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for Return

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HARYANA VIDHAN SABHA  
**PUBLIC ACCOUNTS COMMITTEE**  
( 2005 -2006 )  
( FIFTY EIGHTH REPORT )  
**REPORT**

ON THE  
REPORT OF THE  
Comptroller and Auditor General  
of India for the year ended  
31st March 1999  
( Revenue Receipts )

and  
31st March, 2000  
( Civil and Revenue Receipts )



*(Presented to the House on 24th March, 2006)*

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HARYANA VIDHAN SABHA SECRETARIAT  
CHANDIGARH  
2006

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2005 2006)**

**CHAIRPERSON**

- 1 Shri S S Surjewala

**MEMBERS**

- \*2 Shri Paramvir Singh
- 3 Shri Mahender Partap Singh
- 4 Prof Chhattar Pal Singh
- 5 Maj Nirpender Singh Sangwan
- 6 Shri Bhupinder
- 7 Rao Yadvender Singh
- 8 Shri Tejender Pal Singh
- 9 Dr Sushil Kumar Indora

**SECRETARIAT**

- 1 Shri Sumit Kumar Secretary
- 2 Shri Kuldip Singh Joint Secretary

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Resigned from the membership of the Committee w e f 14th January 2006 (F N ) on his appointment as Parliamentary Secretary



## INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Fifty Eighth Report on the Report of the Comptroller and Auditor General of India for the year ended 31st March 1999 (Revenue Receipts) and 31st March 2000 (Civil and Revenue Receipts)

2 The Report of the Comptroller and Auditor General of India for the year ended 31st March 1999 (Revenue Receipts) was laid on the Table of the House on 16th March 2000 The Report of the Comptroller and Auditor General of India for the year ended 31st March 2000 (Civil and Revenue Receipts) were laid on the Table of the House on 13th March 2001

3 The Public Accounts Committee for the year 2004 2005 consisting of eight members including the Chairperson was nominated by the Hon ble Speaker on 7th April 2004 in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 10th February 2004 to nominate the members of the Public Accounts Committee for the year 2004 2005 Shri Puran Singh Dabra was appointed Chairperson of the Committee The Committee held 59 sittings during its tenure The Committee examined partly the Report of the Comptroller and Auditor General of India for the year 1998 1999 (Revenue Receipts) and 1999 2000 (Civil) and also conducted the oral examination of the representatives of the various Departments The Committee could not finalize its Report on the basis of examination conducted by the Committee for want of time due to declaration of General Election of the Assembly Therefore the Committee could not present any Report

4 The Committee for the year 2005 2006 during its tenure examined partly the Report of the Comptroller and Auditor General of India for the years ended 31st March 2000 (Civil) and 31st March 2000 (Revenue Receipts) and also conducted the oral examination of the representatives of the concerned Departments The Committee made on the spot study visit/ inspection in order to make an assessment of the actual working of various schemes/projects of Medical and Health Urban Development Environment and Forests Departments The Committee also undertaken the unfinished work of the previous Committee and partly drafted and finalized the Report on the basis of observations made and examination conducted by the previous Committee

The Public Accounts Committee in its meeting held on 15-4-2004 under rule 231 (9) has appointed its two Sub-Committees from amongst its Members to identify/ scrutinise all the paras of remaining Reports of the C&A G of India which involves huge financial irregularities and requires to be discussed by the whole Committee However the Sub Committee(B) has scrutinised/identified important paras of the C&A G Report for the year 2000 2001 (Civil)

5 The Committee considered and approved this Report at their sitting held on 13th March 2006

(vi)

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

7 The Committee place on record their appreciation rendered to them by the Accountant General (Audit) Haryana and his officers. The Committee would like to express their thanks to the Financial Commissioner and Principal Secretary to Government Haryana Finance Department and other officers of 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

8 The Committee 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 13th March 2006

S S SURJEWALA  
CHAIRPERSON

(vii)

REPORT

**GENERAL**

1 The present Committee consisting of nine Members including the Chairperson was nominated by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 21st March 2005 to nominate the Members of the Committee on Public Accounts for the year 2005 2006 on 5th April 2005

2 The Committee held 52 meetings in all at Chandigarh and other places upto 13th March 2006

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**Part-I 1998-99 (Civil)**

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[3]

## FOREST DEPARTMENT

### 3.3 Rehabilitation of common lands in Aravalli Hills

#### Highlights

The project aimed at reversal of trend of environmental degradation reestablishing a productive vegetation cover checking soil losses etc in Aravalli Hills areas through plantations. To assess the impact of the project the department entrusted the job to Haryana State Remote Sensing Application Centre Hisar in July 1993. Its interim report (final report not yet submitted) revealed that green cover in project area had increased. However review study revealed that employment generation for local villagers reflected as 126.79 lakh labour days was fictitious as wages paid to labourers through muster rolls involved substantial amount of suspected payments and recoveries from forest guards/foresters ordered in large number of cases by divisional forest officers. Project involved huge cost escalation due to unauthorised plantations excess raising of seedlings etc.

#### 3.3.1 Introduction

To rehabilitate and protect the environment through restoration of vegetation cover in the semi arid Aravalli Hills the project Rehabilitation of common lands in Aravalli Hills was started in the year 1990-91. The project was to be completed over a period of 8 years i.e. by the end of 1997-98. During first 6 years of the project plantation programmes were to be implemented and during the last 2 years only maintenance works (for plantations done in the 5th and 6th years) were to be carried out. Project cost was to be financed by European Economic Community (EEC) and the State Government in the ratio of 82 : 18. However the project was extended (May 1998) by EEC upto October 1999. The project envisaged coverage of 33,000 hectare area (revised to 37,600 hectare in 1997-98) under plantation in the common lands of 293 villages (294 villages from the year 1997-98) bordering Aravalli hills in 5 districts namely Bhiwani Faridabad Gurgaon Mohindergarh and Rewari with the objectives to

- (a) provide a vegetative cover in the quickest possible time in the denuded hills by afforestation and closure. Also it would reverse the trend of environmental degradation check the soil losses and improve the fertility and productivity of the land.
- (b) provide employment generation of 122 lakh labour days during the project period.
- (c) meet the basic needs of the local population in terms of firewood small timber and fodder consistent with the maintenance of ecological balance and locality factors.
- (d) build village level institutions to protect vegetation and ensure regulated management of the rehabilitated area and
- (e) ensure restoration of ecologically healthy environment.

#### 3.3.2 Organisational set up

The Principal Chief Conservator of Forests (PCCF) Haryana was overall incharge of the project who was assisted by a Chief Conservator of Forests (Project Director) Aravalli.

Project Gurgaon a Conservator of Forests 7 Deputy Conservators of Forests/Divisional Forest Officers The project was implemented in 5 operational divisions

### 3 3 3 Audit coverage

Records relating to the implementation of the project during 1992 93 to 1998 99 were test checked (January 1999 to March 1999) in the offices of the Principal Chief Conservator of Forests Haryana Panchkula Chief Conservator of Forests (Project Director) Aravalli Project Gurgaon Conservator of Forests (Monitoring and Evaluation and Publicity and Extension Divisions) in 3\* of the 5\*\* operational divisions Monitoring and Evaluation Division and Publicity and Extension Division Important points noticed during test check are mentioned in the succeeding paragraphs

### 3 3 4 Funding pattern

(i) The total project cost was Rs 48 16 crore (revised to Rs 120 99 crore) and is shared between the EEC and State Government in the ratio of 82 : 18 Financial assistance from EEC was to meet expenditure on plantation works purchase of vehicles/machinery/equipment construction of forest guard houses training publicity external technical assistance whereas the State Government was to meet expenditure on project staff operation and maintenance of vehicles/equipment office expenses tax on procurement of supplies for the project and construction of buildings (other than forest guard houses) and maintenance of buildings

#### (ii) Budget provision and expenditure

Year wise budget provisions aggregated Rs 98 56 crore for the project during the period 1992 99 while actual expenditure was Rs 96 10 crore

#### (iii) Huge cost escalation

The project cost was initially pegged at Rs 48 16 crore (July 1989) it was revised to Rs 120 99 crore in 1998 99 Actual expenditure upto March 1999 was Rs 107 65 crore \*\*\* Project time frame had been extended by two years i.e. upto October 1999 This huge increase in the cost (Rs 59 49 crore) contributed by rise in staff cost (Rs 10 40 crore) and plantations (Rs 42 44 crore) - details vide Appendix - XIII State's own share of expenditure was Rs 3 20 crore upto 1998 99 and constituted 21 55 per cent of the upto date expenditure till that time against their share of 18 per cent

Audit analysis revealed that of the total increase Rs 42 44 crore were accounted for by plantation works This consisted of coverage of 5 050 hectare unauthorised area i.e. more area than the targeted area (Rs 9 03 crore) raising of 1 07 crore excess seedlings (Rs 1 57 crore) unauthorised plantation over 7 750 90 hectare area not even identified under the project (Rs 4 56 crore) rise in wage rates of labourers (Rs 16 37 crore) etc

Audit scrutiny further revealed that activities such as incentive to Village Forest Committees gully plugging water harvesting etc costing Rs 4 93 crore not envisaged for plantation works were also taken up The Chief Conservator of Forests (CCF) Aravalli Project

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Aravalli Project (AP) Divisions Charkhi Dadri Ferozepur Jhirka and Sohna

Charkhi Dadri Ferozepur Jhirka Narnaul Rewari and Sohna

\*\* Departmental figure

Gurgaon attributed (March 1999) the increase in expenditure to implementation of the Pay Commission recommendations increase in daily wage rate. However the reply was silent on the unauthorised plantation extra raising of seedlings etc. It was also seen that a revised work plan was got approved from EEC since devaluation of rupee vis a vis ECU \*yielded more local currency funds

*(iv) Financial aid commitment by European Economic Community*

Government of India (GOI) and European Economic Community (EEC) executed an agreement in March 1990 wherein EEC committed financial assistance (grant) of 2.32 crore ECUs for the project. Of this 1.99 crore ECU were released by EEC and balance of 0.33 crore ECU was yet to be released (March 1999)

**3.3.5 Programme implementation**

For rehabilitation and protection of environment through restoration of vegetation cover in Aravalli Hills areas the project comprised the following main components/activities

- I Villages based micro planning
- II Plantation works including nursery works

A scrutiny of records relating to implementation of these activities revealed the following deficiencies/irregularities

**3.3.5.1 Village based micro-planning not done**

Project Appraisal Report envisaged micro planning involving identification of villages areas for plantation fuel/fodder source in the area execution of agreements with the village Panchayats for plantation works etc. for all the 293 villages covered under the project and recommended that no physical work should be undertaken without involving the village house holds. It was however noticed that the department executed plantation works and other rehabilitation works at a cost of Rs. 15.54 crore in 187 villages upto 1992-93 but micro plans were not prepared for any of these villages. Demarcation and mapping of the planted areas was not done. Though village forest committees (VFCs) were formed during 1993-94 community involvement/participation was negligible during 1993-97 due to infrequent meetings and insufficient contact with VFCs by DFO/SDO/RO

No Reasons for undertaking plantation works without preparation of micro plans were furnished by CCF (AP) Gurgaon (April 1999)

**3.3.5.2 Plantation**

Main objectives of the project was to reverse trend of environmental degradation through plantation over 33,000 hectare (revised to 37,600 hectare in 1997-98). The project also envisaged employment generation for 122 lakh labour days (10 per cent to be women). During 1991-92 to 1998-99 38,050 hectare area was covered in plantation which included 7,750.90 hectare of unauthorised plantation not covered by project

**A Nurseries**

For the purpose of plantations all the 5 operational divisions raised seedlings in departmental nurseries during 1990-91 to 1998-99. A scrutiny of records revealed following irregularities

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Currency of European Economic Community (EEC)

*(ii) Extra expenditure due to unjustified excess raising of seedlings*

According to the norms\* for plantation and replacement of plants a total of 6.16 crore seedlings were required for new plantation on 28,346 hectare area and for replacement of plants for 20,310 hectare area during 1992-99. These norms included 15 per cent extra seedlings (on the stock of seedlings as on June) on account of damage of seedlings in nurseries and transportation. Against this 7.23 crore seedlings were raised in the 5 divisions resulting in excess raising of 1.07 crore seedlings involving an extra expenditure of Rs. 157\*\* crore as indicated below

Division	Requirement of total seedlings	Seedlings actually raised	Seedlings raised in excess	Extra expenditure involved in raising seedlings
	(Seedlings in lakh)		(Rupees in lakh)	
Charkhi Dadn	106.05	126.03	19.98	29.31
Ferozepur Jhirka	155.42	191.61	36.19	53.09
Namaul	113.36	127.98	14.62	21.45
Rewari	85.54	86.70	1.16	1.70
Sohna	155.13	190.39	35.26	51.73
Total	615.50	722.71	107.21	157.28

While the PCCF confirmed (September 1998) that left over stock of seedlings in nurseries became unusable due to overgrowth, non-provision of budget for the maintenance of left over stock of seedlings in nurseries and overgrowth of plants, Chief Conservator of Forests (CCF) AP Gurgaon defended (June 1998) raising of extra seedlings since extra seedlings 35 to 40 per cent - were required on account of damage of seedlings and transportation. Reply of the CCF AP was not tenable since the norms very clearly stipulate (as confirmed by his superior authority PCCF) that only 15 per cent were to be added to the per hectare requirement of seedlings on account of wastage in nurseries and transportation from nurseries to plantation sites on the stock of June each year. The cushion of 35-40 per cent extra seedlings claimed by the CCF AP Gurgaon included the mortality factor for seedlings in nurseries during the period of their growth (from sowing stage to the stage of full growth) i.e. upto June each year. After the seedlings attained full growth in nurseries and were ready for plantation at plantation sites, mortality stage was over and thereafter only 15 per cent extra was to be added to the per hectare requirement of seedlings on account of wastage in nurseries and transportation from nurseries to plantation sites. Since audit figures quoted above represent the stock of seedlings

As per norms 1,100 seedlings were required for plantation in one hectare whereas norms for replacement of plants not survived in 1st, 2nd and 3rd year after plantation year were 40 per cent, 20 per cent and 10 per cent upto 1995-96 and 30 per cent, 20 per cent and 10 per cent from 1996-97 onwards.

At an average rate of Rs. 1,467 per seedling



as of June each year (stage of full growth after mortality period was already over) the contention of the CCF AP Gurgaon was not correct. Further non provision of any budget for maintenance of any extra stock clearly reflects the policy that no extra seedlings should be raised beyond what was permitted through norms. The case calls for full investigation and fixing of responsibility by the Government.

*(ii) Irregular raising of acacia tortilis seedlings*

Chief Conservator of Forests AP Gurgaon issued instructions (January 1995) to the operational divisions that acacia tortilis seedlings should in no circumstances be raised in nurseries as the wood obtained from these trees were termite prone and were not liked by the general public. Disregarding these instructions all the 5 divisions raised 15.09 lakh Acacia tortilis seedlings at a cost of Rs. 26.36 lakh during 1996-97 to 1998-99. No reasons for raising acacia tortilis seedlings in violation of departmental instructions were given even though called for (March 1999).

*(iii) Excess consumption of polythene bags in nurseries*

In the 3 divisions test checked against requirement of 807.72 # quintals of polythene bags at the rate of 4 kg per hectare from July 1993 to June 1998 consumption of polythene bags was shown as 935.45 ## quintals which was excess by 127.73 quintals valuing Rs. 10.40 lakh. Divisional Forest Officers AP Divisions Sohna and Charkhi Dadri stated (February-March 1999) that excess consumption of polythene bags was due to wastage during earth filling and availability of less number of polythene bags per kg due to thicker polythene gauge. Replies of the DFOs were not supported with any documentary evidence. However during audit it was noticed that the stock registers maintained by the divisions did not indicate the gauge of polythene being thicker than required. The contention of DFOs was therefore not valid.

## **B Plantation coverage**

A scrutiny of records in 3\* divisions (test checked) revealed irregularities in coverage as given below

- (i) Rehabilitation works (plantation sowing of grass construction of stone walls etc) over an area of 4,220<sup>1</sup> hectare were done during 1991-92 to 1998-99 at a cost of Rs. 2.44 crore (average cost) in 56 villages not identified under the project.

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# AP Divisions Sohna 309.88 quintals Ferozepur Jhirka 301.86 quintals and Charkhi Dadri 195.98 quintals

## AP Divisions Sohna 379.02 quintals Ferozepur Jhirka 349.21 quintals and Charkhi Dadri 207.23 quintals

Aravalli Project Divisions Charkhi Dadri Ferozepur Jhirka and Sohna

<sup>1</sup> AP Divisions Charkhi Dadri 558.5 hectare cost Rs. 0.34 crore Ferozepur Jhirka 2304 hectare cost Rs. 1.33 crore and Sohna 1357 hectare cost Rs. 0.77 crore

- (ii) According to land use classification indicated in Appendix V of the project document prepared by Haryana Government only hilly areas were identified for taking up land treatment works. In 35 villages identified under the project against 2 995 50 hectare hilly area available for land treatment works 5 349 hectare area was shown as covered in the progress reports by the concerned divisions during 1991-92 to 1998-99. Irregular coverage of 2 353 50<sup>1</sup> hectare non hilly area entailed an expenditure of Rs 1 41 crore.
- (iii) In 18 villages common lands available for plantation was shown as 2 889 hectare in the land use classification of the project area against which the concerned divisions showed over 4 066 90 hectare area as being covered in their Progress Reports during 1991-92 to 1998-99. Excess plantation over an area of 1 177 90<sup>2</sup> hectare entailed an expenditure of Rs 0 71 crore. DFOs (AP) Divisions Ferozepur Jhirka and Charkhi Dadri stated (February-March 1999) that matter was being investigated and reply would follow.

For extra plantations in the villages not identified under the project and plantation in non hilly areas etc. as discussed in sub para (i) to (iii) above the concerned DFOs were primarily responsible. The CCF (AP) Gurgaon who released funds for plantation/land treatment works should have withheld the release of funds for unauthorised plantations. Being overall in-charge of the Aravalli Project the CCF (AP) Gurgaon failed to ensure that plantation and other land treatment works were as per project document stipulations.

- (iv) Haryana Government Forest Department notified (April 1970) 21 hectare private land of Raipur village of AP Division Sohna as closed for 25 years. The land was denotified in January 1996 and handed over to the land owners. The division spent Rs 3 83 lakh for plantation over this private land in 1994-95 and their maintenance for 2 subsequent years.

Reasons for plantation on private land were called for from the department but no reply was received (July 1999).

- (v) The forest guards were required to maintain Beat registers showing plantation activity along with percentage of survival of plants. Besides village files showing percentage of survival of plants were also required to be maintained at sub divisional level. During test check of records it was noticed that Beat registers were not maintained by forest guards upto September 1998. As a result correctness of percentage of survival of plants shown by the project could not be verified in audit. Scrutiny of village files at Sub-divisional level revealed that in 28 cases in divisions test checked survival percentage of plants shown in village files was more than that was actually found at sites during physical checking by the Monitoring and Evaluation division/departamental

<sup>1</sup> AP Divisions Charkhi Dadri 861 5 hectare cost Rs 0 52 crore Ferozepur Jhirka 971 hectare cost of Rs 0 58 crore and Sohna 521 hectare cost Rs 0 31 crore

<sup>2</sup> AP Divisions Charkhi Dadri 288 50 hectare cost Rs 0 17 crore Ferozepur Jhirka 540 hectare cost Rs 0 33 crore and Sohna 349 40 hectare cost Rs 0 21 crore

officers as indicated below

Division	Area in hectare	Year of plantation	Number of village sites	Survival percentage	
				as per village files	as per physical verification by M&E Division/ departmental officers
Charkhi Dadn	75 00	1996 97	2	78 to 83	45
Ferozepur Jhirka	45 00	1995-96	2	68 to 78	50 to 51
Narnaul	149 00	1991 92	8	60 to 95	35 to 60
	24 50	1992 93	2	60 to 65	30 to 60
	5 00	1994 95	1	75 to 80	60
	4 00	1995-96	1	60 to 65	32
	28 00	1994 95	3	74 to 91	49 to 66
Rewari	5 40	1995-96	2	68 to 73	36 to 66
	90 00	1993 94	5	65 to 90	50 to 60
Sohna	22 00	1995 96	2	70 to 85	35 to 65
<b>Total</b>	<b>447 90</b>		<b>28</b>		

It was thus apparent that records maintained for survival of plants at sub-division level were not at all reliable. PCCF Haryana issued instructions in January 1992 for taking disciplinary action including action to effect recovery against the defaulting officials in cases where survival of plants was below 70 per cent. However no such action was taken against any official as of August 1999 nor the recoverable amount worked out so far even after more than 7 years of the PCCF orders.

### 3.3.6 Muster rolls

#### (i) Suspected payments

As per laid down procedure muster rolls at work sites were maintained by forest guards who marked daily attendance of labourers for departmental works. After completion of work or at the close of the month whichever was earlier muster rolls were to be submitted to the respective Divisional Forest Officers by forest guards through Sub-Divisional Officers or sanction and passing for payment. A certificate to the effect that the works had been checked 100 per cent, 25 per cent and 5 per cent by the Forester, Sub-Divisional Officer and Divisional Forest Officer respectively was required to be recorded on muster rolls to ensure correctness of quality and quantity of the work.

Where the DFO disallowed/reduced the quantities of executed work at the time of passing muster rolls due to execution of less work recoveries to the extent of value of less work were recorded in the muster roll register maintained at division level. After effecting recovery the amounts were recorded in the cash book as well as in the muster roll register.

In three divisions test checked payments made through muster rolls for plantations and other land treatment works during 1992-99 were as under

Year	Charkhi Dadri		Ferozepur Jhirka		Sohna	
	Total payment through muster rolls	Amount disallowed and recovered	Total payment through muster rolls	Amount disallowed and recovered	Total payment through muster rolls	Amount disallowed and recovered
(Rupees in lakh)						
1992-93	121.97	1.93	142.10	1.32	70.84	10.40
1993-94	137.16	1.67	204.80	1.90	233.79	27.16
1994-95	164.44	9.38	220.08	3.05	282.15	46.74
1995-96	122.19	10.28	145.43	6.27	261.33	24.55
1996-97	74.86	12.01	109.13	4.00	198.98	9.83
1997-98	52.09	8.62	74.73	3.60	105.31	14.22
1998-99	36.51	8.31	48.40	3.12	36.45	1.51
<b>Total</b>	<b>709.22</b>	<b>52.20</b>	<b>944.67</b>	<b>23.26</b>	<b>1188.85</b>	<b>134.41</b>

Of the total payment of Rs 28.43 crore through 18,081 muster rolls during 1992-99 by above mentioned divisions scrutiny of 5,075 muster rolls revealed following deficiencies

- Dates of making payments of wages to labourers were not recorded on muster rolls
- Certificates of 5 per cent check of works by the concerned DFOs were not found recorded. The DFOs disallowed the quantities of works without any recorded reasons or any reference to his site inspections if any
- The concerned SDOs recorded certificates on each muster roll that the full amount had been disbursed by them to the labourers. This being the case it was not clear as to how substantial amounts were then arranged and deposited by foresters/forest guards towards recoveries against less work ordered by DFOs
- The quantities of works executed on muster rolls were certified to be correct by SDOs but the DFOs did not accept such certification as correct and passed muster rolls for lesser quantities for which recoveries were ordered from the forest guards/foresters. Incorrect certification of work quantities by SDOs was not investigated by DFOs. Though SDOs supervised 25 per cent works they were never held responsible for less work and no recovery ordered from them. Recoveries were generally ordered from forest guards/foresters. Thus there was a lack of supervision at sites of work at the level of SDOs/DFOs

*(ii) Inflated labour strength on muster roll*

A scrutiny of muster roll registers in 3 divisions test checked revealed that Rs 2 10 crore (AP divisions Sohna Rs 1 35 crore Ferozepur Jhirka Rs 0 23 crore Charkhi Dadri Rs 0 52 crore) were ordered for recovery by DFOs from the concerned foresters and forest guards when the muster rolls (18 081 in numbers) during 1992-93 to 1998-99 amounting to Rs 28 43 crore were submitted to them by concerned SDOs. To ascertain the magnitude of recovery amount from each individual muster rolls for the plantation and other works executed departmentally by 3 selected divisions during 1992-99 were checked. It was found that the amount of recovery ordered and effected by the concerned DFOs from forest guards/foresters in respect of 5 075 muster rolls during the above period was as under

Year	Charkhi Dadri			Ferozepur Jhirka			Sohna		
	Number of muster rolls	Number of officials from whom recovery ordered/made	Amount (Rupees in lakh)	Number of muster rolls	Number of officials from whom recovery ordered/made	Amount (Rupees in lakh)	Number of muster rolls	Number of officials from whom recovery ordered/made	Amount (Rupees in lakh)
1992-93	86	22	1 93	35	18	1 32	265	51	10 40
1993-94	81	24	1 67	68	28	1 90	823	59	27 16
1994-95	281	35	9 38	73	19	3 05	963	50	46 74
1995-96	237	33	10 28	150	31	6 27	665	57	24 55
1996-97	212	37	12 01	82	32	4 00	264	47	9 83
1997-98	150	35	8 62	84	27	3 60	295	45	14 22
1998-99	124	27	8 31	42	20	3 12	95	37	1 51
<b>Total</b>	<b>1171</b>	<b>213</b>	<b>52 20</b>	<b>534</b>	<b>175</b>	<b>23 26</b>	<b>3370</b>	<b>346</b>	<b>134.41</b>

As is evident from the above table such recoveries were ordered by DFOs and effected from the lowest level of staff like forest guards/foresters. These recoveries were being made routinely from muster rolls which raises doubts about the authenticity of attendances of labourers on muster rolls in other cases also. A thorough examination of the current system of payments through muster roll is called for. In particular the role and responsibility of SDOs should be looked into since their control and supervision appeared totally lax. The CCF AP Gurgaon replied (July 1999) that recoveries on account of less work or sub standard work against officials were ordered by DFOs while passing muster rolls for payment as per procedure prescribed by the Conservator South Circle Haryana vide order No 2/79 80 dated 9 July 1979 (re issued by the PCCF Haryana vide his standing order No 1/1998 99). He further stated that though the recoveries were imposed on the concerned officials but in reality these were made from labourers by the concerned officials. It was however noticed during audit that above referred order contained instructions/procedure for recovery on account of less work/sub-standard work etc from the staff and not from the labourers. The reply confirmed the fact that the

amount shown as disbursed to individual labourers on muster rolls under their thumb impressions were not actually disbursed. Exact amount paid to labourers individually from government funds in above mentioned cases and the number of days for which each labour was deployed at work site was not verifiable from muster rolls either in audit or by the departmental officers and thus muster rolls were not reliable. Further when labourers were marked present on muster rolls reduction of their wages not only violated the provisions of the Minimum Wage Act (according to which wages were to be paid at the rates notified by the State Government) but also falsified the muster rolls.

Cases at (i) and (ii) above have strong vigilance angle and call for a thorough investigation accordingly.

*(iii) Employment generation*

Against the target of employment generation of 122 lakh mandays during the life of the project actual employment generated was shown as 126.79 lakh mandays upto March 1999 by the department. This was due to the increased expenditure on account of additional/unauthorised plantations etc.

Year	Target	Achievement (Mandays in Lakh)
1991-92	16.05	
1992-93	21.20	18.46
1993-94	27.96	23.08
1994-95	24.65	25.60
1995-96	22.62	21.99
1996-97	4.32	16.80
1997-98	2.90	14.60
1998-99	1.60	6.26
<b>Total</b>	<b>121.30</b>	<b>126.79</b>

The figures of achievement towards employment generation are based on the monthly progress reports on project activities prepared by the Chief Conservator of Forests A.P. Gurgaon.

However during scrutiny of muster rolls in 3 divisions test-checked it was noticed that inflated number of labour days were shown as deployed on muster rolls during 1992-93 to 1998-99. Rs. 2.10 crore were ordered to be recovered from the concerned forest guards/foresters on account of disallowed/less work done through 5,075 muster rolls involving payment of Rs. 10.99 crore. The consequential inflated labour days on the recovered amount worked out to 4.44 lakh. Thus generating of 126.79 lakh mandays employment reported by the department was not reliable.

### 3 3 7 Non handing over of plantation to village panchayats

As stipulated in PAR plants were required to be maintained by the Forest Department for first 3 years after the year of plantation. Thereafter these were to be handed over to the concerned village *Panchayats*. Contrary to this the department entered into agreements with the concerned village *Panchayat* to handover plantations to them after 6 years after which village *Panchayat* were to take over the responsibility for the land's management. The department carried out plantation work on 24 250 hectare area during 1991-92 to 1994-95 which fell due for handing over to *Panchayats* during 1995-96 to 1998-99 as indicated below

Plantation year	Area planted in hectare	Year in which fell due for handing over
1991-92	5 050	1995-96
1992-93	6 400	1996-97
1993-94	6 400	1997-98
1994-95	6 400	1998-99
<b>Total</b>	<b>24 250</b>	

However these plantations had not been handed over to the concerned village *Panchayats* till date (July 1999). To an audit enquiry (January-March 1999) the concerned Divisional Forest Officers stated (February-March 1999) that instructions in this regard were not received from higher authorities. No reply from the CCF was received in audit.

Non handing over plantation to village *Panchayats* result in apart from other things to extra expenditure on operations like pruning and thinning operations which had to be undertaken by the department itself.

### 3 3 8 Pruning of plants

The consultant of the EEC recommended (March 1995) to take up pruning operation in 1995-96 in respect of plantation of 1991-92 and 1992-93 by the concerned VFCs though the PAR did not provide for pruning of plants. The Chief Conservator of Forests (CCF) Aravalli Project Gurgaon directed (November 1996) all the concerned DFOs that pruning operation should be carried out wherever required. Rs 25 per hundred trees were to be borne by the department and balance by Village Forest Committees (VFCs) in cash or in kind. However even before issue of instructions for pruning operation by CCF AP Gurgaon an expenditure of Rs 14.57 lakh had already been irregularly incurred by all the 5 operational divisions on pruning operations during 1993-94 to October 1996. The Principal Chief Conservator of Forests should initiate action to effect recovery of this amount from the concerned DFOs and other officials responsible for the irregularity.

Further after receipt of CCF's instructions in November 1996 the department incurred another expenditure of Rs 17.94 lakh between November 1996 and February 1999 on pruning operations of which Rs 9.44 lakh was recoverable from VFCs towards cost of pruning but had

not been recovered as of March 1999. Thus due to non handing over of plantations, an extra expenditure of Rs. 32.51 lakh was incurred on pruning operations. Records showing accounting and disposal of fuel wood material were not maintained by the divisions.

Reasons for carrying out pruning operations prior to issue of any instructions to do so for non demanding of contribution from the VFCs and for non maintenance of any records for showing disposal of pruned material were called for (January 1999) but reply had not been received (June 1999).

### **3.3.9 Continuance of post without government sanction**

Haryana Government Forest Department sanctioned one post of Chief Conservator of Forests (CCF) as Project Director in March 1991 and ordered one post of Divisional Forest Officer Monitoring and Evaluation Division to be surrendered by reducing the total number of posts of Divisional Forest Officers from existing 6 (earlier sanctioned by the Government in May 1990) to 5 for this project. It was, however, noticed in audit that the project continued to operate all the 6 posts of DFOs including the post of DFO Monitoring and Evaluation till date and incurred an expenditure of Rs. 7.17 lakh on his pay and allowances during 1991-92 to 1998-99 (upto December 1998).

The Conservator of Forests Monitoring and Evaluation Aravalli Project Gurgaon stated (March 1998) that this was a case of posting of Divisional Forest Officer against a post surrendered on technical grounds for which sanction of the State Government for its regularisation would be desirable.

### **3.3.10 Inadequate training**

Local consultants were to be appointed for the training of the project staff during the initial period of three years i.e. from 1990-91 to 1992-93. Consultants were appointed only in 1992-93 and hence no training in nursery plantation, micro planning, survey, demarcation, monitoring and evaluation activities was arranged during 1990-91 and 1991-92. In 1992-93 training of one day duration in nursery/plantation and 2 spells of training of only one day duration each in micro planning for 20 rangers/forest guards etc. were organised. Thus payment made to consultants was wasteful expenditure.

### **3.3.11 Other points of interest**

#### *(i) Construction of Training cum-Convention Centre*

Construction of Training cum Convention Centre at Raipur (Sohna) was sanctioned (March 1998) at an estimated cost of Rs. 19.21 lakh by the PCCF Haryana Panchkula AP Division. Sohnna started the work in February 1998 and spent Rs. 25.29 lakh on the work upto June 1998. Of this Rs. 7.58 lakh were spent on construction of Rest House which was not included in the cost estimates sanctioned by PCCF Panchkula. The work was got executed through petty contractors at Haryana Schedule of Rates (HSR) 1988 plus ceiling premium by arranging material departmentally without invitation of tenders and allotment of work.

