1993-94 and 1994-95. No additional regular staff was sanctioned, but daily wages staff was employed to cope with the additional work. Due to unrepresented increase in the sale of Haryana State Lottery tickets and the recruitment of new daily wages staff some discrepancies crept in while initially preparing the accounts. These have been removed after rechecking the accounts where the number of PWTs exceeded.

As already explained, the discrepancies were again checked by the department. The position of each account has been discussed in the succeeding paragraphs. The break-up of the amount of Rs. 5.72 lac is as under:-

Sr No.	Name of Scheme	Amount
(i)	Hari Om	Rs. 1,35,497.00
(ii)	Maha Bali	Rs. 70,063.00
(iii)	Maha laxmi	Rs. 3,70,145.00
		Rs. 5,75,705.00

As regards discrepancy of Rs. 1,35,497.00 in the Hari Om Scheme, the same has been removed after rechecking the accounts and shown to the audit during their last visit. This discrepancy also includes the recovery of Rs. 1,900.00 made from the printer for lapses on their part.

As regards discrepancy of Rs. 70,063.00 pointed-out by audit in the Mahabali scheme, the discrepancy of Rs. 36,563.00 has already been removed and shown to audit during their last visit. Further a sum of Rs. 21,350.00 has been recovered from the printing press. The reasons for remaining discrepancy of Rs. 12,150.00 are being traced-out.

As regards discrepancies in Mahalaxmi scheme, the relevant register is being traced-out from the old record, and the factual position will be intimated later on.

The total recovery pointed-out by audit works out to Rs. 5.72 lac for which the position has been explained in the above paras.

### 3 1 6 (d) (i) Loss due to excess claims of prize winning tickets.

After hearing the departmental representatives, the Committee recommends that relevant register may be traced-out immediately and discrepancies, if any, be finalised and the real position be intimated to the Committee within a period of three months. In case the register is not traced out, the responsibility be fixed against the concerned officials under intimation to the Committee.

### [38] 3.1.6 (e) Retention of Government receipts.

Financial rules provide that departmental receipts collected during the day should be deposited into the treasury on the same day or the next working day. Further, under the Accounting Procedure of the Department, every Sales Officer was required to send the daily sales statements of tickets sold in the prescribed *pro forma* (a copy of cash book) along with the sales account for each draw.

Test-check of the sales accounts rendered by Sales Officers in respect of various draws held during 1993-94 revealed that none of the Sales Officers had sent the prescribed *pro forma*. As a result, the amounts received by the Sales Officers from the sale of tickets from day to day could not be checked with reference to the amounts remitted and still lying with the Officers.

The following points were noticed :-

(i) Sales Officers had been depositing the sale proceeds late by periods ranging between 1 day and 108 days.

(ii) Even while making the remittances, the amounts available with them were not being remitted in full by the Sales Officers. The undue retention of amounts by 8 Sales Officers of Delhi Camp during 1993-94 and delayed remittances into treasury had resulted in loss of interest of Rs. 12.17 lakhs, calculated at the rate of 12 per cent per annum.

(iii) Of the above, one Sales Officer of Delhi Camp had a balance of Rs. 108.38 lakhs with him on 5 September 1993, of which he remitted only Rs. 15.26 lakhs on 6 September 1993 and remitted a further Rs. 87.02 lakhs in instalments up to 20 November 1993, retaining a balance of Rs. 6.10 lakhs even as of August 1994. Action, if any, taken to get the amount deposited has not been intimated as of August 1994.

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

It is admitted that the financial rules provide that the department receipts collected during the day should be deposited in the Treasury on the same day or the next working day. However, to the view of the regularization of RBI, this procedure could not be followed.

As regards sending the daily sales statement of the tickets sold by the Sales Officers these have been sent by them alongwith the final accounts statement of each draw.

The above documents are available in the office and are open to audit. So the audit can verify the receipts received from the Sales Officers for the sale of tickets from day to day basis.

The reasons for not remitting the full amount by the Sales Officers at one time have been that :—

- (i) The Reserve Bank of India, Delhi have not been accepting the bundles of notes below the denomination of Rs. 50/- notes. So the notes of lower denomination used to remain with the Sales Officers till their exchange with higher denomination notes.
- (ii) The sufficient time was involved by the Sales Officers for exchanging the notes of lower denomination, received from the agents, with the notes of higher denomination before remitting into the Bank.
- (iii) At one time, the manageable amount used to be carried to Reserve Bank of India, to avoid risk of theft, robbery in transit due to terrorist activities in Delhi during 1993-94.
- (iv) Some cash sale proceeds were required to be kept with the Sales Officers to meet any contingent expenditure as they were not authorised to withdraw cash from the Reserve Bank of India.

The total amount was already been deposited. In the view of the position explained in this para it may kindly be dropped.

### 3.1.6 (e) Retention of Government receipts.

After hearing the departmental representatives, the Committee observed that the sales officers of the department are required to deposit the cash into the Government account on the following day for the cash realised on each day for sale of lottery tickets to the agents. But in many cases sales officers had been depositing the sale proceeds late by periods ranging between one day and 108 days. The retention of huge amount by sales officers could increase the chances of embezzlement/mis-appropriation of Government funds. The Committee, therefore, recommends that a Committee under the Chairmanship of Finance Secretary to Government, Haryana be constituted to work out the modalities of this whole system and also to review the staffing pattern involved in this process in order to avoid mis-appropriation of Government funds in future. The steps taken in this direction be intimated to the Committee.

[39] 3.1.6 (f) **Outstandings against Sales Officers**

Sale of lottery tickets is done by the various camp Sales Officers and the accounts thereof are required to be submitted by them immediately on sale. These accounts are compiled and consolidated by the Directorate after exercising prescribed checks. Scrutiny of the consolidated accounts for the period from 1989-90 to 1992-93 revealed that as of 31 March 1994, an amount of Rs 26.23 lakhs was outstanding for recovery against 11 Sales Officers under 9 different schemes on account of various irregularities like inadmissible PWTs, bonus or commission to agents, contingencies, etc. Year-wise details of the amounts outstanding were as under :—

	(Rs. in lakhs)
1989-90	1.01
1990-91	2.22
1991-92	10.05
1992-93	12.95
<b>Total</b>	<b>26.23</b>

The consolidated accounts for the year 1993-94 were not closed as of May 1994.

The Director stated (April 1994) that all the concerned Sales Officers had been advised to reconcile the amounts outstanding against them and that steps were being taken for adjustment/recovery of these amounts. Further progress has not been intimated (August 1994).

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

- (f) Admitted. However, it is stated that the inadmissible claims of tempered, no prize, torn, time barred PWTs are returned to the Sales Officer for effecting recoveries from the concerned agents. Similarly, the PWTs of the same/advance Draws are also returned to the Sales Officers for adjustment in the subsequent draws. The recoveries of such inadmissible claims are shown outstanding against the sales officers which are adjusted after effecting recovery from the agents adjustment of amount of same & advance draw.

Like other Departments, the accounts for the year 1993-94 of this department were also closed on 31-03-94. However, due to tremendous increase in the sale of lottery tickets in 1993-94 and due to non increase in the sanctioned staff, some boom adjustments involving no cash transactions were completed by the middle of the year in our accounts books after manual checking of PWTs received in the account of the sales officers.

Out of the total outstanding amount of Rs. 26.23 lac, a sum of

Rs. 13.12 lac has since been recovered/adjustments as per details given below.

Year	Total recovery (Rupees in lac)	Amount deposited/ adjusted	Balance outstanding
1989-90	1.01	0.36	0.65
1990-91	2.22	1.39	0.83
1991-92	10.05	5.79	4.26
1992-93	12.95	7.46	5.49
<b>Total</b>	<b>26.23</b>	<b>15.00</b>	<b>11.23</b>

Efforts are being made to recover/adjust the balance amount on receipt of recovery from agents through the Sale Officers.

### 3.1.6. (f) Outstandings against sales officers

The Committee desires that all the outstanding recoveries lying since long may be finalised within a period of six months positively. The Committee further recommends that in case the defaulting sale officers do not deposit the recoveries actually found payable by them, necessary steps for initiating departmental/legal action may be taken. A progress report in this behalf may be submitted to the Committee for its consideration.

### [40] 3.1.8 Other points of interest

3.1.8 (a) to (b) \* \* \*

#### (c) No-clearance of bank drafts/cheques

Under the financial rules, every drawing and disbursing officer and officers receiving money on behalf of Government are required to obtain a Consolidated Treasury Receipt (CTR) by the 15th of the following month in respect of all deposits made into the treasury during the month.

Test-check of the CTR register revealed that 5 bank drafts for an aggregate amount of Rs. 4.61 lakhs relating to the period between September 1989 and February 1993 remitted into the banks had not been credited to Government account even as of June 1994. The Director stated (June 1994) that the matter had been taken up with the bank authorities. Further developments had not been intimated as of August 1994.

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

Out of credit for Rs. 4.61 lac to the State Government, the State Bank of India (Treasury Branch), Chandigarh have afforded credit of Rs. 58,000/-. The credit for balance accounts of Rs. 4.03 lac remains outstanding so far. The Regional Manager, State Bank of India, Chandigarh has again been requested on 27-03-96 and 25-10-96 to get the credit expended from the Branch Manager, State Bank of India, (Treasury Branch), Sector 17, Chandigarh). The latest position of each case is as under :—

(i) **Bank Draft No . 292597 dated 17-07-91 for Rs. 19997.00**

A reference was made to the Manager Allahabad Bank Aminabad (Lucknow) on 25-08-96. Reminder was issued on 18-03-97 followed by D. O. reminder issued on 31-07-97.

(ii) **Demand Draft No. 06-28473 dated 22-01-91 for Rs. 295000.00.**

The case was referred to Treasury Officer Chd. on 25-10-96 regarding credit confirmation of the amount of Rs. 295000.00. A reminder was issued on 18-03-97 and D. O. reminder was issued on 30-03-97.

(iii) ***Demand Draft No. 754618 and 174619 dated 5-3-90 for Rs. 71180.00 and Rs. 17817.99 respectively (Rs. 88997.99)***

The matter was referred to the Distt. Treasury Officer Central Treasury Chandigarh on 25-10-96 to credit the amount which have wrongly been credited to Central Treasury. Reminder was issued on 18-3-97 followed by D.O. reminder on 30-7-97. The Distt. Treasury Officer Central Treasury Chandigarh have sought some information vide their letter dated 12-9-97 which have been given on 27-9-97

Therefore, vigorous efforts are being made to get the adjustment of Bank Draft into the Credit of Government.

**3.1.8(c) Non clearance of bank draft/cheques.**

During the course of oral examination, the Committee was informed that legal notices have been issued to the State Bank of India, Treasury Branch, Chandigarh for depositing Rs. 4,03,794.07 as principal and interest of Rs. 5,01,998.50. After hearing the departmental representatives, the Committee recommends that strenuous efforts be made by the department so that the adjustment of the bank draft into the credit of Govt. be made without any further delay. The intimation be sent to the Committee after adjustment of the above said amount.

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PART—II  
(REVENUE RECEIPTS)

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## PROHIBITION AND EXCISE DEPARTMENT

[41] 1.4 *Arrears in revenue*

3. State Excise	1805.89	429.33	Out of Rs. 1805.89 lakhs, demands amounting to Rs. 33.29 lakhs had been certified for recovery as arrears of land revenue. Rs. 901.62 lakhs had been stayed by the courts and demand for Rs. 35.87 lakhs was proposed to be written off. Specific action taken in respect of the remaining arrears of Rs. 835.11 lakhs has not been intimated (August 1994).
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The department, in their written reply, explained the position as under:—

This para is based on the information supplied by this department to Accountant General (Audit) Haryana. Out of Rs. 1805.89 lakhs, Rs. 988.30 lakhs have been recovered upto 1st April, 1996 leaving a balance of Rs. 817.59 lakhs. The reason-wise details of balance arrears of Rs. 817.59 lakhs are as under :—

	(Amount in lakhs)
1. Under stay	320.39
2. Writing off	35.37
3. Inter Distt. defaulters	109.02
4. Inter State defaulters	41.36
5. Instalments	43.45
6. Property attached	60.44
7. Net recoverable	207.56
Total	817.59

### 1.4 State Excise

During the course of oral examination, the Committee was informed that of the total arrears of Rs. 817.59 lakhs, amount of Rs. 33.83 lakhs has been recovered upto 31st December, 1997, leaving a balance of Rs. 773.76 lakhs. The

main reasons for less recovery is due to introduction of prohibition in the state and the entire staff has been deployed on this side to make it success. Moreover, most of the licensees (defaulters) have shifted their business out of the State and for this reason many difficulties are being faced by the District Officers for recovery from them. After hearing the departmental representatives, the Committee recommends that more strenuous efforts be made to recover the balance amount at the earliest.

The Committee further recommends that the balance arrears which is under stay in various Courts be followed regularly so that recovery can be effected within a stipulated period. The Committee also recommends that strict instructions be issued to the concerned Officers at the District headquarters for the recovery of Rs. 95.41 lakhs which is involved to be recovered from Inter District defaulters within a period of three months under intimation to the Committee.

#### [42] 4.1. Results of Audit

Test check records in departmental offices, conducted in audit during the year 1993-94, revealed short/non recovery of excise duty, and entertainment duty amounting to Rs. 776.79 lakhs in 567 cases as follows.

	Number of cases	Amount (In lakhs of Rs.)
State Excise	547	770.33
	* *	**

(a) In the case of State Excise, Excise Department accepted under assessments etc. of Rs. 47.22 lakhs involved in 168 cases, of which 127 cases involving Rs 6.15 lakhs were pointed out in audit during 1993-94 and the rest in earlier years. Of these an amount of Rs 2.07 lakhs in 14 cases had been recovered.

#### 4.2. Low yield of spirit

27/3/96 Under the Punjab Distillery Rules, 1932, as applicable to Haryana yield per quintal of molasses has been prescribed as 36.61 proof litres of rectified spirit against the all India norm of 37.35 proof litres. The Excise and Taxation Commissioner, Haryana, also held (April 1990) in the case of a distillery at Hathin that recovery of 36.61 proof litres of spirit from one quintal of molasses as provided in the Rules was quite correct.

During the audit of the records of Deputy Excise and Taxation Commissioner, Hisar, it was noticed (June 1991) that in a distillery at Hisar 88,81,072.3 proof litres of spirit were manufactured in the year 1990-91 from 2,98,567.35 quintals of molasses as against 1,09,30,551 proof litres recoverable as per the norm laid down in the Rules. The shortfall of 20,49,478.7 proof litres involved loss of excise duty amounting to Rs. 143.46 lakhs.

On this being pointed out (July 1991) in audit, the department issued (June 1992) notice for recovery to the distillery. The excise and Taxation Commissioner further informed in October 1993 that the matter was under consideration with the Government. Further report in the matter has not been received (October 1994).

The case was referred to Government in August 1991; their reply has not been received (October 1994).

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

#### 4.1 Excise

The Audit had raised objections in certain cases during the Audit of 1992-93 and the Inspection Reports were received during November, 1994.

Out of 547 cases 353 cases have been reviewed with the following results :—

No. of Cases	Amount pointed out by AG(A) (In lacs of Rs.)	Result of review
256	14.64	Settled with additional demand.
97	22.27	Not admitted by the Department.

194 cases involving an amount 733.42 lacs are under active consideration of the Department.

#### 4.2 M/s Associated Distilleries Ltd. Hisar (1990-91)

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As a matter of fact the average recovery of spirit out of the molasses distilled depends upon the quality of molasses distilled i.e. upon the fermentable sugar/sugar contents present in the molasses. The molasses received in the distillery during the year was of "B" grade having 40% total reduced sugar contents on average, resulting in low yield of spirit as compared to norms fixed.

The State Government constituted a committee to examine the issue regarding low yield of spirit after studying the law prevailing in the neighbouring states. On the recommendation of the committee the present rule 35 and 37 pertaining to recovery of spirit from molasses have been amended vide notification dated 24th November, 1995, and now the minimum recovery of alcohol has been fixed at 52.5 litre per quintal of fermentable sugar present in molasses consumed for production of alcohol.

##### 4.1. State Excise

During the course of oral examination, the departmental representatives informed the Committee that out of total 194 cases pending as a result of audit (Excise) in the CAG report for the year 1993-94, in which total amount of Rs. 733.42 lakhs is involved, 4 cases relate to low yield of spirit involving an amount of Rs. 627.98 lakhs as detailed below :—

##### 4.2. (a) Low yield of spirit—Rs. 6,27,98,377/- (4 cases)

As per the norm laid down in Rule 35 read with Rule 37 of Punjab Distillery Rules, 1932, the distilleries are required to obtain 36.61 proof litres spirit from one qnts. of molasses whereas the distilleries had been showing low yield. As

a matter of fact average of spirit out of molasses distilled depends upon the quality of molasses distilled i.e. fermentable sugar present in the molasses produced in the state by the Sugar Mills is 'B' grade and this resulted in low yield of spirit as compared to the norms fixed.

The State Government constituted a Committee to examine the issue regarding low yield of spirit after studying the law prevailing in the neighbouring States. On the recommendation of the Committee, the present rules 35 and 37 pertaining to recovery of spirit from molasses have been amended vide notification dated 24th November, 1995.

**(b) Loss of excise duty due to excess wastage (Rs. 38,84,969) (3 cases)**

These cases pertain to Distilleries of Panipat, Yamuna Nagar and Hisar. So far excess wastage in the said distilleries, there is no provision for wastage in the Punjab Distillery Rules, 1932. The Apex Court in the case M/s Modi Distillery Vs. State of U.P. and M/s Sythetic and Chemicals Ltd. Vs. State of U.P. has held that excise duty cannot be charged on the wasted material.

However, all the cases are yet to be decided by the Prohibition Excise Commissioner and the cases stand listed for 28th January, 1998.

**(c) Loss on account of re-auction of vends (Rs. 12,29,202/-) (5 cases)**

Out of 5 cases, in 3 cases, a sum of Rs. 3.80 lakhs is involved in respect of Country Liquor vends of Panipat District. As desired by the audit, the case was referred to the Government for comments. The comments of the Government have not been received so far. One case of re-auction to District Sonipat in which an amount of Rs. 8,08,929/- is involved. This case has been referred to Government for remission. In the remaining case, efforts are being made by the DETC(P), Hisar, to recover outstanding of Rs. 40273/- from the concerned licensee.

**(d) Non/Short recovery of penalty Rs. 3,87,136/- (97 cases)**

Out of 97 cases recovery amounting to Rs. 1,48,900/- in 44 cases has been made. Efforts are being made to recover the balance amount.

**(e) Other-irregularities Rs. 37,34,509/- (8 cases)**

Out of 8 cases, position in 6 cases in which amount of Rs. 3,74,960/- involved was explained to the A.G. (A), Haryana, vide this office-memo No. 3737/x-I, dated 15th May, 1995 in detail but no further observation has been received from the Audit.

**(f) Non/Short recovery of interest Rs. 13,08,970/- (77 cases)**

Out of 77 cases, in 23 cases an amount of Rs. 9,86,540/- stands recovered and for recovery of the balance amount, efforts are being made by the local Officers. Further 22 cases involving an amount of Rs. 2,99,939/- stands dropped by A.G. (A), Haryana, vide his letter No. RAW/S/OR/95-96/0030/ SED/Jagadhri, 101-04, dated the 4th June, 1996. The recovery position is also being reviewed by the Head Office in the Departmental Officer's meeting from time to time.

After hearing the departmental representatives, the Committee recommends that the above-said cases be decided by the Prohibition Excise Commissioner within a period of three months and the decision taken in the matter alongwith the position of recovery be intimated to the Committee accordingly.

The Committee further recommends that the necessary instructions be issued to all the concerned Officers at the District headquarters for the recovery of outstanding amount from the concerned licensee within a period of three months under intimation to the Committee. The Committee also desires that the Department may reconcile with the A.G. office in respect of 97 cases in which an amount of Rs. 22.27 lakhs is involved which has not been admitted by the Department vide their written reply submitted to the Committee. The intimation be sent to the Committee after settling these cases with the A.G. office.

## COMMERCIAL TAXES DEPARTMENT

[43] 1.4 *Arrears in revenue*

As on 31 March 1994, arrears of revenue under the principal heads of revenue, as reported by the departments, were as under :

Heads of revenue	Total arrears	Arrears more than five years old	Remarks
(In lakhs of rupees)			
1. Sales Tax	15151.47	3918.74	Out of Rs. 15151.47 lakhs, demands for Rs. 1399.20 lakhs had been certified for recovery as demands for Rs. 1399.20 lakhs had arrears of land revenue. Rs. Rs. 7574.16 lakhs and Rs. Rs. 232.29 lakhs had been stayed by the courts and other appellate authorities respectively. Rs. 642.17 lakhs were held up due to rectification/review applications and demands for Rs. 725.34 lakhs were proposed to be written off. Specific action taken to recover the remaining amount of Rs. 4578.31 lakhs though called for has not been intimated (August 1994).
2. Taxes on Goods and Passengers )	689.00	64.30	Out of arrears of Rs. 689 lakhs, demands for Rs. 61 lakhs had been certified for recovery as arrears of land revenue Rs. 40 lakhs and Rs. Rs. 116 lakhs had been stayed by the courts and other appellate authorities respectively and demand for Rs. 1 lakh was proposed to be written off. Specific action taken in respect of the remaining arrears of Rs. 471 lakh has not been intimated (August 1994).

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

This para is based on the information supplied by the deptt. to the

Accountant General (Audit) Haryana. Out of total uncollected revenue of Rs. 15151.47 lakhs, Rs. 5887.75 lakhs stands recovered upto 1-4-96 leaving a balance of Rs. 9263.72 lakhs. The reason-wise detail of balance arrears of Rs. 9263.72 lakhs are given below :—

	(Amount in lakhs)
1. Under stay	5737.22
2. Under instalments)	151.96
3. Under liquidation	832.14
4. Writing off	669.19
5. Inter Distt. defaulters	72.50
6. Inter State defaulters	1166.08
7. Property attached	145.20
8. Net recoverable	489.43
Total	<u>9263.72</u>

This para is based on the information supplied by this department to Accountant General (Audit) Haryana. Out of Rs. 689.00 lakhs, Rs. 168.75 lakhs stand recovered upto 1-4-96, leaving a balance of Rs. 520.25. Reason-wise break-up of balance arrears of Rs. 520.25 lakhs are as under :—

	(Amount in lakhs)
1. Under Stay	2.75
2. Writing off	0.61
3. Inter distt. defaulters	0.02
4. Inter State defaulters	9.71
5. Net recoverable	507.16
Total	<u>520.25</u>

#### (i) Sales Tax

During the course of oral examination, the Committee was informed that out of total arrears of Rs. 15151.47 lacs, recovery of Rs. 7945.62 lacs was made upto 31-10-97 leaving a balance of Rs. 7205.85 lacs. After

going through the break-up of the balanced arrears as given by the Department, the Committee recommends that the recovery of balanced amount be expedited under intimation to the Committee.