It was noticed that Rs. 1.27 lakh were irregularly paid by DFO AP Division Sohnna to the petty contractors towards labour and cost of material for centering and shuttering for reinforced cement concrete works in addition to the payment made at labour rates.



(ii) *Non use of mist chamber*

A mist chamber for raising nursery under controlled weather was got fabricated (March-September 1991) at a cost of Rs 2.01 lakh by AP Division Charkhi Dadri. However the chamber had not been put to any use (March 1999). Non use of mist chamber was attributed (March 1999) by DFO Charkhi Dadri to non availability of expert staff and also higher cost of raising nursery in mist chamber.

(iii) *Loss due to floods*

As estimated by the concerned DFOs, plantations worth Rs 2.62 crore (AP Divisions Ferozepur Jhirka Rs 0.49 crore, Sohna Rs 0.13 crore, Charkhi Dadri Rs 0.63 crore, Namaul Rs 0.89 crore and Rewari Rs 0.48 crore) and buildings and machinery worth Rs 0.21 crore were damaged during floods of 1993-94, 1995-96 and 1996-97. There was no record maintained for verifying as to how the loss of Rs 2.62 crore had been arrived at by the divisions. The department should have got the extent of loss of plantations (due to floods) assessed from the revenue authorities to arrive at accurate figures. The loss had not been got written off. As required under financial rules, the department was to send the report of loss to the office of the Accountant General (Audit) also which was not sent. The Chief Conservator of Forests (AP) Gurgaon stated (June 1998-August 1998) that the reports of these losses were forwarded to the Principal Chief Conservator of Forests but no action was taken by his office and losses were not got assessed/certified from the revenue authorities.

(iv) *Destruction of Plants*

Protection of plantation till their handing over (as per PAR first 3 years and as per agreements with the village *Panchayats* first 6 years) to the concerned village *Panchayats* was the responsibility of Forest Department. However plantation over an area of 57 hectare was destroyed due to mining activities as indicated below.

Sr No	Name of Division	Site of plantation/ village	Area in hectare	Year of plantation	Expenditure on plantation (Rupees in lakh)	Year of destruction
1	Ferozepur Jhirka	Mohtabad	15	1992-93	1.93	1992-93
	do	Dedoli Kalan	5	1995-96	0.81	1996-97
2	Sohna	Bandhwari	5	1993-94	1.00	1996-97
	do	-do-	4	1994-95	0.74	1996-97
	do	do	18	1995-96	2.90	1996-97
	do	Rozka Gujjar	4	1992-93	0.77	1996-97
	do	Bahlpa	6	1995-96	0.97	1996-97
<b>Total</b>			<b>57</b>		<b>9.12</b>	

Due to lack of co ordination between Forest Department and Mining Department expenditure of Rs 9.12 lakh incurred on plantation and their maintenance was rendered wasteful. The CCF AP Gurgaon stated (March 1999) that these cases had been reported to the Mining Department but further action by them was awaited.

### 3.3.12 Monitoring and evaluation

As prescribed in PAR, an effective monitoring and evaluation system was to be worked out to follow the technical achievements and also to assess the socio economic impact of the project activities. Accordingly, Haryana State Remote Sensing and Application Centre (HARSAC) was entrusted the work to find out the impact of the project. Interim report submitted (September 1998) by HARSAC indicated that dense forest and green cover in 1997 had increased in comparison to 1990. However, the report was silent about the impact on check of soil losses and improvement in fertility/productivity of land. Monitoring and Evaluation Division, which came into existence in 1992-93, was responsible for the concurrent monitoring of field activities like nursery works, earth works, plantation works, maintenance works and demarcation works etc. The Division, however, did not prescribe any periodical return/monitoring system to monitor/evaluate concurrently the implementation of the project. Hence the adequacy and effectiveness of monitoring could not be assessed in audit. DFOs took up plantations beyond approved acreage and also in unauthorised areas which indicated lack of monitoring.

Though 23 cases each of short execution of earth work and short plantation and 32 cases of incorrect recording of percentage of survival of plants was detected by Monitoring and Evaluation division, the department had not fixed responsibility for lapses/failures in these cases (March 1999) except for ordering recovery of Rs 0.47 lakh in 5 cases of less earth work (4 cases) and short plantation (one case).

### 3.3.13 Conclusion

Main objectives of the project were to reverse the trend of environmental degradation and to re-establish a productive vegetation cover, check soil losses, improve fertility and productivity of land in Aravalli Hills through plantations over 37,600 hectare area against which 38,050 hectare was planted upto 1998-99. To ascertain achievement of said objectives, Haryana State Remote Sensing Application Centre, Hisar (HARSAC) was entrusted (July 1993) the job of finding out the impact of the project. While the interim report of HARSAC submitted in September 1998 was silent on the aspects of soil erosion, fertility/productivity of land in the project area, final report had not yet been submitted. However, audit scrutiny revealed that the project was extremely badly executed and frauds were wide spread. Employment generation to local villagers reflected as 126.79 lakh labour days during 1991-92 to 1998-99 by the department was fictitious. Audit examination of 5,075 muster rolls for Rs 10.99 crore in 3 divisions test-checked revealed that these muster rolls depicted deployment of 4.44 lakh inflated labour days for which suspected payment of Rs 2.10 crore was shown as disbursed to labourers. The project involved huge cost escalation. Initial cost estimates Rs 48.16 crore (July 1989) were revised to Rs 120.99 crore (in the year 1998-99) and actual expenditure till the end of 1998-99 had already touched Rs 107.65 crore and the project was still continuing. Plantation works entailed cost escalation to the tune of Rs 42.44 crore due to unauthorised plantation over 7,750.90 hectare area not identified under the project, coverage of 5,050 hectare more area than the targetted area, taking up activities such as gully plugging, water harvesting etc. not provided in the Project Appraisal Report, rise in wage rates, suspected payments to

labourers on muster rolls raising of 1.07 crore extra seedlings etc. Considering the magnitude of suspected payments on muster rolls and other serious irregularities, Audit proposes to take up an extensive verification of transactions.

The matter was referred to Government in May 1999. The reply had not been received (September 1999).

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

(iii) *Huge Cost escalation*

The Project was launched in the year 1990 and continued till 1999. The project document was prepared taking the then prevailing wage rate of Rs 21/ and 1 Ecu equal to Rs 17/. The total project cost was worked out as 28.3 million Ecu which worked out to be Rs 48/ crore on the basis of the then prevailing exchange rate (1 Ecu equal to Rs 17/-). During the project period wage rate increased from Rs 21/ to Rs 73/ and the exchange rate of Ecu varied from Rs 17/ to Rs 46/-. Devaluation of rupee is related to inflation which consequently leads to increase in wage rate. Thus negative exchange rate of rupees compensated for the increase in wage rate. It is because of this factor that inspite of over 300% of increase in wage rate it was possible not only to achieve the fixed physical target but to exceed the target by about 20% and undertake certain additional activities like Soil Water Conservation Work and incentive scheme etc. after getting it duly approved. In the project document cost of plantation has been worked out in terms of person days/man days and financial figures were arrived at by multiplying wage rate to man days every year.

Every year during the project period an Annual Work Plan (AWP) was prepared by the project which was approved in a meeting of Co-ordination Committee of the project which consisted of the representatives of Union Ministry of Environment & Forests, Union Ministry of Finance, Haryana Forest Department and European Union. All activities during the year had been carried out in accordance with the approved Annual Work Plan. A plantation target of 38050 ha was achieved after the same was approved. Attention is invited to overall Work Plan for the period April 1998 to October 1999 wherein the entire target for the project period has been indicated and this target has been approved by EEC vide their letter dated 18 May 1998. At the end of every year the project submitted Annual Progress Report to the EEC Delhi office which examined it and after the same was approved the same was forwarded to EEC (Hqrs.) Brussels which used to release the reimbursement thereafter. Thus the excess achievement of 5050 ha was done after getting it duly approved and in no way it could be considered unauthorised. In fact the project should be given credit for this additional achievement.

Various activities like incentive schemes & Water Harvesting etc. were carried out after the same was incorporated in the Annual Work Plan which was duly approved. Incentive Scheme was introduced in the project in 1993-94. It is provided in AWP for the year 1993-94 for the first time and the same was approved. The same practice followed every year. The additional activities like Soil Water Conservation work and incentive schemes etc. were examined by Mid-term Review Mission (MTR) 1994. MTR appreciated Incentive Scheme and recommended its continuity. This was designed at par with entry point activity which is now an essential component approved by GOI for such forestry projects. It has been mentioned in the MTR Mission report that the MTR mission endorse this (Incentive) policy and recommended its continuation. Activities like Water Harvesting etc. were recommended by MTR mission on 1994. Regarding Water Harvesting MTR Mission remarked: "Our visit to the villages left us with the very clear picture that the needs of many villages centre on improved or increase water resources. Therefore we recommend the proposal to add a modest water harvesting elements to the project and to request an allocation of funds." (PP 5.6 MTR Report 1994).

The terminal review of the project was held in August 2000. In the terminal review report submitted by EEC consultants in 2001, the actual expenditure incurred during the project period and that reimbursed from EEC has been given and the same is reproduced herewith as Annexure IIA.

(iv) *Financial aid commitment by European Economics Community*

The matter for the balance release of funds was taken up by the department with EEC and the EEC has released the balance funds of Rs 9.78 crore.

### **3.3.5 Programme implementation**

#### **3.3.5.1 Village base micro - planning not done —**

The project started in 1990. First year of the project was preparatory year and the plantation activities started next year. The process of preparation of Micro Plans for the villages started in the year 1990-91 itself adopting the guidelines of National Wasteland Development Board (NWDB) as is evident from Conservator of Forests (Aravali Project) letter No. 989/92 dated 28.11.1990 (Annexure III). As working on common lands required very different approach, it was subsequently felt by the project that these guidelines need to be modified. The consultants were fielded by the EEC in 1992 and after a series of the workshop on the subject, new guidelines for the preparation of Micro Plan were formulated leading to the compilation of Micro Planning Manual. Thus the Micro Plans based on NWDB guidelines were based on preparation for the villages where rehabilitation activities were carried out upto 1992-93. Later on these Microplans were prepared and the earlier ones revised according to the guidelines given by the project consultants.

In any case physical activities were undertaken by the project only after a resolution was passed by Village Panchayat to that effect. It must be pointed out that this Micro planning activity was not only new to the State but to the entire country and there were no precedents/guidelines to fall back on. The project evolved these guidelines which today are an example for many other project in the country. Micro Plans for all other project villages have been prepared.

There was adequate interaction between the project staff and the local communities. Number of VFC meeting held in various Forest Divisions. A perusal of the number of meetings indicates excellent interaction between project and VFCs. A total of 9861 meetings of different VFCs were held during project period which means on an average every VFC held three meetings per year which is more than adequate. Involvement of people gradually increased with passage of time. Every VFC maintained a register of meetings in which proceedings of the meetings were recorded.

#### **3.3.5.2 Plantation —**

Justification about additional plantation has been given above.

(i) *Extra expenditure due to unjustified excess raising of seedlings*

The number of excess seedlings (30% to 40%) raised have been purely as per the guidelines given in technical note No. 3 of Haryana Forest Department keeping in view the extra seedlings required for

- Replacement of casualties in the field during the first year of plantation mortality of seedlings in the nurseries
- rejection of sub standard plants and
- damage to plants during transportation

The 15% extra seedlings mentioned in the PCCF letter No 19527 dated 29.9.98 are on account of wastage in nurseries and transportation only and does not cover the extra requirement for replacement of casualties in the field just after plantation during the first year and the mortality of seedlings in the nurseries due to reasons like fungal and insect attacks which despite the steps taken to control also account for substantial number of seedlings

All seedlings available in the nurseries in the month of June are not fit for planting in the ensuing July. For example, Pahari Papri fresh seeds are sown in nurseries soon after collection in April-May. Considerable mortality due to drought and heat during and after germination takes place in this species. Generally, the seedlings become suitable for planting in the rains of the second season. Similarly, *Ailanthus* seeds are sown in month of May-June. Thus in the month of June both these species are still in the process of germination. The audit report has itself stated that cushion of 35-40% extra seedlings included the mortality factor for seedlings in nurseries during the period of their growth (from sowing stage to the stage of full growth), i.e. upto June each year and after the seedlings attained full growth and were ready for plantation, only 15 percent extra was to be added to the per hectare requirement. Thus the audit objection is primarily based on the assumption that in the month of June all seedlings available in nurseries have attained full growth and are ready for planting. This is true for some species like *Eucalyptus* where sowing/pricking is done in October and seedlings have attained full growth by June but it is not true for all the species. The example of two species (there are some more) stated above indicate that the assumption that all seedlings have attained full growth by June is factually incorrect. Another important aspect to be kept in mind is that the nursery report is generally prepared every month in the first week of the month which actually indicates the number of seedlings available at the end of previous month or at the most as on 1st of every month. It is thus clear that all seedlings in nurseries in the month of June have not attained their full growth and that some of them are still in the process of establishment and mortality does take place even in the month of June. Also many other species which are to be raised as tall plants are kept in nurseries for more than one year. It may be added here that in the semi arid areas mortality of seedlings are more and additional seedlings must be raised to meet any eventuality.

Cost of raising of one ha. of plantation is fixed and this cost includes cost of raising seedlings actually required for planting and it is up to the local staff to raise excess seedlings as deemed appropriate by them keeping in view the soil, terrain and climatic factors. This has to be kept in mind that project area was undulating and damage to seedlings in transportation is more in hilly areas than in plains. As the cost of raising seedlings are included in the overall plantation cost, no extra expenditure was incurred on raising additional seedlings irrespective of the fact that additional seedlings raised are 15% or 30%.

(iii) *Excess consumption of polythene bags in nurseries*

There is no significant difference between the requirement and actual consumption of the polythene bags in nurseries. The annual work plan (AWP) does not indicate the quantity of polythene bags required to achieve the targets for a particular year nor does it specify the quantity of polythene bags of varying size (12x22 cm, 15x22 cm and 20x30 cm) that should be consumed while raising the seedlings. Therefore, there is no question of taking deviation from AWP on this count.

Not all plants are raised in similar size of polythene bags. As already said, there are 3 sizes of polythene bags: 12x22 cm, 15x22 cm and 20x30 cm. The thickness of the first two sizes is 150 gauge. The assumption that consumption of polythene bags per ha will be 4 Kg is not correct. There is no mention about it in PAR nor are there any instructions from PCCF in this regard except for a casual mention while working out the cost estimates of plantation in the AWP for the year 1997-98. 1100 Seedlings are planted in one ha, of which 10% are replaced in the same year, making the total requirement of plants per ha as 1210. Now 30-40% extra seedlings are raised, assuming that 35% extra seedlings are to be raised, the requirement of seedlings per ha works out to be 1633. Now one kg polythene bag of size 15x22 cm per ha contains around 350 polythene bags, which means requirement of polythene bags per ha will be 4.66 Kg per ha. At this rate, the requirement works out to be 923.88 Qtl. As against this, actual consumption is 935.45 Qtl. Some polythene bags are also wasted at the time of filling with the soil mixture. Thus, there is no significant difference between requirement and actual consumption. It is also pointed out that the polythene bags used in the project were obtained from the polythene bags factories owned by the Forest Deptt. Polythene bags used for raising seedlings are punched with 4 holes before they are sent out from the factory, meaning thereby that polythene bags manufacture for seedlings could not be utilised for any other purpose, which also rules out mis-utilisation of polythene bags. The project procured polythene bags from the factories owned by the department, keeping in view the requirement of seedlings, and there is no excess utilisation of polythene bags.

## **B Plantation Coverage**

- (i) The Project covered 5 districts in Haryana and all the activities were carried out in accordance with the approved Annual Work Plan. The project policy and decision making is guided by the Project Coordination Committee consisting of the representatives of Haryana Forest Deptt., Union Ministry of Environment of Forest, Union Ministry of Finance & EEC. A list of all villages where various forest activities were carried out was submitted and approved in the 7th Coordination Committee of the project. In the said meeting, the Coordination Committee viewed the list of villages including the 56 extra villages covered under the project and took note of it. Subsequently, in the 8th Coordination Committee meeting, the confirmation of the minutes of the 7th Coordination Committee meeting was also one of the agenda items which substantiate the fact that the Project Coordination Committee approved the inclusion of 56 new villages in the project. The para may kindly be dropped as these 56 villages have been approved by the Coordination Committee and fall in the project districts.

- (ii) It is not correct that the project activities were confined to hilly areas alone. Attention is invited to Project Appraisal Report page 19 para no 3.1.2 site planning which is reproduced below –

Four physiographic units have been identified and different models for treatment have been prescribed. These units are

Eroded hill slopes 5-20 cm soil depth 20% rocks and Boulders

- Table lands on hill tops soil depth more than 20 cm
- Alluvial deposits in foot hills loamy soils
- Loamy deposits (sands)

It is thus evident that project is not confined to hilly areas alone. Therefore plantation area (mentioned as non hilly areas in the audit paras) pertains to above mentioned 3rd and 4th physiographic units which includes plain areas (locally known as Bhur) in the foot hills. Thus there is no irregular coverage.

Further even in the original project document it is mentioned under the heading Soil working that for the stabilized sand deposits and undulating terrain the technique of digging interrupted contour trenches of 100cm x 30 cm x 30 cm along with a pit of 45 cm can be used for water conservation which further shows that such areas which are locally known as Bhur could also be used for plantation.

- (iii) The para relates to plantation done in the non hilly area and villages not identified under the project. The issue has already been explained above.

It is not correct to say that plantations are to be carried out on the hilly areas alone. According to the Appraisal Report plantation are to be carried out on the hilly areas as well as on the foot hills. The para is based on the misconceptions that plantation activities can be undertaken on hilly areas alone. All the plantation activities have been undertaken in accordance with the provisions contained in the Appraisal report.

- (iv) The land in Raipur village where 21 ha plantation has been done during 1994-95 is not a private land. It belongs to Haryana Forest Department which was declared Reserved Forest in 1989 by Govt. of Haryana. The 21 ha plantation has been done in reserved forest. Some people tried to encroach upon this land. Staff of the Forest Department along with Panchayat of village Raipur thwarted their attempt to grab this land. Thus the planting has not been done on the private land but in Govt. forest.

The said land has not been handed over to any private owners ever since. The status of land as on date is still a reserved forest. It is pertinent to mention here that as per Section 2 of Forest Conservation Act 1980 no forest land can be de-reserved for non forestry purpose without the prior approval of the Central Government. The question of handing over the land declared as reserved forest to private owners therefore does not arise.

- (v) Village files have been maintained for each project village and have been shown to audit. Village files contain details of plantation including their survival percentage and other activities undertaken in the village. Village files in fact contain more detailed information than beat register. Territorial jurisdiction of a Forest Guard is known as Beat and there are a number of villages in a beat. Beat register though not mandatory to maintain has been maintained by the project authorities and contain abstracts of the village files. Beat register for all the beats/villages of the project have been prepared and information such as plantation targets achieved, model wise and yearwise species and no. of plants planted and plantation map of the area is maintained in the beat register. Moreover description and observation by Forest officials for each plantation site is also maintained in the beat register.

Survival percentage for a particular plantation site is recorded in the village file at the end of the plantation year. The survival percentage of that particular plantation may increase or decrease subsequently in the following years due to factors such as grazing, frost, pest attack or illicit felling/lopping of branches/biotic interference etc. Therefore, in certain plantation difference between survival percentage recorded in village file and as observed by the Monitoring and Evaluation division may occur. In such cases and in case of all those plantations where survival is found less than 70 percent action has been taken after following the departmental rules and procedures.

### **3.3.6 Muster rolls —**

#### **(i) Suspected payments**

Recoveries on the muster rolls on account of less work are ordered by DFO at the time of sanctioning the Muster Rolls according to the procedure prevailing within the department. This procedure is being followed throughout the state and this order is endorsed and reissued by the PCCF Haryana *vide* his standing order No. 1/1998-99 which states: If any muster roll or bill sanctioning authority is convinced that excess work has been charged or sub standard work has been done the sanctioning authority will sanction the vouchers subject to the necessary recovery. This clearly means that recovery is not punishment under the Haryana Civil Services (Punishment and appeal rules 1987).

This standing order clearly indicates that these recoveries must be made before the disbursement of payment. Physical work in the field is carried out according to schedule of rates fixed by the Forest Department. Daily wages worker is paid wages according to Minimum wages Act. The labourers are required to execute fixed quantity of work which has to be commensurate with wage rate and schedule of rate of work. Sometimes a labourer may be present on duty for the whole day (thus entitling him the full wages for the day under the Minimum Wages Act) but he may not execute the work according to schedule of rate for works. Such a situation calls for recovery due to less work or substandard work. While sanctioning the Muster Rolls the recovery orders are issued by the DFOs from the concerned Forest Guards and Foresters who are hundred percent responsible for the works. There is no procedure of entering the dates in the muster rolls on which labourers are paid as these are entered in the cash book. Therefore the para may please be dropped.



There is no practice to make advance payment of Muster Rolls to the labourers prior to the sanction of Muster Rolls by the competent authority. For less and substandard work, recoveries are made from the concerned officials in accordance with the CCFs standing order No. 2 dated 1979/80. This standing order clearly indicates that the recoveries may be made before the disbursement of the payment. The recoveries of Muster Rolls are effected from labourers and not from the officials as stated in the review para. However, the recoveries are imposed on the concerned officials but actually the recoveries are made from the labourers by the concerned officials because the labourers are mainly responsible for such sub standard and less work.

### **(ii) Inflated labour strength on muster rolls**

The process of recovery due to less work or substandard work has been explained. This is a standard practice prevailing in the department and this is being done as per prescribed departmental procedure issued *vide* departmental circular/letters quoted in the above para. The Government of Haryana has recently taken a decision to do away with the system of Muster rolls in the Forest Department and has decided to carry out the departmental works under Piece Rate Contract System. With the start of this new system, the problem of recovery for the less work done will be taken care of.

### **(iii) Employment Generation**

Generation of 126.79 lakh mandays shown as achieved by the project is correct and reliable because this figure is arrived at on the basis of monthly progress reports on project activities. As far as increased expenditure on additional/unauthorised plantations etc. is concerned, the same has been answered in the concerned paras that there was no unauthorised plantation. Though Rs. 2.10 crore were ordered to be recovered from the concerned forest guards/foresters on account of disallowed/less work done through 5075 muster rolls involving payment of Rs. 10.99 crore, the labour days on the recovered amount which comes out to 4.44 lakh cannot be ignored because, though the recovery was made for the less work done, yet these labour days were actually created by project activities.

### **3.3.7 Non Handing over of plantation to village Panchayats**

The PAR does not stipulate that the planted area should be handed over to the concerned Panchayats after three years. In Aravalli Project, the land for plantation is taken for 6 years on the agreement with VFCs. Management of these lands is carried out with the participation from VFCs and hitherto VFCs are yet to attain levels wherein they can manage these rehabilitated lands entirely on their own. If these plantations are handed over before village level institutions are fully developed, there is a danger that years to work may come to naught. Moreover, the project was not managing the areas exclusively on its own. It was under joint management of the project and VFCs. The project has achieved national importance in joint management of common property resources. The benefits, in any case, from all such treated land accrue/will accrue entirely to villages. At the end of the project, the treated areas were transferred from joint management to the exclusive management of VFCs. Though pruning and thinning operations have to be carried out on such older plantations, the yield obtained from the operation goes to the

villagers and they get benefitted by such operations in terms of fuelwood fodder etc which is one of the main objectives of the project. Moreover scientific operations such as pruning and thinning help in development and growth of the plantations. All such activities were carried out according to the Annual Work Plan approved by the Government and the EEC. In fact the project has achieved higher survival rate and better management of rehabilitated and due to the longer duration of Joint Management by the Department and Panchayats.

### 3.3.8 pruning of plants

Pruning and singling operations in old mesquite plantations was carried out since 1996-97. CCF Aravali Project Gurgaon instructed that in pruning and singling operations the project will pay @ Rs 25/ per hundred trees and the rest amount will be paid by VFC out of the fuel wood obtained from such operations. The work was started only after discussing the matter with the VFCs.

After few days of work it was observed that pruning and singling of mesquite cannot be done at departmental schedule of rate because expenditure in these operation is much more than the rate of Rs 55 per hundred trees. In such a situation if the project were to offer Rs 25/ per 100 trees then the VFCs would have to bear extra financial burden for payment of the rest amount. As a result of this VFCs did not agree for payment of rest amount. Apart from this the material obtained from singling and pruning could not fetch any amount so that the same could not be utilised by VFCs for payment of the rest of the amount.

Difficulties observed in pruning and singling operations were discussed in detail during DFOs meeting with CCF. In this meeting it was decided that pruning and singling operations of mesquite will be done at the departmental schedule rate i.e. Rs 55/ and in lieu of rest of expenditure material obtained from singling and pruning operations will be given by VFCs free of cost to the labourers deployed by them.

Pruning and singling operation have been carried out in those areas only where it was possible to do the same @ of about Rs 55/ per 100 trees because expenditure in other areas was much more than Rs 55/ per 100 trees.

So far as expenditure for pruning and singling operations is concerned it is worth while to mention that a work study on the operation was carried out in the year 1998-99. According to this work study the rate for pruning and singling of mesquite has been fixed at Rs 190/ per tree.

Earlier the Aravali Hills had an excellent vegetative cover. But due to increase in biotic pressure and greediness of human being this vegetative cover disappeared. The climax species of this tract like Dhok, Dhak, Gangeran and Amaltas etc. are very good coppicer. These species tried to shoot fresh coppices in every favourable season but the heavy grazing by Sheep and Goats did not allow these species to grow beyond a crawling bush. By taking up the area for plantation and the effective protection carried out by the Project Staff and the VFCs the root stock of above species got a chance to grow. But to give them a tree shape it was necessary to prune their stems up to a height of one third from the ground level.

### 3 3 9 Continuance of post without Government sanction

Monitoring and evaluation is a vital task and there was considerable amount of pressure from funding agency for the post of DFO(M&E) In the 2nd meeting of coordination committee the need for the position of DCF (M&E) was emphasized This view was expressed in various their forums also Hence this position was filled up This was in accordance with the provisions contained in PAR

### 3 3 10 Inadequate training

The consultants were to be fielded by the funding agency i.e. EEC through an institutional contract which could not be finalized before 1992 The international tender floated by EEC Brussels was won by the Fountain Renewable Resources UK in 1992-93 The International and local consultants were fielded thereafter

Even before the technical assistance could be provided by the funding agency the project authorities did conduct training programmes For example one study tour of 20 staff members two study tours of 45 VFC members two workshops/seminar fifty village drama shows sixteen village film shows and two exhibitions were organized during 1991-92 During 1992-93 technical training was imparted to five DFOs eleven SDOs three FRs two DRs fifteen Frs and 44 Fgs In addition to this one study tour of 30 staff members five study tours of 119 VFC members three workshops thirty eight village drama shows four village film shows and one TV programme and one Exhibition were organized during the year 1992-93 Therefore the para may please be dropped

### 3 3 11 Other Points of interest

#### (i) Construction of Training cum Convention Centre

Revised Estimates for Training Centre (for Rs 30 86 000) rest House (for Rs 12 68 000) and Boundary wall have been approved by PCCF vide his letter no 38583 dated 19-3-99 34008 dated 3-2-99 and 39531 dated 31-3-99 respectively

All the works in the Forest Department are got done departmentally after deducting 21.5% contractor's profit and departmental charges and not through contractors as has been observed in the para Since work is done departmentally therefore there is no need to invite tenders etc

Regarding the excess payment on account of centring and shuttering it is stated that department is already seized with the matter and departmental action has been initiated against the defaulters Sh Bhoop Singh Forest Range Officer incharge of Building Works has been charge sheeted vide CF AP letter No 3307 dated 23-3-99 Hence the para may please be dropped

#### (ii) Non use of mist chamber

The mist chamber was built for experimental purposes There are certain species in Aravali region like Dhok (*Anogeissus pendula*) which are difficult to raise in nursery germination percentage being less than one percentage Mist chamber has been used from time to time for raising such species Mist chamber was not meant for large scale

production of seedlings. It may not be necessary for the project to operate the mist chamber all the year round but is centrally used for such purposes as mentioned above and for other propagation trials.

### (iii) Loss due to floods

Report of damage of plantation and building due to floods were made to PCCF vide CCF (AP) letter no 783 dated 17 8 93 no 1418 dated 14 9 95 no 711 dated 27 9 95 etc. Replacement of plants in damaged plantations and repair of buildings were carried out as per the instructions given by PCCF vide letter no 18645 92 dated 28 9 93 and no 20442 68 dated 28 9 95 therefore the para may please be dropped.

### (iv) Destruction of Plants

Some of the rehabilitated areas have been damaged due to mining activities. Concerned DFOs have taken up the matter with concerned DCs and Police authorities. The matter has also been reported by the CCF to the PCCF who has taken up the matter with the Government so that such incidents are avoided in future. The para may please be dropped.

## 3.3.12 monitoring and Evaluation

Haryana State Remote Sensing and Application Centre (HARSAC) was entrusted to assess impact of the project with respect to the change in forest cover in the project area. According to HARSAC report the forest cover in the project areas in the year 1990 was 8647 ha which increased to 37126 ha in 1997. The increase in forest cover has been over 300%. Such a huge increase in the status of forest cover is ample proof of the success of the project. Forest Survey of India, Ministry of Environment and Forests, GOI makes an assessment about the status of the forest cover in the whole country every 2 years. According to the FSI report of 1990 the forest cover in the State is increased by 360 Sq. km and according to the FSI report the increase in forest cover in Haryana is primarily due to afforestation carried out in the 5 districts of the State under the Aravali Project. The findings of the FSI only reconfirm the assessment made by the HARSAC and it has been proved beyond doubt that the project has been successful in rehabilitating the Aravali Hills.

As desired by the PAC, Commissioner and Secretary Forests examined various aspects of the issues raised by the Audit in its report. Accordingly various plantation sites were examined and it was found that most of these plantations were handed over to the panchayats in the year 2000 when the project came to an end. The survival percentage at the time of handing over has been shown as 70% to 90%. However, sample checking carried out in the 2003 and 2004 indicated that survival percentage has gone down substantially. The functioning of Village Forest Committees appears to have degenerated rapidly after withdrawal of the project. Efforts in this direction are required on sustained basis for far more number of years appears compared to the tenure of Aravali Project.

It is not correct that the Department has not fixed the responsibility for lapses/failures in 23 cases of short execution of earthwork and 32 cases of incorrect recording of percentage of survival of plants. In action taken report prepared by Conservator of Forests, M&E disciplinary action is shown to have been taken against the defaulting officials.

### 3.3.13 Conclusion

Main objectives of the project was to rehabilitate degraded Aravalli hills and to simultaneously meet the fuelwood fodder and timber requirement of the local population. Reduction in soil erosion, improvement in moisture regime and land fertility were consequential benefits of rehabilitation. The project has in fact met more than its objectives as is evident from the following. The project has successfully rehabilitated the degraded and inhospitable Aravalli hills which is no mean achievement. This is rated as one of the most successful project. According to Haryana State Remote Sensing and Application Centre, Hisar (HARSAC) which was specially commissioned by the project to assess the impact of project rehabilitation programme with the help of satellite imageries, the forest cover in project area has increased from 8647 ha in 1990 (base year) to 37126 ha in 1997. Forest Survey of India (FSI), Ministry of Environment and Forests, Government of India publish a report 'Status of Forest Cover in the Country' every two years. According to FSI Report (1999) the forest cover in Haryana increased by 360 sq. km which is primarily due to plantations carried out in the five districts of the State under Aravalli Project. Need we say more?

Reduced soil erosion leads to reduced run off and increases ground water recharge. A study carried out by EEC consultants to assess the impact of project rehabilitation activity on ground water recharge has indicated positive effect. For example according to study in June there is positive change (rise) in the water table of 4.13 m in Ballabgarh sub division, 1.97 m in Ferozepur Jhirka sub division and 1.07 m in Punhana sub division. Similarly in October the rise in water table is 1.25 m, 3.86 m and 2.27 m respectively compared over a period from 1990 to 1996. This is inspite of the fact that the number of tubewell over the same period has increased by 117 to 140%.