(ii) P.G.T.

During the course of oral examination, the Committee was informed that balance of Rs.397 30 lacs was yet to be recovered. The Committee, therefore, recommends that concrete steps should be taken by the Department to recover the balance amount within the stipulated period. The Committee further desires that recovery position be intimated to the Committee quarterly.

[44] 1.5 Arrears in assessment

The details of sales tax and passengers and goods tax assessment cases pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and the number of cases pending finalisation at the end of each year during 1989-90 to 1993-94 as furnished by the department are given below .

27/8/2010

Year	Opening balance	Cases due for assessment during the year	Total	Cases finalised during the year	Balance at the close of the year	Percentage of Col. 5 to col. 4
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1989-90	63664	139794	203458	119625	83833	59
1990-91	83833	146018	229851	130392	99459	57
1991-92	99459	160541	260000	149451	110549	58
1992-93	110549	129832	240381	159141	81240	66
1993-94	81240	136493	217733	127235	90498	58

The above table shows the number of pending cases at the beginning of 1989-90 was 63664 which went up to 90498 at the end of 1993-1993-94, registering an increase of 42 per cent while the percentage of finalisation of assessment cases which had gone up to 66 during 1992-93, declined to 58 per cent in 1993-94. The department had, however, taken no effective steps to check the increasing trend in arrear in assessment cases.

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

This para is based on the information supplied by the department for Chapter-I to the Accountant General (Audit) Haryana. In the CAG report for 1993-94, 90498 cases were shown



pending for assessment under Sales Tax and Passenger and Goods Tax. Out of 90498 cases, 80945 cases have been disposed of upto 30-6-96, leaving a balance of 9553 cases. Instructions have been issued to all DETCs to get these cases disposed of by the end of December, 1996.

### 1.5 Arrears in assessment

While examining the departmental representatives orally, the Committee was informed that out of total 90498 cases only 1740 cases are pending for disposal. The departmental representatives assured the Committee that the remaining cases will be settled by the end of January, 1998. The Committee, therefore, desires that intimation be sent to the Committee after deciding the aforesaid cases.

### [45] 1.6 Frauds and evasion of taxes/duties

The details of cases of frauds and evasion of taxes and duties pending at the beginning of the year, number of cases detected by the departmental authorities number of cases in which assessments/investigations were completed and additional demand (including penalties etc.) of axes/duties raised against the dealers during the year and the number of cases pending finalisation at the end of March 1994 as supplied (June and July 1994) by the respective departments, are given as under :

Serial Number	Name of tax/duty	Cases pending as on 31st March 1993	Cases detected during the year 1993-94	Number of cases in which assessment/ investigation completed and additional demand including penalty raised	Amount of demand	Number of cases pending finalisation as on 31st march 1994
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(In lakhs of rupees)						
1.	Sales Tax	195	3017	3066	166.59	146
2.	Passengers and Goods Tax	29	2155	2151	16.66	33
3.	Entertainments Duty and Show Tax	—	3	3	0.04	—
4.	State Excise	—	51	51	0.68	—
5.	Animal Husbandry	1	—	—	0.65	1
6	Stamp Duty and Registration Fees	690	872	1061	63.53	501

## Sales Tax

This para is based on the information supplied by this deptt to Accountant General (A) Haryana Out of 146 pending cases 130 cases have been disposed of by creating a demand of Rs 16.27 lakhs Out of Rs. 16.27 lakhs Rs. 8.72 lakhs stand recovered leaving balance of Rs. 7.55 lakhs. Recovery of Rs. 2.62 lakhs has been stayed by the Sales Tax Tribunal and efforts are being made to effect the balance recovery of Rs. 4.93 lakhs 16 cases are under review and concerned DETCs have been directed to dispose of these cases.

## Passengers & Goods Tax

Out of 33 cases, 32 cases have been disposed of by creating a demand of Rs. 0.20 lakhs which stand recovered. One case is under review and concerned DETCs has been directed to dispose of the case.

### 1.6 Frauds and Evasion of Taxes/duties

#### (i) Sales Tax

At the time of oral examination, the Committee was informed that only 4 cases are yet to be settled. The Committee, therefore, recommends that these 4 cases may also be settled within a period of one month under intimation to the Committee.

#### (ii) P.G.T.

During oral examination, the Committee was informed that only one case of Distt. Rewari is pending and the departmental representatives assured the Committee that it will be settled without any further delay.

### [46] 1.8. Outstanding inspection reports and audit observations

(i) Audit observations on incorrect assessments, short levy of taxes, duties, fees, etc., as also defects in initial records noticed during audit and not settled on the spot are communicated to the Heads of Offices and other departmental authorities through inspection reports. Serious financial irregularities are reported to the Heads of Departments and Government. The Heads of Offices are required to furnish replies to the inspection reports through the respective Heads of Departments within a period of two months.

(ii)	*	*	*	*	*
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(iii)	*	*	*	*	*
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(iv) Department-wise break-up of the inspection reports and

audit observations outstanding as on 30th June 1994 is as follows :

Department	Number of In-spection reports	outstand- ing Audit obser- vations	Amounts of receipts involved  (In crores of rupees)	Years to which observa- tions relate	Number of insp- ection reports to which even first replies had not been received
Revenue	393	648	3.28	1988-89 to 1993-94	13
Excise and Taxation	383	1486	28.92	1987-88 to 1993-94	29
Transport	189	318	0.69	1987-88 to 1993-94	18
Forest	108	302	4.61	1987-88 to 1993-94	4
Other departments	577	1144	14.33	1987-88 to 1993-94	98
Total	1650	3898	51.83		162

The matter was brought to the notice of Government in August 1994; replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (August 1994).

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

The Audit had pointed out this objection during the review of the progress report of the Department.

In this connection, it is submitted that out of the 1650 inspection reports and 3898 audit objections, 383 Inspection Reports and 1486 Audit objections pertains to the Excise and Taxation Department. The Department has since disposed of 44 Inspection reports and 693 Audit objections leaving a balance of 339 Inspection Reports and 793 Audit paras. Out of an amount of Rs. 28.92 crores, an amount of Rs. 0.14 crores has since been recovered. The main reason for outstanding objection is lack of adequate monitoring by the the District Staff. The Dy. Excise and Taxation Commissioners have been issued instructions to dispose of the pending audit inspection reports and paras on top priority basis.

### 1.8 Outstanding Inspection Reports and Audit Observations

The Committee after going through the statement of pending inspection reports/audit observations, observed that progress of the Department, in this respect, is very slow and the Committee, therefore, recommends that necessary instructions may be issued to the various concerned authorities to dispose of pending audit objections of paras within a period of 3 months under intimation to the Committee.

#### [47] 2.1. Results of Audit

Test check of sales tax assessments and other records of 28 units conducted during the year 1993-94, revealed under-assessment of tax of Rs. 610 lakhs in 944 cases, which broadly fall under the following categories :

	Number of cases	Amounts (In lakhs of rupees)
1. Application of incorrect rates of tax	75	63.65
2. Incorrect computation of turnover	103	54.89
3. Under-assessment under the Central Sales Tax Act	59	26.42
4. Interest not charged on non-payment/delayed payment of tax]	85	99.60
5. Non/short levy of penalty	33	52.05
6. Other irregularities	589	313.39
Total	944	610.00

During the course of the year 1993-94, the department accepted under -assessment of Rs 72.59 lakhs involved in 287 cases of which 219 cases involving Rs. 34.98 lakhs had been pointed out in audit during 1993-94 and the rest in earlier years. Of these, an amount of Rs. 15.69 lakhs had been recovered in 192 cases.

The department further supplied information as under :—

The Audit had raised objections in certain cases during the audit of 1992-93. Out of 944 cases, 287 cases have been reviewed with the following results :—

No. of cases	Amount pointed out by audit (in lacs)	Result of review
224	107.16	Settled without any additional demand.
71	39.37	Settled with additional demand.
649	463.47	These cases are under review.
944	610.00	

## 2.1 Results of Audit

The Committee while going through the statement of under-assessment cases, observed that recovery of huge demand is still pending after additional demand from the concerned parties. The Committee, therefore, recommends that some suitable steps be taken by the Department to recover the amount within the stipulated period under intimation to the Committee. The Committee further recommends that some refresher courses may also be made compulsory for the officers/officials who deal with the assessment cases so that they may be conversant with the latest procedure while creating additional demands.

### [48] 2.2. Sales Tax Check Barriers

Sales tax is one of the major sources of revenue of the State. To check evasion of tax, the Haryana General Sales Tax Act, 1973, empowers the State Government to direct the erection of a barrier, at such place or places in the State, as may be notified. Seventy-six sales tax check barriers (STCBs) were functioning in the State prior to their abolition with effect from 15 April 1994.

The main activities of the barriers related to the collection of correct information regarding imports and exports of the goods by dealers in the State and the prompt despatch of this information to the districts concerned for its effective utilisation by the assessing authorities in checking evasion of tax.

A test check conducted between December 1993 and April 1994 of the functioning of eighteen STCBs for the years 1990-91 to 1992-93 revealed the following :

(i) and (ii)                   \*                   \*                   \*                   \*                   \*

(iii) As per manulaised instructions issued in March 1969, the barrier staff was required to check all the vehicles carrying goods, thoroughly and carefully, to ensure that no vehicle crosses the barrier without bills of lading and getting them duly entered in the movement register. Besides, the officer-in-charge was also required to collect information from the octroi post regarding payment of octroi and to check the entries in the movement register.

A dealer of Karnal was importing goods from Delhi without documents and without declaring them at the Kundli entry barrier. He had, however, been paying octroi at the Karnal octroi post. The evasion of tax was not detected by the barrier staff, anti-evasion squad, enforcement wing and the roadside checking staff of the department. The large evasion of tax came to light in June 1993 when the police detained two vehicles at the Gharaunda Police Station. Thereupon, the department collected (July-August 1993) information from the octroi post in respect of 251 vehicles involving import of goods valued at "about Rs. 5 crores". But tax amounting to Rs. 44 lakhs (approximately) and penalty of Rs. 88 lakhs had not been levied as of August 1994.

(iv) The STCBs were also responsible for collection of toll tax under the Punjab Motor Vehicles Taxation Act, 1924, as applicable to Haryana, during the period from August 1991 to August 1993. It was noticed in audit that 4 receipt books (3 at STCB, Kundli, and one at STCB, Garh Mirkpur) relating to toll tax were missing.

On this being pointed out, the department stated (June 1994) that in the case of STCB, Garh Mirkpur, the amount of Rs. 10,000 would be recovered from the defaulting officials and in the case of Kundli, the officials responsible were being called upon to offer their explanations.

(v) Under the provisions of Haryana General Sales Tax Act, 1973, the driver or person-in-charge of the goods carrier entering the State and bound for any place outside the State shall furnish, in duplicate, to the officer-in-charge of the entry barrier, a declaration (ST-39) and obtain from him a copy thereof duly verified. The driver or person-in-charge of the carrier shall deliver within 24 hours the said copy of declaration to the officer-in-charge of the barrier at the exit point, who, after giving the time, date and number of movement register on the said copy, shall return the same to the officer-in-charge of the entry barrier for making a note of it against the original entry. If the driver or person-in-charge of the goods carrier fails to deliver the declaration at the exit barrier, he shall be liable to pay a penalty not exceeding two thousand rupees or twenty per cent of the value of the goods, whichever is higher.

Ninety vehicles entering the State and bound for places outside the State obtained transit slips during the years 1991-92 and 1992-93 from STCBs, G.T Road Ambala, Yamuna Bridge, Bahadurgarh and Jaisinghpur Khera. The vehicles however had not crossed the exit barriers as the copies of these transit slips were not found delivered at the concerned exit barriers and the goods were off-loaded within the State. The value of the taxable goods carried by the aforesaid vehicles worked out to Rs. 142.18 lakhs involving a penalty of Rs. 28.44 lakhs (20 per cent of the value of the goods) which was not levied.

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

**M/s Rajinder Kumar Anil Kumar, Karnal**

The audit had raised the objection in the year 1993.

In this case the DETC, Karnal initiated action regarding collection of information of imports by the culprits, as pointed out by the police in the FIR. The Assessment proceedings under Section 29 were in progress when the dealer filed a writ before the Hon'ble Punjab & Haryana High Court which decided the writ vide orders dt. 5-10-94 dismissing the case with the direction to the Appellant to avail alternative remedy available to him under the Act. The dealer, thus, filed appeal before the Jt.ETC(A) against the orders of Ass-es

sing Authority, regarding assessment proceedings u/s 29 against him. The Appellate Authority upheld the order of Assessing Authority. The dealer further went in appeal before the Sales Tax Tribunal, Haryana who stayed the assessment proceedings till the decision of appeal vide order dated 28-3-95. The matter is still pending before the Sales Tax Tribunal for final decision.

The Audit has pointed out the objection during the audit of STCBs Kundli and Garh Mirkpur.

The Dy. Excise and Taxation Commissioner, Sonapat has been directed to fix the responsibility of the officials for the loss of the toll tax books and initiate disciplinary proceedings against the defaulting officials. Notices to the concerned officials have since been issued and final report shall be furnished after completion of action in this case.

The Audit had raised this objection during the general review

Out of 90 transit slips pointed out by the Audit 76 transit slips have since been verified. As regards, remaining transit slips, it is submitted that the barriers have since been closed in Haryana State w.e.f 15-4-94, thus the verification is not possible because notices have to be issued to the truck owners, to whom the transit slips were issued. For locating the addresses of the truck owners, the vehicles, registration no.s of which are available are required to be stopped which will require continuous watch on the road side round the clock, which is again not possible in absence of the barriers.

## **2.2. Sales Tax Check Barriers**

### **(iii) M/s Rajinder Kumar Anil Kumar, Karnal**

The Committee desires that intimation be sent to the Committee after the case is decided by Sales Tax Tribunal.

(iv) The Committee desires that the final report after finalising the action against the delinquent officers, be sent to the Committee within a period of 3 months.

(v) After hearing the departmental representatives the Committee recommends that efforts be made to verify the remaining transit slips under intimation to the Committee.

### **[49] 2.4. Non-levy of tax**

(a) Under the Haryana General Sales Tax Act, 1973, transfer of property in goods for cash or deferred payment or other valuable consideration or transfer of property in goods (whether as goods or in some other form) involved in the execution of works contract is a sale and accordingly exigible to sales tax. Further, for non payment of tax alongwith the returns, interest is chargeable 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. In addition, penalty not exceeding one and a half times the amount of tax liable to be assessed is also leviable.

(i) A dealer of Faridabad purchased raw material (dyes and chemicals) valued at Rs. 45.86 lakhs without payment of tax and used the same in job work of Rs. 73.93 lakhs during the year 1986-87. The assessing authority, while finalising (January 1988) the assessment, failed to levy tax on these purchases. This resulted in under assessment of tax amounting to Rs. 7,48,504 (tax Rs. 3,74,252 and interest : Rs. 3,74,252).

On this being pointed out (June 1992) in audit the department referred (June 1992) the case to the revisional authority for taking suo moto action. The revisional authority after verification of records, created (November 1992) an additional demand of Rs. 7.71 lakhs inclusive of interest of Rs. 3.97 lakhs. The department further intimated (June 1994) that a penalty of Rs. 1 lakh under Section 47 of the Act *ibid* had also been imposed upon the dealer in January 1993. The dealer had, however, filed a civil writ petition in the High Court of the Punjab and Haryana against the orders of the revisional authority and the case was still pending in the Hon'ble High Court.

The case was reported to the Government in March 1994; their reply has not been received (October 1994).

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

**M/s K.K. Kohli & Bros. Faridabad (East)-A.Y. 86-87**

The audit had raised objection in June, 1992 and the case was immediately referred to the Revisional Authority for suo-moto action. The Revisional Authority decided the case in November, 1992. The dealer being aggrieved with the orders of the Revisional Authority, filed civil writ petition No. 6690/93 with the Punjab and Haryana High Court. The Hon'ble Court stayed the recovery. Now the case is pending in High Court.

## **2.4 Non Levy of tax**

**(i) M/s K.K. Kohli & Bros., Faridabad (East)-A.Y. 86-87**

The Committee desires that intimation be sent to the Committee after the case is decided by the Hon'ble Punjab & Haryana High Court.

## **[50] 2.5. Short levy of purchases tax**

(a) Under the Haryana General Sales Tax Act, 1973, tax on purchase of goods, which did not suffer any tax earlier, from within the State is leviable at the stage of their last purchase provided the manufactured goods are disposed of otherwise than by way of sale.



Further, for non payment of tax alongwith the returns, interest is also chargeable 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. In addition, penalty not exceeding one and a half times the amount of tax is also leviable.

During the course of audit of offices of the Deputy Excise and Taxation Commissioners, Faridabad, Jagadhri, Kurukshetra and Panipat, it was noticed that four dealers purchased goods valued at Rs. 177.54 lakhs during the years 1985-86 to 1990-91 without payment of tax and used them in the manufacture of tax free and taxable goods for being transferred to their branches outside the State. The assessing authorities while finalising the assessments (between October 1990 and April 1993) erroneously determined the purchase value at Rs. 62.51 lakhs instead of Rs. 177.54 lakhs. This resulted in short levy of tax of Rs. 9.41 lakhs and interest of Rs. 63,635.

On this being pointed out (between November 1991 and December 1993), the revisional authorities, to whom the cases were referred for suo moto action, created demand of Rs. 8,89,067 tax : Rs. 8,43,724. interest : Rs. 41,343 and penalty : Rs 4,000). Details are as follows :

Sr. No.	Name of Office	Assessment year	Value of goods/material used in goods transferred	Value determined by assessing authority	Tax short assessed	Interest	Remarks
1	2	3	4	5	6	7	8
			(In lakhs of rupees)		(In rupees)		
1.	D.E.T.C. Faridabad	1987-88	147.00	58.00	7.84	—	Demand of Rs. 7,83,438 created during September 1994.
2.	D.E.T.C. Jagadhri	1988-89	10.97	—	0.97	—	Case referred (April 1994) for suo moto action.
3.	D.E.T.C. Kurukshetra	1988-89 1989-90 1990-91	10.53	—	0 42	22,447 13,042	(i) Demand created (tax : Rs. 42,133, interest : Rs. 13,042)

1	9	3	4	5	6	7	8
							(ii) Demand for Rs. 22,447 yet to be raised (June 1994)
4.	D.E.T.C. Panipat	1985-86	9.04	4.51	0.18	28,146	Demand created (Tax : Rs. 18,153, interest : Rs. 28,301 and penalty : Rs. 4,000).
	Total		177.54	62.51	9.41	63,635	

(b) Under the provisions of Haryana General Sales Tax Act, 1973, tax on sale of paddy when purchased within the State is leviable at the point of last purchase in the State. Further, for short payment of tax, the dealer is liable to pay interest at one per cent per month for the first month and at one and a half per cent per month thereafter.

During the audit of Deputy Excise and Taxation Commissioner, Panipat, it was noticed (December 1993) that a dealer of Panipat had purchased paddy valued at Rs. 177.37 lakhs from within and outside the State of Haryana during the year 1986-87 but the assessing authority while finalising (February 1993) the assessment of the dealer for that year, erroneously valued the purchases of paddy from outside the State at Rs. 107.75 lakhs as claimed by the dealer and allowed deduction of this amount from his turnover instead of the actual value of such purchases of Rs. 20.35 lakhs. The incorrect deduction resulted in short assessment of purchase tax of Rs. 3.50 lakhs and interest of Rs. 3.65 lakhs.

On this being pointed out (December 1993) in audit, the department referred (February 1994) the case to the revisional authority for taking suo moto action. Further report has not been received (October 1994).

The matter was reported to the Government in April 1994; their reply has not been received (October 1994).

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

#### 1. M/s Eicher Tractors Ltd : Faridabad—A.Y. 1987-88

The Audit had raised the objection in this case in November, 1991, and the case was referred to the Revisional Authority for *suo moto* action immediately. The Revisional Authority decided the case on 25-8-93 and created additional demand

of Rs. 15,32,171 (including interest & penalty). Against the orders, the dealer filed a review application before the Revisional Authority against the levy of interest. The Revisional Authority reduced the additional demand to Rs 7,83,438 by withdrawing the levy of interest. The assessee filed an appeal before the Sales Tax Tribunal and got the orders of the Revisional Authority quashed. The Department has now filed a review before the Sales Tax Tribunal u/s 41 of the HGST Act, 1973 on 22-2-95. The same is still pending with the Tribunal.

**M/s Kundan Rice and Oil Mills, Panipat—A.Y. 1986-87**

The Audit had raised the objection in this case in December, 1993.

As a result of Audit objection, the case was referred to the Revisional Authority for *suo-moto* action. The Revisional Authority created an additional demand of Rs. 10,23,555 vide orders dt. 31-3-95. Out of the said demand a sum of Rs. 1073 have since been recovered and the balance recovery of Rs. 10,22,482 has been stayed by Hon'ble Supreme Court of India vide orders dt. 4-1-96 in SLP No. 28432/95.

**2.5—Short Levy of Purchase Tax**

**(a) 1. M/s Eicher Tractors Ltd., Faridabad—A.Y. 1987-88**

The Committee desires that intimation be sent to the Committee after the case is decided by the Tribunal.

**(b) M/s Kundan Rice Mill & Oil Mill, Panipat—A.Y. 86-87**

The Committee desires that intimation be sent to the Committee after the case is decided by the Hon'ble Supreme Court.

**[51] 2.10. *Non/Short levy of interest and penalty***

Under the Haryana General Sales Tax Act, 1973, and the Central Sales Tax Act, 1956, a dealer is required to pay the full amount of tax due from him according to his returns required to be submitted by the prescribed dates. In the event of default, the dealer is liable to pay interest on the amount of tax due at one per cent per month for the first month and at one and a half per cent per month thereafter over the period of default. Further, for failure to pay the tax due according to the returns, the prescribed authority may, after affording the dealer a reasonable opportunity of being heard, 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) During the audit of the records of Deputy Excise and Taxation Commissioner, Gurgaon, it was noticed (February 1994) that the

revisional authority, Gurgaon, while deciding (February 1990) the *suo moto* case of a dealer of Dharuhera (Rewari) had rejected branch transfers valued at Rs. 213.85 lakhs for the years 1981-82 to 1983-84 and treated the transfers as inter-State sales and created an additional demand of tax of Rs. 21.38 lakhs. The revisional authority also levied interest of Rs. 2.57 lakhs for non payment of tax alongwith the returns but the amount of interest actually worked out to Rs. 25.60 lakhs. The mistake in calculation resulted in short levy of interest of Rs. Rs.23.03 lakhs. Besides, it was also contemplated in the assessment orders that penal action under Section 48 would be taken but no such action had been taken so far (October 1994).