The project has the distinction of getting National Award viz. Indira Priyadarshini Vrikshamitra Award (IPVM) conferred by Ministry of Environment and Forests, Government of India, twice, first in 1995 (to Sohna Forest Division) and again in 1997 (Khaleta VFC). This award is given for outstanding contribution in the field of afforestation of wasteland and institution building (people's participation). The project has made many innovations in the field of Participatory Natural Resource Management and is today cited as an example of Joint Forest Management (JFM) approach. The Premier Forestry Institutions of country for example, Indira Gandhi National Forest Academy, Dehradun, State Forest Service College, Forest Research Institute, Dehradun etc. have regularly sent their teams for training. Many international agencies like GTZ, IDA, OEFC etc. have visited the project in order to see the works. All expenditures incurred by the project are strictly in accordance with Government Rules and Regulation. All activities undertaken by the project are as per provisions contained in the PAR/Annual Work Plan duly approved by the Government and the donor agency, the EEC. There is no unauthorised expenditure. The project has achieved its objective successfully and in totality. The project has rehabilitated the degraded Aravalli hills by undertaking plantation activity which has led to tremendous increase in forest cover in the area. The project has almost met the entire requirement of grass, fodder and fuelwood of the project villages and more importantly has reversed the trend of degradation of Aravalli hills. Increase in forest cover has led to recharge of ground water resources. Due to people participation and dedicated involvement of the project staff, thousands of hectares of

degraded Aravalli hills have been rehabilitated/planted successfully by following the concept of Social fencing. No barbed wire fencing has been resorted to by the project.

Two external evaluations of the project were carried out: one Mid Term Review (MTR) in 1994 and Terminal Review in the year 2000. The MTR Mission in 1994 observed as under:

- \* MTR 1994
  - We are convinced that the project is successful
  - MTR mission admired and congratulated the project on the quality of the technical work on plantation establishment including choice of species
- \* Terminal Review which was done in the year 2000 Aug. One year after project closed, their observations are as under:
  - The Project technical achievements have won deserved renown
  - Areas which were formerly degraded with little or nothing by way of woody vegetation now carry impressive vegetative cover
  - Survival rates for planted trees were generally very satisfactory at 80-100 percent
  - The establishment of grass was conspicuously successful. A significant achievement of the project has been to promote stall feeding of livestock
  - The project extension and publicity have been especially strong. The overall training effort was very considerable

#### **OBSERVATION OF THE COMMITTEE**

The Committee visited Gurgaon to have on the spot inspection of the works taken in the Aravalli hills area, project financed by the European Economic Community and the State Government in the ratio of 82:18. The project was known for rehabilitation of common land in Aravalli Hills. The purpose was to rehabilitate and protect the environment through restoration of vegetation to the semi-aided project started in the year 1990-91. The project was to be completed for a period of 8 years, i.e. by the end of 1997-98. During the first 6 years of the project, the plantation programmes were to be implemented and during the last two years only maintenance works were to be started (for plantation done in the 5th and 6th year). The project envisaged coverage of 33,000 hectares of area, (32,600 hectares in 1997-98) under plantation in the common lands of 293 villages (294 villages from the year 1997-98), bordering Aravalli hills in 5 Districts namely Bhiwani, Faridabad, Gurgaon, Mahendergarh and Rewari with the objectives to —

- (a) Provide a vegetative cover in the quickest possible time in the denuded hills by afforestation, and closure. Also it would reverse the trend of environmental degradation, check the soil losses and improve the fertility and productivity of the land,
- (b) Provide employment generation of 122 lakh labour days during the project period
- (c) Meet the basic needs of the local population in terms of firewood, small timber and fodder consistent with the maintenance of ecological balance and locality factors

- (d) Build village level institutions to protect vegetation and ensure regulated management of the rehabilitated area and
- (e) Ensure restoration of ecologically healthy environment

#### Organisational set up

The Principal Chief Conservator of Forests (PCCF), Haryana was the overall incharge of the project who was assisted by the Chief Conservator of Forests, known as Project Director, Aravalli Project Gurgaon, Conservator of Forests, 7 Deputy Conservator of Forests and Divisional Forest Officers. The project was to be implemented in 5 operational divisions.

The record relating to the implementation of the project during the 1992-93 to 1998-99, were test checked in January, 1999 to March, 1999 in the offices of Principal Chief Conservator of Forests, Haryana Panchkula, Chief Conservator of Forests i.e. Project Director Aravalli Project, Gurgaon, Conservator of Forests (Monitoring and Evaluation and Publicity and Extension Divisions), in three out of five operational Divisions (Monitoring and Evaluation Division and Publicity and Extension Divisions).

The Committee visited the sites (Gurgaon District and Mewat District) on 31st January 2006 and 1st February, 2006. The Committee also met in the PWD (B & R) Rest House, Gurgaon on both dates, i.e. on 31st January, and 1st February, 2006 to broadly decide the methodology of the site. On 31st January, the Committee visited Tikki Garaitpur Bass, Manesar and 1st February, 2006, the Committee visited Indri, Kutubgarh, Rewasan Vahida Khan Bhund, Kotla, Muhammad, Mewat area Kantur, Baroji. Besides inspecting the Aravalli Hills, the Committee also seen the degradation of the Hills, as it found a number of Farm Houses built in the prohibited area and there were metalled roads, electricity lines, digging of tubewells in the Farm Houses cutting of forests, which leads to grave violation of Environment Act. The Committee witnessed a number of concrete mixer trucks operating in the area as also heaps of construction material lying on the road in front of Farm Houses, confirming ongoing constructions.

The Committee also witnessed the private security guards posted outside the Farm Houses and number of private vehicles moving with the passengers and nearby Farm Houses, Sarpanch alongwith few villagers of Gairatpur Bass, Complained that the common land area of Phase building belong to Gram Panchayat has been encroached upon unauthorisedly by the private colonizers on the hills.

The Committee also witnessed two stone crushers on both sides of the roads leading to Naurangpur Classic Golf Course. The Committee also witnessed the illegal mining being done and on enquiry, it was told that stones are also being transported from District Rewari as well as from the prohibited areas and may be from the neighbourhood.

The Committee took up this issue (Forest) in a meeting held in the Committee Room of Haryana Vidhan Sabha at Chandigarh on 25th February, 2006. After having gone thoroughly into the report given by the CAG and Oral Examination of the departmental officers, the consensus of the Hon'ble Members was that full justice could only be done after the spot inspection by the main Committee.

The Committee was also told by the Officers in that meeting that the NOCs for the construction of Farm Houses and the other construction and violations mentioned in the paras mentioned above were obtained from the respective departments.

On the second day before departing from Gurgaon, the Committee inspected all the officers of the concerned Departments namely ADC, Gurgaon (As DC had gone to Chandigarh), SDM, CDTM, SE (Electrical), XEN (Electrical) XEN (Power) Estate Officer, H U D A, Additional PCCF, DDP (Enforcement), Conservator of Forest (Training), Panchkula were there. The Committee also inspected the Conservator of Forests and Deputy Conservator of Forests, Mewat, Tehsildars Sohna and Gurgaon, Town and Country Planning Department, DDPO, R O Environment etc and directed them to supply the desired information (as they had noted) within a week to the Vidhan Sabha Secretariat for placing these informations before the Committee in the next meeting, which was already fixed for 7th of February 2006. The time was given to them in consultation with the officers.

The Committee met on 7th February, 2006 in the Haryana Vidhan Sabha Joint Secretary, who is attached with the Committee, told that the information from only one Department, i.e. Public Health Department was received by 6th February and no other Department had sent any information nor any of the officers of any other Department had asked for extension of time.

The Committee also made the following observations in the meeting held on 7th February, 2006

- (1) On account of non supply of information by the above mentioned Department (except one), the Committee has to adjourn its meeting without transacting any business.
- (2) The Committee has taken a very serious view of the non compliance of its directions by the officers/officials. The Committee is of the view that although it is a breach of Privileges of the Committee and the Committee can summon all these officers and also take action against them.
- (3) The Committee decided to ask the Deputy Commissioner Gurgaon to ensure the compliance of the above said directions of the Committee and ensure that the information may be supplied by 13.2.2006 (evening), positively and copy of these observations were also sent to the Commissioner and Secretaries of the respective Departments.

The Vidhan Sabha Secretariat, told in the meeting held on 14th February, 2006 that the information from all the Departments has been received. After briefly considering the matter and in view of the large volume of the reply given by the various departments, the Committee decided to submit all these informations to a Sub Committee headed by Shri Chhattar Pal MLA to examine all these replies thoroughly and submit a report to the Committee.

The Committee met at Gurgaon on 18th February and prepared a questionnaire for further eliciting the informations from various departments. This was done after the Sub Committee reached to the conclusion that the information supplied by the various Departments is not adequate, thorough and conflicting with each other. The Committee having dissatisfied with the replies received from various Departments thought it proper to prepare the questionnaire, which was mentioned above. The replies to the questionnaire by the Sub Committee from various Departments is awaited till the drafting of the report. As the AG Reports pointed out several violations and irregularities in the execution of the projects, the Committee, therefore, decided that these observations will be examined in detail after receiving the reply to the questionnaire already sent to the Department by the next Committee.



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## **Part-II 1998–99 (Revenue Receipts)**

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## EXCISE AND TAXATION DEPARTMENT

### [4] 1 5 Arrears in revenue

As on 31 March 1999 arrears of revenue under the principal heads of revenue as reported by the departments were as under

S No	Head of revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakh)				
1	Taxes on sales trade etc	23160 60	5555 02	Out of Rs 23160 60 lakh demand for Rs 2101 88 lakh had been certified for recovery as arrears of land revenue Rs 7318 32 lakh had been stayed by the Courts and other Appellate Authorities Rs 1556 53 lakh were held up due to dealers becoming insolvent and demands for Rs 969 86 lakh were proposed to be written off Rs 3 66 lakh had been held up due to rectification/review Specific action taken to recover the remaining amount of Rs 11210 35 lakh through called for has not been intimated (October 1999)
3	Taxes on Goods and Passengers	1404 48	209 43	Out of arrears of Rs 1404 48 lakh Rs 12 99 lakh had been stayed by the Courts Rs 81 59 lakh were held up due to rectification review applications and demand for Rs 4.37 lakh was proposed to be written off Specific action taken to recover the remaining amount of Rs 1309 53 lakh though called has not been intimated (October 1999) by the department.
4	State Excise	1197 32	825 84	Out of Rs 1197 32 lakh Rs 462.91 lakh was stayed by High Court and other Judicial Authorities and Rs 47 49 lakh was proposed to be written off Action regarding remaining amount of Rs 686 92 lakh was not intimated by the department (October 1999)

The department in their written reply stated as under —

### Taxes on Sales, Trade etc

This para is based on information supplied by the department to the Accountant General (Audit) Haryana Out of total arrears in revenue of Rs 23160 60 lacs Rs 5189 02 lacs stands recovered upto 31 12-2000 leaving a balance of Rs 17971 58 lacs The reasonwise details of balance arrears are given below —

S No		(Amount in Lacs)
1	Under Stay	6982 01
2	Under Liquidation	3259 71
3	Inter State Arrears	2536 07
4	Inter Distt. Arrears	196 54

5	For writing off	1052 73
6	Property attached	443 95
7	Under Instalments	532 88
8	Net Recoverable	2967 69
Total		17971 58

#### **Taxes on Goods & Passengers**

Out of Rs 1404 48 lacs Rs 348 17 lacs stand recovered upto 31 12 2000 leaving a balance of Rs 1056 31 lacs The reasonwise breakup of balance arrears are as under —

S No		(Amount in Lacs)
1	Under Stay	18 31
2	For writing off	0 37
3	Inter State Arrears	1 14
4	Net Recoverable	1036 49
Total		1056 31

#### **State Excise**

Out of total arrears of Rs 1197 32 lacs Rs 352 50 lacs have been recovered upto 31 12 2000 leaving a balance of Rs 844 82 lacs The reasonwise breakup of balance arrears are as under —

S No		(Amount in Lacs)
1	Under Stay	323 40
2	For writing off	27 81
3	Under Instalment	44 10
4	Inter State Arrears	11 81
5	Inter Distt Arrears	47 99
6	Property Attached	50 41
7	Net Recoverable	339 30
Total		844 82

During the course of oral examination, the Committee was informed that out of total recovery of Rs 23160 60 lacs, Rs 8736 90 lacs stands recovered upto 30-9 2004 leaving a balance of Rs 14423 70 lacs The Committee desired that more effective steps be taken to recover the balance amount at the earliest and steps taken in this regard may be intimated to the Committee

The Committee was further informed that out of Rs 1197 32 lacs, Rs 468 60 lacs have been recovered up to 30-9-2004 leaving a balance of Rs 728 72 under the State Excise and out of Rs 1404 48 lacs, Rs 757 40 lacs have been recovered leaving balance of Rs 647 08 lacs under Goods and Passengers Tax Act

**The Committee recommends that suitable steps be taken to recover the balance amount under these heads within a stipulated period under intimation of the Committee**

**[5] 1 6 Arrears in assessment**

The details of assessment cases of taxes on sales trade etc and passengers and goods tax 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 at the end of each year during 1994-95 to 1998-99 as furnished by the department are given below —

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
1994-95	ST	90425	171188	261613	161998	99615	62
	PGT	73	191	264	147	117	28
1995-96	ST	99615	217349	316964	158443	158521	50
	PGT	117	509	626	391	235	62
1996-97	ST	158521	171538	330059	169535	160524	51
	PGT	235	1213	1448	691	757	48
1997-98	ST	160524	147059	307583	194116	113467	63
	PGT	757	628	1385	688	697	50
1998-99	ST	113467	96544	210011	123595	86416	59
	PGT	697	775	1472	576	896	39

The above table shows that the number of pending cases in respect of Taxes on sales trade etc at the beginning of 1994-95 was 90425 which went down to 86416 at the end of 1998-99 registering a decrease of 4 per cent while the percentage of finalisation of assessment cases decreased from 63 per cent during 1997-98 to 59 per cent in 1998-99. During the year 1998-99 69 per cent and 47 per cent assessment cases have been finalised out of old and current cases respectively. The position of finalisation of assessment cases in respect of Taxes on Passengers and Goods which had gone upto 50 per cent during 1997-98 decreased to 39 per cent in 1998-99.

The department in their written reply stated as under —

This para is based on the information supplied by the Department for Chapter No. 1 to the Accountant General (Audit) Haryana. In the C.A.G. Report for the year 1998-99 87312 cases (86416 S.T. + 896 P.G.T.) were shown pending for assessment under Sales Tax and Passenger and Goods Tax Acts. Out of 87312 cases 34923 cases (34367 S.T. + 556 P.G.T.) have been disposed off upto 31-12-2000 leaving a balance of 52389 (52049 S.T. + 340 P.G.T.) cases. Efforts are being made to clear the pendency at the earliest.

During the course of oral examination, the Committee was informed that 575 cases under sales tax and 117 cases under Goods and Passengers Tax Act are still

pending as on 1st February, 2005 The Committee desired that effective steps be taken by the department to clear the pending cases at the earliest and the progress made in this regard be sent to the Committee

**[6] 1 7 Frauds and evasions of taxes/duties**

The details of cases of frauds and evasions 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 taxes/duties raised against the dealers during the year and the number of cases pending finalisation at the end of March 1999, as supplied (July 1999) by the respective departments are given as under

Sl No	Name of tax/duty	Cases pending as on 31 March 1998	Cases detected during the year 1998-99	Number of cases in which assessments/ investigations completed and additional demand including penalty raised	Amount of demand (Rupees in lakh)	Number of cases pending finalisation as on 31 March 1999
1	2	3	4	5	6	7
1	Taxes on Sales Trade etc	151	2047	2056	207 54	142
2	Passengers and Goods Tax	41	1285	1244	49 07	82
3	Entertainment Duty and Show Tax	19	38	32	2 32	25
4	Animal Husbandry	1	—	—	0 65	1

The department in their written reply stated as under —

**Taxes on Sales, Trade etc**

Out of 142 cases 107 cases have been disposed off by creating an additional demand of Rs 75 28 lacs out of which Rs 28 05 lacs stands recovered leaving a balance of Rs 47 23 lacs Remaining 35 cases are still under review and concerned Deputy Excise and Taxation Commissioners have been directed to dispose off these cases early

**Passengers and Goods Tax**

Out of 82 cases 49 cases have been disposed off by creating an additional demand of Rs 0 70 lacs out of which Rs 0 02 lacs stands recovered leaving a balance of Rs 0 68 lacs Remaining 33 cases are still under review and concerned Deputy Excise and Taxation Commissioners have been directed to dispose off these cases early

### Entertainment Duty and Show Tax

Out of 25 cases 4 cases have been disposed off by creating a demand of Rs 0.25 lacs which stands recovered. Remaining 21 cases are under review.

During the course of oral examination, the Committee was informed that out of 142 cases, 141 cases have been disposed off by creating an additional demand of Rs 124.42 lacs out of which Rs 91.95 lacs stands recovered and only one case is still pending in High Court under the head of sales taxes and trade etc.

The Committee was further informed that out of 82 cases 66 cases under the head of Passengers and Goods Tax Act have been disposed off by creating an additional demand of Rs 0.70 lacs and entire amount have been recovered and the remaining 16 cases are under review and will be decided shortly.

The Committee was also informed that all the pending cases of entertainment duty and show tax have been disposed off by creating an additional demand of Rs 0.47 lacs which stands recovered.

The Committee, therefore, desired that these pending cases also be settled within a period of 3 months under intimation to the Committee.

### [7] 1.9 Outstanding inspection reports and audit observations

(i) Audit observations on incorrect assessments, short levy or 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) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1998 and which were pending settlement by the departments as on 30 June 1997, 1998 and 1999 are given below:

Particulars	At the end of June		
	1997	1998	1999
Number of inspection reports pending settlement	2447	2229	2304
Number of outstanding audit observations	5775	5718	6092
Amount of revenue involved (Rupees in crore)	226.08	721.67	279.93

(iii) Year-wise break up of the outstanding inspection reports and audit observations as on 30 June 1999 is given below

Year	Number of outstanding		Amount of receipts involved (Rupees in crore)
	Inspection reports	Audit Observations	
upto 1993-94	640	684	27.39
1994-95	299	414	6.70
1995-96	331	922	2.36
1996-97	340	970	76.00
1997-98	196	716	4.03
1998-99	495	2386	163.45
<b>Total</b>	<b>2301</b>	<b>6092</b>	<b>279.93</b>

(iv) Department wise break up of the inspection reports and audit observations upto December 1998 and outstanding as on 30 June 1999 is as follows —

Department	Number of outstanding		Amount of receipts involved (Rupees in crore)	Number of inspections reports to which even first replies had not been received
	Inspection Reports	Audit observations		
	481	2911	142.44	45

The matter was brought to the notice of Government in June/July 1999 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 1999)

The department in their written reply stated as under —

The position of disposal of inspection reports and audit observation pertaining to this department is given as under —

	Inspection Reports	Audit Observations	Amount involved (Rs. in crores)
Outstanding	481	2911	142.44
Disposed off	40	321	13.51
Balance	441	2590	128.93

The Deputy Excise and Taxation Commissioners have been directed to dispose off the pending inspection reports/audit observations on top priority

During the course of oral examination, the position of disposal of inspection reports and audit observations was placed before the Committee as under —

Particular	Inspection Reports	Audit Observations	Amount involved (Rs in crores)
Outstanding	481	2911	142 44
Balance outstanding (ETC office)	389	2706	137 51
Disposed off	201	1649	87 70
Balance as on 31-12 2004	188	1057	49 81

## PGT

Particular	Inspection Reports	Audit Observations	Amount involved (Rs in crores)
Outstanding	92	205	493 00
Disposed off	27	99	378 89
Balance	65	106	114 11

After going through the position as stated above, the Committee recommends that efforts be made to dispose off the pending inspection reports and audit observations on priority basis and the report be sent to the Committee

**[8] 2 1 Results of Audit**

Test check of sales tax assessments refund cases and other connected records conducted during the year 1998-99 revealed under-assessments etc of sales tax amounting to Rs 4425 58 lakh in 1226 cases which broadly fall under the following categories

Sl No	Particulars	Number of cases	Amount (In lakh of rupees)
1	Incorrect computation of turnover	300	547 28
2	Application of incorrect rate of tax	198	362 36
3	Non levy of interest	45	71 92
4	Non/short levy of penalty	20	11 87
5	Under-assessment under the Central Sales Tax Act	17	44 60
6	Other irregularities	645	510 91
7	Review on "Irregular exemptions and concessions in sales tax against declarations"	1	2876 64
Total		1226	4425 58



During the course of the year 1998-99 the department accepted under assessment of tax of Rs 197.75 lakh involved in 265 cases of which 104 cases involving Rs 137.15 lakh were pointed out during the year 1998-99 and the rest in earlier years. An amount of Rs 70.14 lakh had been recovered in 203 cases during the year 1998-99 of which Rs 30.43 lakh recovered in 123 cases related to the earlier years.

A few illustrative cases involving Rs 392.36 lakh and a review on "Exemptions and concessions in sales tax against declaration forms/certificates" involving Rs 2876.64 lakh are mentioned in the following paragraphs.

The department in their written reply stated as under —

Out of total 1226 cases 1225 cases involving an amount of Rs 1548.94 lacs have been reviewed with the following results —

Number of Cases	Amount pointed out by audit (Rs. in lacs)	Result of Review
72	21.92	Settled with additional demand
410	392.59	Settled without demand
743	1134.43	Cases are under review
1225	1548.94	

As regards the remaining one case involving an amount of Rs 2876.64 lacs as per Sr. No. 7 of the table, reply is given in succeeding paras 2.2.5 to 2.2.14.

During the course of oral examination, the Committee was informed that only 342 cases involving an amount of Rs 470.42 lacs are pending for decision. The Committee recommends that these cases be also settled at the earliest under intimation to the Committee.

#### 191.2.2.6 Cross verification by Audit

Despite strict instructions of the department for cross verification, the assessing authorities had not cross verified transactions or sales/purchases before finalizing assessments of dealers. However, cross verification by audit in a few cases revealed that—

- (i) in eight cases the dealers were allowed deduction of Rs 72.30 lakh on account of sales made to registered dealers against declaration forms. ST 15 Or cross verification of these transactions with the assessment records of the purchasing dealers, it was noticed that these purchases were not accounted for therein.
- (ii) in 9 cases taxable purchases shown to have been made as per list of purchases (ST 23 A and ST 17A) submitted with returns were less by Rs 77.06 lakh than those shown by the dealers in their trading accounts.

The amount of under assessment of tax involved in both the above cases was Rs 10.30 lakh. Besides minimum penalty of Rs 20.60 lakh was also leviable.

The department needs to take necessary steps to ensure strict compliance of the instructions regarding cross verification of other transactions to detect suppression of turnover by dealers

The Department in their written reply stated as under —

The audit has pointed out that in 8 cases dealers were allowed deduction of Rs 72 30 lakhs on A/C of sales made to Registered dealers against declaration in form ST-15. On cross verification these transactions were not found accounted for in the account books of purchasing dealers. Therefore audit has desired that department should take necessary steps to ensure compliance of instructions regarding cross verification of such transactions to detect separation of Sales/Purchase

In this respect it is brought to the notice of audit that Forms ST 14 and ST 15 have been completely abolished with the insertion of Rule 21 (d) w e f 1-1-2000. Now the dealers are required to submit lists of purchases/Sales alongwith the quarterly returns to claim deductions under Section 27

**After hearing the version of the departmental representatives, the Committee desired that if recovery is not possible in the instant case then matter be referred to the Finance Department for writing off the amount and intimation be sent to the Committee accordingly**

#### **[10] 2 2 8 incorrect deduction from turnover**

(a) Under the Act, deduction is allowed from gross turnover of a dealer if he makes sales or purchases to/from a registered dealer of goods other than those liable to tax at first stage of sale or purchase against prescribed declaration Forms (ST-15). Further in order to curb the growth of bogus dealers the department issued (August 1981) instructions to the DETCs to circulate the details of bogus dealers to all the assessing authorities of the State

In four offices six dealers (two each of Ambala City and Jind one each of Hisar and Kaithal) in seven cases were allowed (between July 1993 and November 1997) deductions of Rs 74 34 lakh against declaration in Forms ST 15 on account of sales to registered dealers during the year 1990 91 to 1995 96. In audit, it was noticed (between May 1994 and April 1999) that sales were made to non existent dealers as such deduction allowed was not in order. This resulted as evasion of tax of Rs 3 21 lakh besides penalty of Rs 6 42 lakh

On this being pointed out (between May 1994 and April 1999 in audit assessing authority Jind intimated (January 1995) that cases had been sent for *suo moto* action. In the case of one dealer of Ambala City the department stated (May 1998) that the selling dealer was not responsible for lapse. Reply was not correct in view of various judicial decisions which held that in the event of purchasing dealer being found bogus and fictitious person the assessee would lose the benefit of deduction. No reply has been received (October 1999) in respect of remaining cases

(b) Under the Act the assessing authority is required to examine the genuineness of any sale or declaration before allowing deduction. Further lost or stolen declaration forms are declared invalid by the concerned district office and the facts are circulated

to all the assessing authorities in the State of prevent deductions against such invalid declaration forms. The department also reiterated (December 1991) instructions for checking of invalid declaration forms while finalizing assessment. Penalty not less than twice and not more than three times the amount of tax involved is also leviable for producing before the assessing authority any account return or information which is false or incorrect.

- (i) In thirteen offices it was noticed that twenty dealers in 27 cases were allowed (between March 1991 and December 1998) deductions of Rs 250.38 lakhs on account of sales to registered dealers against stolen forms during the years 1986-87 to 1995-96. Allowing deductions against stolen forms was not in order and resulted in under assessment of tax of Rs 15.49 lakh besides minimum penalty of Rs 30.98 lakh.

On this being pointed out in audit in respect of 3\*\*\* cases assessing authorities stated (between June 1996 and July 1998) that it was not the responsibility of the selling dealers to verify the genuineness of the registration certificate and declaration forms. The reply was not tenable in view of judgements *ibid*. Seven cases were referred (February 1996 to September 1998) to revisional authorities for taking *suo moto* action. In three cases a demand of tax of Rs 2.91 lakh was created. Interest and penalty amounting to Rs 0.19 lakh was also levied in respect of one dealer. Reply in respect of other cases has not been received (October 1999).

- (ii) Under the Act deduction is allowed from the gross turnover of a dealer if he makes sales or purchases from/to a registered dealer of goods. Other than those liable to tax at first stage of sale or purchase provided prescribed declaration forms are produced.

Sixteen dealers in 27 cases were allowed (between January 1995 and April 1998) deductions amounting to Rs 281.09 lakh on account of sale of goods to the registered dealers during the year 1988-89 to 1996-97. In audit it was noticed that goods sold were taxable at the point of first sale. In one case (Dabwali dealer) registration certificates of the purchasing dealers had already been cancelled (February and March 1989) prior to the date of sale. The deduction from turnover on account of sale of goods taxable at first stage and that too in one case after cancellation of registration certificate of the purchasing dealer was not admissible. The incorrect deduction resulted in short assessment of tax amounting to Rs 15.61 lakh for the period between January 1995 and April 1998.

On this being pointed out (between March 1996 and July 1999) in audit the department stated (April 1999) that three cases have been sent (February and December 1997 and March 1999) to revisional authorities for *suo moto* action. In respect of remaining cases no reply has been received (October 1999).

The department in their written reply stated as under —

M/s Sham Dal Mill, Vill Daultpur, Hissar R C No 17274 A.Y 1990-91

In this case *suo-moto* proceedings have already been initiated by the DETC Cum-Revisonal Authority Sirsa

**M/s Katyal Rice and General Mill Nilokheri R C No 18114 A.Y 91 92**

The case was sent to DETC(1) Cum Revisional Authority Karnal who vide his order dated 23-6-98 levied tax of Rs 53 508/- and directed the Assessing Authority to take penal action u/s 48 of HGST Act 1973

**M/s Subodh Kumar Satish Kumar, Sirsa, R C No 9457, A.Y 1993 94**

**M/s Darshan Lal Raj Kumar, Dabwali, R C No 7047, A.Y 1988-89**

The above cases have been sent to DETC(I) Cum-Revisonal Authority Sirsa for *suo-moto* action which is still pending

**M/s Pal Auto Agency, Ambala Cantt R C No 17864, A.Y 1992-93**

The case was sent to DETC(I)-Cum-Revisonal Authority, Ambala for taking *suo-moto* action. He decided the case vide his order dated 24-3-2000 creating an additional demand of Rs 4 65 781/- Efforts for recovery of tax are underway

**M/s B D Automobile Kaithal R C No 2057, A.Y 1993 94**

The remand case has been decided by Assessing Authority creating an additional demand of Rs 2 76 600/- vide order dated 14-7-98. Against this order the dealer went in appeal before the Joint E T C (A) Ambala on 8-8-98 and the appellate Authority directed the dealer to pay Rs 10 000/- per month under instalments vide order dated 12-11-98. Aggrieved with this order the dealer went in appeal before the Sales Tax Tribunal Haryana who rejected the appeal and upheld the order of Joint E T C (A), Ambala. Out of total amount of Rs 2 76 600/- an amount of Rs 60 000/- has been recovered from the dealer. Efforts are on to recover the balance amount.

**M/s Satish Oil and Gas Mill Kaithal, R C No 3583, A.Y 1993-94**

An additional demand of Rs 1 00 297/- has been created against the dealer vide orders dated 21-4-1999 rejecting his R D and Tax Paid sales against stolen forms. No penalty u/s 48 of the HGST Act 1973 has been levied in view of Sales Tax Tribunal ruling reported in Punjab and Haryana Taxes 1997, Page 175. The firm has since been closed and recovery proceedings are underway.

**M/s Lal Bajrang Rice Mill Panipat R C No 3847, A.Y 1991-92**

The case has been referred to the Revisional Authority for *suo moto* action and it is still pending with him. The revisional Authority has been directed to finalise the case early.

**M/s Garg Brothers Jhajjar R C No 8294 A.Y 1993-94**

The case has been referred to Revisional Authority for *suo moto* action, who has been requested to decide the case early.

**M/s Om Parkash Gnan Prakash, Gurgaon R C No 6989 A.Y 1986-87, 87-88 and 1988-89**

The case has been remanded by the Joint E T C (A) Rohtak vide order dated 27-2-96 which is still pending with the Assessing Authority

**M/s Sham Dal Mill, Daultpur, Hisar, R C No 17274, A.Y 1990 91**

The decisions/results of the action taken by the Sales Tax Tribunal be intimated to the Committee

**M/s Katyal rice and General Mill Nilokheri R C No 18119 A.Y 1991-92**

The Committee desired that the information be sent to the Committee after effecting full recovery from the owner of the shop

**M/s Subodh Kumar, Satish Kumar, Sirsa, R C No 9457, A.Y 1993-94**

The Committee desired that the final action taken by the department, be sent to the Committee

**M/s Darshan Lal Raj Kumar, Dabwali, Sirsa R C No 7047, A.Y 1988-89**

The Committee desired that the information be sent to the Committee after effecting the full recovery from the owner of the firm

**M/s Pal Auto Agency Ambala Cantt R.C No 17864, A.Y 1992-93**

The Committee desired that the latest position of the recovery of tax be intimated to the Committee

**M/s B D Automobile Kaithal R C No 2057, A.Y 1993 94**

The Committee recommends that the sincere efforts be made to recover the balance amount from the dealer

**M/s Satish Oil and Gas Mill Kaithal, R.C No 3583, A.Y 1993-94**

The Committee desired that the latest position of the recovery be intimated to the Committee

**M/s Jai Bajrang Rice Mill, Panipat, R C No 3847, A.Y 1991-92**

The decisions/results of the action taken by the Sales Tax Tribunal be intimated to the Committee

**M/s Garg Brothers, Silani Gate, Jhajjar, R C No 8294 A.Y 1993 94**

The Committee desired that information be sent to the Committee after effecting full recovery from the dealer

**Om Parkash Gian Parkash, Haily Mandi, Gurgaon (W) R C No 1906989, A.Y , 1987-88 & 1988-89**

**The Committee desired that information be sent to the Committee after effecting full recovery from the dealer**

**[11] 2 2 9 Incorrect levy of concessional rate or tax**

Under the Acts sales to Government departments/registered dealers are taxable at the concessional rate of four *per cent* when such sales are supported by valid declaration in Form STD-I/Form D/C furnished by a duly authorized officer of the Government department and registered dealers of other State respectively. The concession is not admissible in respect of sales made to autonomous bodies or other non-government institutions.

During test check of records in seven offices, it was noticed (between January 1997 and March 1999) that ten dealers in fourteen cases were assessed (between August 1995 and March 1998) for the year 1990-91 to 1996-97 at concessional rate of tax instead of normal rate of tax leviable though the sales were not supported by C Forms or were made to the organizations which were not Government Departments. This resulted in under-assessment of tax of Rs 13.07 lakh.

The department in the written reply stated as under —

**M/s Kerla Laboratory Instd and Chemical Ambala Cantt R.C No 27631 A.Y 1990-91**

The case was sent to ETO(I) for taking *suo-moto* action who created an additional demand of Rs 31486/- The firm stands closed at Ambala. The Advocate of the party submitted review application to the ETO(I) under section 41 of the HGST Act. The ETO(I) rejected the application on the ground that the order can be reviewed only by an officer above the rank of ETO. The dealer filed an appeal before the Sales Tax Tribunal Haryana, who remanded the case to ETO(I)-cum-Revisonal Authority holding that while exercising the power of Commissioner u/s 40 of the HGST Act ETO(I) was not justified in declining to review his order. On the date of remand there was no ETO(I) posted in Ambala. The case was sent to DETC(I) Ambala on 19-1-2000 for deciding the case who has created additional demand of Rs 0.31 lacs. Recovery proceedings are underway.