This was pointed out to the Deputy Excise and Taxation Commissioner, Rewari, in April 1994. Report on action taken has not been received (October 1994).

The case was reported to Government in April 1994; their reply has not been received (October 1994)

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

**M/s J.B. Paper Mills (P) Ltd., Dharuhera, A.Y. 1981-82**

The audit had raised the objection in April 1994 regarding short levy of interest and Penal action u/s 48 on the basis of cases decided by the Revisional Authority in *suo-motu* during Feb., 1990. In these cases no interest is leviable in view of the judgement of Hon'ble Supreme Court of India in the case of M/s J.K. Synthetics (94 STC488). Since no suppression of Sales/Purchases was detected, penal action u/s 48 was not called for. The firm had gone into liquidation and the claim has already been lodged with official liquidator on 29-5-96. No recovery has yet been received from him. Recovery proceedings were initiated against the sureties also. One surety has obtained stay from Hon'ble Delhi High Court vide order dt. 19-11-91, and the other surety has also obtained stay from civil court, F. bad. The cases are still pending in respective courts

**2.10 Non/Short Levy of Interest and Penalty**

**(i) M/s J.B. Paper Mills (P) Ltd., Dharuhera—A.Y. 1981-82**

The Committee desires that efforts be made to get the stay vacated from the respective courts and decision of the courts be intimated to the Committee accordingly.

**[52] 4.1. Results of Audit**

Test check of records in departmental offices, conducted in audit during the year 1993-94, revealed short/non-recovery of excise duty, taxes on vehicles and entertainments duty amounting to Rs. 790.58

lakhs in 1040 cases, as follows :

	Number of cases	Amount (In lakhs of rupees)
Taxes on Vehicles	473	13.79
Entertainments duty and Show tax	20	6.46

During the course of the year 1993-94 :

(a) \* \* \* \* \*

(b) In the case of Taxes on Motor Vehicles, the Transport Department accepted under-assessments, etc. of Rs. 5.34 lakhs involved in 212 cases of which 68 cases involving Rs. 2.79 lakhs had been pointed out in audit during 1993-94 and the rest in earlier years. Of these, an amount of Rs. 37,965 in 17 cases had been recovered.

(c) In the case of Entertainments duty and Show tax, the department accepted under-assessments, etc. of Rs. 9.73 lakhs involved in 7 cases of which 6 cases involving Rs. 3.50 lakhs had been pointed out in audit during 1993-94 and the rest in earlier years. Of these, an amount of Rs. 70,000 in three cases had been recovered.

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

#### Entertainment Duty

The Audit had raised objections in certain cases during the Audit of 1992-93 and the Inspection Reports were received during the same year. Out of 20 cases, 19 cases have been reviewed with the following results :—

No. of cases	Amount pointed out by the Audit (Rs. in lacs)	Result of review
19	6.06	settled with additional demand

Only one case involving an amount of Rs. 0.40 lacs is under review.

The Audit had raised the objection during the review for the year 1992-93.

Out of the additional demand of Rs. 9.73 lacs an amount of Rs. 3.30 lacs has since been recovered. In one case of Fbd (W) recovery of Rs. 6.23 lacs has been stayed by the Hon'ble Pb. and Hr. High Court in C.W.P. No. 8744/1993. Sincere efforts are being made to recover the balance arrear of Rs.0.20 lacs.

#### **4.1 Results of Audit**

##### **(b) Entertainment Duty**

During the course of oral examination, the Committee was informed that only one case which relates to D.E.T.C. Rewari of M/s Milan Video House, Kosli for the recovery of Rs. 40,000 of entertainment duty, is pending for decision. The Committee, therefore, recommends that the said case be decided within a period of 3 months and intimation be sent to the Committee.

(c) The Committee desires that intimation be sent to the Committee after recovering the balanced amount of Rs. 20,000 in the instant case.

## APPENDIX

Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government is yet to take final decision

Sr. No.	Name of Department	Paragraph	Brief Subject
1	2	3	4
<b>6th report</b>			
1.	Industries	8 (Sub para 1 to 6, 12, 13)	Investments.
<b>7th report</b>			
2.	P.W.D. (B&R)	33	Payment of work done.
<b>9th report</b>			
3.	Industries	5(2)	Credit facilities for development of small industries.
<b>11th report</b>			
4.	Welfare of SC&BC	26	Loan for Social Welfare.
<b>14th report</b>			
5.	Controller of Stores	16	Purchase of Cotton Yarn.
<b>15th report</b>			
6.	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers.
<b>16th report</b>			
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).
<b>18th report</b>			
8.	Co-operation	39	Co-operative Consumer Stores.
9.	Revenue	44	Under-valuation of immovable property.
<b>19th report</b>			
10.	Public Relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra).
11.	Co operation	25 (ii)	Co-opertive Consumers stores.

1	2	3	4
12.	Agriculture	28	Social conservation and water management works.
13.	Excise and Taxation	40	Loss of duty on excess wastage.
14.	Transport	45 (a)	Short levy of token tax due to incorrect classification of vehicle.
21st report			
15.	P.W.D. (Public Health)	12	Outstanding Recoveries against contractor.
16.	Irrigation	14	Excess payment to contractor.
17.	Irrigation	15	Outstanding Recoveries against contractor.
18.	Irrigation	23	Arrears of water rates for supply of water for Irrigation /non irrigation purpose.
19.	Revenue	25	Result of Audit.
20.	Revenue	27	Incorrect classification of settlement deed as deed of declaration of trust.
21.	Excise and Taxation	29	Incorrect deductions.
22.	Excise and Taxation	30	Short levy of purchase Tax.
22nd report			
23.	Industries	10 (ii)	Industrial Estate.
24.	Co-operation	16	Co-operative Consumer stores.
25.	Food & Supply	17	Haryana State Federation of Consumers Co operative Wholesale Store Limited, Chandigarh.
26.	Irrigation	18	Remodelling & Lining of the Hansi branch.
27.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement.
28.	Agriculture	29 (5&6)	Alleged mis-appropriation of cost and stores.
29.	Revenue	39 (6 ii), 8)	Land holding tax.
30.	Revenue	40	Non-levy of registration fee.
31.	Excise and taxation	52	Loss of duty on excess wastage in bottling operation.



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32.	Excise and Taxation	53	Loss of duty on excess storage wastage.
33.	Excise and Taxation	54	Shortfall in duty.
34.	Excise and Taxation	56	Recovery due from contractor.
<b>23rd report</b>			
35.	Irrigation	29	Avoidable loss.
36.	Irrigation	31	Shortages.
37.	Co-operation	34	Co-operative Consumer Stores.
38.	Food & Supplies	35	Haryana State Federation of Consumer, Co-operative wholesale Stores Limited Chandigarh.
39.	Revenue	40	Undervaluation of immovable property.
40.	Excise and Taxation	47	Uncollected Revenue.
41.	Excise and Taxation	55	Result of test audit in general.
42.	Excise and Taxation	57	Failure to initiate section to recover the licence fee.
43.	Excise and Taxation.	58	Loss of duty on excess storage wastage.
44.	Excise and Taxation	59	Loss of duty excess wastage in bottling operation.
<b>25th report</b>			
45.	Co-operation	5	Co-operative Consumer Stores.
46.	Colonization	9	Encroachment of Land.
47.	Colonization	11	Recoveries from plot holders.
48.	Food and Supplies	15	Abnormal shortage /quality cuts on damaged wheat stocks.
49.	Transport	18	Theft of cash.
50.	Education	30	Embezzlement.
51.	Fisheries	31	Development of Fisheries.
52.	Irrigation	34	Pandit Jawahar Lal Nehru Lift Irrigation Scheme.
53.	Irrigation	36	New Tajewala Barrage at Hathnikund.
54.	Excise and Taxation	54	Un-collected revenue.
55.	Excise and Taxation	58	Incorrect computation of tax on interstate sales.

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56.	Excise and Taxation	67	Irregular allowance for wastage.
57.	Excise and Taxation	68	Interest not recovered.
58.	Excise and Taxation	69	Failure to enforce licence conditions.
<b>26th report</b>			
59.	Printing and Stationery	3	Loss due to fire.
60.	Revenue	10	Gratuations relief for crops/houses damaged.
61.	Irrigation	21	Defective Execution of earth work.
62.	Irrigation	22	Faulty measurement of work resulting in over payments.
63.	Transport	33 Sub Para (5&6)	Fabrication of Bus 'bodies.
64.	Transport	38	Irregular grant of exemption from Motor Vehicles Tax.
65.	Revenue	40	Short recovery of stamps duty and registration fees due under valuation of immovable property.
66.	Revenue	41	Short levy due to mistake in computation.
67.	Excise and Taxation	49	Uncollected revenue.
68.	Excise and Taxation	55 (Food corp., Karnal)	Interest not charged.
69.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms.
70.	Excise and Taxation	63	Non-recovery of licence fee and interest.
<b>28th report</b>			
71.	Education	5	Irregularities on release/utilisation of grant.
72.	Irrigation	10	Masani Barrage Project.
73.	Irrigation	11	Excess payment.
74.	PWD (B&R)	14	Shortage of Steel.
75.	Printing and Stationery	22	Stationery Branch.

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76.	Printing and Stationery	23	Printing and issue of forms (Form Branch).
77.	Police	26	Over-payment of daily allowance.
78.	Industrial Training	28	Avoidable expenditure.
79.	Development	29	National Rural Employment Programme.
80.	Development	30	Selection of works.
81.	Development	32	Irregular release of subsidy.
82.	Excise and Taxation	41	Registration of dealers under Sale Tax Act.
83.	Excise and Taxation	44	Non-recovery of licence fee and interest.
84.	Excise and Taxation	45	Interest not charged.
85.	Revenue	52	Non-recovery of stamp duty.
<b>29th report</b>			
86.	Forest	8	Afforestation, Social Forestry & (including Rural fuel wood plantation) and farm forestry.
87.	Irrigation	13	Major and medium irrigation projects.
88.	Irrigation	14	Financial results of Irrigation projects.
89.	Irrigation	15	Modernisation of existing channel.
90.	Irrigation	16	Water logging.
91.	Irrigation	17	Excess issue of coal.
92.	Irrigation	18	Injudicious purchase.
93.	Irrigation	21	Misappropriation.
94.	Irrigation	22	Miscellaneous Public Works Advances.
95.	Development	32	Forestry sector.
96.	Excise and Taxation	46	Application of incorrect rate of tax.
97.	Excise and Taxation	47	Non-levy of penalty.
98.	Excise and Taxation.	50	Non-levy of penalty.
99.	Excise and Taxation	51	Non-levy of penalty.
100.	Excise and Taxation	52	Short levy of surcharge.
101.	Excise and Taxation	53	Interest not charged.