**M/s Bhiwani Textile Mill, Bhiwani R C No 665, A.Y 1992-93, 1993-94 and 1994-95 (3 cases)**

The dealer has sold cement against Form 'D' to the Chairman Nirman Kender Faridabad and Assistant Soil Conservation Officer CADA Faridabad against D forms as both these agencies are Govt. Departments. The AD-Cum-Chairman Faridabad Nirman Kender Faridabad has cleared his position vide memo No IF/III/98/54 dated 13-10-98 addressed to M/s Vikram Cement, Faridabad and stated that cement is procured for the construction of school rooms, chopals and other development works out of the funds received from the Govt. under various schemes and the same position is in the case of Asstt. Soil Conservation Officer CADA Faridabad. The para may therefore be dropped.

M/s Kerla Lab Instruments and Chemical Ambala Cantt R C No 27631 A Y 1990-91

The Committee desired that latest position of the recovery be intimated to the Committee

M/s Bhiwani Textile Mill Bhiwani R C No 665 A Y 1992-93 1993-94 and 1994-95 (3 cases)

After hearing the version of the departmental representatives The Committee is not satisfied with the reply as the conversional rate is admissible to the Government departments and not to the Government agencies The Committee therefore, desired that department should take up the matter with the A.G. (Audit) and decision taken be sent to the Committee at the earliest.

**[12] 2 2 11 Non levy of Purchase tax**

(a) Under the Haryana General Sales Tax Act 1973 a dealer is liable to pay tax on the purchases of goods which are purchased from within the State without payment of tax and used in manufacture of tax free goods or in other taxable goods which are disposed of otherwise than by way of sale

During audit (between March 1996 and October 1998) it was noticed that six dealers (two each of Jagadhri and Fardabad (West) and one each of Fardabad (East) and (Gurgaon) in seven cases were allowed deduction of Rs 25216 71 lakh during the year 1990-91 to 1995-96 against declaration in Form / Biri Purchase on account of transfer of goods on consignment basis Goods other than tax free goods valued at Rs 948 30 lakh (proportionate value) purchased from within the State without payment of tax were used in the manufacture of goods sent for sale on consignment basis While finalising assessments the assessing authorities levied tax on the purchase value of Rs 772 26 lakh instead of on Rs 948 30 lakh This resulted in short levy of purchase tax of Rs 7 75 lakh

On this being pointed out (January 1998) in audit the assessing authority Fardabad (West) created (June 1998) additional demand of Rs 0 46 lakh in one case In another case assessing authority Gurgaon stated (November 1998) that the case had been sent for *suo moto* action In respect of the remaining cases no reply has been received (October 1999)

The department in their Written reply stated as under —

**M/s Sharda Food Processing Enterprises Fardabad (West) R C No 1300410, A.Y 1994-95 and 1995-96**

The cases for the years 1994-95 and 1995-96 were referred to Revisional Authority for *suo-moto* action who created additional demand of Rs 0 46 lac and 0 13 lac respectively The recovery proceeding is underway

**M/s Good Year India Ltd Ballabgarh Fardabad (East), R C No 1202219, A.Y 1992-93**

The dealer, being aggrieved with the order regarding levy of purchase tax on proportional basis had gone in appeal before the Jt. E T C (A) Fardabad and then before the Sales Tax Tribunal Haryana, being not satisfied with the order of Jt. E T C (A) The matter is still pending in the tribunal

**M/s Sharda Food Processing Enterprises Fardabad (West) R C No 1300410, A.Y 1994-95 and 1995-96**

**The Committee desired that the latest position of the recovery be intimated to the Committee**

**M/s Good Year India Ltd Ballabgarh(East), R C No 1202219, A.Y 1992 93**

**The Committee desired that the final decision taken in the matter be intimated to the Committee**

**[13] 2 3 Non-recovery of tax**

Under the provisions of Haryana General Sales Tax Rules 1975 the exemption/entitlement certificate granted to an eligible industrial unit shall be liable to be cancelled either in case of discontinuance of its business by the unit at any time for a period exceeding six months or its closing down during the period of exemption/deferment. Further on cancellation of eligibility certificate or exempted/entitlement certificate before it is due for expiry the entire amount of tax exempted/deferred shall become payable immediately in lump sum and the provision relating to recovery of tax interest and imposition of penalty shall be applicable in such cases

During test check of records of Deputy Excise and Taxation Commissioner Karnal it was noticed (August 1998) that an Industrial Unit was granted exemption certificate for cumulative Notional Sales Tax liability amounting to Rs 108 30 lakh for the period from May 1993 to May 2000. The unit subsequently discontinued (January 1997) its business and therefore the Deputy Excise and Taxation Commissioner cancelled (December 1997) its exemption certificate. At the time of cancellation of exemption certificate the amount of exemption of tax availed by the unit during the period from 1993-94 to 1996-97 worked out to Rs 231 40 lakh which became recoverable.

On this being pointed out (August 1998) in audit the department stated (July 1999) that the claim for recovery of the entire amount has been lodged (January 1999) with liquidator.

The matter was reported (October 1998) to Government, their reply has not been received (October 1999).

The department in their written reply stated as under —

**M/s Chattar Chemicals Ltd Karnal, R C No 26060, A.Y 1993-94 to 1996-97**

The entire amount of exemption has become recoverable after cancellation of exemption certificate. Proceedings under the land revenue Act were initiated and summons were issued to the company. However Sh H S Bawa Official Liquidator attached to the Punjab and Haryana High Court Sector 26 Chandigarh informed the department vide letter No CIL/T/Liqu/1305 dated 13 11-1998 that the firm has gone into liquidation and he has been appointed as official liquidator by the High Court. Therefore claim for recovery of all the arrears including arrears for the year 1993-94 have been lodged with the above mentioned liquidator. The matter is still pending with liquidator.

**M/s Chattar Chemicals Ltd Karnal R C No 26060, A.Y 1993-94 to 1996 97**

**During the course of oral examination, the Committee was informed that the said case is still pending with the official liquidator, therefore, the Committee desired that final decision taken in the matter be intimated to the Committee**



#### **[14] 2.4 Inadmissible deduction from turnover**

(i) As per Government notification issued in July 1990 tax on Roohafza being health drink covered under instant food is taxable at the general rate of eight per cent at the first stage of sale in the State with effect from 1 July 1990. The deductions from turnover on account of sale of such goods to registered dealers against declaration in Form ST-15 is not admissible. Excise and Taxation Commissioner Haryana has also clarified (June 1997) that Roohafza is a health drink.

During test check of records of Deputy Excise and Taxation Commissioner Ambala Cantt. it was noticed (February 1999) that while finalising (October 1997) assessment for the year 1991-92 the assessing authority allowed deductions of Rs. 152.94 lakh from gross turnover on account of sales of Roohafza to registered dealers against declarations in Form ST-15. This resulted in under assessment of tax Rs. 13.46 lakh.

On this being pointed out (February 1999) in audit the department stated that the goods sold to registered dealers has suffered tax at last hand. The reply of the department is not tenable as no document regarding payment of tax was made available. Further, the Act/Rules do not provide for passing on the liability for payment of tax on such goods from first dealer to the last dealer.

The case was reported to Government in April 1999, their reply has not been received (October 1999).

(ii) Under the Central Sales Tax Act 1956 tools are declared goods covered under Iron and Steels' taxable at first stage of sale under Haryana General Sales Tax Act 1973 and the deduction from turnover on account of sale of these goods to registered dealers against declaration in Form ST 15 is not admissible.

During test check of records of Deputy Excise and Taxation Commissioner Sonapat it was noticed (March 1999) that a manufacturer of Tools was allowed (June 1997 and March 1998) deduction of Rs. 440.45 lakh during the years 1994-95 and 1995-96 on account of sale of goods made to registered dealers against declarations in Form ST-15. Incorrect deduction from turnover resulted in under-assessment of Rs. 17.62 lakh.

The case was reported to department in April 1999 and Government in June 1999, their reply has not been received (October 1999).

(iii) As per Government notification issued in December 1987 under the Haryana General Sales Tax Act 1973 tax on Petroleum Products is leviable at the first stage of sale in the State with effect from 1 January 1988. Sale of goods to registered dealers against declaration in Form ST 15 is not permissible if such goods are exigible to tax at the stage of first sale.

During test check of records of Deputy Excise and Taxation Commissioner Faridabad (West), Faridabad (East) and Hisar it was noticed (December 1997 to June 1998) that four dealers (one each of Faridabad (West) and Hisar and two of Faridabad (East)) were allowed (April 1996 to January 1998) deduction of Rs. 40.88 lakh during the years 1994-95 to 1996-97 on account of sale of petroleum products (used oils) made to registered dealers against declarations in Form ST 15 which was not admissible. Incorrect deduction resulted in non-assessment of tax of Rs. 3.62 lakh.

On this being pointed out (December 1997 to June 1998) in audit assessing authority Fardabad (West) stated that additional demand of Rs 0.72 lakh has been created. In other two cases of Fardabad (East) action has been stated as pending before the revisional authority and in the case of Hisar no reply has been received (October 1999).

Cases were reported to Government between March and September 1998 their reply has not been received (October 1999).

The department in their written reply stated as under —

**M/s Harndard Wakf Lab Ambala Cantt R C No 22059 A.Y 1991-92**

The case has been sent to Deputy Excise and Taxation Commissioner (Ins) Ambala for *suo-moto* action which is still pending.

The Committee desired that the information be sent after effecting the full recovery from the dealer.

**[15] 2.9 Non/short levy of purchase tax**

Under the Act a dealer is liable to pay purchase tax on goods purchased from within the State on the basis of declarations without payment of tax and used in the manufacture of taxable goods which are disposed of otherwise than by way of sales or tax free goods. For non payment/short payment of tax along with the returns interest is also chargeable on the amount of tax due at one per cent for the first month and one and a half per cent per month thereafter so long as the default continues.

(i) During test check of records of Excise and Taxation Officer Palwal it was noticed (December 1997) that a dealer purchased packing material valued at Rs 78.64 lakh from within the State without payment of tax on the authority of its registration certificate during the year 1992-93 and used the same in the manufacturing of tax free and taxable goods which were sold within the State in the inter State trade or commerce and through stock/branch transfer. While finalising (March 1997) the assessment the assessing authority failed to levy purchase tax on the value of packing material of Rs 77.81 lakh purchased without payment of tax and used in the manufacture of tax free goods and taxable goods which were disposed of otherwise than by way of sale. This resulted in under-assessment of tax of Rs 3.42 lakh besides interest of Rs 2.70 lakh and penalty thereon.

On this being pointed out (December 1997) in audit the department created (March 1998) an additional demand of tax of Rs 3.42 lakh and interest of Rs 2.70 lakh but did not levy penalty for which a reference was made (December 1998). No reply has been received (October 1999).

The case was reported (March 1998) to Government their reply has not been received (October 1999).

(ii) During test check of records of Deputy Excise and Taxation Commissioner Karnal it was noticed (June 1996) that a dealer purchased goods valued at Rs 390.54 lakh without payment of tax during the year 1992-93 and used the same in the manufacturing of goods sold within the State in the course of inter State trade or commerce and in the course of export outside the territory of India as well as branch transfer. While finalising (March 1996) assessment, the assessing authority levied purchase tax on prorata basis at Rs 8.20 lakh instead of

Rs 9.04 lakh in respect of the goods purchased and used in the manufacture of goods transferred to branch offices of the dealer. The mistake resulted in under assessment of Rs 1.68 lakh (tax Rs 84,132 and interest Rs 84,100).

On this being pointed out (June 1996) in audit, the department created (June 1998) and additional demand of Rs 1.68 lakh. Report on recovery has not been received (October 1999).

The case was reported to Government in August 1996, their reply has not been received (October 1999).

(iii) Under the Haryana General Sales Tax Act, 1973, tax on sale of rice is leviable at the point of first sale in the State and on purchase of paddy at the point of last purchase in the State. The Sales Tax levied on rice is, however, reduced by the amount of purchase tax paid in the State on paddy out of which such rice has been husked, subject to the condition that the reduction in tax is restricted to the extent of tax leviable on rice.

During the test check of records of Deputy Excise and Taxation Commissioner, Jagadhari, it was noticed (October 1998) that a dealer sold rice valued at Rs 337.72 lakh during the years 1991-92 and 1992-93 on which tax payable works out to Rs 13.51 lakh. The assessing authority while finalising (November and December 1997) assessments for the years 1991-92 and 1992-93, calculated the value of paddy from which such rice was husked at Rs 370.35 lakh and allowed rebate of Rs 14.81 lakh instead of Rs 13.51 lakh. This resulted in excess rebate of Rs 1.30 lakh.

The case was reported to Government in January 1999, their reply has not been received (October 1999).

(iv) During the test check of records of Deputy Excise and Taxation Commissioner, Hisar, it was noticed (July 1996) that during 1994-95, a dealer consumed rawseeds worth Rs 89.50 lakh in the manufacture of tax-free certified seeds after purchasing from growers without payment of tax. While finalising (July 1995) assessment, the assessing authority did not levy purchase tax on the cost of raw seeds valued at Rs 89.50 lakh. This resulted in non-levy of tax of Rs 3.58 lakh besides interest and penalty leviable thereon.

On this being pointed out (July 1996), the department deferred (June 1998) the case to the revisional authority for taking *suo moto* action. Further report on action taken has not been received (October 1999).

The case was reported to Government in August 1996, their reply has not been received (October 1999).

The department in their written reply stated as under —

**M/s Nanak Dairy Plant Model R.C. No. 1303991 A.Y. 1992-93**

The case was taken up in *suo-moto* by the DETC(I) who created an additional demand of Rs 6,12,863/- vide order dated 6-3-98 out of which Rs 1.23 lacs have been recovered upto 31-3-1999. Penalty u/s 47 has also been levied vide order dated 8-1-1999 for Rs 18,875 and simultaneously recovered vide T.R. No. 62 dated 31-3-1999. Further recovery proceedings are underway to recover the balance amount of Rs 4,89,863/-.

On this being pointed out (October 1998) in audit, the department created (April 1999) an additional demand of Rs 1.19 lakh and report on recovery has not been received (October 1999).

The Committee desired that the latest position of the recovery be intimated to the Committee

**[16] 2.11 Non-levy of tax**

(i) Under the Central Sales Tax Act 1956 tax is leviable on all sales or goods effected in the course of inter-State trade or commerce. Further, where a tax has been levied under the State law on the sale or purchase inside the State on any declared goods and such goods are sold in the course of inter-State trade or commerce tax levied under the State law shall be reimbursed.

During test check of records of Deputy Excise and Taxation Commissioner Kurukshetra it was noticed (October 1997) that two dealers of Kurukshetra made inter State sale of wheat and paid Rs 676.53 lakh during the years 1994-95 and 1995-96. The assessing authorities while finalising assessments (October 1996 and March 1997) allowed deductions of tax paid sale of wheat instead of levying tax on the sale in the course of inter-State trade or commerce and then allowing reimbursement of tax paid on wheat inside the State. This resulted in short assessment of tax of Rs 4.09 lakh.

On this being pointed out (October 1997) in audit, the department referred the cases to revisional authority who created (July 1998) additional demand of Rs 4.09 lakh. Report on recovery is awaited (October 1999).

The cases were reported to Government (December 1997) their reply has not been received (October 1999).

(ii) Import Replenishment Licenses (REP licenses) which are granted by the Chief Controller of Imports and Exports in recognition of export of certain products can be transferred by way of sale without endorsement by the licensing authority and taxed accordingly. Tax is leviable on such sales at the general rate of eight per cent plus surcharge if not otherwise specified.

During test check of records of Deputy Excise and Taxation Commissioner Sonapat it was noticed (February 1997) that two dealer sold REP license for Rs 38.91 lakh (inclusive of premium of Rs 7.76 lakh) during the years 1992-93 and 1993-94. But the assessing authority while finalising (August 1994 and December 1995) assessments did not levy tax on the face value of REP licence which resulted in non levy of tax of Rs 3.42 lakh.

On this being pointed out (February 1997) in audit Deputy Excise and Taxation Commissioner (I)-cum Revisional Authority created (November 1998) an additional demand of Rs 3.42 lakh. The department intimated (May 1999) that out of Rs 3.42 lakh an amount of Rs 0.62 lakh has been deposited (March and April 1999) and the balance amount was being recovered in instalments.

The case was reported (May 1997) to Government their reply has not been received (October 1999).

The department in their written reply stated as under —

**M/s R.R. Enterprises, Ladwa, R C No KRK IV-11720 A.Y 1994-95 and 1995-96**

As a result of *suo-moto* action the revisional authority-cum DETC(I) Kurukshetra has created an additional demand of Rs 1,08,640/- for the year 1994-95 and Rs 65,111/- for the year 1995-96 vide order dated 13-7-1998. The dealer aggrieved with

the order of the Revisional Authority went in appeal before the Sales Tax Tribunal Haryana who vide order dated 15-2-1999 directed the dealer to deposit the entire amount in four equal instalments on monthly basis starting from 20th March 1999

**M/s Ram Niwas Vijay Kumar Ladwa (Kurukshetra) R C No Kurukshetra 11201 A.Y 1994-95 and 1995-96**

As a result of suo-moto action the revisional authority-cum-DETC(I) Kurukshetra created an additional demand of Rs 94 544/- for the year 1994-95 and Rs 1 40 651/- for the year 1995-96 vide order dated 12-7-1998. The dealer aggrieved with the order of Revisional Authority went in appeal before the Sales Tax Tribunal Haryana who vide order dated 14-1-1999 directed the dealer to deposit the entire amount in instalment of Rs 25 000/- each on monthly basis. But the dealer failed to deposit the instalment and this fact was brought to the notice of the Tribunal. Further the Sales Tax Tribunal vide order dated 30-3-2000 rejected the appeal of the dealer and the recovery proceedings have been started by issuing notices/summons to the dealer as well as to the sureties. The firm has since been closed and therefore efforts are being made to recover the amount through sureties.

**M/s R R Enterprises, Ladwa, R C No KRK-IV-11720 A.Y 1994-95 and 1995-96**

&

**M/s Ram Niwas Vijay Kumar, Ladwa (Kurukshetra), R C No Kurukshetra 11201 A.Y 1994-95 and 1995-96**

The Committee recommends that the balance recovery be effected from the concerned firm and report be sent to the Committee

#### 117] 4.1 Results of Audit

Test check of records in departmental offices relating to revenues of Taxes on Motor Vehicles, Passengers and Goods Tax, Agriculture and State Excise Duty revealed under assessment of taxes and duties and loss of revenue amounting to Rs 424.24 lakh in 2421 cases as depicted below:

Heads of revenue		Number of cases	Amount (Rupees in lakh)
A	Taxes on Motor Vehicles	1480	76.48
B	Passengers and Goods Tax	900	174.33
C	Agriculture	40	172.90
D	State Excise Duty	1	0.53
<b>Total</b>		<b>2421</b>	<b>424.24</b>

In the cases of Taxes on Motor Vehicles, Passengers and Goods Tax, Agriculture and State Excise Duty the departments accepted under assessments etc. of Rs 286.44 lakh in 1730 cases which were pointed out during the year 1998-99. An amount of Rs 29.28 lakh has

been recovered in 59 cases during the year 1998-99 of which Rs 14.89 lakh recovered in 29 cases related to earlier years

The department in their written reply stated as under —

#### **Passengers and Goods Tax**

All the 900 cases involving an amount of Rs 174.33 lacs have been reviewed with the following results —

- (i) 569 cases involving an amount of Rs 107.16 lacs have been settled with demand
- (ii) 331 cases involving an amount of Rs 67.17 lacs are still under active consideration

During the course of oral examination, the Committee was informed that all the 900 cases involving an amount of Rs 174.33 lacs have been reviewed with the following results —

- (i) 697 cases involving an amount of Rs 217.11 have been settled with demand
- (ii) 203 cases involving an amount of Rs 47.22 lacs are still under active consideration

The Committee, therefore recommends that the remaining cases be settled within a period of 3 months under intimation to the Committee

#### **[18] 4.4 Short realisation of passenger tax**

As per notification issued (July 1994) under the Punjab Passengers and Goods Taxation Act 1952 as applicable to Haryana permit holders for plying buses on link routes of the State under the scheme of privatization of Passengers Road Transport are required to pay lump sum passengers tax based on the seating capacity of the bus on monthly basis. In case of default in payment the Act also provides for imposition of penalty not exceeding five times the amount of tax.

During last check of records of 9 Deputy Excise and Taxation Commissioners it was noticed (between May 1996 and March 1999) that 132 Transport Co-operative Societies who were granted permits for plying buses on link routes deposited less passengers tax for the years 1994-95 to 1997-98. This resulted in short realisation of passengers tax of Rs 102.77 lakh besides penalty leviable thereon.

On this being pointed out (between May 1996 and March 1999) in audit the department intimated (between October 1997 and March 1997) that Rs 42.33 lakh have been recovered and efforts were being made to recover the balance amount. Further report on recovery has not been received (October 1999).

The cases were reported to Government (between June 1996 and April 1999) their reply has not been received (October 1999).

The department in their written reply stated as under —

Out of Rs 102.77 lacs of short realisation of passenger tax an amount of Rs 70.98 lacs has been recovered leaving a balance of Rs 31.79 lacs. Efforts are being made to recover the balance amount as early as possible.

During the course of oral examination, the Committee was informed that out of Rs 102.77 lacs an amount of Rs 80.74 lacs have been recovered leaving a balance of Rs 22.06 lacs. The Committee therefore, recommends that efforts be made to recover the balance amount within a period of 3 months under intimation to the Committee.

## MINES AND GEOLOGY DEPARTMENT

### [19] 1.5 Arrears in revenue

As on 31 March 1999 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakh)				
1	Non-ferrous mining and metallurgical industries	562.34	180.53	Out of Rs 562.34 lakh Rs 123.62 lakh were covered under recovery certificates recovery of Rs 80.37 lakh was stayed by High Court and other Judicial Authorities Rs 66.52 lakh were held up due to rectification/review application Rs 1.23 lakh was proposed to be written off and Rs 87.08 lakh were recoverable from 12 individuals. Detailed break up of the remaining amount of Rs 203.52 lakh was not available with the department (July 1999)

The department in their written reply, stated as under: —

The total arrears as on 31-3-1999 was Rs 562.34 lacs which includes the arrears since the formation of Haryana State in November 1966. After 31-3-1999 a sum of Rs 285.84 lacs have already been recovered. Out of balance amount of Rs 276.5 lacs recovery of Rs 82.55 lacs have been stayed by different courts. Out of remaining amount of Rs 1893.95 lacs a sum of Rs 80.54 lacs is to be recovered from the defaulters staying outside the State. Whereas for the recovery of the balance of Rs 113.41 lacs efforts for the recovery from the defaulters are being made by the Assistant Mining Engineer/Mining Officers posted in field who have also been delegated powers of Assistant Collectors (Grade I) to recover the dues as arrears of land revenue.

Out of a sum of Rs 180.53 lacs as arrears more than five years old an amount of Rs 31.61 lacs has been recovered.

Out of balance amount of Rs 148.92 lacs Recovery of Rs 47.4 lacs have been stayed by the Courts and Rs 38.62 lacs are to be recovered from the defaulters staying outside the State. For the recovery of Rs 62.9 lacs for which efforts are being made by the Assistant Mining Engineer/Mining Officers posted in the field as arrears of land revenue.

It is further clarified that total income of the department from the revenue receipt since 1966-67 to 31-3-1999 is Rs 309.2 crore. Whereas total arrears as on 31-3-1999 are now only Rs 276.4 lacs which is only 0.89% of the income of last 25 years.



The powers of Assistant Collector Grade-I were delegated to Assistant Mining Engineer/Mining Officer posted in the field in 1989

After hearing the departmental representatives and also going through the written reply, the Committee observed that a huge amount is lying in arrears since a long time and expeditious steps are required to be taken to realize this amount.

The Committee, therefore, recommends that besides taking expeditious steps to realize the amount in arrears, the efforts may also be made to get these cases settled in liaison with A.G. (Audit), Haryana and progress report be sent within three months for information of the Committee.

#### [20] 5.1 Result of Audit

Test check of records in departmental offices relating to revenues of Mines and Minerals, Home (Police) Irrigation Co-operation State Lotteries and Forest conducted in audit during the year 1998-99 revealed under assessments and losses of revenue amounting to Rs 3194.75 lakh in 2231 cases as depicted below

Heads of revenue		Number of cases (Rupees in lakh)	Amount
A	(i) Review on Receipt from mines and minerals	1	630.49
	(ii) Mines and Geology	105	5.50
B	Home (Police)	122	930.25
C	Public Works (Irrigation)	843	156.82
D	Co-operation	462	112.33
E	Finance (State Lotteries)	484	71.51
F	Forest	214	1287.85
<b>Total</b>		<b>2231</b>	<b>3194.75</b>

In the cases of Mines and Geology Home (Police) Public Works (Irrigation) Co-operation (State Lotteries) and Forest the departments accepted under assessments/loss of revenue etc. of Rs 798.66 lakh involved in 407 cases which were pointed out during the year 1998-99. An amount of Rs 74.64 lakh had been recovered in 95 cases during the year 1998-99 of which Rs 56.92 lakh recovered in 34 cases related to earlier years.

The department in their written reply stated as under —

As per para 5.1 of the report of CAG of India for the year 1998-99 a sum of Rs 5.50 lacs have been shown against 105 cases of the department of Mines and Geology. This para has further been sub divided into following categories —

#### 1 Non-recovery of royalty dead rent and bill

No. of cases	Amount
1	0.44 lacs

## 2 Short Non Recovery of Royalty from Brick Kiln owner

No of cases	Amount
80	0 79 lacs

## 3 Other irregularities

No of cases	Amount
24	4 27 lacs

## 1 Non recovery of royalty and dead rent.

In this sub para Rs 0 44 lacs have been shown to be recoverable in 1 case from district Narnaul. Accordingly to the latest reports received from Mining Officer Narnaul. Accordingly to the latest reports received from Mining Officer Narnaul out of this amount nothing have been recovered. Efforts are being made to recover the balance amount.

## 2 Short recovery of royalty from the Brick Kiln owner

The Brick Kiln owners given quarry permits for the period of two years of a flat rate of royalty depending on the size of the Brick Kiln. The Brick Kiln have been divided into four categories. The amount of royalty payable by them are also mentioned against each.

	Category of the Brick Kiln Rs )	Annual rates of royalty (in
A	Brick Kiln of capacity of 28 Ghories or more of Kachi Bricks	9400
B	Brick Kiln of capacity of 22 to 27 Ghories of Kachi Bricks	7850
C	Brick Kiln of capacity below 22 Ghories of Kachi Bricks	6250
D	Not covered by way of above category	1750

A sum of Rs 0 79 lacs have been shown to be recoverable from 80 Brick Kiln owners. Out of which a sum of Rs 0 04 lacs have been recovered. Recoveries of balance amount of Rs 0 75, efforts are being made by the field offices to liquidate the same expeditiously.

## Others irregularities

In other irregularities in 24 cases a sum of Rs 4 27 lacs has been shown as recoverable. Out of which total amount has been recovered.

During the course of oral examination, the departmental representatives assured the Committee that they are making sincere efforts to recover the balance amount. The Committee, therefore, recommends that latest position of recovery be intimated to the Committee within the period of three months.

## [21] 5.2 Receipts from Mines and Minerals

### 5.2.1 Introductory

The minerals resources of a State may be broadly classified into two categories namely (i) major minerals (ii) minor minerals. The grant of concessions for prospecting and mining operations in respect of major minerals is regulated by the Mines and Minerals (Regulation and Development) Act 1957 enacted by parliament and Mineral Concessions Rules, 1960 framed thereunder by the Government of India. The Punjab Minor Minerals Concession Rules 1964, the Haryana Minerals (vesting of rights) Act 1973 and the Haryana Mineral (vesting of rights) Rules 1979 regulate the extraction of minor minerals. Receipts from mines and minerals are realized in the form of fees, dead rent, royalty, auction/contract money etc.

### 5.2.2 Scope of audit

With a view to verify proper implementation of various provisions of above Act and Rules applicable in the State with particular stress on levy and collection of fees, dead rent and royalty during the year 1993-94 to 1997-98, a review was conducted in all the 16\* offices including office of the Director of Mines and Geology between April 1998 and March 1999. Further interesting points of similar nature noticed in audit in earlier years have also been included in the review.

### 5.2.3 Organisational set up

The Director of Mines and Geology is responsible for administration of the Acts and Rules *ibid* through the State Mining Engineer who assisted at Headquarters by the Deputy District Attorney and Assistant Mining Engineers. The work of field is supervised through the Assistant Mining Engineers and Mining Officers of the districts concerned under whose supervision the royalty, dead rent, fees, auction money etc. are collected.

### 5.2.8 Non recovery of contract money and interest

5.2.9 Under the Punjab Minor Mineral Concession Rules 1964 as applicable to Haryana, a mining contract is granted by auction or by accepting tenders from the highest bidder. The contractor is required to deposit 25 per cent of the bid money as security. Besides 25 per cent of the bid money where it is less than 5 lakh and one twelfth of the bid money where it exceeds Rs. 5 lakh is also required to be paid as advance money. The balance of contract money is payable in advance either in monthly or quarterly instalments. In the event of default in payment, the competent authority may by giving a notice terminate the contract and forfeit the amount of security. Interest at the rate of 24 per cent per annum is also recoverable for the period of default in payment of installment of contract money.

(i) In the Office of the Mining Officer, Sonapat, it was noticed that a contract for extraction of sand from a quarry at Khatkar Sand Zone was allotted (30 May 1996) for a period of three years from 29 June 1996 to 31 March 1999 for an amount of Rs. 2.47 crore per annum. The contractor failed to pay two monthly installments due on 1 August 1996 and 1 September 1996. The contract was terminated on 24 October 1996. On contractor's having gone to the court against termination, the court ordered (19 March 1997) for handing over the

Mining Officers: Panchkula, Ambala, Kurukshetra, Yamunanagar, Panipat, Sonapat, Rewari, Narnaul, Rohtak, Jind and Bhiwani; Asstt. Mining Engineer: Faridabad, Gurgaon and Junior Geologist: Hisar, Sirsa and Director of Mines and Geology: Chandigarh.

possession of the quarry to the petitioner company within a period of 4 months. Despite being requested (6 June 1997) by the department the company refused to take the possession. The department filed an application in the court stating that the firm had refused to take the possession. On 12 September 1997 the court modified its previous orders and issued direction that Rs 82.21 lakh deposited by the contractor with the State Government need not be repaid and authority would be at liberty to proceed against the contractor in accordance with law. The contract money for the period from 29 July to 24 October 1996 recoverable from the firm worked out to Rs 59.00 lakh and interest of Rs 36.76 lakh up to March 1999. Though the case was decided in September 1997 the department failed to recover the contract money and interest thereon. This resulted in non recovery of Rs 95.76 lakh.

On the matter being pointed out (June 1998) in audit the department stated (June 1998) that the recovery would be effected after receipt of directions from the Head Office.

(iii) In 10 mining offices 79 contractors who were awarded mining contracts did not pay contract money for various periods between April 1993 and March 1998. The department failed to recover the contract money of Rs 129.43 lakh and interest of Rs 42.39 lakh as detailed below —

Sr No	Name of Mining Office	No of contracts	period of non-payment	Amount of contract money due	Interest due on delayed/unpaid money	Total
(Rs in lakh)						
1	Assistant Mining Engineer Gurgaon	2	1-7-1993 to 30-6-1994	0.80	0.09	0.89
2	Mining Officer Yamunanagar	4	1-1-1996 to 12 1997	9.43	1.62	11.05
3	Mining Officer Jind	2	15-5-1996	0.17	—	0.17
4	Mining Officer Rohtak	3	15-5-1996 to 15-5-1997	1.06	0.42	1.48
5	Mining Officer Panipat	2	3-94 to 3-98	26.93	5.07	32.00
6	Junior Geologist Hisar	6	1994-95 to 1997-98	3.75	—	3.75
7	Mining Officer Panchkula	15	1994-95 to 1997-98	62.51	17.15	79.66
8	Mining Officer Ambala	32	1989-90 to 1997-98	10.08	6.46	16.54
9	Junior Geologist Sirsa	2	1995-96 to 1997-98	0.76	—	0.76
10	Assistant Mining Engineer Fardabad	11	1-4 1996 to 3-1998	13.94	11.58	25.52
<b>Total</b>		<b>79</b>		<b>129.43</b>	<b>42.39</b>	<b>171.82</b>

On this being pointed out (between April 1994 and November 1998) in audit the department stated that efforts were being made to recover the amount

(iv) In six mining offices 60 contractors who were awarded mining contracts (between April 1993 and March 1998) did not pay the contract money. The department though terminated the contracts between September 1993 and April 1998 but did not take any step to recover the contract money amounting to Rs 84.21 lakh which was due from the contractors up to the date of taking back the possession of the quarries. Interest amounting to Rs 18.15 lakh was also recoverable for non-payment of contract money.

The department in their written reply stated as under —

5.2.8 (i)

Out of total amount Rs 95.76 each an amount of Rs 24.66,300/- has already been recovered. Efforts for the recovery of balance amount are being made.

5.2.8 (iii)

Out of total amount of due contracts money of Rs 129.43 lakhs a sum of Rs 70.24 lakh has already been recovered and out of Rs 42.39 lakh due as interest an amount of Rs 21.24 lakh has been recovered. In this way total balances on account of contract money Rs 59.20 lacs and on account of interest Rs 21.15 remains to be recovered. District-wise detail of recovery is given as under —

Sr No	Name of Mining Officer	Amount of contract money recovered	Amount of interest recovered	Amount of contract money balance	Amount of interest balance
(Rs in lakh)					
1	Assistant Mining Engineer Gurgaon	—	—	0.8	0.09
2	Mining Officer Yamunanagar	9.43	1.62	—	—
3	Mining Officer Jind	—	—	0.17	—
4	Mining Officer Rohtak	0.1	—	0.96	0.42
5	Mining Officer Panipat	26.93	5.0	—	0.07
6	Junior Geologist Hisar	0.17	—	3.58	—
7	Mining Officer, Panchkula	19.03	3.10	43.48	14.05
8	Mining Officer Ambala	0.68	—	9.4	6.46
9	Junior Geologist Sirsa	0.15	—	0.61	—
10	Assistant Mining Engineer Fardabad	13.75	11.52	0.19	0.06
<b>Total</b>		<b>70.24</b>	<b>21.24</b>	<b>59.19</b>	<b>21.15</b>

## 528 (iv)

Out of Rs 84.21 lacs recoverable as per audit report on account of contract money of 60 contracts an amount of Rs 42.51 lacs has since been recovered. Whereas out of Rs 18.15 lacs as interest 10.33 has been recovered. Only 49.52 lacs remain balance. However an amount of Rs 2,37,585/- is not recoverable out of this amount as Hon'ble High Court has decided CWP in favour of contractor of Kasan quarry. For the recovery of balance amount of Rs 47.15 lacs efforts are being made by the field offices.

After considering the written reply and having the departmental representatives examined orally, the Committee was worried over the large amount pending for recovery, on account of contract money and interest. The Committee desired that besides taking effective steps to recover the pending amount, a policy be evolved in liaison with A.G.(Audit), Haryana to minimize the reoccurrence of such type of instances. Steps taken and latest position of recovery be intimated to the Committee within stipulated period.

## [22] 529 Non-short recovery of dead rent, royalty and interest

Under the Mines and Minerals (Regulation and Development) Act, 1957 and Punjab Minor Minerals Concession Rules 1964 as applicable to Haryana, the holder of a mining lease is required to pay on any material removed or consumed by him or by his agent from the leased area royalty or dead rent whichever is higher by the dates stipulated in the lease deed. Interest at the rate of 24 per cent per annum is also recoverable for the period of default in payment.

Lessees of 63 leases granted (between May 1993 and March 1998) in Faridabad, Gurgaon, Bhiwani and Rewari were required to pay dead rent and royalty amounting to Rs 78.50 lakh and interest of Rs 0.63 lakh for various periods between 1993-94 and 1997-98. It was either short paid or not paid by the lessees. The department had not taken any action to recover the amount. This resulted in non / short recovery of dead rent, royalty and interest amounting to Rs 79.13 lakh.

On this being pointed out (between March 1995 and January 1999) the department stated (March 1999) that Rs 2.08 lakh had been recovered and efforts were being made to recover the balance amount.

The department in their written reply stated as under —

Out of total amount of Rs 79.13 lakh a sum of Rs 33.53 lakh has already been recovered as Rs 11.25 lacs is recoverable from the M/s Cement Corporation of India, a Government of India undertaking. The unit is lying closed being a sick unit and the case for providing the required funds is pending before BIFR. The company has requested that the amount of dead rent will be paid on provision of funds made by the Government of India. In another case of Bhondsi quarry of district Gurgaon, the area was granted to the lessee and in the agreement was mentioned 802.322 hectares but as per report of Halqua Patwan, the area was shown as 802.322 hectares. Whereas later on it was found and confirmed as per report of Deputy Commissioner, Gurgaon that the total area of the Khasra No. granted on mining lease is 194 hectares only. The dead rent is payable per hectare as per provisions of Schedule III of Mines and Minerals

(R&D) Act 1957 Hence the dead rent was calculated on higher side Accordingly the dead rent amount comes out to Rs 1 20 280/- instead of Rs 4 97 440/- as pointed out by the audit The lessee had deposited 1 20,280/- thus Rs 3 77 160/- is not recoverable Similarly the lessee of Sikhopur and Rithoj quarry obtained Short Term Permit for RM&MS after depositing an advance royalty Thus the dead rent amounting to Rs 99 130/- is not recoverable As the lessee is require to pay dead rent or royalty whichever is more Efforts are being made to recover Rs 29 59 lacs of dead rent which is recoverable

After hearing the department and going through the written reply, the Committee observed some variation in the figures of A.G. and that of departmental figures

The Committee, therefore, recommends that figures be reconciled by the department with the A.G. (Audit), riaryana and latest position of recovery be intimated to the Committee within the period of three months

**[23] 5.2.10 Non/short recovery of royalty from Brick Kiln Owners**

In case of brick earth the quarrying permits shall be issued for a period of two years on payment of fixed royalty by the brick kiln owners Interest at the rate of 24 per cent per annum is also chargeable for the period of default

In 13 mining offices 482 permits were granted to brick kiln owners during the years 1993-94 to 1997-98 but royalty for various periods between 1993-94 and 1997-98 was not paid by the kiln owners The department had not taken any action to recover the amount This resulted in non / short recovery of Rs 31 lakh

The department in their written reply stated as under —

Out of Rs 31 lakh a sum of Rs 28 14 380/ have been recovered and the efforts are being made by the field officer to recover the balance amount of Rs 2 85 620/—

After hearing the departmental representatives, the Committee desired that responsibility be fixed for not taking action against the defaulting Brick-Kiln Owners The Committee also desired that steps be also taken for proper verification of the Brick-Kiln Owners, who have charged their site to evade the payment of royalty

The Committee would like to be intimated about the steps taken by the department within three months

**[24] 5.2.11 Non-recovery of lease fee on short term permits**

The Government by issue of a notification in November 1997 imposed in addition to the royalty lease fee at the rate of Rs 0 10 per square yard per month for a period for which short term permit is granted

In the office of the Assistant Mining Engineer Gurgaon for the year 1997-98 it was noticed that 3 short term permits were issued in respect of Kota Khandvela Manesar and Rozka Gujjar Mines in November 1997 but lease fee amounting to Rs 4.36 lakh was not recovered. This resulted in non recovery of Rs 4.36 lakh.

On this being pointed out (November 1998) in audit the department stated that notices for recovery had been issued in March 1999. Further report on recovery has not been received (October, 1999).

The department in their written reply stated as under —

A notification was issued by the State Government on 11-11-1997 vide which an STP fee at the rate of Rs 0.10 per square yard. The said notification was sent to the field offices for further necessary action. Mining Officer Gurgaon on 11-11-1997 issued a Short Term Permit. Similarly on 17-11-1997 and 18-11-1997 two more STPs were issued. Whereas the copy of notification was got received in his office only on 21-11-1997. As above 3 STPs were got issued prior to receipt of copy of notification in the office of M.O. Gurgaon i.e. 21-11-1997 hence STP fee could not be charged.

After hearing the departmental representative and considering the written reply, the Committee is not satisfied. The Committee felt that some favouritism had been done in this case.

The Committee, therefore, recommends that responsibility be fixed and suitable action be taken against the delinquent officials and the Committee be informed accordingly within stipulated period.

#### **[25] 5.2.12 Non recovery of interest on belated payments**

Under the Punjab Minor Minerals Concession Rules 1964 as applicable to Haryana the holder of a mining lease / mining contract is required to pay royalty and installment of contract money in advance by the dates stipulated in the deed. In the event of default, simple interest at the rate of 24 per cent per annum is chargeable on the belated payments.

In five offices 41 contractors/lessees paid contract money / royalty during 1993-94 to 1997-98 after the stipulated dates. On the belated payment of amount due interest amounting to Rs 34.05 lakh was chargeable but the department did not charge any interest on the belated payments. This resulted in non-recovery of interest of Rs 34.05 lakh.

The department in their written reply stated as under —

Out of total amount of Rs 34.05 lakh a sum of Rs 26.89 lakh has since recovered from 28 contractor / lessee. Out of 41 contractors / lessee

After hearing the departmental representatives, the Committee desired that besides taking expeditious steps to recover the pending amount of interest, the target of recovery may also be fixed and a clear position be intimated to the Committee within the period of three months.



## ANIMAL HUSBANDRY DEPARTMENT

### [26] 1 5 Arrears in revenue

As on 31 March 1999 arrears or revenue under the principal heads of revenue as reported by the departments were as under —

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
1	Animal Husbandry	34 65	30 15	Out of the arrears of Rs 34 65 lakh a sum of Rs 0 25 lakh was due from Chief Superintendent Live Stock Farm Hisar Rs 29 33 lakh were due from Project Director, State Cattle Breeding Project Hisar and Rs 5 07 lakh were due from Director Haryana Veterinary Vaccine Institute Hisar

The department in their written reply stated as under —

Out of total recovery of Rs 34 65 lacs Rs 34 39 lacs have either been recovered from the parties concerned or adjusted against their balances

As regards balance amount of Rs 0 26 lacs which are long out standing (varies from 15 to 20 years) against different State Government as well as some individuals parties After long correspondence made with concerned Government no fruitful result came out Even record pertaining to supply of Departmental Product is also not traceable Hence it is requested to settle the para

After hearing the departmental representatives and also going through the written reply, the Committee desired that efforts be made to recover the balance amount of Rs 0 26 lacs and even if it is not possible to recover the amount then the matter be taken up with the Government to write off the amount and progress report be sent for information of the Committee within three months

### [27] 1 7 Frauds and evasions of taxes / duties

The details of cases of frauds and evasions 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 taxes/duties raised against the dealers during the year and the number of cases pending finalisation at the end of March 1999 as supplied (July 1999) by the respective departments are given as under —

Sr No	Name of tax/duty	Cases pending as on 31March 1998	Cases detected during the year 1998-99	Number of cases in which assessments/investigations completed and additional demand including penalty raised	Amount of demand (Rupees in lakh)	Number of cases pending finalisation as on 31March 1999
4	Animal Husbandry	1	-	-	0.65	1

The department in their written reply stated as under —

After giving due opportunity to hear Shri Rajinder Kumar (the then cashier) enquiry has been finalized. Shri Rajinder Kumar has been directed to deposit the said amount in Government account. Besides this, the official has also been suitably punished.

Keeping aforesaid in view, para may kindly be settled.

During the course of oral examination, the departmental representatives informed the Committee that the official responsible for the loss has been suitably punished and recovery orders of Rs 65,961/- have been passed to recover the amount from him and the same will be recovered in due course of time. The Committee, therefore, desired that intimation be sent to the Committee after effecting the full recovery.

## HOME DEPARTMENT

### [28] 1 5 Arrears in revenue

As on 31 March 1999 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
		<i>(Rupees in lakh)</i>		
7	Police	190 78	157 53	A sum of Rs 190 78 lakh pertaining to the period ranging from March 1977 to March 1995 on account of deployment of Police force was due from various States viz Assam Punjab Rajasthan etc

The department in their written reply stated as under

Besides concerted efforts have been made the reimbursement from the relevant States of Rs 203 58 lakh from 3/77 to 9/99 is yet awaited However the State Government (Home Department) vide his letter No 10/16/2003-3H(C) dated 3 7 2003 has requested the Government of India Ministry of Home Affairs New Delhi to get the amount adjusted against the grants of the concerned States and credit the amount to the State of Haryana Moreover in this regard the office of A G Haryana also shows inability to issue the Audit Certificates with the plea that the record has since been destructed for the said period

After hearing the departmental representatives the Committee desired that matter may be taken up with the Government of India after working out the amount of recovery to be realised/adjusted and progress report be sent to the Committee within a period of three months

## REVENUE DEPARTMENT

### STAMP DUTY AND REGISTRATION FEES

#### [29] 3 1 Results of Audit

Test check of records of various registration offices conducted in audit during the year 1998 99 revealed non/short levy of stamp duty and registration fees amounting to Rs 844 24 lakh in 69 cases which broadly fall under the following categories

Sl No	Nature of irregularities	Number of cases	Amount (Rupees in lakh)
1	Miscellaneous irregularities	68	35 25
2	Review on Stamp duty and registration fees	1	808 99
<b>Total</b>		<b>69</b>	<b>844 24</b>

The department accepted under assessments of Rs 107 60 lakh in 7 cases which were pointed out during 1998 99. An amount of Rs 10 46 lakh had been recovered in 78 cases during the year 1998-99 of which Rs 9 02 lakh recovered in 75 cases related to the earlier years

The department in their written reply stated as under --

The latest position of the Para No 3 1 (Result of Audit) for the year 1998 99 (Revenue Receipts) Stamp and Registration Fees is as under

Sr No	Para No 3 1	Cases	Amount (Figures in Lacs)	Recovery % age
1	Recovery already mentioned in CAG	1	22 90	
2	Amount dropped by A G being not recoverable	16	28 70	
3	Amount dropped by D C	2	66 42	
4	Recovery made by the Deptt	30	81 67	55 16%
5	Pending in various courts	2	211 59	
6	Amount not recovered due to Time Barred		137 00	
7	Amount not accepted by the Deptt		12 20	
8	Balance cases /amount	18	283 76	
<b>Total</b>		<b>69</b>	<b>844 24</b>	

Efforts are being made to recover the balance amount of Rs 283.76 lacs. Concerned Deputy Commissioners have been directed to recover the balance amount immediately. They have also been directed to bring down the number of cases pending in various courts of collectors and get the decision expedited. The cases amounting to Rs 137 lacs are time barred due to Registration of documents in metropolitan cities. In undervalued cases, the Collector can drop the amount under Section 47 A of Indian Stamp Act.

After considering the written reply of the department, the Committee emphasized the need to expedite the pace of recovery and desired to pursue the court cases vigorously. The Committee further desired that progress report be sent to the Committee within stipulated period for its information.

### **[30] 3.2 Stamp Duty and Registration Fees**

#### **3.1.1 Introduction**

The levy and collection of stamp duty in Haryana on various types of instruments such as conveyance, exchange, mortgage, lease etc. is governed by the Indian Stamp Act 1899 read with the Indian Stamp (Haryana Amendment) Act 1973. The duty is paid by the executors of instruments either by using impressed stamps or by affixing stamps (non judicial) of the proper denomination.

The levy of registration fees on the instruments presented for registration is governed by the Registration Act 1908 and the Rules framed thereunder.

#### **3.1.2 Organizational set up**

The overall superintendence and control over the registration work is exercised by the Inspector General of Registration who is assisted by the Deputy Commissioners, Tehsildars and Naib Tehsildars acting as the Registrars, Sub Registrars and Joint Sub Registrars respectively. The State Government exercises control over the Stamp Administration through the Financial Commissioner and the Commissioners of the Divisions. For the purpose of levy and collection of stamp duty and registration fees, the State has been divided into four commissionerates and nineteen districts having 19 Registrars, 63 Sub Registrars and 32 Joint Sub Registrars.

#### **3.1.3 Scope of Audit**

A review of records relating to levy, collection, exemption and remission of stamp duty and registration fees in 47 out of 95 registering offices for the years 1994-95 to 1997-98 was conducted in audit between April 1998 and March 1999 with a view to ascertain whether the provisions of the Acts, Rules and instructions issued from time to time by the Government were being effectively implemented. The review also incorporates interesting cases noticed during regular audit.

#### **3.2.4 Highlights**                      \*                      \*                      \*                      \*                      \*                      \*

#### **3.2.5 Trend of revenue and registration of documents**

The table below indicates the total number of documents registered, total revenue realised by the State Government from stamp duty and registration fees and its

percentage to the total tax revenue raised by the State during the four years ending 1997 98

Year	Total number of documents registered	Total tax revenue raised by the State	Revenue from stamp duty and registration fees	Percentage of revenue from Stamp duty and registration fees to the total revenue
<i>(Rupees in crore)</i>				
1994 95	2 76 101	1 887 85	163 81	8 68
1995 96	2 58 090	2 168 96	244 63	11 28
1996 97	N A	2 143 12	273 10	12 74
1997 98	N A	2 368 62	301 67	12 74

### 3 2 6 *Incorrect grant of exemption to Co operative Societies*

By a notification issued in July 1948 Government exempted from payment of stamp duty the instruments executed by or on behalf of any society registered under Co operative Societies Act or the instruments executed by any officer or member of any such society and relating to the business of the society. The exemption was subsequently withdrawn by a notification issued in February 1962 in respect of the following classes of Co operative Societies unless all the members of the society belonged to scheduled castes

- (i) Co operative House Building Societies in Urban Areas
- (ii) Co operative Industrial Societies and
- (iii) Co operative Dairy Farming Societies

During test check of records of Registering offices at Rohtak and Panchkula it was noticed (between December 1995 and December 1997) that 19 Co operative House Building Societies (18 societies of Panchkula and one of Rohtak) executed 167 sale deeds for the purchase of land situated in urban area of Rohtak and Panchkula for a consideration of Rs. 1129.48 lakh which were registered without charging any stamp duty and registration fees. Since the land was located in an urban area and all the members of the societies did not belong to scheduled castes the exemption allowed was incorrect. This resulted in non levy of stamp duty and registration fees amounting to Rs. 141.72 lakh.

On this being pointed out in audit the Sub Registrar Rohtak stated (July 1998) that the cases have been referred to Registrar cum Deputy Commissioner Rohtak for effecting the recoveries as arrears of land revenue. Sub Registrar Panchkula stated (May 1997) that the cases were referred to Collector for adjudication. Further report had not been received (October 1999).

### 3 2 7 *Short levy of stamp duty due to under valuation of immovable property*

The Indian Stamp Act 1899 as applicable to Haryana provides that the consideration and all other facts and circumstances affecting the chargeability of any

instrument with duty or the amount of duty with which it is chargeable should be fully and truly set forth therein Under Section 47 A of the Act if the registering officer while registering any instrument relating to transfer of any property has reason to believe that the value of the property or the consideration has not been truly set forth in the instrument he may after registering such instrument refer the same to the Collector for determination of the value of the consideration and the proper duty payable Further Section 64 of the Act provides that any person who with intent to defraud the Government executes any instrument in which all the facts and circumstances required to be set forth in such instrument under the Act are not fully and truly set forth is punishable with a penalty which may extend to five thousand rupees per instrument

(i) In 244 sale deeds registered in 57 registering offices in 19 districts during the years 1994-95 to 1997-98 the value of the properties set forth in the deeds was shown less than that shown in the agreements to sell executed by the executants earlier and noted with the documents writers This resulted in short realisation of stamp duty of Rs 47.51 lakh

On this being pointed out (between May 1995 and March 1999) in audit the department recovered Rs 5.64 lakh in 44 cases issued notices for recovery of Rs 11.55 lakh in 68 cases sent 12 cases involving Rs 1.95 lakh to District Collectors for recovery as arrears of land revenue referred 36 cases of Rs 7.10 lakh to Collector for determination of value of properties and proper duty payable Reply in respect of the remaining 84 cases involving Rs 21.27 lakh had not been received (October 1999)

Besides penalty not exceeding Rs 12.20 lakh was also leviable Out of this Rs 5000 were recovered (October 1998) in one case by Sub Registrar Panchkula

(ii) With a view to checking under-valuation of properties at the time of registration Evaluation Committees constituted under the directions of Government issued from time to time suggest minimum market value of properties in various areas of the State for the guidance of registering authorities A copy of these rates is supplied to them by the department

During test check of records in audit it was noticed (between April 1995 and March 1999) that in 966 cases registered (between April 1995 and March 1999) in 82 registering offices the values set forth in the deeds of 760 cases value of land/property or consideration had not been set forth in accordance with minimum market value fixed for those areas The stamp duty on the value under stated in the conveyance deeds worked out to Rs 305.46 lakh

It was also noticed that out of above 227 cases involving stamp duty of Rs 137 lakh had become time barred with the respective Sub Registrars as these could not be referred within the time limit of three years from the date of registration as provided under the Act and resulted in loss of revenue to this extent

### 3.2.8 Non/short levy of stamp duty on exchange of property

Financial Commissioner and Secretary to Government of Haryana Revenue Department clarified (September 1996) that compromise decree which is not bonafide is chargeable with stamp duty as a conveyance deed for a consideration equal to the value of the property or the value as set forth in such instrument whichever is higher

(i) In 25 offices of Sub Registrars it was noticed (between May 1997 and March 1999) in audit that 130 deeds relating to compromise decree which were not bonafide were registered for the exchange of property without levying of stamp duty. This resulted in non levy of stamp duty of Rs 59.94 lakh.

On this being pointed out (between May 1997 and March 1999) in audit one registering authority stated (May 1997) that Rs 27.539 had been recovered. 5 stated that notices for recovery had been issued. 3 referred the cases to Collector whereas no reply had been received from the remaining 16 authorities (October 1999).

(ii) In 9 registering offices on 33 instruments of exchange of immovable properties registered during the years 1996-97 and 1997-98 Rs 2.99 lakh instead of Rs 5.98 lakh were charged as stamp duty. This resulted in short levy of stamp duty of Rs 2.99 lakh.

On this being pointed out (between May 1997 and March 1999) 4 registering authorities stated (between August 1998 and January 1999) that notices have been issued for recovery. Report from the remaining 5 had not been received (October 1999).

### 3.2.9 Inordinate delay in disposal of reference and revision cases

Under Section 47 A and 31(1) of the Indian Stamp Act 1899 the power to decide the cases referred by Sub registrar/Joint-Sub Registrars is vested in Collectors and District Collectors (Registrar) respectively. The Act and the Rules framed there under by the State Government do not provide any specific time limit for deciding such cases.

It was noticed in audit that 978 cases involving Rs 301.90 lakh were referred to Collectors of which 774 cases involving Rs 269.37 lakh were pending for final decision as detailed below:

Year	Cases/amount referred for decision		Cases/amount decided		Cases/amount pending		Percentage of cases decided
	No of cases	Amount (Rupees in lakh)	No of cases	Amount (Rupees in lakh)	No of cases	Amount (Rupees in lakh)	
1994-95	267	45.08	113	11.39	154	33.69	42
1995-96	327	125.29	72	15.26	255	110.02	22
1996-97	272	97.77	19	5.87	253	91.90	7
1997-98	112	33.76			112	33.76	-
<b>Total</b>	<b>978</b>	<b>301.90</b>	<b>204</b>	<b>32.52</b>	<b>774</b>	<b>269.37</b>	

The reasons for delay in disposal of pending cases were called for (November 1998) from the department. Their reply had not been received (October 1999).

### 3.2.10 Short levy of stamp duty

(i) Under the Indian Stamp Act 1899 as applicable to Haryana, on an instrument of lease stamp duty is chargeable on the basis of period of lease and the amount of the average annual rent reserved.



In 6 offices of the Sub registrars it was noticed (between July 1998 and March 1999) in audit that the period of lease/amount of average annual rent reserved in respect of 24 instruments registered between April 1997 and May 1998 were calculated incorrectly. This resulted in short levy of stamp duty of Rs 9.24 lakh.

On this being pointed out (between August 1998 and March 1999) in audit Sub Registrar Panchkula recovered (August 1998) Rs 63,136. Sub Registrar Hisar stated (January 1999) that notice for recovery had been issued. Replies from other 4 offices have not been received (October 1999).

(ii) Under the Act conveyance includes a conveyance on sale and every instrument by which property whether movable or immovable is transferred. Further the Registration Act 1908 provides that immovable property includes land, building and things attached to the earth.

Two vendors purchased 2 factories for a consideration of Rs 30 lakh and Rs 18.25 lakh at Sampla (Rohtak) and Panchkula respectively in auction conducted by Haryana Financial Corporation. While executing (May 1997) the sale deed stamp duty was paid on the cost of land and building valued at Rs 17.65 lakh and Rs 13.15 lakh instead of Rs 30 lakh and Rs 18.25 lakh respectively. This resulted in short levy of stamp duty amounting to Rs 2.18 lakh.

On this being pointed out (July 1998) in audit the department in one case (Sampla) stated (October 1998) that notice for recovery had been issued to the party while Sub Registrar Panchkula stated (October 1998) that stamp duty is leviable on the value of plot and building and not on machinery being movable property. The contention is not correct as the machinery embedded to the earth is immovable property.

### 3.2.11 Incorrect grant of exemption

As per notifications issued in October 1983 under the Indian Stamp Act 1899 Government remitted the stamp duty and registration fees leviable on the deeds of mortgage without possession which are executed by agriculturists in favour of any Commercial Bank for securing loans up to Rs 2 lakh for agricultural/other purposes like dairy, piggyery etc. When property is mortgaged to secure a loan and the possession of property is not given stamp duty is chargeable at one and a half per cent of the amount of loan secured by such instrument.

(a) In 29 offices of Sub Registrars in 11 districts 447 deeds of mortgage (in which possessions of property was not given) executed during the years 1996-97 and 1997-98 by agriculturists in order to secure loans from Banks were exempted from payment of stamp duty and registration fees even though the loans secured exceeded the prescribed limit of exemption. This resulted in short levy of stamp duty and registration fees amounting to Rs 7.11 lakh.

On this being pointed out (between May 1997 and March 1999) the department recovered Rs 61,202 in 58 cases issued notices (between October 1997 and November 1998) for recovery in 103 cases and referred 24 cases to the Collectors while replies in 262 cases had not been received (October 1999).

(b) In 37 registering offices in 14 districts 346 deeds of mortgage (without possession of the property) were registered between (April 1995 and March 1998) by agriculturists for securing loans from the banks for non agricultural purposes such as atta chakki karyana shop brick kiln purchase of vehicles etc but stamp duty and registration fees aggregating Rs 8 83 lakh was not recovered from them This resulted in incorrect grant of exemption of Rs 8 83 lakh

On this being pointed out (between February 1997 and March 1999) the department recovered Rs 5722 in 4 cases and issued notices (between August and December 1998) for recovery of Rs 1 95 lakh in 52 cases 3 cases were referred to the Collector for recovery as arrears of land revenue Replies in the remaining cases were awaited (October 1999)

### *3 2 12 Incorrect refund*

As per the Act the Collector may on application made within the period prescribed in the Act make allowance for impressed stamps spoiled due to refusal of any person to execute the document after signing The application for relief in such cases shall be made within two months from the date of instrument

During test check of records of 6 Collectors it was noticed (between September 1996 and December 1998) that 15 vendors purchased non judicial stamp papers of the value of Rs 3 10 lakh from different treasury offices for executing conveyance and lease deeds etc in respect of their properties The deeds could not be got registered and were cancelled by reason of refusal to honour the deal although these were written and signed by both the parties Accordingly the vendors applied after 2 months in all the cases to the Collectors for refund of value of the stamps and the Collector allowed refund of Rs 2 79 lakh after making statutory deductions The action of the Collectors in allowing the refund was not in order

On this being pointed out (between September 1996 and December 1998) in audit the Collector Bahadurgarh recovered Rs 1 13 lakh in one case Collector Ambala stated (April 1999) that notices for recovery have been issued while Collector Panipat stated (December 1998) that the refund was correctly allowed as the vendors submitted applications for refund within six months The contention of the department was not correct as in these cases both the parties had signed the documents but refused to execute the same Accordingly the application for refund was required to be made within the period of two months from the date of instrument Replies from three Collectors had not been received (October 1999)

The matter was reported (between October 1996 and December 1998) to Government which directed (September 1997) the Deputy Commissioner Ambala for the

recovery of Rs 65 925 Progress of recovery and replies in other cases had not been received (October 1999)

### 3 2 13 Misclassification of instruments

Under the Act separate rates of duty have been prescribed for different types of instruments The classification of an instrument depends upon the nature of the transaction recorded therein

In 14 registry offices 17 instruments were misclassified and charged to stamp duty at lower rates instead of at the rates chargeable on instruments of conveyance This resulted in short levy of stamp duty of Rs 10 56 lakh as in Annexure C

On this being pointed out in audit the department stated (between May 1998 and April 1999) that in 9 cases notices for recovery had been issued one case had been sent to collector for adjudication and no reply had been received in 7 cases (October 1999)

### 3 2 14 Internal Audit

The Finance Department (Revenue) conducts internal audit of the offices of Sub Registrars in the State For this purpose stamp auditors have been posted at district level who conduct pre audit of registerable documents in the Sub Registry offices before these are returned to the persons presenting the documents for registration This system was in vogue in 5 8 and 17 Sub Registry offices during the years 1994 95 1995 96 and 1996 98 respectively During test check of record in audit it was noticed that the stamp auditors failed to detect non/short levy of stamp duty and registration fees amounting to Rs 172 87 lakh during the years 1994 95 to 1997 98 in 657 cases which were subsequently detected during audit by Accountant General as detailed below

Year	No of Sub Registrars	No of cases of non/short levy	Amount (Rupees in lakh)
1994 95	5	27	6 83
1995 96	8	54	13 33
1996-97	17	306	84 55
1997 98	17	270	68 18
Total		657	172 87

The above points were brought to the notice of the department/Government (May 1999) their replies had not been received (October 1999)

The department in their written reply stated as under

Latest position of para No 3 2 6 Incorrect grant of exemption to Cooperative Societies is as under

Sr No	Para No 3 2 6	Case	Amount Rs In lacs	Recovery %age
1	Recovery already mentioned in CAG			
2	Amount dropped by AG being not recoverable			18 30%
3	Amount dropped by DC			
4	Recovery made by the Deptt	2	0 65	
5	Pending in various courts	162	138 17 (under Section 31(i))	
	Balance Cases/Amount	3	2 90	
<b>Total</b>		<b>167</b>	<b>141 72</b>	

162 cases involving Rs 138 17 lacs so lying pending with Collector Panchkula (u/s 31(i) ) of Indian Stamp Act 1899 3 cases are pending in Rohtak District amounting to Rs 2 90 lacs Efforts are being made to recover the balance amount on priority basis Concerned Deputy Commissioners have been directed to bring down the number of cases pending in the Court of Collectors and get the decision expedited

Latest position of Para No 3 2 7(i) -(Short levy of stamp duty due to under valuation of immoveable property) in as under

Sr No	Para No 3 2 7(i)	Case	Amount (Rs In lacs)	Recovery % age
1	Recovery already mentioned in CAG	11	2 97	
2	Amount dropped by AG being not recoverable	16	1' 69	
3	Amount dropped by DC	29	3 77	52 58%
4	Recovery made by the Deptt	68	12 93	
5	Pending in various courts	48	6 81	
	Balance Cases/Amount	72	19 34	
<b>Total</b>		<b>244</b>	<b>47 51</b>	

Efforts are being made to recover the balance amount of Rs 19 34 lacs This amount relates to D C Faridabad Gurgaon Hisar Fatehabad Jind Kurukshetra Karnal

Jhajjar Kaithal and Panipat All the Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

Para 3 2 7 (ii) Short levy of stamp duty under valuation of immovable property

Latest position regarding 906 cases involving Rs 198 46 lakhs is as under

Sr No	Para No 3 2 7 (ii)	Case	Amount (Figures in lacs)	Recovery %age
1	Recovery already mentioned in CAG	21	1 20	
2	Amount dropped by AG being not recoverable	49	19 12	
3	Amount dropped by DC	227	54 08	64 31%
4	Recovery made by the Deptt	228	25 43	
5	Pending in various courts	224	43 23	
	Balance Cases/Amount	217	55 40	
<b>Total</b>		<b>966</b>	<b>198 46</b>	

Efforts are being made to recover the balance amount of Rs 55 40 lacs on priority basis Concerned Deputy Commissioner have been directed to bring down the number of cases pending in various courts and get the decision expedited

Para 3 2 7 (iii) Short levy of under valuation of immovable (Deeds registered in Delhi)

Latest position regarding 760 cases involving Rs 305 46 lakhs is as under

Sr No	Para No 3 2 7 (iii)	Case	Amount (Figures in lacs)	Recovery %age
1	Recovery already mentioned in CAG	51	16 39	
2	Amount dropped by AG being not recoverable			8 97%
3	Amount dropped by DC	6	3 56	
4	Recovery made by the Deptt	33	7 48	
5	Pending in various courts	-		
	Balance Cases/Amount	670	278 03	
<b>Total</b>		<b>760</b>	<b>305 46</b>	

Out of 760 cases 227 cases involving Rs 1 37 lacs have become time barred due to Registration in Delhi. In 90 cases Rs 27 43 lacs has been dropped/recovered. Registration of documents in Metropolitan cities has been stopped in 1996. Now there is no possibility of such cases. Efforts are being made to recover the balance amount of Rs 278 03 lacs in 443 cases on priority basis. Concerned Deputy Commissioners have been directed to recover the pending amount.