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102.	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion.
103.	Transport	58	Result of Audit.
104.	Revenue	62	Results of Audit.
105.	Revenue	63	Under valuation of Immovable property.
106.	Revenue	64	Under valuation of immovable property.
107.	Revenue	65	Non-levy of stamp duty.
108.	Revenue	66	Mistake in calculations.
109.	Revenue	67	Misclassification of instruments.
110.	Revenue	68	Short levy of line on late Presentation of documents for registration.
111.	Revenue	69	Other topics of interest.
112.	Revenue	70	Arrears of stamp duty and registration fee.
113.	Mines & Geology	71	Result of Audit.
<b>32nd report</b>			
114.	Industries	4	Development of Small Scale Industries.
115.	Industries	6	Outstanding recovery of loan.
116.	Industries	7	Shortages of power connection.
117.	Industries	8	Alleged Misappropriation.
118.	Irrigation	9	Un-authorised purchases.
119.	Irrigation	10	Excess measurements.
120.	Irrigation	11	Injudicious purchase of machinery.
121.	Irrigation	12	Misappropriation.
122.	Irrigation	13	Wasteful expenditure on purchase of tractors.
123.	Irrigation	14	Recovery due from contractors.
124.	Irrigation	15	Remodelling of Chandeni Drain.
125.	Irrigation	16	Wasteful expenditure.
126.	Irrigation	18	Shortage of material.
127.	Irrigation	19	Misappopriation of lime.
128.	Irrigation	20	Shortage of stores.

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129.	Animal Husbandry	21	Expansion of existing and opening of new Intensive Care-Cattle Development Project (ICDP).
130.	Revenue	25	Inadmissible payment.
131.	P.W.D.(B&R)	30	Avoidable extra expenditure.
132.	Town & Country Planning (HUDA)	34	Non-Completion of reservoir.
133.	Town & Country Planning (HUDA)	35	Alleged embezzlement.
139.	Town & Country Planning (HUDA)	36	Loss due to defective storage of cement.
135.	Public Health	41	Urban water supply and sewerage scheme.
136.	Public Health	42	Commencement of work without sanction.
137.	Public Health	43	Extra expenditure due to defective work.
138.	Public Health	44	Inflated measurements.
139.	Mines & Geology	47	Uncollected revenue.
140.	Mines & Geology	48	Result of Audit.
141.	Mines & Geology	49	Short recovery or non-recovery of royalty on bricks.
142.	Irrigation	54	Non-recovery of lease money.
143.	Agriculture	56	Embezzlement of licence fee money
144.	Revenue	59	Result of Audit.
145.	Revenue	60	Incorrect application of rates.
146.	Excise and Taxation	61	Uncollected revenue.
147.	Excise and Taxation	69	Irregular levy of tax at concessional rate.
148.	Excise and Taxation	71	Interest, penalty not charged.
149.	Excise and Taxation	74	Non-levy or short levy on duty on excess wastage.
150.	Excise and Taxation.	76	Non-pursuance of demand drafts.
34th report			
151.	Animal Husbandry	3	Special employment to educated Youngmen/Women in rural area through Dairy Development.
152.	Animal Husbandry	4	Non-recovery of dues.

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153.	Development and Panchayats	6	Overdue recoveries.
154.	Development and Panchayats	7	Loss of plants.
155.	Development and Panchayats	8	Irregular and wasteful expenditure on books.
156.	Industries	11	Misutilisation and excise release blockage of funds
157.	Industries	12	Review of the functioning of a few Industries.
158.	Transport	21	Record of old spring leaves.
159.	Home	25	Absence of area/Project approach.
1 6 0	Revenue	29	Land reforms.
1 6 1	Revenue	30	Compensation to landowners.
1 6 2	Revenue	31	Consolidation of holdings.
163.	Irrigation	32	Payment for work not measured.
164.	Irrigation	33	Substandard Work.
165.	Irrigation	34	Injudicious purchase.
166.	Irrigation	35	Idle/Under utilised draglines.
167.	Irrigation	36	Defective lining.
168.	Irrigation	37	Extra liability due to retendering.
169.	Irrigation	39	Recovery due from contractor.
170.	Irrigation	41	Defective/fictitious-earth work.
171.	Irrigation	42	Shortages.
172.	Irrigation	43	Shortage of material.
173.	Food & Supplies	45	Avoidable payment of interest.
174.	Food & Supplies	47	Under Storage of wheat.
175.	Local Government	49	Slum clearances and economically weaker sections housing programme.
1 7 6	Social Welfare	51	Haryana State Social Welfare Advisory Board.
1 7 7	Medical and Health	53	Embezzlement of fees and other dues.
1 7 8	Industries.	54	Interest not charged.
1 7 9	Mines and Geology	55	Uncollected revenue.

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180	Mines and Geology	56	Non-recovery/short recovery of royalty.
181	Mines and Geology	58	Short assessment of royalty.
182	Excise and Taxation	62	Assessment in arrears.
183	Excise and Taxation	63	Uncollected revenue.
184	Excise and Taxation	64	Internal control and internal audit.
185	Excise and Taxation	66	Short/levy/non-levy of purchase tax.
186	Excise and Taxation	67	Irregular grant of exemption.
187	Excise and Taxation	68	Incorrect computation of taxable turnover.
188.	Excise and Taxation.	69	Non-levy of penalty.
189.	Excise and Taxation.	70	Non-filing the quarterly returns.
190.	Irrigation	71	Receipts from Canal waters.
191.	Irrigation	72	Arrears of Revenue.
192.	Irrigation	73	Short recovery of water charges.
193.	Irrigation	74	Non-raising of demand.
194.	Irrigation	75	Revenue forgone due to non - levy of special rate.
195.	Chief Electrical Inspector	78	Uncollected revenue.
196.	Chief Electrical Inspector	80	Arrears of electricity duty.
197.	Chief Electrical Inspector	81	Reconciliation of treasury receipts.
198.	Public Health	82	Results of Audit.
199	Revenue	83	Results of Audit.
200	Revenue	84	Under valuation of immovable property.
201	Revenue	85	Incorrect exemption.
202	Revenue	86	Short recovery of stamp duty on exchange deeds.
<b>36th report</b>			
203	Local Self Government	3	Non - recovery of Government dues.
204	Printing and Stationery.	5	Idle printing machine.
205	Printing and Stationery.	6	Infructuous expenditure.
206	Food and Supplies	7	Loss due to storage of wheat.
207	Food and Supplies	8	Avoidable incidence of interest.

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208	Transport	9	Irregular payment of overtime allowance.
209	Social Welfare	10	Integrated child development services.
210	Social Welfare	11	Rescue Homes, rehabilitation Centres and other similar Institutions.
211	Industries	13	Non-utilization of loan.
212	Town and Country planning	15	Implementation of Projects.
213	Town and Country Planning	16	Loss on auction of a shop-cum-flat.
214	Industrial Training.	17	Implementation of the Apprentice Act, 1961.
215	Revenue	18	Inadmissible gratuitous relief.
216	Civil Aviation	19	Procurement operation and maintenance of aircraft.
217	Public Health	20	Acceptance of sub-standard material.
218	Public Health	21	Recovery due from a contractor.
219	Public Health	23	Construction of a water tank.
220	Public Health	24	Misappropriation of stores.
221	Haryana State Lotteries	25	Suspended misappropriation of Government money.
222	P.W.D.(B&R)	26	Defective work.
223	P.W.D.(B&R)	27	Extra liability due to retendering.
224	P.W.D.(B&R)	29	Excess measurement.
225	P.W.D.(B&R)	31	Mis-appropriation of stores.
226	Agriculture	33	Assistance to small and marginal farmers for increasing agricultural production.
227	Agriculture	34	Evaluation.
228	Irrigation	35	Western Jamuna Canal Augmentation Project.
229	Irrigation	36	Non recovery of Government dues of Rs. 0.70 lakh.
230	Irrigation	37	Shortage of stores.
231	Irrigation	38	Unfruitful expenditure.
232	Irrigation	39	Outstanding Audit observations.
233	Power(HSEB)	41	Acquisition of land.
234	Revenue	42	Outstanding Inspection report.



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235.	Revenue	43	Results of Audit.
236	Revenue	44	Under-valuation of immovable property.
237	Revenue	45	Irregular grant of exemption.
238.	Revenue	46	Misclassification of Instruments.
239.	Revenue	47	Mistakes in calculation.
240.	Revenue	48	Uncollected Revenue.
241.	Mines and Geology	50	Non-recovery/Short-recovery of royalty.
242.	P.W.D.(B&R)	51	Results of Audit.
243.	Excise and Taxation	52	Assessments in arrears.
244.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
245.	Excise and Taxation	54	Uncollected Revenue (State-Excise).
246.	Excise and Taxation	55	Uncollected Revenue (Sales Tax).
247.	Excise and Taxation	57	Outstanding inspection reports.
248.	Excise and Taxation	58	Result of Audit (Sales Tax)
249.	Excise and Taxation	59	Short levy/Non levy of purchase tax.
250.	Excise and Taxation	62	Incorrect computation of taxable turnover.
251.	Excise and Taxation	63	Incorrect grant of exemption.
252.	Excise and Taxation	65	Exemptions allowed in assessment.
253.	Excise and Taxation	67	Results of Audit.
<b>38th report</b>			
254.	Social Welfare	1	Education and Welfare of the Handicapped.
255.	Social Welfare	2	Scholarships (Centre) to Physically handicapped.
256.	Social Welfare	3	Un-employment allowance to Physically handicapped student.
257.	Social Welfare	4	Handicapped persons pension scheme.
258.	Social Welfare	5	Monitoring and Evaluation.
259.	Public Relations	7	Field Publicity.
260.	Public Relations	8	Publicity campaign regarding Welfare of Scheduled Castes (SC).
261.	Public Relations	9	Rural Community Theatre Unit (RCTU).

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262	Public Relations	10	Promotion of Cultural Activities.
263	Public Relations	11	Monitoring and evaluation.
264	Science and Technology	12	Integrated Rural Energy Programme.
265	Science and Technology	13	Physical Progress.
266	Science and Technology	14	Distribution/accountal of solar cookers.
267	Science and Technology	15	Infructuous expenditure in installation of wind mills.
268	Science and Technology	16	Evaluation and monitoring.
269	Medical and Health	18	Stores and Stock.
270	Labour and Employment	19	Inadmissible payments.
271	Revenue	21	Irregular drawal of Grautitious relief.
272	Revenue	22	Embezzlement.
273	Agriculture	25	Outstanding Inspection reports and paragraphs.
274	Irrigation	26	Sub standard execution of work.
275	Irrigation	27	Under utilisation of Crawler Tractors.
276	Irrigation	28	Excess payment of Earth Work.
277	Irrigation	29	Misappropriation of cement.
278	Irrigation	30	Introductory.
279	Irrigation	31	Reserve stock limit.
280	Irrigation	32	Surplus material.
281	Irrigation	33	Tools and Plants/T & P returns.
282	Irrigation	34	Other point of interest.
283	Irrigation	35	Shortage/Misappropriation of material
284	Irrigation	36	Shortage of tiles.
285	P.W.D.(B&R)	38	Outstanding Inspection reports and paragraphs.
286	Public Health	39	Rural Water Supply Scheme.
287	Public Health	40	Extra expenditure due to defective execution of work.
288	Public Health	41	Excess payment to the contractor.
289	Public Health	42	Excess Payment.