Latest position of Para No 3 2 8 (i) Non short levy of Stamp duty on exchange of property is as under:

Sr No	Para No 3 2 8 (i)	Case	Amount (Rs In lacs)	Recovery %age
1	Recovery already mentioned in CAG	-		
2	Amount dropped by AG being not recoverable	8	4 26	-
3	Amount dropped by DC	10	2 93	13 56%
4	Recovery made by the Deptt	10	0 94	
5	Pending in various courts	33	20 92	
	Balance Cases/Amount	69	30 89	
<b>Total</b>		<b>130</b>	<b>59 94</b>	

69 cases are pending in District Kaithal Sirsa Karnal Fatehabad Hisar and Ambala. Efforts are being made to recover the balance amount of Rs 30 89 lacs on priority basis. Concerned Deputy Commissioners have been directed to bring down the number of cases pending in the courts of Collectors and get the decision expedited.

Latest position of Para No 3 2 8 (ii) Non/Short levy of Stamp duty on exchange of property is as under:

Sr No	Para No 3 2 8 (ii)	Case	Amount (Rs In lacs)	Recovery %age
1	Recovery already mentioned in CAG			
2	Amount dropped by AG being not recoverable			
3	Amount dropped by DC	3	0 05	29 75%
4	Recovery made by the Deptt	18	0 81	
5	Pending in various courts	8	0 60	
	Balance Cases/Amount	4	1 53	
<b>Total</b>		<b>33</b>	<b>2 99</b>	

4 cases are pending in Districts Narnaul and Kaithal. Efforts are being made to recover the balance amount of Rs 1 53 185/- in 4 cases. Concerned Deputy

Commissioners have been directed to bring down the number of cases pending in the courts of Collectors and get the decision expedited

Latest position of Para No 3 2 9 (Inordinate delay in disposal of reference & Revision cases is as under -

Sr No	Para No 3 2 9	Case	Amount (Rs In lacs)	Recovery %age
1	Recovery already mentioned in CAG	16	2 96	
2	Amount dropped by AG being not recoverable	8	4 19	
3	Amount dropped by DC	166	37 71	20 36%
4	Recovery made by the Deptt	78	9 99	
5	Pending in various courts	198	39 09	
	Balance Cases/Amount	308	175 43	
<b>Total</b>		<b>774</b>	<b>269 37</b>	

Out of 774 cases 198 cases involving amount of Rs 39 09 lacs are pending in various courts Efforts are being made to recover the balance amount of Rs 175 43 lacs in 308 cases These cases are pending in Districts Rewari Panipat Karnal Jhajjar Narnaul Kaithal Kurukshetra Jind Gurgaon Faridabad and Panchkula Concerned Deputy Commissioners have been directed to bring down the number of cases pending in the courts of Collectors and get the decision expedited

Latest position of Para No 3 2 10 (i) Short levy of Stamp duty (on lease deeds) is as under -

Sr No	Para No 3 2 10 (i)	Case	Amount (Rs in lacs)	Recovery %age
1	Recovery already mentioned in CAG			
2	Amount dropped by AG being not recoverable	1	0 29	
3	Amount dropped by DC			16%
4	Recovery made by the Deptt	6	1 16	
5	Pending in various courts			
	Balance Cases/Amount	17	7 79	
<b>Total</b>		<b>24</b>	<b>9 24</b>	

17 cases are pending in District Faridabad Efforts are being made to recover in balance amount of Rs 7 79 lacs on priority basis

Latest position of Para No 3 2 10 (ii) Short levy of Stamp duty for the year 1998 99 (on conveyance deed) is as under

Sr No	Para No 3 2 10 (ii)	Case	Amount Rs In lacs
1	Recovery already mentioned in CAG		
2	Amount dropped by AG being not recoverable		
3	Amount dropped by DC		
4	Recovery made by the Deptt		
5	Pending in various courts		-
	Balance Cases/Amount	2	2 18
<b>Total</b>		<b>2</b>	<b>2 18</b>

1 cases are pending in District Panchkula and Rohtak Efforts are being made to make the recovery on priority basis

Para 3 2 11 (a) incorrect grant of exemption (Mortgage Deed) is as under

Sr No	Para No 3 2 11 (a)	Case	Amount (Rs in lacs)	Recovery %age
1	Recovery already mentioned in CAG	17	0 33	
2	Amount dropped by AG being not recoverable	150	1 90	
3	Amount dropped by DC			57 24%
4	Recovery made by the Deptt	132	2 17	
5	Pending in various courts	11	0 52	
	Balance Cases/Amount	137	2 19	
<b>Total</b>		<b>447</b>	<b>7 11</b>	

137 cases are pending in Districts Karnal Narnaul Kaithal Kurukshetra Fatehabad Faridabad & Ambala Efforts are being made to recover the amount of Rs 2 19 lacs on priority basis Concerned Deputy Commissioners have been directed to bring down the number of cases pending in the Courts of Collectors and get the decision expedited



Latest position of Para No 3 2 11 (b) incorrect grant of exemption (Mortgage Deed) is as under

Sr No	Para No 3 2 11 (b)	Case	Amount (Rs in lacs)	Recovery %age
1	Recovery already mentioned in CAG	15	0 35	
2	Amount dropped by AG being not recoverable	49	1 42	
3	Amount dropped by DC	1	0 01	20 15%
4	Recovery made by the Deptt	47	1 78	
5	Pending in various courts	2	0 30	
	Balance Cases/Amount	232	4 97	
<b>Total</b>		<b>346</b>	<b>8 83</b>	

232 cases are pending for want of recovery amounting to Rs 4 97 lacs in the Districts Kaithal Narnaul Karnal Kurukshetra Fatehabad Hisar Gurgaon Bhiwani Ambala and Panchkula Efforts are being made to recover the amount on priority basis Concerned Deputy Commissioners have been directed to bring down the number of cases pending in the Courts of Collectors and get the decision expedited

Latest position of Para No 3 2 12 incorrect grant refund is as under

Sr No	Para No 3 2 12	Case	Amount (Rs in lacs)	Recovery %age
1	Recovery already mentioned in CAG	1	1 12	
2	Amount dropped by AG being not recoverable	-		
3	Amount dropped by DC			40 86%
4	Recovery made by the Deptt	1	0 02	
5	Pending in various courts	-		
	Balance Cases/Amount	13	1 65	
<b>Total</b>		<b>15</b>	<b>2 79</b>	

13 cases amounting to Rs 1 65 lacs are pending in Districts Rewari Panipat Jhajjar Karnal Hisar and Ambala Efforts are being made to recover the amount on priority basis

Latest position of Para No 3 2 13 regarding Misclassification of instruments is as under

Sr No	Para No 3 2 13	Case	Amount (Rs in lacs)	Recovery %age
1	Recovery already mentioned in CAG	1	0 53	
2	Amount dropped by AG being not recoverable			
3	Amount dropped by DC			11%
4	Recovery made by the Deptt	2	0 60	
5	Pending in various courts	1	0 29	
	Balance Cases/Amount	14	9 14	
<b>Total</b>		<b>17</b>	<b>10 56</b>	

14 cases amounting to Rs 9 14 lacs are pending in Districts Rewari Kaithal Jhajjar Narnaul Karnal Hisar Gurgaon Faridabad and Ambala Efforts are being made directed to get the decision expedited

Latest position of Para No 3 2 14-(Internal Audit) in respect of 657 cases involving an amount of Rs 172 87 lacs is as under

Sr No	Para No 3 2 14	Case	Amount (Rs in lacs)	Recovery %age
1	Recovery already mentioned in CAG	33	0 95	
2	Amount dropped by AG being not recoverable	49	17 78	
3	Amount dropped by DC	100	23 78	38%
4	Recovery made by the Deptt	153	22 72	
5	Pending in various courts	133	83 58	
	Balance Cases/Amount	189	24 06	
<b>Total</b>		<b>657</b>	<b>172 87</b>	

In 657 cases an amount to Rs 172 87 lacs were detected by the A G party It was the lapse on the part of all the stamps auditors and or not detecting 657 cases at the time of pre audit Now an amount of 24 06 lacs are pending in 189 cases These cases are pending in Districts Ambala Panchkula Bhiwani Faridabad Gurgaon Hisar Jind Karnal Narnaul Rohtak Kaithal Panipat and Rewari Efforts are being made to recover

the balance amount of Rs 24.06 lacs in 189 cases. Concerned Deputy Commissioners have been directed to bring down the number of cases in court of collectors and get the decision expedited.

After hearing the departmental representatives and going through the written reply, the Committee were dissatisfied over the functioning of various registration officers which are causing heavy loss to the state exchequer with their acts of omission and commission. The Committee observed irregularities and short comings of various types such as incorrect grant of exemption of stamp duty and registration fee to some House Buildings Societies, non/short levy of stamp duty, inordinate delay in disposal of reference and revision cases, incorrect refund of value of the stamps, misclassification of instruments and deficiency in the internal audit. The Committee further observed that a large number of recovery cases are languishing in various courts due to lack of proper persuasion and also felt worried over the slow pace of recovery.

The Committee attributed it to the laxity, negligence and inaction on the part of registering officers/officials also to the failure of internal audit to detect the cases of non/short levy of stamp duty and registration fee.

The Committee therefore recommends that besides taking action against the negligent officers/officials, the cases pending in various courts be pursued vigorously and expeditious steps be taken to recover/settle the balance amount of recovery. Action taken in the matter be intimated to the Committee within the period of three months.

## AGRICULTURE DEPARTMENT

### [31] 1 5 Arrears in revenue

As on 31 March 1999 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakh)				
	Other taxes and duties on commodities and services Receipts under the Sugarcane (Regulation of Purchase and Supply) Act	403 20	203 63	The arrears of Rs 403 20 lakh were due to non deposit of purchase tax by two sugar mills of Panipat (Rs 249 03 lakh) and Rohtak (Rs 154 17 lakh)

The department in their written reply stated as under —

This para pertains to recovery of arrear amounting to Rs 403 20 lakh (purchase tax & interest) as below —

(a) Cooperative Sugar Mill Panipat	249 03 lakh
(b) Cooperative Sugar Mill Rohtak	154 17 lakh

A certificate to recover the above amounts has been issued to concerned Collectors for affecting the recovery as land revenue *vide* letter dated 2-5 2001

A meeting was held on 15 2-2002 under the chairmanship of Financial Commissioner & Principal Secretary to Govt Haryana Cooperation Department for monitoring the recovery of cane purchase tax and interest thereon. It was decided in the meeting that Managing Director Haryana Cooperative Sugar Mills Rohtak will deposit the purchase tax for the current period as well as a part of arrears of purchase tax and interest thereon immediately and Managing Director Cooperative Sugar Mills Panipat will deposit purchase tax along with interest for three years immediately and thereafter the balance will be paid in six monthly instalments. Consequently the Sugar Mill Panipat has deposited Rs 26 56 866 for the year 1990-91. Now a sum of Rs 376 64 lakh is recoverable for which a further meeting under the chairmanship of Principal Secretary to Chief Minister was held on 29-3-2004 and decided that Cooperative Sugar Mills as well as private sugar mills will deposit the cane purchase tax and interest.

The Managing Director Sugar Federation was directed to submit plan before 10-4-2004 to Cane Commissioner Haryana Panchkula for depositing purchase tax alongwith interest. Similarly private sugar mills were also directed for submitting plan for depositing cane purchase tax & interest. The proceedings of the said meeting were

issued to the concerned vide this office letter No 1610-16 dated 12-4-2004. A reminder was also issued vide this office letter No 1732 dated 29-4-2004. For follow up the decisions taken in the meeting held under the chairmanship of Worthy PSCM a meeting was called on 15-4-2004 by Additional Cane Commissioner Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon of Rohtak and Panipat Sugar Mills otherwise a serious action will be taken against them. On dated 2-6-2004 a meeting was again convened under the chairmanship of Cane Commissioner to review the progress. The Cane Advisor, Haryana Sugar Federation told that the matter has been taken up with the Govt. for providing funds for this purpose but no progress has been reported so far by the Sugar Mills.

During the course of oral examination, the departmental representatives assured the Committee to send the latest report in regard to the arrears of Panipat and Rohtak Sugar Mills. But the same was not sent by them till the drafting of report by the Committee. The Committee, therefore, desired that latest report of arrears in respect of aforesaid Sugar mills be supplied within a period of two months.

#### [32] 4.1 Result of Audit

Test check of records in departmental offices relating to revenues of Taxes on Motor Vehicles, Passengers and Goods Tax, Agriculture and State Excise Duty revealed under assessment of taxes and duties and loss of revenue amounting to Rs 424.24 lakh in 2421 cases as depicted below:

	Heads of revenue	Number of cases	Amount (Rupees in lakh)
A	Taxes on Motor Vehicles	1480	76.48
B	Passengers and Goods Tax	900	174.33
C	Agriculture	40	172.90
D	State Excise Duty	1	0.53
	<b>Total</b>	<b>2421</b>	<b>424.24</b>

In the cases of Taxes on Motor Vehicles, Passengers and Goods Tax, Agriculture and State Excise Duty the departments accepted under assessments etc. of Rs 286.44 lakh in 730 cases which were pointed out during the year 1998-99. An amount of Rs 29.28 lakh had been recovered in 59 cases during the year 1998-99 of which Rs 14.89 lakh recovered in 29 cases relate to earlier years.

The department in their written reply stated as under —

As per A.G's observation conveyed vide D.O. letter No 99/99-2000/2368-70 dated 9-1-2000 the latest position of 40 cases amounting to Rs 172.90 lakh is as under —

#### Part-I Non/short recovery of purchase tax & interest

<u>Cases</u>	<u>Amount</u>
6	171.47 lakh

The case wise position is as under —

Sr No	Name of Office	No of Cases	Amount	Present Position
1	A C D O Rohtak	1	9 83 030 00	No recovery affected action is being taken to recover the amount by holding meetings with concerned quarters
2	A C D O Panipat	1	15 81,229 00	No recovery affected action is being taken to recover the amount by holding meetings with concerned quarters
3	A C D O Karnal (for Bhadson Mill)	1	1 33 68 038 00	Court case pending before Hon ble Punjab & Haryana High Court The case has been admitted and request was made for fixing the early date for hearing on 1-1-2004 but the same was rejected by the High Court
4	A C D O Jind	1	12 12 220 00	Amount deposited vide challan No 111 dated 27 3 2002 (copy enclosed)
5	A C D O Palwal	1(A)	1 180 00	Amount of Rs 2063/- deposited vide challan No 47 dated 25-3-1999 (copy enclosed)
6	A C D O Palwal	1(B)	853 00	
<b>Total</b>		<b>6</b>	<b>1,71,46,550 00</b>	

**Part-II Non recovery of licence fees**

<u>Cases</u>		<u>Amount</u>			
27		1 30 lakh			
Sr No	Name of Office	No of cases	Amount	Present Position Recovered/ Settled	Balance
1	A C D O Meham	5	19 000 00	Nil	19 000 00
2	A C D O Sonipat	4	16 000 00	16 000 00	—
3	A C D O Bhuna	4	15 200 00	Nil	15,200 00
4	A C D O Shahabad	1	3 800 00	3 800 00	—
5	A C D O Panipat	5	19 000 00	19 000 00	—
6	A C D O Kaithal	1	4 600 00	4 600 00	—
7	A C D O , Yamuna nagar	7	52 600 00	—	52 600 00
<b>Total</b>		<b>27</b>	<b>1,30,200 00</b>	<b>43,400 00</b>	<b>86,800 00</b>

In this connection it is pointed out that the department does not agree with the observations made by A.G. as licences are issued only after depositing the requisite fees into the treasury by the concerned unit

The latest position of three cases are as under —

- 1 **A.C.D.O., Meham** As per our record there were only two khandsari units whose licences were renewed after receiving the required fees amounting to Rs 8100/- whereas the audit has pointed out 5 units amounting to Rs 19 000 which is not correct
- 2 **A.C.D.O., Bhuna** There was no such khandsari unit in Bhuna whereas A.G. has pointed out 4 units hence Rs 15 200/- is not recoverable
- 3 **A.C.D.O., Yamunanagar** There were 23 khandsari units in Yamunanagar district and fee amounting to Rs 1 49 000 was recovered The A.G. has wrongly mentioned 7 units amounting to Rs 52 600/- as licences were only renewed to those units who had deposited the required fees

From the above it is clear that no amount was recoverable

### Part-III Other Irregularities

<u>Cases</u>		<u>Amount</u>	
7		0 13 lakh	
Sl. No	Name of Office	No of cases	Amount
1	A C D O Panchkula	7	13 200
			Amount recovered & setteled
Total		7	13 200

Grand Total 40 cases Rs 1 72 89 950/- (Say Rs 172 90 lakh)

After having the departmental representatives examined orally and also going through the written reply, the Committee recommends that expeditious steps be taken to settle the balance amount and progress report be sent for information of the Committee within three months

## TRANSPORT DEPARTMENT

### [33] 4 1 Results of Audit

Test check of records in department's offices relating to revenues of Taxes on Motor Vehicles Passengers and Goods Tax Agriculture and State Excise Duty revealed under assessment of taxes and duties and loss of revenue amounting to Rs 424.24 lakh in 2421 cases as depicted below

	Heads of revenue	Number of cases	Amount (Rupees in lakh)
A	Taxes on Motor Vehicles	1480	76.48
B	Passengers and Goods Tax	900	174.33
C	Agriculture	40	172.90
D	State Excise Duty	1	0.53
	<b>Total</b>	<b>2421</b>	<b>424.24</b>

In the cases of Taxes on Motor Vehicles Passengers and Goods Tax Agriculture and State Excise Duty, the departments accepted under assessments etc. of Rs 286.44 lakh in 730 cases which were pointed out during the year 1998-99. An amount of Rs 29.28 lakh had been recovered in 59 cases during the year 1998-99 of which Rs 14.89 lakh recovered in 29 cases related to earlier years.

The department in their written reply stated as under —

Out of total amount of Rs 76.48 lakh in 1480 cases, in 306 cases involving an amount of Rs 12.74 lakh have been got recovered/settled. Efforts are being made to recover the balance amount.

After going through the written reply and having departmental representatives examined orally, the Committee recommends that expeditious steps be taken in liaison with A.G. (Audit), Haryana to settle the remaining cases. Progress report be sent for information of the Committee within the period of three months.

### [34] 4 2 Non deposit of token tax

As per Punjab Motor Vehicles Taxation Act 1924 as applicable to Haryana, tax shall be leviable on every motor vehicle in equal instalments for quarterly periods commencing on the first day of April, July, October and January at such rates not exceeding Rs 35,000 per vehicle per year as the State Government may by notification direct. Any broken period in such quarterly periods shall for the purpose of levying the tax be considered as a full quarter. In case of omission to comply with the provisions, the Act further provides that the licensing officer may impose a penalty which may extend to twice the amount of tax due. Arrear of tax can be recovered as arrears of land revenue.



During test check of records of 3 Regional Transport Authorities (Rewari Rohtak and Faridabad) it was noticed (between October and December 1998) that token tax for all the four quarters of 1997-98 in respect of 82 buses and five quarters (between January 1997 and March 1998) in respect of 64 buses of the Transport Co-operative Societies was neither deposited by them nor demanded by the department. This resulted in non-deposit of token tax amounting to Rs 38 60 lakh besides penalty leviable thereon

On this being pointed out (between October and December 1998) in audit, the department intimated (between October and December 1998) that Rs 1 02 lakh have been recovered by Regional Transport Authority Rewari and in respect of other cases efforts were being made to recover the tax. Further report has not been received (October 1999)

The cases were reported to the Government in November 1998 and January 1999 their reply has not been received (October 1999)

The department in their written reply stated as under —

An amount of Rs 12 80 lakh out of Rs 38 60 lakh have been recovered from 50 busses and further efforts are being made for early recovery of token tax from the concerned Transport Co op Societies

During the course of oral examination of the departmental representatives, some information was desired by the Committee but the same was not supplied by the department till the drafting of this Report by the Committee. The Committee, therefore, desired that required information be supplied within the period of two months and latest position of recovery of the Token Tax may also be intimated

### **[35] 4 3 Short levy of penalty**

As per provisions of the Motor Vehicles Act 1998 whosoever drives a motor vehicle carrying goods in contravention of the provisions of the Act shall be punishable with minimum fine of rupees two thousand. For excess load, an additional amount of rupees one thousand per tonne together with charges for off loading the excess load is also leviable

During the test check of records of Regional Transport Authorities Rohtak Faridabad and Ambala it was noticed (between September and December 1998) that against the minimum leviable penalty of Rs 6 81 lakh (fine of Rs 2 06 lakh and additional amount of Rs 4 75 lakh for excess load) penalty of Rs 2 79 lakh only was levied on account of overloading of 475 241 tonnes of weight in 103 vehicles during the period from March 1997 to March 1998. This resulted in short levy of penalty of Rs 4 02 lakh

On this being pointed out (between October 1998 and January 1999) in audit the Transport Commissioner directed (February 1999) that Regional Transport Authorities to recover the amount of penalty short levied. Report on recovery has not been received (October 1999)

The cases were reported to the Government (between November 1998 and January 1999) their reply has not been received (October 1999)

The department in their written reply stated as under —

In this regard it is submitted that Secretary Regional Transport Authorities have

been empowered as compounding Officers and challans are compounded on the Compromise made between Compounding Officer and the owner of vehicle. An amount of Rs 0.94 lakh has been recovered by the Secretary, Regional Transport Authorities, Faridabad. The challans were compounded after considering the facts produced/explained by the owners. As per Haryana Govt. Commercial Taxation Department Notification No. GSR96/PA/16/1952/S-22/96 dated 30-10-1996 (copy enclosed), if a vehicle is carrying load in excess of its loading capacity then, in addition to the existing lump sum, the owner shall pay at the rate of Rs 150/- per tonne of such excess load for that particular journey within the State of Haryana. Most of these cases pertain to the lenient view taken in these cases where additional tax on excess load had been paid by the Transporter. So in these circumstances, further recovery is not possible.

It is therefore requested that as per position explained above, this para may please be dropped.

The Committee, after hearing the departmental representatives, desired that the matter be settled in liaison with the A.G. (Audit), Haryana, and a progress report be sent to the Committee.

### IRRIGATION DEPARTMENT

#### [36] 5 1 Results of Audit

Test check of records in departmental offices relating to revenues of Mines and Minerals Home (Police) Irrigation Co-operation State Lotteries and Forest conducted in audit during the year 1998-99 revealed under assessments and losses of revenue amounting to Rs 3194.75 lakh in 2231 cases as depicted below

Heads of revenue		Number of cases	Amount (Rupees in lakh)
A	(i) Review on Receipt from mines and minerals	1	630.49
	(ii) Mines and Geology	105	5.50
B	Home (Police)	122	930.25
C	Public Works (Irrigation)	843	156.82
D	Co-operation	462	112.33
E	Finance (State Lotteries)	484	71.51
F	Forest	214	1287.85
<b>Total</b>		<b>2231</b>	<b>3194.75</b>

In the cases of Mines and Geology Home (Police), Public Works (Irrigation), Co-operation State Lotteries and Forest the departments accepted under assessments/loss of revenue etc. of Rs 798.66 lakh involved in 407 cases which were pointed out during the year 1998-99. An amount of Rs 74.64 lakh had been recovered in 95 cases during the year 1998-99 of which Rs 56.92 lakh recovered in 34 cases related to earlier years.

The department in their written reply stated as under —

The Department have got settled 456 cases amounting to Rs 21.64 lacs against 843 cases amounting to Rs 156.52 lacs leaving balance 387 cases amounting to Rs 135.18 lacs.

The field officers have been directed to take concrete steps for immediate settlement of these cases.

After orally examined the departmental representatives, the Committee desired that expeditious steps be taken to settle the pending cases at the earliest and the Committee be informed accordingly within the period of three months.

#### [37] 5 4 Utilisation of departmental receipts towards expenditure

Under the State Financial Rules utilisation of departmental receipts towards expenditure is strictly prohibited. All moneys received by or tendered to a Government servant on account of the revenue of the State Government shall be paid fully into treasury or bank on the same day or on the next day at the latest.

During test check of records of eight\* irrigation divisions it was noticed (between August 1997 and January 1999) that departmental receipts amounting to Rs 12.21 lakh collected during 1995-96 to 1997-98 were not deposited into the treasury/bank but were utilised to meet the departmental expenditure

On this being pointed out (between August 1997 and January 1999) in audit two divisions (Kaithal and Jind) recouped Rs 1.59 lakh (between October 1998 and March 1999) and other two divisions (Pundri and Gohana) intimated that these receipts were utilised towards urgent departmental expenses and would be deposited on receipt of letters of credit from Government. Reply from the remaining four divisions has not been received (October 1999)

The cases were reported (between August 1997 and January 1999) to Government. Their reply has not been received (October 1999)

The department in their written reply stated as under —

Out of 8 No. Irrigation Divisions 5 No. Irrigation Divisions have deposited the receipt money into treasury on receipt of letter of credit

Strict instructions have been issued to the field officers for restricting utilization of Deptt. receipt towards expenditure

After hearing the departmental representatives, the Committee is not satisfied and desired that action be taken against the officer/officials responsible for utilization of departmental receipts towards expenditure as it is a clear cut violation of financial rules/instructions. Action taken be intimated to the Committee within three months

The Committee further recommends that directions be issued to the remaining Divisions to deposit the receipt money into treasury without any delay under intimations to the Committee

**CO-OPERATIVE DEPARTMENT****[38] 5.1 Results of Audit**

Test check of records in departmental offices relating to revenues of Mines and Minerals Home (Police) Irrigation Co-operation State Lotteries and Forest conducted in audit during the year 1998-99 revealed under assessments and losses of revenue amounting to Rs 3194.75 lakh in 2231 cases as depicted below

Heads of revenue		Number of cases	Amount (Rupees in lakh)
A	(i) Review on Receipt from mines and minerals	1	630.49
	(ii) Mines and Geology	105	5.50
B	Home (Police)	122	930.25
C	Public Works (Irrigation)	843	156.82
D	Co-operation	462	112.33
E	Finance (State Lotteries)	484	71.51
F	Forest	214	1287.85
<b>Total</b>		<b>2231</b>	<b>3194.75</b>

In the cases of Mines and Geology Home (Police) Public Works (Irrigation) Co-operation State Lotteries and Forest the departments accepted under assessments/loss of revenue etc. of Rs 798.66 lakh involved in 407 cases which were pointed out during the year 1998-99. An amount of Rs 74.64 lakh had been recovered in 95 cases during the year 1998-99 of which Rs 56.92 lakh recovered in 34 cases related to earlier years.

The department in their written reply stated as under —

The audit fees are initially assessed provisionally on the basis of profit and loss accounts prepared by the societies in their annual statement. Later on audit fee was finalised on the basis of audited profit and loss account. The position is reviewed in every case at the time of final assessment. Progress of recovery of audit fee and settlement of cases is as under —

	No. of cases	Amount in lacs
Cases	462	112.33
Amount recovered & cases settled	386	80.61
Balance	76	31.72

Rs 80.61 lacs has already been recovered out of Rs 112.33 lacs. Efforts are being made to recover the remaining amount. Deputy Registrars/Assistant Registrars have been directed vide this office memo No. 31/8/2000/Audit (6)/284/9770-9802 dated 10-6-2003 to expedite the recovery of audit fee.

**After hearing the departmental representatives, the Committee recommends that remaining 76 cases be settled within a period of six months and Committee be informed accordingly**

## FINANCE DEPARTMENT

### [39] 5 7 Non charging of interest and penal interest

(ii) A test check of records of loans and advances in Co-operation Department revealed (July 1999) that Rs 4 54 crore (interest of Rs 4 17 crore and penal interest of Rs 0 37 crore) on the outstanding amount of loan of Rs 2 41 crore advanced between 1986-87 to 1996-97 to various Co-operative banks Dairy Development corporations and Co-operative sugar mills were neither assessed nor charged for the period April 1995 to March 1999 (upto July 1999)

The department in their written reply stated as under —

Present recovery position is as under —

PI	Ent	Penl Intt
14 97	11 13	0 02

A G Audit Haryana while preparing the Audit Report/ CAG report has unnecessarily miscalculated The penal interest of 2½% pertaining to Harco Bank Hafed and Handloom Apex Panipat since their recoveries were coming in time Therefore this penal interest as calculated by A G Haryana is wrong Hence question of this recovery of penal interest Rs 1200000 (twelve lacs) does not arise at all hence para No 5 7 may kindly be dropped

After hearing the departmental representatives the Committee recommends that the Department should take up this matter with the Government for its logical solution Action taken be intimated to the Committee accordingly within stipulated period

[40] 5 7 (iii) In Local Government Department the due dates for repayment of instalments of loans amounting to Rs 11 05 crore granted during the year 1995-96 and 1996-97 to various Municipal Councils/Municipa Committees were not adhered to by the loanees Compound interest leviable at the rate of 12 per cent per annum on the overdue instalments worked out to Rs 2 52 crore for the period from 1995-96 to 1998-99 which was neither assessed nor charged

This was pointed out to the departments in July 1999 their reply has not been received (October 1999)

The department in their written reply stated as under —

(iii) The Accountant General Haryana pointed out that the due dates for repayment of instalments of loans amounting to Rs 11 05 crore granted during the 1995-96 and 1996-97 to various municipalities was not adhered to by the loanees nor the penal interest @ 12% was neither assessed not charges for the period of 1995-96 to 1998-99

In this regard it is submitted that the loan for the year 1995-96 has been waived off by the Govt keeping in view the weak financial position of the municipalities. As regard the repayment of loan for the year 1996-97 and payment of interest/penal interest It is intimated that the financial position of the municipalities is weak and they are even not able to make the payment of salary to its staff

**The Committee after hearing the departmental representatives desired that the steps be taken to recover the balance amount of loan/interest from the Municipalities having sound financial position. In case of other, suitable action be taken in liaison with the A.G. (Audit) for logical settlement of the matter under intimation to the Committee**



## FOREST DEPARTMENT

### [41] 5 9 Short recovery of royalty on forest produce

The Haryana Forest Department in consultation with the Haryana Forest Development Corporation fixes the price of trees annually. The royalty for the year 1997-98 was fixed (February 1998) for Kikar Misc Eucalyptus and Shisham as Rs 800 550 850 and Rs 1500 respectively per cum. For dead and dry trees the purchase price/royalty to be paid was fixed at 60 per cent of the price worked out for green trees.

During test check of records of the Divisional Forest Officer (Territorial) Bhiwani it was noticed (January 1999) that the Divisional Forest Officer sold dead dry and fallen trees of volume 9774 751 cubic metres to Haryana Forest Development Corporation and charged purchase price/royalty amounting to Rs 27 21 lakh instead of Rs 41 45 lakh. This resulted in short recovery of Rs 14 24 lakh.

On this being pointed out (January 1999) in audit, the department admitted the objection stating that recovery would be effected. Position of recovery is awaited (October 1999).

The case was reported to Government in March 1999 their reply is awaited (October 1999).

The department in their written reply stated as under —

The rates of Royalty in terms of cubic meter as mentioned in the audit report were never approved by the Forest Department. It was a suggestion given by HFDC on which the Department took a different view. MD HFDC submitted the proposal for fixing up the royalty of various trees in February 1998 on per cum basis.

In the meeting held under the Chairmanship of Hon ble Forest Minister Haryana at Haryana Niwas Chandigarh on 24-4-1998 it was decided that the royalty price to be paid by the Corporation to the Department will be equivalent to the price paid by the Corporation for purchase of trees from farmers. It was also decided that royalty to be paid to the Department will get revised with the revision in the rates to be paid to farmers of different species of trees from time to time. This decision was also taken to have uniform policy rather than different price paid to the farmers and the Department.

The royalty paid by the Corporation to the Department in the case was in accordance with the policy approved by the Department.

After hearing the departmental representatives the Committee observed that this para stands in the C&AG report as the department did not send the required information/reply in time, to the A.G.(Audit).

The Committee, therefore, recommends, that the department may settle this para with the A.G.(Audit) and information be sent to the Committee.

### [42] 5 10 Non realisation of sales tax

Under Haryana General Sales Tax Act 1973 "sales" means any transfer of property in

goods for cash or deferred payment or other valuable consideration Goods means all kinds of movable property other than newspapers auctionable claims money stocks and shares or securities but includes growing crops grass and trees and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale

During the course of audit of records of 4 Divisional Forest Officers (Territorial) it was noticed (between February 1998 and February 1999) that the Divisional Forest Officers sold trees valuing Rs 227 29 lakh to Haryana Forest Development Corporation Ltd during the years 1996-97 and 1997-98 on which sales tax amounting to Rs 14 47 lakh was not levied/realized at all resulting in loss of revenue to State Government

The cases were reported (between February 1998 and February 1999) to department their reply has not been received (October 1999)

The cases were reported (between April 1998 and March 1999) to Government their reply is awaited (October 1999)

The department in their written reply stated as under —

Managing Director Haryana Forest Development Corporation Ltd was asked to look into the matter and call for the records from the Regional Managers as also the concerned Divisional Forest Officers(T) The Managing Director called the meeting of all concerned and the figures of royalty paid by the Regional Managers Haryana Forest Development Corporation Ltd to respective Divisional Forest Officer(T) sales tax leviable at the so presumed first stage and sale tax realized/deposited at the second stage by the Corporation were compiled These figures have been shown in Annexure-I Sales tax paid in excess as compared with the so presumed first stage has also been indicated in the said Annexure in column (6)

The details Regional Manager wise and Divisional Forest Officer (T) wise for various years is also enclosed as Annexure -II By and large the figures compiled by the report office of Managing Director Haryana Forest Development Corporation Ltd reconcile with of the audit party cited above as far as the sale amount of standing trees and sales tax leviable at the so presumed first stage is concerned It is also mentioned that the sales realized by the Haryana Forest Development Corporation Ltd and deposited with the Haryana Sales Tax Department is substantially higher than the Sales Tax leviable at the first stage as indicated in column (6) of the Annexure I

This is also to bring to your notice the fact that during a meeting on 12-10-1999 under the Chairmanship of the then Financial Commissioner and Secretary to Government Haryana Forest Department it had been decided that in view of the facts of the case and higher revenue to State Government the Corporation should be allowed to furnish ST-15 Form to the respective Divisional Forest Officer (T) Accordingly the Divisional Forest Officers(T) have been accepted ST-15 Form from various Regional Managers Haryana Forest Development Corporation Limited

This position had also been brought to the notice of the State Government vide this office letter No 1789 dated 11 9-2003 and the Accountant General (Audit) had been requested not to include tentative draft para stated above in the report of the Comptroller & Auditor General of India But the draft para has been included in the CAG Report 2002-03 (Revenue Receipt)

Excise and Taxation Commissioner Haryana vide his D O No 40/ST-5 dated 28-7-1997 whether made to a registered dealer or otherwise was taxable at the hands of the Corporation and has also approved the proceedings of the meeting held on 12-10-1999 under the Chairmanship of Sh B D Dhalia I A S the then Financial Commissioner & Secretary in which furnishing of Sales Tax Form F-15 was allowed for all registered dealers including the Haryana Forest Development Corporation in lieu of Sales Tax realization from the Haryana Forest Development Corporation. The same condition has been complied with by the Haryana Forest Development Corporation.

As per the notification of Haryana Government dated 28-7-1997 (Entry 78) timber is taxable at the first stage. Timber has been defined in the Indian Forest Act 1927 as under

"Timber includes trees when they have fallen or have been felled and all wood whether cut up or fashioned or hollowed out for any purpose or not"

Whereas Haryana Forest Department transfers standing trees (not fallen) to Haryana Forest Development Corporation Ltd on royalty basis. The same is revised for time to time. Thus timber becomes taxable only after the trees have been felled by Haryana Forest Development Corporation Ltd and the sales tax is being realized/deposited by Haryana Forest Development Corporation Ltd in the right manner.

In view of the facts and circumstances mentioned above and the facts explained that Haryana Government has received substantially higher of sales tax (had the sales tax been charged at the so presumed first stage no sales tax would have been realized at the second stage and State Government's revenue would have been much less)

It is therefore requested to drop the said CAG para

After hearing the departmental representatives, the Committee recommends that matter be settled in liaison with the A.G.(Audit), Haryana, under intimation to the Committee.

**POWER DEPARTMENT****[43] 1 5 Arrears in revenue**

As on 31 March 1999 arrears of revenue under the principal heads of revenue as reported by the departments, were as under

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakh)				
2	Taxes and Duties on Electricity	4155 69	2553 82	Out of arrears of Rs 4155 69 lakh a sum of Rs 3987 35 lakh is recoverable from consumers by Haryana Vidyut Prasaran Nigam Rs 100 lakh are due from Haryana Concast Limited, Rs 30 lakh due from Dadri Cement Factory and likely to be written off and a sum of Rs 38 34 lakh is due from Ram, Fabrics Bhiwani

The department in their written reply stated as under —

It is intimated that arrears of electricity duty of Rs 41 56 crores include an amount of Rs 11 47 crores recoverable from the permanently disconnected consumers and the balance amount of Rs 30 09 crores is recoverable from the other defaulting consumers

The electricity duty is one of the components of the energy bills. As and when consumers default in making payment of its electricity bills the electricity duty also remains unrecovered. The arrear of electricity duty recoverable from the consumers are therefore on account of non payment of electricity bills by the consumers

After going through the written reply of the department the Committee observed that a large amount of arrears in revenue on account of taxes and Duties on electricity is still pending for recovery

The Committee recommends that a systemic and efficient approach be adopted to realize the pending arrears within stipulated period under intimation to the Committee

## GENERAL

### [44] 1 8 Results of Audit

Test check of records of the departmental offices relating to revenues of Taxes on Sales Trade etc Stamp Duty and Registration Fees Taxes on Motor Vehicles Passengers and Goods Tax Mines and Geology Co-operation Public Works (Irrigation) State Lotteries Agriculture State Excise Duty Home (Police) and Forest conducted during the year 1998-99 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 88 89 crore in 5947 cases During the course of the year 1998 99 the concerned departments accepted under assessment etc of Rs 13 90 crore involved 1409 cases of which 1248 cases involving Rs 13 30 crore had been pointed out in audit during 1998-99 and the rest in earlier years An amount of Rs 1 85 crore was recovered in 435 cases during 1998-99 of which Rs 1 11 crore recovered in 261 cases related to earlier years

The Report contains 27 paragraphs including 3 reviews relating to "Exemptions and Concessions in sales tax against declaration forms/certificates", "Stamp Duty and Registration Fees" and "Receipts from Mines and Minerals" involving Rs 96 26 crore The department accepted audit observations involving Rs 16 26 crore out of which Rs 1 76 crore had been recovered up to June 1999 No replies have been received in other cases

After hearing the representatives of the concerned departments and also going through the written replies, the Committee desired that expeditious steps be taken by the departments to recover the balance amount. Steps taken alongwith latest position of recovery be intimated to the Committee within stipulated period

### [45] 1 9 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 department 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) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1998 and which were pending settlement by the departments as on 30 June 1997 1998 and 1999 are given below

Particulars	At the end of June		
	1997	1998	1999
Number of inspection reports pending settlement	2447	2229	2301
Number of outstanding audit observations	5775	5718	6092
Amount of revenue involved (Rupees in crore)	226 08	721 67	279 93

(iii) Year wise break-up of the outstanding inspection reports and audit observations as on 30 June 1999 is given below

Year	Number of outstanding		Amount of receipts involved (Rupees in crore)
	Inspection reports	Audit observations	
Upto 1993-94	640	684	27 39
1994-95	299	414	6 70
1995-96	331	922	2 36
1996-97	340	970	76
1997-98	196	716	4 03
1998-99	495	2386	163 45
<b>Total</b>	<b>2301</b>	<b>6092</b>	<b>279 93</b>

(iv) Department-wise break-up of the inspection reports and audit observations upto December 1998 and outstanding as on 30 June 1999 is as follows —

Department	Number of outstanding		Account of receipts involved (Rupees in crore)	Number of inspection reports to which even first replies had not been received
	Inspection reports	Audit observations		
Revenue Department*	672	1160	14 35	44
Excise and Taxation**	481	2911	142 44	45
Transport	245	331	2 11	19
Forest	66	88	7 07	8
Others***	837	1602	113 96	100
<b>Total</b>	<b>2301</b>	<b>6092</b>	<b>279 93</b>	<b>216</b>

The matter was brought to the notice of Government in June/July 1999, replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 1999)

\* This includes Stamp Duty and Registration Fees and Land Revenue

\*\* This includes Sales Tax\* Passengers and Goods Tax\* Entertainment Duty and Show Tax and Prohibition and Excise

\*\*\* The details against Others have been shown in Appendix II

## APPENDIX-II

(Refer paragraph 19 (iv))

(Outstanding Inspection Reports and Audit Observations)

Sr No	Department	Number of outstanding		Account of receipts involved (Rupees in crore)	Number of inspection reports to which even first replies had not been received
		Inspection reports	Audit observations		
1	2	3	4	5	6
1	Co-operation	85	112	2 08	9
2	Agriculture	50	115	0 41	2
3	PWD (B&R)	35	70	2 26	8
4	PWD (Irrigation)	175	358	10 98	12
5	Cane Commissioner	41	43	13.29	2
6	Medical	85	152	0 48	10
7	Industries	28	34	0 75	1
8	Public Health	73	180	6 79	10
9	Animal Husbandary	64	86	1 77	17
10	Lotteries	9	29	3 05	1
11	Electricity	13	32	47 63	—
12	Mines and Metallurgical Industries	99	255	8 53	—
13	Horticulture	21	48	0 13	4
14	Police	29	39	13 85	11
15	Food & Supplies	23	35	0 05	4
16	Pollution	7	14	1 91	9
Total		837	1602	113 96	100

After going through the written reply of the various departments and also having some of the departments examined orally, the Committee observed that inspection reports and audit observations are not being responded to seriously and promptly by the concerned departments as a result of which a large number of inspection reports and audit observations are outstanding since a long time pertaining to various Govt departments. The Committee took it seriously and desired that outstanding inspection reports and audit observations be settled expeditiously and prompt action be taken in regard to audit observations by the concerned departments in future. The action taken/progress be intimated to the Committee within three months.

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**Part-III 1999-2000 (Civil)**

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## EDUCATION DEPARTMENT

### [46] 3 1A Working of Education Department (primary Education Wing) including Manpower Management

#### Highlights

To achieve the goal of universalisation of primary education the department increased target of enrolment of students but these targets were short achieved to the extent of 5 to 15 per cent. In view of declining trend in enrolment there was remote possibility of achieving the target of universalisation of primary education by the end of 2002 AD dropout rate of students ranged between 12 and 26 per cent through the target was to reduce it to less than 10 per cent. Infrastructural facilities such as proper building water toilet and electricity were lacking in large number of schools. Against proposed opening of 1000 new primary schools during IX plan period only 21 schools were opened. Dropout rate among SC students was higher than that of non SC students while several schemes for concession to children of SC and weaker sections were taken up on paper. Government failed to provide matching funds for these schemes.

#### 3 1A.1 Introduction

In 1988 a separate Directorate for Primary Education was created by the State Government to bring about qualitative improvement in Primary education in the State and to achieve the goal of universalisation of primary education at the earliest under the National Policy of education 1986 (NPE). State Government formulated a programme of Action 1994 and Annual Action Plans. During 9th five year plan (FYP) emphasis was on enrolment retention qualitative improvement and provision of infrastructural facilities for achieving the goal of universalisation of primary education by the end of 9th plan period.

As of September 1999 8 621 Government primary schools were run with 37 051 teachers (including head teachers) while there was sanctioned strength of 40 257 teachers. Besides there were 1 778 Non Government primary schools in the State. Expenditure on primary education ranged between 22 and 27 per cent of the expenditure on education and between 3 and 5 per cent of total expenditure in the State during 1997 2000.

#### 3 1A 2 Organisational set up

The Commissioner and Secretary Education Department Haryana was the administrative head of the Primary Education Department in the Government. The Director Primary Education (DPE) was the head of primary education and was responsible for the implementation of the schemes. At district and block level the DPE was assisted by 19 District Primary Education Officers (DPEOs) and 124 Block Education Officers (BEOs). The department had 144 Drawing and Disbursing Officers (DDOs). DPE was the Controlling Officer.

#### 3 1A 3 Audit coverage

Records relating to implementation of the Primary Education Programme from 1997 98 to 1999 2000 were test checked in the Directorate of Primary Education and in 5 out of 19 districts and 35 blocks (out of 124 blocks) during November 1999 to April 2000. The review also covers the District Primary Education programme (DPEP) in the State (Part B).



The shortfall in enrolment increased from 3 to 14 *per cent* among boys whereas among girls it increased from 8 to 16 *per cent* during 1997-98 to 1999-2000. Besides enrolment in Government schools declined from 17.145 lakh in 1997-98 to 16.68 lakh in 1999-2000 though enrolment in non Government recognised schools increased from 3.82 lakh to 4.14 lakh during the same period. Thus there had been a shift in enrolment of students from Government to private schools.

Further enrolment in teaching shops/unrecognised schools was not authenticated as no record was available with the DPE.

Position of enrolment of children in the five districts test checked was as under

Category children	Projected Population	Targe set by dep[artment	Achievements of enrolment in (percentage)				Percentage of shortfall
			Government Schools	Non Govern ment Schools recog nised	Teaching shops unrecog nised Schools	Total	
(Units in Lakh)							
1	2	3	4	5	6	7	8
1997-98							
Boys	4.05	4.04	2.78 (69)	0.57 (14)	0.67 (17)	4.02 (100)	—
Girls	3.53	3.65	2.45 (67)	0.45 (12)	0.39 (11)	3.29 (90)	10
Total	7.58	7.69	5.23 (68)	1.02 (13)	1.06 (14)	7.31 (95)	5
1998-99							
Boys	4.06	4.22	2.73 (65)	0.61 (15)	0.65 (15)	3.99 (95)	5
Girls	3.55	3.79	2.43 (64)	0.48 (13)	0.44 (11)	3.35 (88)	12
Total	7.61	8.01	5.16 (64)	1.09 (14)	1.09 (14)	7.34 (92)	8
1999-2000							
Boys	4.10	4.48	2.70 (60)	0.43 (10)	0.65 (14)	3.78 (84)	16
Girls	3.59	3.95	2.37 (60)	0.35 (9)	0.44 (11)	3.16 (44)	20
Total	7.69	8.43	5.07 (60)	0.78 (9)	1.09 (82)	6.94 (82)	18

The shortfall in enrolment increased from 5 to 16 *per cent* among boys in 1998 2000 and 10 to 20 *per cent* among girls during 1997 2000. Enrolment in Government schools declined from 5.23 lakh in 1997-98 to 5.07 lakh in 1999 2000. Enrolment in non Government schools decreased from 1.09 lakh in 1998 99 to 0.78 lakh in 1999 2000. Enrolment in teaching shops/unrecognised schools was not authenticated as no record was available with the directorate as well as with the DEPOs/BEOs of districts test checked. In view of the declining trend in enrolment there was remote possibility of achieving the target of universalisation of primary education by the end of IX plan period i.e. 2002 A.D. Further the enrolment figures increased due to the figures attributed to teaching shops—this is open to doubt.

The DPE/DPEOs of the concerned districts did not intimate reasons for shortfall in enrolment (August 2000).

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

Figures of projected population and those of enrolment in Government and those of enrolment in Non Government are correct and are as per records. Lack of infrastructure in Government Primary Schools, fascination for public schools at times, sincere teaching staff, rising level of incomes leading to aspiration for public school and CBSE education etc. are some of the reasons for decrease in enrolment.

Though the enrolment of unrecognised schools (teaching shops) is collected through the concerned DPEOs yet it is also true that its reliability cannot be checked unless such institutions are governed by some legal act. Now the Department has notified the Rules for Recognition of Private Schools which will definitely check the below standard schools functioning in Haryana.

During the course of oral examination the departmental representatives informed the Committee that there was decrease in enrolment of children in primary schools due to lack of infrastructure in Government Primary Schools, fascination for Public Schools at times, insincere teaching staff, rising level of income leading to aspiration for Public Schools and CBSE education etc. The Committee is worried about the decrease in enrolment of children in the Primary Schools and recommends that necessary steps be taken by the department to increase enrolment of students in the Government primary schools. The Committee also desired that latest position in this regard be supplied to the Committee.

[47] 3.1A.8 *Incentives to scheduled castes and weaker section students*

#### (i) Book bank programme

The programme which provides the distribution of free books to SC and weaker section students (both boys and girls) in the beginning of the academic session was grossly under provided. Out of Rs. 65 lakh sanctioned for the purchase of books during 1997 2000, Rs. 22.16 lakh were for the primary schools in five districts test checked.

The DPOs concerned however drew only Rs. 17.13 lakh (out of Rs. 22.16 lakh sanctioned) and the balance sanctioned amount of Rs. 5.03 lakh was not drawn/utilized.

With this amount only 20 per cent of 4.58 lakh SC students and 1 per cent of 3.34 lakh weaker section students on roll in these districts during 1997-2000 could be provided with free books. Apparently there was no connection between the provision of funds and the requirement of funds to fulfill the goals.

The other flaw noticed was that the text books were not issued at the beginning of the academic session and their distribution was staggered upto the end of the academic sessions during 1997-98 to 1999-2000 in the districts test checked.

### **(ii) Attendance allowance to nomadic tribes students**

Children from nomadic tribes were eligible for cash incentive of Re. 1 per school day on daily basis for attending the school. Out of Rs. 74 lakh sanctioned Rs. 20.97 lakh were allocated to the five districts test checked during 1997-2000. In Karnal district 687 eligible students (Indri Block 681 and Nilokheri Block 6) were not paid the nomadic tribes allowance during 1998-99. Of the total 4,420 nomadic students in 4\* of the 5 selected districts the attendance of 220 students was below 100 days of another 1,058 students the attendance ranged between 101 and 150 days and of the another 1,617 students it was between 151 to 200 days.

The incentive failed to ensure attendance as nomadic allowance was not paid on daily basis but given at the end of the year as lump sum payment when the sanction from the Government was received.

### **(iii) Free stationery and writing material**

Cash incentive of Rs. 10 per annum per student for purchase of stationery and writing materials was to be provided to students belonging to SC and weaker sections of the society.

Out of Rs. 1.08 crore sanctioned during 1997-2000 Rs. 33\*\* lakh were allotted and drawn by concerned DPEOs in districts test checked. However only 62 per cent of 4.58 lakh SC and 10 per cent of 3.34 lakh weaker section students were given cash incentive during 1997-2000. Shortfall in coverage of SC and weaker section students due to non availability of funds affected the objective of the scheme.

### **(iv) Free uniform to girl students**

The scheme envisaged free supply of cloth for uniform to girl students belonging to SC and weaker section of the society. From 1994-95 cash incentive instead of supply of uniform at the rate of Rs. 100 per girl student in class 1 to 2 and Rs. 75 per girl student in class 3 to 5 for SC and class 1 to 5 for weaker section girl students was to be given.

The State Government sanctioned Rs. 4.60 crore during 1997-98 to 1999-2000 of which Rs. 1.40 crore were allotted to the DPEOs in five districts test checked. It was noticed that in these districts only 41 per cent of the total 3.75 lakh SC and weaker section girl students were given cash incentive during 1997-2000. Thus 59 per cent of SC and weaker section girl students could not be provided cash incentive for uniform due to insufficient sanction of funds.

What emerges from the foregoing is that while a number of concessions for the welfare of children from SC and weaker sections were available on paper the Government failed to provide matching funds to achieve the same

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

**3 1A.8** To provide free Text books to the children of SC and Economically Weaker Sections the State Government has implemented the Book Bank Scheme in Primary Schools and during 9th Five Year Plan following amounts were sanctioned

(Rs in Lacs )			
S	Year	Plan	Non Plan
1	1997 98	10 00	13 50
2	1998 99	8 00	13 50
3	1999 2000	10 00	13 50
4	2000 2001	10 00	—

The department has been supplying free text books to the children belonging to SC community and Economically Weaker Sections. The budget allotted for the implementation of this programme were fully utilized and the books were provided to the students free of costs. No additional demand of any District Primary Education officer was ever received for the additional grant under the scheme. Under the District Primary Education Programme free books to all the students irrespective of the castes are being supplied in 8 districts. The report of the CAG does not appear to be based on facts

- (ii) Theoretically it is correct but at times delayed sanction results in delayed disbursal
- (iii) Cash incentive is given to students in accordance with the sanctioned amount
- (iv) No comments

During the course of oral examination the departmental representatives informed the Committee that the State Government has implemented the Book bank scheme in primary schools for SC and Weaker section students. The Committee observed that as per Audit para text books were not issued at the beginning of academic session and their distribution was staggered upto the end of the academic sessions during 1997 98 to 1999 2000. The Committee feels that this defeated the very purpose of the scheme and recommends that responsibility be fixed for this lapse and the books be distributed to students of SC and weaker sections at the beginning of the academic session

The Committee observed that attendance of the nomadic students has not increased inspite of giving incentives. The Committee recommends that necessary steps be taken to increase the attendance of nomadic students by pursuing their guardians.

The Committee also observed that adequate attention is not being given to the scheme of providing incentive to students of SC and Weaker sections for providing free stationery and writing material. However 62 percent SC students and 10 percent Weaker sections students were covered under this scheme in test checked districts. Therefore, the Committee recommends that full attention be given to this scheme to achieve cent percent coverage and desired that position in other districts besides test checked districts be also intimated to the Committee.

[48] 3 1A 9 Pass percentage in class V

Examination of class V of primary education was conducted at district level. Scrutiny of the examination results of 2 541 schools of five districts test checked revealed that average pass percentage of students ranged between 78 and 96 during 1997 2000. However in 39 schools result was zero per cent and in 304 schools it was below 50 per cent.

Further comparison of result of Government schools with that of private schools revealed that the pass percentage of Government schools was always on the lower side by 2 to 16 per cent during 1997 98 to 1999 2000. It was further noticed that the pass percentage of Government schools was lower by 5 to 10 per cent in Gurgaon district whereas it was lower 9 to 16 per cent in Karnal district. No reasons for low pass percentage were intimated by the department (August 2000).

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

**3 1A.9** It is stated that the public school allowed admission to the Talented students only whereas the remaining students get admission in Government Primary Schools. It is but natural that the pass percentage in public school is higher than in Government schools in the State.

During the course of oral examination the departmental representatives informed the Committee that talented students are given admission in Public Schools and remaining students get admission in Government primary schools. The Committee is not satisfied with the reply of the department as the reason for low percentage of result is not examined by the department. The Committee desired that the reason of low percentage of result in primary schools be looked into and guidelines be issued to DPEOs to improve the results in the schools under intimation to the Committee.

[49] 3 1A 10 Literacy rate

The average female and male literacy percentage of the State as per 1991 census was 40.47 and 69.10 respectively. Of five districts test checked female literacy percentage was below average in Hisar (33.20) and Gurgaon (34.94) and male literacy percentage was below average in Hisar (64.87) and Karnal (67.02).

Test check revealed that no survey had been conducted by the Education Department to ascertain the literacy rate after 1991 census and as such literacy rate for 1997-2000 was not available with the Government

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

### **3 1A 10 Literacy Rate**

CENSUS figures of Literacy percentage are taken into account Education Department has actually never conducted any survey for this purpose

**During the oral examination of the department the Committee observed that no survey was conducted by the department to know literacy rate. The Committee took it seriously and desired that necessary action be taken to conduct timely survey at departmental level to know the actual literacy rate under intimation to the Committee**

#### **[50] 3 1A 11 Internal Audit**

There was no internal audit cell in the Primary education Department. Thus no internal audit was conducted during 1997-2000. Similarly even though provided for no annual inspection of schools by DPEO/BEO was carried out as required in audit of selected districts as detailed in paragraph 3 1A 16 below

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

**3 1A 11** There is no internal audit cell provision in the Primary Education Department. However DEOs/DPEOs are required to conduct annual inspection who are reminded from time to time to conduct annual inspection. On receipt of Audit Para from AG Haryana Chandigarh concerned DEO/DPEO ordered to settle these paras

**During the course of oral examination the departmental representatives informed the Committee that there is no internal Audit Cell provision in the Primary Education Department. The Committee took it seriously and desired that internal Audit system be evolved to keep financial control in the department under intimation to the Committee**

#### **[51] 3 1A 12 Sanctioned posts and actual strength**

Against the sanctioned strength of 40 233, 40 249 and 40 257 JBT teachers/head teachers during 1997-98 to 1999-2000 actual strength was 37 639, 37 043 and 37 051 during the same period and 2 584 to 3 206 posts (6 to 8 per cent) remained vacant

Till 1998-99 the Haryana Staff Selection Commission (HSSC) was required to conduct tests/interview for appointment to teachers. However no vacancies were intimated by the department to HSSC during 1998. During September/October 1999 the department decided to make recruitment of JBT teachers departmentally to expedite the recruitment and advertised 3 206 vacancies in November 1999. No recruitment of teachers was made so far. Reasons for delay in filling the vacant posts were not intimated (August 2000) by the DPE



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

**3 1A. 12** It is intimated that the advertisement of appointment of JBT Teachers was made vide Advertisement No 1/99 and the delay was due to filing of 25 Writ Petition by the various petitioners. The last writ petition disposed of on 19.7.2002 by Hon'ble High Court. Due to Writ Petitions the appointment could not be made before September 2002.

During the course of oral examination the departmental representatives informed the Committee that delay in appointment of teachers was due to the filing of petitions by various petitioners but the Committee is not satisfied as the posts were advertised late by the department. The Committee desired that reasons be intimated for late advertisement of posts which resulted into delay in filling up the vacant posts.

**[52] 3 1A. 13 Deployment of teachers beyond norms**

(i) Rationalisation of posts of JBTs was required to be done as of 30 September every year on the basis of strength of students in each school as per norms laid down in the Education Code.

Records of schools of 5 districts test-checked revealed that in 328 schools 539 teachers (involving salary expenditure of Rs 3.81 crore) during 1997-98, in 416 schools 652 teachers (involving salary expenditure of Rs 5.18 crore) during 1998-99 and in 435 schools 669 teachers (involving salary expenditure of Rs 5.40 crore) during 1999-2000 were deployed over and above norms.

**(ii) Underutilisation of teaching staff**

As per norms prescribed in Haryana Education Code one JBT for first 50 students was required in a primary school. Though student strength in 129, 122 and 145 schools in districts test checked during 1997-98, 1998-99 and 1999-2000 was less than 50 students, two posts of JBT were sanctioned as per policy of the Government. As a result 221, 213 and 251 teachers remained deployed in these schools during 1997-98, 1998-99 and 1999-2000 respectively resulting in underutilisation of teaching staff. Further student strength in 34 schools was very low and ranged between 6 and 29 only even though two teachers were deployed in each school.

The reasons for non rationalization as required were not intimated by the DPEOs (August 2000).

**(iii) Diversion of teaching staff**

In 5 districts test checked 42 teachers remained deployed in the offices of DPEOs/BEOs for a period ranging from 1 to 36 months during 1997-2000. Reasons for diversion of teaching staff from schools to DPEOs/BEOs which had adverse effect on the study of students were not intimated by the concerned DPEOs/BEOs.

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

**3 1A. 13** The deployment of teachers to Government Primary Schools is not in

excess of the norms Teachers have been appointed within the sanctioned strength Therefore no excess expenditure have been incurred on the deployment of teachers during the year 1999 2000 Rather the teachers were less in number than the sanctioned strength during the period under review

- (ii) As per Government of India instructions minimum two teachers are provided under Operation Black Board Scheme even where the strength is less than 50 students Rationalization of the JBT posts have been done recently on the basis of strength of the students as per Government policy
- (iii) As the ministerial staff strength was very low in the office of DPEOs/BEOs Therefore teachers were deputed to cope with the additional work load on account of these special assignments This was temporary arrangement for the disposal of the office work in time

**During the course of oral examination the department informed the Committee that the teachers were not deployed in excess to the norms The Committee is not satisfied with the reply of the department as Audit has pointed out excess deployment of teachers to the norms The Committee desired that the department should supply the details of norms and placement of teachers against those norms**

#### **[53] 3 1A 16 Outstanding inspection reports**

In respect of inspection reports (IRs) issued after audit of various DDOs of Primary Education Department action was pending for 607 paragraphs involving money value of Rs 9 12 crore contained in 218 IRs issued upto March 2000

Of these 218 IRs even the first replies to 48 IRs (issued from April 1997 to December 1999 containing 185 paragraphs) were not received in audit from 48 DDOs (as of March 2000)

Important irregularities commented upon in these inspection reports fall under following categories

Sr No	Nature of irregularities	Number of IRs	Number of Paragraphs	Amount (Rupees in lakh)
1	Irregular payment of personal claims	63	227	62 25
2	Wanting actual payee s receipt	48	68	481 09
3	Irregular expenditure on purchases	30	37	11 65
4	Irregular drawal of funds	20	26	133 14
5	Excess expenditure over budget allotment	6	6	73 61
6	Other miscellaneous irregularities	51	243	150 17
<b>Total</b>		<b>218</b>	<b>607</b>	<b>911 91</b>

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

**3 1A 16** Item has been included in the Agenda of DPEOs meeting scheduled to be held on 27 5-2003 for expediting the reply

During the course of oral examination, the Committee observed that 218 inspection reports and 607 paragraphs are outstanding at the end of March, 2000. The Committee is of the view that process of settlement of Audit objections is very slow and recommends that department should give due attention for the settlement of audit objections by making strenuous efforts. The Committee also desired to know the latest position of settlement of these outstanding inspection reports/paras

**[54] 3 1A.17 Monitoring and evaluation**

Annual and half yearly information regarding enrolment of students of different categories areas and streams staff vacancy position of JBT teachers etc prescribed by the department were sent by DPEOs/BEOs to the DPE during 1997 98 to 1999 2000. However no follow up action on such returns for improving the enrolment of students their pass percentage etc was initiated by the DPE except incorporating the statistical information in Annual Administrative Reports of the department

Further to evaluate the programme of primary education on teaching/learning process a committee was to be constituted by the department in the State Council of Education Research and Training (SCERT) Gurgaon. No such evaluation committee was however formed as of August 2000.

**3 1A 18 Conclusion**

To achieve the goal of universalisation of primary education by the end of IX FYP department increased target of enrolment of students every year during 1997 2000 but actual enrolment of students declined by 15 *per cent* during 1999 2000.

Against the target of opening of 1000 new Government Primary Schools during IX FYP only 21 new schools were opened during 1997-2000. Significant number of Government Primary schools in district test checked lacked infrastructural facilities such as proper buildings water toilets and electricity. There was no plan of Government to improve the condition of these schools.

Although the department aimed at reducing the dropout rate of students below 10 *per cent* by the end of ninth five year plan (1997 2002) the actual dropout rate increased during 1997 2000. Consequently more number of children in the age group of 6 to 11 years were being deprived of primary education. Due to decrease in enrolment and increase in dropout rate during 1997 2000 the retention of students decreased from 92 *per cent* in 1997 98 to 82 *per cent* in 1999-2000. In view of the declining trend in retention of students the objects of the scheme suffered.

These points were referred to Government in May 2000 their reply had not been received (August 2000).

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

**3 1A.17** The Primary Education Department collects all kind of statistical data annually in a proforma prescribed by the Government of India. Every year enrolment drive is launched for increasing enrolment, reduction in Drop outs and increase in retention of the students in Government Primary Schools. Rationalization of posts of teachers is also carried out on the basis of enrolment.

**3 1A.18** During the LXth Five Year Plan, there was target of opening 1000 New Primary Schools. The Department was forwarding proposals to the State Government every year to open new primary schools, but due to financial constraints, the State Government was rejecting the proposals in the last month of every financial year. Yet due to efforts of the department, and the announcements/assurances of the Hon'ble Chief Minister, only 21 Government Primary Schools could be opened during the LXth Five Year Plan. The No. of which as per financial year is given below —

S No	Year	Number	Provision
1	1997-98	16 Schools	45.00 Lacs
2	1998-99	1 School	45.00 Lacs
		21 Schools	90.00 Lacs

During the course of oral examination, the Committee observed that no evaluation Committee was formed to evaluate the progress of the scheme. The Committee recommends that adequate system be evolved in the department to judge the progress made under the scheme and the Committee be informed about the progress made in this regard.

### [55] 3 1B District Primary Education Programme

#### Highlights

District Primary Education Programme was implemented in 7 educationally backward districts with main objective to reduce overall dropout rate for students to less than 10 *per cent* and to provide access for all children to primary schooling or its equivalent non formal education. There was shortfall in enrolment of eligible children between 12 and 20 *per cent*. Enrolment capacity of schools in comparison to population of eligible children for primary education was short by 19 to 25 *per cent*. Over all dropout rate was much above 10 *per cent* and dropout rate among SC students increased every year during 1997-2000 and was higher than that of non SC students.

#### 3 1B 1 Introduction

District Primary Education Programme (DPEP) was launched by Government of India as a Centrally Sponsored Scheme in 1994 to revitalise the primary education system for achieving the objective of universalisation of primary education. The programme envisaged an area specific approach with district as the unit of planning and aimed at covering in a phased manner the educationally backward districts where female literacy was below the national average of 39.29 *per cent*.