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290	Public Health.	43	Shortage of material.
291	Town & Country Planning (HUDA)	44	Allotment of work without tenders.
292	Town and Country Planning (HUDA)	45	Acceptance of tender at higher rate.
293	Sports	46	Excess payment of grants.
294	Food and Supplies	47	Extra Expenditure.
295	Mines and Geology	49	Outstanding inspection reports.
296	Mines and Geology	50	Results of Audit.
297	Mines and Geology	51	Receipts from Mines and Minerals.
298	Mines and Geology	52	Non-realisation / Short realisation of royalty.
299	Mines and Geology	53	Non-realisation/Short realisation of contract money.
300	Mines and Geology	54	Non-recovery of price on mineral illegally extracted.
301	Agriculture	55	Results of Audit.
302	Agriculture	56	Interest not charged on Belated payments.
303	P.W.D. (B&R)	57	Outstanding inspection reports.
304	P.W.D.(B&R)	58	Recovery of rent in respect of Government residential buildings.
305	P.W.D.(B&R)	59	Irregular allotment of accommodation to private persons and non-recovery of rent at market rates.
306	P.W.D. (B&R)	60	Short recovery of rent.
307	P. W.D.(B&R)	61	Arrers of rent.
308	P.W.D.(B&R)	62	Sale of empty bitumens drums.
309	Revenue	63	Outstanding inspection reports.
310	Revenue	64	Results of Audit.
311	Revenue	65	Under-valuation of immovable property.
312	Revenue	66	Evasion of stamp duty and registration fee as a result of mis-classification of Instruments.
313	Revenue	67	Evasion of stamp duty and registration fee through power of attorney.
314	Revenue	68	Misclassification of Instruments.

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315	Revenue	69	Recovery at the instance of audit.
316	Excise and Taxation	70	Assessments in arrears.
317	Excise and Taxation	71	Uncollected revenue.
318	Excise and Taxation	72	Outstanding inspection reports.
319	Excise and Taxation	73	Results of Audit.
320	Excise and Taxation	74	Registration of dealers under the Sales Tax Act.
321	Excise and Taxation	75	Delay in disposal of applications for registration.
322	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court.
323	Excise and Taxation	77	Non-levy/Short levy of purchase tax.
324	Excise and Taxation	78	Evasion of tax.
325	Excise and Taxation	79	Suppression of purchases.
326	Excise and Taxation	80	Incorrect deduction from turnover.
327	Excise and Taxation	81	Irregular stay of tax and interest.
328	Excise and Taxation	82	Non-levy of penalty.
329	Excise and Taxation	83	Non-production of assessment/files.
330	Excise and Taxation	84	Results of Audit.
331	Excise and Taxation	85	Non-recovery of loss on re-auction of Vend.
332	Excise and Taxation	86	Loss of Excise duty due to issue of forged permit.
333	Excise and Taxation	87	Recovery at the instance of Audit.
334	Excise and Taxation	88	Non-levy of goods tax on vehicles belonging to State Govt. Undertakings.
<b>40th report</b>			
335	Agriculture	3	Monitoring and evaluation.
336	Agriculture	4	General.
337	Industrial Training	5	Employment of Successful trainees.
338	Industrial Training	6	Injudicious purchases.
339	Industrial Training	7	Inventory.
340	Industrial Training	8	Insufficient Funds for Training Expenses.
341	Industrial Training	9	Monitoring.

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342. Fisheries	10	Introduction.
343. Fisheries	11	Loan accounts.
344. Fisheries	12	Remodelling of fish seed farm.
345. Fisheries	13	Other points of interest.
346. Fisheries	14	Intensive Fisheries Development Programme.
347. Home	15	Non-recovery of telephone calls.
348. Home	16	Outstanding Inspection Reports.
349. Town and Country Planning	18	Non-realization of service chargers.
350. Town and Country Planning	19	Delay in land acquisition cases.
351. Town and Country Planning	20	Extra contractual payment.
352. Hospitality	21	Government dues on account of credit sales.
353. Irrigation	22	Modernisation of Existing Channels Phase II.
354. Irrigation	23	Extra expenditure.
355. Irrigation	24	Avoidable expenditure on cartage and transportation.
356. Irrigation	25	Injudicious purchases.
357. Irrigation	26	Idle operational staff.
358. Irrigation	27	Avoidable expenditure on Sirsa Branch.
359. Irrigation	28	Extra expenditure due to delay in finalisation of drawings/tenders.
360. Irrigation	29	Outstanding Inspection Reports and Paragraphs.
361. Irrigation	30	Shortage of material.
362. Public Health	32	Irregular expenditure.
363. Public Health	33	Stores and stock.
364. Public Health	34	Injudicious purchases.
365. Public Health	35	Shortage of material.
366. P.W.D.(B&R)	37	Extra payment due to incorrect entries in Measurement Books.
367. P.W.D.(B&R)	38	Avoidable extra expenditure due to retendering.
368. P.W.D.(B&R)	39	Extra expenditure due to splitting up of work.

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369	Co-operation.	41	Embezzlement.
370	Printing and Stationery	42	Loss on purchase of paper.
371	Transport	44	Avoidable payment of Wages.
372	Food and Supplies	46	Avoidable shifting of foodgrains.
373	Food and Supplies	47	Damage caused to wheat in Storage.
374	Supplies and Disposals.	48	Extra expenditure.
373	Supplies and Disposals	49	Extra expenditure due to retendering.
374	Excise and Taxation	50	Assessment in arrears.
375	Excise and Taxation	51	Uncollected Revenue (SALES TAX).
376	Excise and Taxation	52	Uncollected Revenue (State Excise)
377	Excise and Taxation	53	Outstanding Inspection Reports.
378	Excise and Taxation	54	Results of Audit.
379	Excise and Taxation	55	Delay in re-assessment of remand cases.
380	Excise and Taxation	56	Cases not initiated/initiated late.
382	Excise and Taxation	57	Appeals entertained without deposit of tax.
383	Excise and Taxation	58	Refund allowed prior to decision to remand cases.
384	Excise and Taxation	59	Other interesting cases.
385	and Taxation	60	Loss of revenue due to delays in assessment and demand of tax.
386	Excise and Taxation	61	Application of incorrect rate of tax.
387	Excise and Taxation	62	Non-levy of tax.
388	Excise and Taxation	63	Incorrect computation of taxable turnover.
389	Excise and Taxation	64	Irregular grant of exemption.
390	Excise and Taxation	65	Loss of revenue due to deficiency in Sales Tax Law.
392	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers.
393	Excise and Taxation	67	Suppression of purchases.
394	Excise and Taxation	68	Non-levy of penalty.
395	Excise and Taxation	69	Interest not charged.
396	Excise and Taxation	70	Results of Audit (State Excise).

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397	Excise and Taxation	71	Result of Audit (Entertainment duty of show tax).
398	Excise and Taxation	72	Working of distilleries and Breweries.
399	Excise and Taxation	73	Loss of excise duty due to redistillation.
400	Excise and Taxation	74	Non-recovery of duty on Wastage in excess of norms.
401	Excise and Taxation	75	Interest not charged.
402	Excise and Taxation	76	Non-Short recovery of entertainment duty
403	Transport	77	Outstanding Inspection Reports.
404	Transport	78	Results of Audit.
405	Revenue	79	Outstanding Inspection Reports.
406	Revenue	80	Results of Audit.
407	Revenue	81	Under valuation of immovable property.
408	Revenue	82	Misclassification of instruments
409	Revenue	83	Irregular grant of exemption.
410	Revenue	84	Non/Short levy of stamp duty.
411	Revenue	85	Irregular registration of supplementary deeds.
412	Revenue	86	Short levy of stamp duty on lease deeds.
413	Revenue	87	Evasion of stamp duty and registration fee through power of attorney.
414	Revenue	88	Arrears of stamp duty and Registration fee.
415	Revenue	89	Embezzlement of Government revenue.
416	Revenue	90	Results of Audit.
417	Revenue	91	Non-recovery of departmental charges.
418	Revenue	92	Non-recovery of rent of Nazool Land.
419	Mines and Beology	93	Outstanding Inspection Reports.
420	Mines and Geology	94	Results of Audit.
421	Cooperaton	95	Results of Audit.
42nd Report			
422	Irrigation	3	Command Area Development Programme.

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423	Irrigation	4	Utilisation of created irrigation potential.
424	Irrigation	5	Land levelling and shaping.
425	Irrigation	6	Activities not implemented.
426	Irrigation	7	Purchase of bricks at higher rates
427	Irrigation	8	Extra expenditure due to injudicious decision.
428	Irrigation	9	Excess payment of earthwork.
429	Irrigation	10	Extra expenditure due to defective living.
430	Irrigation	11	Excess payment due to inflated/fictitious measurements.
431	Irrigation	12	Loss due to sub-standard material.
432	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme.
433	Irrigation	14	Development of Irrigation.
434	Irrigation	15	Arrears of revenue.
435	Irrigation	16	Unfruitful expenditure due to non-energisation of pumps.
436	Irrigation	17	Defective execution of work.
437	Irrigation	18	Avoidable payment of interest.
438	Irrigation	19	Unfruitful expenditure on a incomplete work.
439	Transport	20	General.
440	Transport	21	Avoidable payment of wages.
441	Transport	22	Non-operation of machines for want of trained operators.
442	Transport	23	General.
443	Transport	24	Loss due to non-recovery of sales tax.
444	Transport	25	General.
445	Transport	26	Performance of minibuses.
446	Printing and Stationery	28	Short recovery due to defective tender condition.
447	Local Bodies	29	Utilisation Certificates.
448	Local Bodies	30	Unspent balances of grants paid to Local Bodies.



1	2	3	4
449	Local Bodies	31	Bodies and Authorities substantially financed by Government grants and loans.
450	Local Bodies	32	Financial Assistance to Local Bodies and Others.
451	Local Bodies	33	Unspent balances of grants paid to Local Bodies.
452	Local Bodies	34	Financial Assistance to Local Bodies and Others.
453	Agriculture	35	General.
154	Agriculture	36	Strengthening of Agricultural Extension and Administration in Haryana.
455	Agriculture	37	Training.
456	Agriculture	38	Unfruitful expenditure on idle equipment.
457	Agriculture	39	General.
458	Agriculture	40	Proforma Accounts.
459	Labour and Employment	41	Outstanding Inspection Reports/ Paragraphs.
460	Food and Supplies	42	Loss due to negligence.
461	Animal Husbandry	43	Special Livestock Breeding Programme.
462	Animal Husbandry	44	Inputs and Services.
463	Animal Husbandry	45	Other points.
464	Home	46	Idle sawing machines.
465	Home	47	Injudicious manufacture of Tatp.
466	Home	48	Nugatory expenditure due to non-working of computers.
467	Home	49	Unfruitful expenditure.
468	Home	50	Non-disposal of condemned vehicles.
469	Home	51	Manufacture of surplus goods.
470	Public Health	52	Funding Pattern.
471	Public Health	53	Targets and achievements.
472	Public Health	54	Arrears due from municipalities.
473	Public Health	55	Other points.
474	Public Health	57	Unfruitful expenditure.

1	2	3	4
475	Public Health	60	Inflated/fictitious measurements.
476	Public Health	61	Outstanding Inspection Reports and Paragraphs.
477	Public Health	62	Wasteful expenditure on purchase and repair of rig.
478	Public Health	63	Infructuous expenditure on abandoned work.
479	P.W.D.(B&R)	64	Extra liability/expenditure due to defective allotment of work.
480	P.W.D.(B&R)	66	Stores and Stock.
481	P.W.D.(B&R)	67	Priced Stores Ledger.
482	P.W.D.(B&R)	68	Reserve Stock Limit.
483	P.W.D.(B&R)	69	Storage Charges.
484	P.W.D.(B&R)	70	Pilferage of material.
485	P.W.D.(B&R)	71	Shortage of Tools and Plant.
486	P.W.D.(B&R)	72	Fictitious stock adjustments.
487	P.W.D.(B&R)	73	Irregular purchase of material at higher rates.
488	P.W.D.(B&R)	74	Sub-standard execution of work.
489	P.W.D.(B&R)	76	Outstanding Inspection Reports.
490	P.W.D.(B&R)	77	Working of Mechanical Wing.
491	P.W.D.(B&R)	79	Unfruitful Expenditure.
492	P.W.D.(B&R)	80	Extra expenditure.
493	P.W.D.(B&R)	81	Outstanding audit observations.
494	Education	82	Fraudulent drawal of Leave Travel Concession.
495	Education	83	Excess payment of leave travel concession claims.
496	Education	84	Operation Blackboard.
497	Education	85	Loss due to failure to enforce tender conditions.
498	Education	86	Non-return of material.
499	Social Welfare	87	Loss of interest.
500	Social Welfare	88	Outstanding Inspection Reports.
501	Medical and Health	89	Provision of Infrastructures.
502	Medical and Health	90	Use of vaccines and vaccine wastage.

1	2	3	4
503	Medical and Health	91	Conversion of exsisting rural dispensaries into PHCs.
504	Medical and Health	92	Short supply of Medicines.
505	Medical and Health	93	Misappropriation of stores.
506	Cooperation	94	Irregular release of subsidy.
507	Cooperation	95	Outstanding Inspection Reports/ Paragraphs.
508	Medical and Health	96	Frauds and evasions of taxes.
509	Medical and Health	97	Misappropriation of Government revenue.
510	Cooperation	98	Outstanding Inspection Reportx.
511	Cooperation	99	Results of Audit.
512	Cooperation	100	Short recovery of audit fee.
513	Revenue	101	Outstanding Inspection Reports.
514	Revenue	102	Land Revenue.
515	Revenue	103	Results of Audit.
516	Revenue	104	Irregular exemption of stamp duty.
517	Revenue	105	Short levy of ttamp duty on lease deed.
518	Revenue	106	Recovery at the instance of Audit.
519	Excise and Taxation	107	Assessments in arrears.
520	Excise and Taxation	108	Uncollected Revenue.
521	Excise and Taxation	109	Frauds and evasions of taxes.
522	Excise and Taxation	110	Outstanding Inspection Reports.
523	Excise and Taxation	111	Results of Audit.
524	Excise and Taxation	112	Details of appeals pending on 31-3-90.
525	Excise and Taxation	113	Delay in taking up of appeal cases.
526	Excise and Taxation	114	Delay in finalisation of follow up action on cases remanded by the Appellate Authorities.
527	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities.
528	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax.
529	Excise and Taxation	117	Cancellation of registration certificate.

1	2	3	4
530 .	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment.
531 .	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties.
532	Excise and Taxation	120	Irregular grant of exemption certificate.
533	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings.
534 .	Excise and Taxation	122	Other interesting cases.
535	Excise and Taxation	123	Evasion of tax.
536	Excise and Taxation	124	Non-levy of tax on incidental charges.
537	Excise and Taxation	125	Application of incorrect rate of tax.
538	Excise and Taxation	126	Non-short levy of interest.
539	Excise and Taxation	127	Results of Audit.
540	Excise and Taxation	128	State Excise Duty.
541	Excise and Taxation	129	Loss of revenue due to re-auction vends.
542	Excise and Taxation	130	Short recovery of composite fee.
543	Excise and Taxation	131	Non-recovery of license fee and interest.
544	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends.
545	Excise and Taxation	133	Interest not recovered.
546	Excise and Taxation	134	Non-recovery of penalties.
547	Excise and Taxation	135	Assessments in arrears.
548	Excise and Taxation	136	Uncollected Revenue.
549	Excise and Taxation	137	Frauds and evasions of taxes.
550	Excise and Taxation	138	Results of Audit.
551	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non-manufacturers.
552	Excise and Taxation	140	Under assessment due to short/non-levy of purchase tax.
553	Excise and Taxation	141	Under assessment due to excess rebate.
554	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction.

1	2	3	4
555	Excise and Taxation	143	Interest not charged
556	Excise and Taxation	144	Short levy of penalty
557	Excise and Taxation	145	Results of Audit.

#### 44th Report

558	Public Health	3	Sub-standard execution of work.
559	Public Health	4	Recovery due from contractor
	Public Health	5	Stores and Stock
	Public Health	6	Surplus materials
562	Public Health	7	Injudicious purchase
563	Public Health	8	Excess issue of materials
564	Irrigation	9	Defective lining resulting in non-utilisation of assets
565	Irrigation	10	Unfruitful expenditure on incomplete works
566	Irrigation	11	Extra expenditure due to defective lining
567	Irrigation	12	Surplus materials
568	Irrigation	13	Tools and plant returns
569	Irrigation	14	Unnecessary purchase
570	Irrigation	15	Blocking of funds
571	Irrigation	16	Loss due to excess procurement of cement
572	Irrigation	17	Shortage of T & P articles
573	Irrigation	18	Extra expenditure due to change in design
574	Irrigation	19	Outstanding inspection reports
575	Labour and Employment	20	Cost of sub-standard medicines not recovered
576	Social Welfare	21	Old Age pension
577	Social Welfare	22	Targets and achievements
578	Social Welfare	23	Payment of pension to ineligible persons
579	Social Welfare	24	Outstanding amount of undelivered money orders with postal authorities
580	Social Welfare	25	Evaluation
581	Social Welfare	26	Liberation of scavengers
582	Medical and Health	27	Family Welfare programme including India Population Project
583	Medical and Health	28	Audio Visual Equipment
584	Supplies and Disposals	29	Avoidable extra expenditure
585	Local Government and Housing	30	Nehru Rozgar Yojna

1	2	3	4
586	Local Government and Housing	31	Highlights
587	Local Government and Housing	32	Financial outlay and expenditure
588	Local Government and Housing	33	Scheme of Employment thorough Housing and Shelter Upgradation (SHASU)
589	Industrial Training and Vocational Education	34	Non-utilisation of equipment
590	Rural Development	35	Non-recovery of subsidy misutilist
591	Rural Development	36	Integrated Rural Development Program
592	Rural Development	37	TRYSEM
593	Town and Countary Planning	38	Unfruitful Expenditure
594	Town and Countary Planning	39	National Capital Region
595	Town and Countary Planning	40	Utilisation of Central assistance
596	Town and Countary Planning	41	Functioning of State planning cell
597	Town and Countary Planning	42	Idle investment
598	Town and Countary Planning	43	Avoidable payment of interest
599	Printing and Stationery	44	Avoidable extra expenditure of bus tickets
600	Printing and Stationery	45	Extra expenditure
601	Revenue	46	Mewat Development Board
602	Sports and Youth Welfare	47	Embezzlement of funds
603	Mines and Geology	48	Uncollected Revenue
604	Mines and Geology	49	Outstanding Inspection Reports
605	Mines and Geology	50	Results of Audit
606	Mines and Geology	51	Short recovery of royalty and interest
607	Mines and Geology	52	Loss of revenue due to defective execution of lease deed
608	Mines and Geology	53	Short Calculation of interest
609	Mines and Geology	54	Uncollected Revenue
610	Mines and Geology	55	Outstanding Inspection Reports
611	Mines and Geology	56	Results of audit
612	Mines and Geology	57	Non-realisation of contract money and interest
613	Mines and Geology	58	Non-recovery of deadrent and interest thereon
614	Mines and Geology	59	Interest not charged on delayed payments
615	Mines and Geology	60	Uncollected revenue
616	Mines and Geology	61	Result of Audit
617	Mines and Geology	62	Non-recovery of contract money and interest

	2	3	4
8	Mines and Geology	63	Non-recovery/Short recovery of royalty
9	Mines and Geology	64	Interest not charged
0	Revenue	65	Uncollected Revenue
1	Revenue	66	Uncollected Revenue (Land Revenue)
2	Revenue	67	Results of Audit
3	Revenue	68	Short levy of Stamp duty
4	Revenue	69	Under valuation of immovable property
5	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
6	Revenue	71	Irregular exemption of Stamp duty and registration fee
7	Revenue	72	Misclassification of instruments
8	Revenue	73	Uncollected Revenue
9	Revenue	74	Uncollected revenue (Land Revenue)
0	Revenue	75	Fraud and evasion of taxes
1	Revenue	76	Results of Audit
2	Revenue	77	Short recovery of stamp duty on mortgage deed
3	Revenue	78	Irregular exemption of stamp duty
4	Revenue	79	Short realisation of stamp duty due to undervaluation of Immovable Property
5	Revenue	80	Misclassification of instruments
6	Transport	81	Outstanding Inspection Reports
7	Transport	82	Results of Audit
8	Transport	83	Review on taxes on motor vehicles
9	Transport	84	Non-deposit of token tax
0	Transport	85	Irregular grant of exemption
1	Transport	86	Non-realisation of Trade Certificate fee
2	Transport	87	Short realisation of registration fee/transfer of ownership fee/hire purchase agreement fee
3	Transport	88	Short realisation of permit/counter-signature fee
4	Transport	89	Results of Audit
5	Transport	90	Short realisation of Permit/Counter signature fee
6	Prohibition, Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
7	Prohibition, Excise and Taxation	92	Uncollected Revenue (Sales Tax)
8	Prohibition, Excise and Taxation	93	Frauds and evasion of taxes

1	2	3	4
649	Prohibition, Excise and Taxation	94	Results of Audit
650	Prohibition, Excise and Taxation	95	Non-registration of dealers liable to registration
651	Prohibition, Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
652	Prohibition, Excise and Taxation	97	Non-observance of departmental instructions regarding cross-verifications
653	Prohibition, Excise and Taxation	98	Non-observance of prescribed procedures for receipt and issue of declaration forms
654	Prohibition, Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
655	Prohibition, Excise and Taxation	100	Irregular deduction allowed against stolen for
656	Prohibition, Excise and Taxation	101	Incorrect deduction from turnover
657	Prohibition, Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
658	Prohibition, Excise and Taxation	103	Other points of interest
659	Prohibition, Excise and Taxation	104	Non-short levy of purchase tax
660	Prohibition, Excise and Taxation	105	Evasion of tax due to suppression of purchases
661	Prohibition, Excise and Taxation	106	Results of Audit
662	Prohibition, Excise and Taxation	107	Interest not charged
663	Agriculture	108	Non-recovery of purchase tax and interest
664	Agriculture	109	Non-recovery of purchase tax and interest
665	Agriculture	110	Interest not charged on belated payments
666	Power	111	Uncollected Revenue
667	Power	112	Irregular grant of exemption
668	Power	113	Shortfall in statutory inspection of electrical installations
669	Power	114	Non-Reconciliation of treasury receipts
670	Irrigation	115	Trend of revenue
671	Irrigation	116	Under-assessment of water charges
672	Irrigation	117	Irregular remission of special charges
673	Irrigation	118	Non-plantation and improper maintenance of gardens non-levy of penalty