In Haryana the DPEP initially covered 4 districts (Hisar, Jind, Kaithal and Sirsa) but in 1996 the programme was extended to 3 additional districts (Bhiwani, Gurgaon and Mohindergarh).

#### 3 1B 2 Objectives

Main objectives of DPEP were

- \* To reduce differences in enrolment, dropout and learning achievements among gender and social groups to less than 5 *per cent*
- \* To reduce over all primary dropout rates for all students to less than 10 *per cent*
- \* To raise average achievement levels by at least 25 *per cent* over measured baseline levels by ensuring achievements of basic literacy and numeracy competencies and a minimum of 40 *per cent* achievement level in other competencies by all primary school children
- \* To provide access for all children to primary schooling or its equivalent non formal education and
- \* To provide free and compulsory education of satisfactory quality to all children upto 14 years of age before the start of 21st Century

#### 3 1B 3 Organisational set up

Financial Commissioner and Secretary, Education Department, Haryana is responsible for the monitoring, evaluation and other policy matters relating to the programme. *Haryana Prathamik Shiksha Paryojna Parishad* (HPSP) with 27 members and Chief Minister as the President was set up in March 1994 and registered under Societies Registration Act to implement the programme.

The State Government constituted (July 1994) an Executive Committee to HPSPP of 19 members with Chief Secretary Government of Haryana as its Chairman and the Director Primary Education (State Project Director DPEP) as its Member Secretary to exercise control over the management of all the affairs and funds of HPSPP and had all administrative financial and academic authority including powers to create posts and make appointments

At district level District Project Co ordinators were to implement monitor and evaluate the implementation of the programme There were 53 Block Resource Centres (BRCs) (Phase-I 28 and Phase II 25) to provide training to teachers prepare teaching/learning material distribute text books etc Besides 543 Cluster Resource Centres (CRCs) (Phase I 266 and Phase-II 277) were functioning in the project districts as of March 2000 to monitor school activities

District Education Project Committee headed by the Additional Deputy Commissioner was responsible for monitoring the implementation of the project

### **3 1B 4 Audit coverage**

Records relating to the implementation of the programme during 1994 95 to 1999 2000 were test checked between October 1999 and April 2000 in the offices of the State Project Director DPEP and 4\* District Project Co ordinators (Phase I 3 and Phase II 1) out of 7 districts where the programme was in operation to review the impact of its performance in the project area / e the districts which were educationally backward and had low female literacy Important points noticed during audit are discussed in the succeeding paragraphs

The services of the ORG centre for social research a division of ORG MARG Research Limited was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary perception of the programme and related matters The ORG MARG carried out survey over a sample determined on the basis of District Development Profile on Primary Education Socio economic compositions incidence of school dropouts etc Findings of the survey on matters discussed in the report have been included in this review at appropriate places

### **3 1B 5 Funding pattern**

The programme cost is shared between Government of India (GOI) and the State Government in the ratio of 85 : 15 and is resourced through World Bank assistance The expenditure on the implementation of the programme is initially met by GOI/State Government and re imbursement subsequently by the World Bank for which re imbursement claims are lodged by the State Project Director DPEP to GOI GOI and the State Government release their respective share of funds as grant in-aid in favour of the Member Secretary (who is also the State Project Director DPEP) who allocates funds to the District Project Co ordinators as per their approved annual work plans

The programme for Haryana state was initially approved by GOI for Rs 174 56 crore (Phase I Rs 114 95 crore and Phase II Rs 59 61 crore) Actual expenditure upto the end of 1999 2000 was Rs 95 90 crore (Phase I Rs 75 75 crore and Phase II Rs 20 15 crore)

### 3 1B 6 Programme components and release of funds and expenditure

The GOI/State Government released respective share of funds without indicating component wise allocation Based on Annual Work Plans the State Project Director made allocation for each component

GOI/State Government released Rs 103 06 crore under DPEP I and II during 1994 2000 against which allocation made in the annual work plans and expenditure incurred under each component during 1994 2000 was as under

Sr No	Name of the component	Allocation (Rupees in crore)	Expenditure
i	Construction of class rooms and new school	53 19	37 47
ii	Opening of the non formal/alternative schooling centres	3 30	1 95
iii	Appointment of new teachers	Not available	0 09
iv	Setting up of early childhood education centres	2 76	0 50
v	Strengthening of State Councils of educational research and training (SCERTs)/ district institutes of educational training (DIETs)	4 86	— 3 02 1 31
vi	Setting of block resource centres/ cluster resource centres	27 99	9 33 21 29
vii	Development of teachers learning material	Not available	0 004
viii	Teachers training	0 85	0 26
ix	Research based interventions	Not available	0 24
x	Special intervention for education of girl/schedule caste/ST etc	Not available	4 32
xi	Integrated education to the disabled children	1 47	0 11
xii	Distance education training	1 18	0 11
xiii	Other miscellaneous activities	23 85	15 90
Total		119 45	95 90

Of the total expenditure of Rs 95 90 crore Rs 37 47 crore (39 per cent) were on civil works Rs 34 47 crore (36 per cent) on salaries of staff Rs 10 44 crore (11 per cent) on equipment books and furniture and Rs 13 52 crore (14 per cent) on consultant services/ training

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

No comments being informative

During the course of oral examination, the departmental representatives informed the Committee that the balance sheet of department and final figures has been accepted by the World Bank and Government of India. The Committee observed that department has not intimated final figures to the Committee and desired that these figures be sent to the Committee for perusal within three months.

**[56] 3 1B 7 Management cost in excess of norms**

Management cost on Phase I and Phase II during 1994-95 to 1999-2000 was Rs 15.15 crore (16 per cent) out of an expenditure of Rs 95.90 crore which was in excess of the norm of 6 per cent and resulted in excess expenditure of Rs 9.40 crore on this account.

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

The amount of expenditure on Management under DPEP I and II comes to Rs 9.48 cores (Rs 7.51 and 1.97 crores) respectively as per statement attached instead of Rs 9.86 crores which was shown erroneously and the expenditure when compared to EFC A G Haryana was also approached vide this office Letter No HPSP/P/SAR/1999-2000/4628 dated 8.9.2000 (Copy enclosed). It is also to bring to the notice that in one Column No. 4 two aspects viz -a-viz cost and expenditure have been mingled and in rest of the col the figures have been considered on the basis of expenditure whereas as per EFC cost the position of Management Cost is as under —

EFC sanctioned DPEP I and II	6% of sanction	Incurred on Management upto 31.3.2000	Incurred against 6%
243.59	14.61	9.68	65.90

It is further to submit that a similar Nature para 12(ii) under heading civil works was raised by A. G. (Audit) Haryana in his draft review on DPEP (Civil) 99-2000 but on the plea/comments of Parishad the para was settled vide A. G. Haryana Letter No ECPA/Review/DPEP/2000-01/474 dated 17.10.2000 (copy enclosed).

Hence the para may be dropped.

During the course of oral examination of the department the Committee observed that expenditure on Management cost incurred in excess of the norms of 6 percent which resulted in excess of Rs 9.40 crore. The Committee desired that department should elucidate the reasons of excess expenditure of Rs 9.40 crore incurred on this account and get this expenditure regularised under intimation to the Committee.

**[57] 3 1B 8 Programme management**

**(i) Programme implementing units**

District Project Co-ordinator heading the District Project Implementing Units (DPIUs) in all the districts of the Project were to implement, monitor and evaluate the implementation of the programme in the district and give necessary feedback to the State Level Project implementation unit.



## (ii) Access to primary education

The programme aimed at providing access to every eligible children (age group 6 to 11 years) for universalisation of primary education. This objective was not achieved as discussed below

### Enrolment of eligible children

(a) Analysis of enrolment figures of 4 districts<sup>8</sup> (Appendices XIII and XIV) revealed that enrolment of girls in comparison to boys increased every year during 1996-97 to 1999-2000. Enrolment of SC students was less than the enrolment of non-SC students during 1995-96 to 1997-98. However, during 1998-99 and 1999-2000, enrolment of SC students was more in comparison to non-SC students. All the eligible children in the age group of 6-11 years could not be enrolled for primary education and thus the objective of providing access to all the children leading to universalisation of primary education by 2000 AD could not be achieved.

(b) One of the main objectives of the scheme was to provide access for all children to primary schooling or its equivalent non-formal education.

In the districts test-checked, position of population of children eligible for primary education, schooling capacity and enrolment of children was as under:

	Number of children eligible for Primary Education	Capacity of schools regarding enrolment	Percentage of capacity of schools to eligible children (Figures in lakh)	Number of children enrolled	Percentage of children enrolled to eligible children
1995-96	4.50	3.65	81	3.58	80
1996-97	4.80	3.69	77	4.09	85
1997-98	6.23	4.75	76	5.41	87
1998-99	6.28	4.79	76	5.53	88
1999-2000	6.84	5.15	75	5.55	81

Though the targets for providing additional infrastructure and facilities for primary schools was reportedly achieved in districts test-checked, the intake capacity of schools in these districts was short of requirement. As was evident from the table above, capacity of primary schools for intake in districts test-checked was 75.81 per cent of population of eligible children for primary education and also declined by 6 per cent during 1995-96 to 1999-2000.

Further during these years, enrolment of children was less than the population of children eligible for primary education and ranged between 80 and 88 per cent.

### (iii) Non formal Education Centres

The Project provided for opening of the Non-formal Education (NFE) Centres for schooling facilities to working children, migrant children, school dropout and those who could not have

an access to school and were in the age group of 9-14 years. Though the scheme was launched during 1996-97, no target of opening of NFE Centres was fixed by the State Project Director, HPSP.

During 1998-99 and 1999-2000, 550 NFE Centres were opened. While 11,000 (20 students *per centre* on average) students were to be covered in these centres, only 5,142 students were covered thereagainst. The District Project Coordinators failed to involve Village Education Committees for mobilization/motivation of children for attending the centres.

ORG MARG survey pointed out that though access to formal schools was good, access to alternative schooling, i.e. NFE, was low (4 *per cent*).

#### **(iv) Retention of students in schools**

(a) Programme objective was to reduce the overall dropout rate to less than 10 *per cent*. However, in districts test checked, it ranged between 12 and 38 *per cent* during 1996-97 to 1999-2000 except for Jind (9 *per cent*) and Hisar (5 *per cent*) in 1997-98.

The dropout rate had an upward trend and increased substantially from 20.83 *per cent* in 1997-98 to 44.56 *per cent* in 1999-2000 for SC students and from 7.22 *per cent* in 1977-98 to 14.32 *per cent* in 1999-2000 for non-SC students in the districts test checked. Thus, one of the main objectives of the programme was not achieved.

ORG MARG survey found that one-fourth of the students enrolled continued to dropout. The dropout among SC students was above the overall average (30 *per cent*). About two-thirds of dropouts occurred in class I to III.

(b) The scheme also aimed to reduce the difference in dropout rate among gender and social groups to less than 5 *per cent*. In the districts test checked, SC dropout rate increased successively every year from 20.83 *per cent* in 1997-98 to 44.56 *per cent* in 1999-2000 and was much higher as compared to 7.22 to 14.32 *per cent* for non-SC students. Thus, the difference in dropout rate among SC and non-SC students ranged between 13.61 and 30.24 *per cent* during 1997-2000. Year-wise analysis revealed that in Jind district, the dropout rate among SC students increased every year from 33 *per cent* in 1997-98 to 42 *per cent* in 1999-2000 and was higher than the dropout rate of 1 to 3 *per cent* (except 26 *per cent* in 1998-99) for non-SC students during the same period.

In Sirsa district, dropout rate among SC students in 1997-98 was 26 *per cent* but had a steep rise in 1998-99 and increased to 46 *per cent*. However, the dropout rate declined marginally in 1999-2000 to 44 *per cent* and was higher than the non-SC dropout rate of 18 to 33 *per cent* during 1997-2000.

Thus, the difference in dropout rate among SC and non-SC students was much above the targeted difference of less than 5 *per cent*.

#### **(v) Learning achievement**

Another aim of the programme was to raise average achievement levels by at least 25 *per cent* over measured baseline levels by ensuring achievements of basic literacy and numeracy competencies.

In districts test checked average achievement of class V students in language and mathematics as per Base Line Survey (1993-94) was between 20 and 22 *per cent* 14 and 16 *per cent* respectively and as per Mid Term Survey (1997-98) was between 38 and 47 *per cent* 40 and 61 *per cent* respectively showing an overall improvement in learning achievement

#### **(vi) Free distribution of books**

The programme provides the distribution of free books to SC students (both boys and girls) and non SC girl students in project districts. Scrutiny of records in the 4 districts test checked revealed that out of 5.44 lakh SC students and 5.49 lakh non SC girl students during 1995-99 5.05 lakh SC students (93 *per cent*) and 2.18 lakh non SC girl students (40 *per cent*) were not provided books free of cost. Thus this component was practically a non-starter.

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

Our EMIS came into an effect from 1997 onwards and on the basis of our EMIS data which is key strength for this DPEP programme in all the DPEP states it is stated that girls enrolment in Haryana has increased from 1997-98-99 by 2.66% and from 1998-99 to 1999-2000 by 4.78% in DPEP Phase I district. The same trend of increasing in enrolment has been maintained in DPEP II district. The enrolment of girls has been increased by 3.23% in 1998-99 and 0.36% in 1999-2000 as compared to 1998-99. The enrolment of SC has also been increased by 9.06% during 1999-2000 and by 4.13% during 1999-2000. So finding of the Audit/Survey Report saying that the trend of the girls and SC children has been decreased is not correct and results are realistic.

Table reveals that No. of children eligible for Primary Education was 4.50 lacs in 1995-96 and it increased to 6.84 lacs in 1999-2000. Capacity of schools regarding enrolment was 3.65 lacs in 1995-96. It has been increased to 5.15 lacs in 1999-2000. It is obvious from the table that there has been decreased in the capacity as compared to the enrolment but there was a provision of 24% of the total outlay that was to be spent on Civil Works. When DPEP started functioning there were lot of children who were out of school. Due to intensive awareness campaigns, teacher training, replacement of the newly developed text book and other activities the enrolment has been increased but due to our limitations of 24% and our capacity did not increase as compared to enrolment. There is very positive findings for us that we have enrolled 2.34 lacs more students as compared to 1995-96 which is more than 50% increase in enrolment. Government of India is very serious about the increase in enrolment versus in the Schools. Now the ceiling on civil works is 33.33%. In the forth coming years we are in a position to enhance our capacity by using 9% enhancement.

It is wrong to say that no target of opening of NFE centres was fixed by the State Project Director Haryana Prathamik Shiksha Pariyojna Parishad. Chandigarh Perspective Plans of DPEP provides a target of opening 100 NFE centres in each district during the year 1996-97 but due to certain factors the scheme could not take off in the initial stages of the project.

Prior to 1997 Alternative schooling was not considered as an appropriate strategy for universalisation of Primary Education on the grounds that on Primary schools was available within every 1.6 kms. It was felt that there was no real necessity of adding different structure to the ongoing programme for universalisation of Primary Education. In the meeting of Executive Committee held in 1997 it emerged that what is this by creating/replicating the normal schools with minor alternations out of school children were not likely to be mainstreamed. Rather one would have to go over to their point of view to decide upon the structure and content of the new system that we were wanting to introduce. Also it became amply clear that without mainstreaming this group of working children, street children, the girl child, etc. (however small in number) an idea of universalisation of Primary Education just remained a pipe dream. Accordingly the Executive Committee gave its approval for introducing such schools all over the seven DPEP districts wherever the need exists and accepted Alternative Schooling a viable alternative strategies toward Upper Primary Education. After the AS centres were set up repeatedly in all the districts. At present there are 1580 AS centres in all the seven districts in which around 30,000 students are enrolled. The short fall in enrolment, if any, is due to the fact that the formal net working in the state is very concerning. Most of the parents like to send their children to formal schools wherever it is available. The alternative Schooling Centres are mainly for the non starter and the drop outs and hence it has been seen that at times the number of students in AS centres is below 20.

The Village Education Committees are actively involved in the running of these AS centres. As a matter of fact the proposal for setting of AS center comes from the Village Education Committee itself. It is the VEC which decides the venue of the centre and recommends the appointment of the instructors in the centre. The Alternative Schooling system has now come of age in Haryana under the DPEP. Specific teaching learning packages have been devised for these centres. The instructors and supervisors have been trained in the use of textbooks. Supplementary books have been developed in the workshops. Hundreds of students have been streamlined and admitted to the formal schools through the AS centres. The access to the Centres has also increased now there are about 20 students atleast in each AS centre.

Labour from Rajasthan migrated to Haryana in February/March every year. Their children enrolled in the School. After stay for few month the same labour goes to the parent state. Thus the Children enrolled also goes with their family.

During 1997-98, 1998-99 and 1999-2000 there had been drought like situation in neighbouring states. Thus there is a difference of more than 5% of drop out amongst S.C. & Non S.C. Children.

No comments being informative

Now the books are being supplied to all the students including Schedule Caste Boys and Girls in DPEP district.

During the course of oral examination, the Committee observed that main objectives of the scheme was to provide access to all eligible children of Primary Schools but this target has not been achieved. There is also a large number of dropouts in 1st to 5th and 6th to 8th classes. The Committee viewed it seriously and desired that the department should justify this large number of dropouts.

The Committee recommends that the department should fix responsibility on the officials who are not taking interest in enrolment of boys and girls in Primary Schools. The Committee also desired to know why department was not able to provide books to 93 percent SC students during 1995 to 1999.

#### 15.13.1B.9 Civil works

##### (i) Construction/repair works of school buildings

Civil construction works under DPEP Phase I and Phase II were taken up by three agencies viz. the Engineering Cell of DPEP Panchayat Raj Divisions and Village Construction Committees (VCCs). The works executed by Panchayat Raj Divisions and VCCs were co-ordinated by the District Project Coordinators in the districts. During 1994-95 to 1999-2000 Rs. 37.47 crore were spent on civil works (DPEP-I Rs. 30.79 crore and DPEP-II Rs. 6.68 crore). The position of civil works was as detailed below.

Sr No	Type of work	Total number to be constructed	Completed upto March 2000	In progress	Not yet started
1	New School Buildings	182	125	12	45
2	Additional one class room	630	321	129	180
3	Additional two class rooms	275	220	32	23
4	Additional three class rooms	17	15	—	2
5	Toilets	3 689	2 332	596	761
6	Hand pumps and water tanks	1 627	884	287	456
7	Block resource centres	53	28	14	11
8	Cluster room centres	544	304	157	83
9	Computer rooms	3	2	Nil	1
10	Boundary wall	486	298	54	134
11	Existing running school buildings	105	42	22	41
12	Repairs of existing school buildings	1 715	545	69	1 101

13	State Institute of Education and Management (SIEMT)	1	Nil	1	Nil
14	Diet Auditorium and Hall	1	Nil	Nil	1
15	Matching grant additional single room	60	Nil	Nil	60
Total		9 388	5 116	1 373	2 899

The State Project Director stated (July 2000) that the delay in completion of works relating to phase II was due to late approval (September 1998) of drawings of buildings by Government of India. The reply was not tenable as the works were not completed even after lapse of more than one and half year after the approval of drawings.

Scrutiny revealed that the programme of construction was slow and consequently the capacity of enrolment did not increase as shown below.

District	New school building		Additional class room		Toilets		Hand pumps	
	Target	Completed (March 2000)	Target	Completed (March 2000)	Target	Completed (March 2000)	Target	Completed (March 2000)
Bhiwani	12	Nil	214	53	600	239	Nil	Nil
Gurgaon	20	Nil	120	44	650	442	160	Nil
Mohindergarh	5	Nil	0	35	500	104	403	Nil

Due to non completion of new school buildings and shortfall in providing additional one class room and other facilities as indicated in the above table enrolment capacity did not increase and remained 34 to 39 per cent in Bhiwani district, 57 to 65 per cent in Gurgaon district and 82 to 94 per cent for Mohindergarh district during 1997-2000.

ORG MARG survey indicated that provision for separate toilets for boys and girls were not available in 41 per cent of the sample schools. Drinking water was available in 80 per cent of the sample schools.

## (ii) Expenditure incurred in excess of prescribed cost norms

State Project Director *Haryana Prathamik Shiksha Panyojna Parishad* fixed norms for construction of double room at Rs. 2.24 lakh. It was however noticed that the District Project Co-ordinator, Hisar spent Rs. 3.51 crore on construction of 141 double rooms. Thus each double room cost Rs. 2.49 lakh with a total expenditure of Rs. 3.51 crore.

## (iii) Allotment of works on single bids

Civil Works Manual of DPEP provided that bidding for the expenditure of works was to be called through advertisement in national newspapers and the contract was to be awarded to the bidder whose bid had been determined to be substantially responsive to the bidding documents and who had offered the lowest evaluated bid price. Contrary to this the State Project Director *Haryana Prathamik Shiksha Panyojna Parishad*, Chandigarh allotted 13 works for Rs. 3.85 crore on the basis of single bidding instead of re-tendering the works.

Further three contract agreements the tenders for which were called for in July 1996 and single tender was received in each case were allotted to the contracts at 47.97 per cent, 57.21 per cent and 57.45 per cent above DTR. In respect of contract agreement for similar works in the same district works were awarded at 30.93 per cent on average above DTRs around the same period. Thus the works allotted on single bidding were much on higher side. This resulted in extra expenditure of Rs. 22.80 lakh in 3 contracts.

Thus accepting the rate of single bidder was not competitive and was against the prescribed method of local competitive bidding.

**(iv) Non-submission of works expenditure accounts by village construction committees**

District Project Co-ordinator was required to watch the progress of expenditure against the funds allocated to VCCs/Panchayat Raj divisions for construction of civil works. District Project Co-ordinator or joint monitoring and Sirsa released Rs. 1.03 crore to 260 VCCs for construction of additional class rooms/boundary walls/pumps/toilets etc. during 1995-96 to 1999-2000. Of these 240 VCCs had not rendered expenditure accounts for Rs. 94.54 lakh as of March 2000. The Project Director, HPSP, replied (July 2000) that Rs. 48.42 lakh pertaining to 131 VCCs had been adjusted after receipt of detailed accounts/UCs and the balance amount would be adjusted after reconciliation with the concerned VCCs.

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

All the planned works upto 31-3-2000 under DPEP I, DPEP II and Non DPEP districts have already been completed. The position of progress of work planned and completed upto 31-3-2000 is as under —

1. For DPEP districts 4339 works costing Rs. 3071.29 lacs were completed against 4687 works costing Rs. 3225.56 lacs.
2. For DPEP II districts 770 works costing Rs. 741.06 lacs were completed against 4701 works costing Rs. 2093.32 lacs.

Regarding toilets and water facilities. All the primary schools have been provided with toilets separate for boys and girls and water facilities. There is no school left without these facilities.

**Physical DPEP-II**

State	No. of works planned	No. of works completed	No. of works in progress	Shortfall	%age of shortfall
Haryana Phase-I	4434	2094	849	1491	34%

%age of physical progress=66%

As will be seen there is substantial increase in progress during 2001-2002 and we are sure to complete the target by March 2003 i.e. upto span of the project.

So far as construction of 141 (2 rooms) are concerned it is intimated that the estimation

of these double class rooms was made in 1993-94 whereas these were constructed in the subsequent years. As much the cost of the room was bound to be selected. The cost of 2.49 lacs two each double room was of cost. Such para was also listed in the Audit report for the year 1998-99 (Para 19) and the same has been dropped by A.G. Audit Review Committee *vide* their letter No. OAD/Spl/Act HPSP/2001-02/2338 dated 3.12.2001. Hence the para may please be dropped from the report.

As per World Bank procurement rules and National bidding document, employer will award the contract to the bidder whose bid has been determined to be substantially responsive and fulfills post qualifications provided in clause 4.5A of the ITB of the Contract Document. The main criteria of the World Bank are —

1. Publication of tender document in the National Newspaper
2. In the Regional paper being circulated widely in the area of State
3. The sale document should remain open minimum for 30 days i.e. from the date of publication in the press to the date of close of the sale of the document
4. As per Clause 37 of procurement rule, single bid is also considered for award or the bid is technically and commercially responsive
5. The award of the contract will be based on clause 31 of ITB of the bid document which does not specify anywhere that there should be minimum 3 bids as interpreted by the A.G.

The sequence of inviting bids, obtaining approval from World Bank and allotting works are as follows —

1. The bid document duly approved was received from Ed. CIL Technical Support Group of Government of India (TSG) *vide* Memo No. 1/24/PR/95 DP dated 14-5-96. For approval of NCB works, Executive Committee headed by Chief Secretary constituted tender committee headed by State Project Director with members as executive Engineer, CAO, respective SDEs and representative of Engineer in Chief, PWD B&R, not less than Executive Engineer *vide* proceedings held on 12/15-4-96.
2. The bids i.e. the bid in question based on approved bid document from World Bank were advertised for 7 works in The Tribune, Punjab Kesri. Wide publicity was also given by sending the notices to approved Class I contractors of PWD B&R, C.E., HUDA Marketing Board and Housing Board. Before opening of bids, pre-bid conference was held on 28.6.96 which was also attended by Ms. Abbie Ridell and Mrs. Adnaan Ve spoor (President of World Bank) of the World Bank. The proceedings were sent to Ed. CIL *vide* Memo No. 8/1-96 DPEP/4899 dated 3-7-96.
3. 6 bids out of 7 bids advertised were received on 9.7.96. These bids were evaluated and the comparative statement was prepared. A brief note on various



bids received on 9 7 96 was also prepared

- 4 Meeting of the tender committee was called on 23 7 96 and 5 out of 6 works were approved subject to the approval of the World Bank. Proceedings of the bids were sent to the Ed. Cil along with pilot bids
- 5 Necessary evaluation report based on World Bank model evaluation report was also prepared. The detail of all the six bids received are given below —

Sr No	Name of Work	Estimated Cost	No of bids received	% above HSR 95	Whether responsive and fulfill the post qualification
1	Const of one BRC at Rajound & 7 NSb at various places in Rajound Block in Kaithal District	40 735 lacs	1 (Single)	54 68%	Yes
2	Const of 2 BRC at Naguran & Jind & 4 NSB at Harijan Basti Alewa Julani & Baganwala & Ashram Basti Jind i/c 4 handpumps 8 toilets & 1100 Rft B/w of 3 81/2 Ht in Jind Naguran Block in Jind District	32 00 lacs	1	48 24%	Yes
3	Const of 1 BRC a Salakheri (Safidon) and 3 NSB along with 1 additional three class room at various places in Safidon Block in Jind District	24 00 lacs	1 (Single)	57 21 %	Yes
4	Const of 1 BRC at Sahuwala 3 NSB each at village Kharkan Fatehapuria Nymat Khan Khuyian Nepalpur & Raghuwana i/c 8 toilets 4 handpumps with 2500 Rft B/w of 3 81/2 ht in Baradudha Block in Sirsa District	28 00 lacs	2 (Two)	58 28 %	Yes
5	Const of 2 BRC at GPS at Mini Secretariat premises Hisar I Block & GPS No 2 Mohalla Rampura) Hisar II Block in Hisar District	16 00 lacs	2 (Two)	58 78% 60 24 %	Sh Surinder Kumar Jain did not fulfill the post qualification

Sr No	Name of Work	Estimated Cost	No of bids received	% above HSR 95	Whether responsive and fulfill the post qualification
6	Const of 2 BRC each at GPS school Dhani Kunhanpur Hansi I & GPS Dhani Piranwali in Hansi 2 Block Hisar District	16 00 lacs	2 (Two)	72 80% 81 05/	M/s Kukoo Const did not fulfill the post qualification

The bids at S No 6 was not approved by tender Committee

- 6 As bids were invited for the first time by DPEP Haryana and as per World Bank guidelines atleast 2 pilot bids were to be approved by World Bank Accordingly 2 bids one each for below Rs 30 lacs and other for above Rs 30 lacs for district Jind and Sirsa appearing at Sr No 2 & 4 were sent to Ed Cil *vide* Letter dated 26 7 96 for obtaining approval of the World Bank Complete details of the rates received were mentioned in the evaluation report and other documents such as tender committee proceedings etc submitted to the Ed Cil The detail of these two bids are again given below —

Sr No	Name of Work	Estimated Cost	No of bids received	% above HSR 95	
1	Const of 2 BRC at Naguran & Jind & 4 NSB at Harijan Basti Alewa Julani & Baganwala & Ashram Basti Jind i/c 4 handpumps	32 00 lacs	1 (Single)	48 24 %	At S No 2 of page 2
2	Const of 1 BRC at Sahuwala 3 NSB eah at village Kharikan Fatehpuna Nymat Khan Khuyian Nepalpur and Raghuwana i/c 8 Nepalpur and Raghuwana i/c 8 toilets 4 handpumps with 2500 Rft B/w of 3 8 1/2 ht In Baragudha Block in Sirsa District	28 00 lacs	2 (Two)	54 28%	At S No 4 of page 2

- 7 On enquiry from Ed Cil further clarification were sent *vide* letter No 5585 dated 3 8 96 to the Ed Cil
- 8 As further desired by Ed Cil evaluation report duly amended along with recommendations was sent to Ed Cil *vide* letter dated 7 8 96

- 8 As desired by the Ed Cil proceedings of the meeting of the tender committee held on 23-7 96 were also again sent *vide* letter dated 16 8 96
- 10 The SPD wrote a D O dated 20 8 95 to Shri V Natarajan for expediting the approval of the NCB
- 11 Shri Ravi Kapoor IAS Deputy Secretary asked for unit cost of the components on telephone and the same was supplied *vide* memo dated 30 6 96 Complete details regarding cost of units provided in AWP and the cost as per bid received were explained in detail
- 12 Ed Cil *vide* memo No 1/47/PR/96 DP dated 2 9 96 addressed to SPD asked for certain clarifications regarding price bid received market cost analysis and other details of justification Necessary report *vide* Memo No 6512 DPEP dated 3 9 96 was sent to Ed Cil
- 13 SPD again wrote a D O dated 19 6 96 for expediting the approval of the pilot bids
- 14 Sh B D Kakkar Under Secretary MHRD asked certain clarifications and for adopting certain procedures particularly calling a meeting of the Tender Committee consisting of SPD Representative of PWD Haryana and Engineer representative from another World Bank Project *vide* D O No 16/5/96 DPEP dated 24 9 96 addressed to Shri B D Kakkar Under Secretary with a copy to
- 15 The above said 2nd Tender Committee meeting held was called by the SPD on 8 10 96 A D O justifying the reasonability of the rates and proceedings of the meeting held on 8 10 96 was sent on 16 10-96 addressed to Shri B D Kakkar Under Secretary with a copy to Mr V Natarajan Consultant (Ed Cil)
- 16 After satisfying all these details and correspondence the GOI *vide* memo dated 15 10 96 along with the approval of the Evaluation Report of 8 10 96 from bank were communicated to this office for awarding work
- 17 As 5 bids were recommended by the Tender Committee out of which 2 pilot bids ranging between 47% to 54% were approved by the Bank The other three bids were allotted to the various bidders All the bidders were responsive and fulfilled post qualifications
- 18 It will be seen from the above that complete procedure as laid down by the World Bank for procurement of NCB works has been adopted Complete transparency as required in Bank procedure has been maintained Tender committee as constituted by E C and tender committee as desired by GOI having Engineer Member from the organization executing the World Bank works were completely satisfied with the responsibility of the rates As per Bank guidelines 2 pilot bids were sent along with recommendations for reasonability of the rates The rates were also compared with the market and rates received by the World Bank Organization executing works The

World Bank Executing Organisation i.e. Irrigation Department had been receiving bids ranging between 42.91% to 80%. Average premium for such works out to 55% before May 1996 i.e. before the general hike in prices.

The Public Works Department in Haryana have been inviting bids on percentage basis and issuing cement and steel at much lower rates than market i.e. cement at the rate of Rs. 100/- per bag and steel @ 13000 per metric tonne. The representative of Engineer in Chief in the meeting held on 8.10.96 as mentioned in para 15 above informed that during the period bid for work at Chandigarh was received at 47% above 1995 schedule whereas the material such as cement, steel were to be supplied by the department at the rates mentioned above. The World Bank and GOI after satisfying fully had accorded the approval of allotment of these works after going through the above mentioned facts and details which were communicated from time to time with the pilot bids.

19. This was the first bid in Haryana that the bids for building works were invited in accordance with bank procedure where bidder had to arrange complete material at his own. The other main factors contributing to higher rates were although explained in detail in the various correspondence procedure sent to World Bank. However, these are again given below —

There had been steep hike during June-July in the prices of raw materials. As is usually after every general elections which were held in May-June 1996, there was substantial hike in the prices of various materials which had been explained in various notes sent to Ed. Ctl/GOI. These are again explained below from the extracts of various correspondence.

- (i) Cement prices soared from Rs. 100.00 to 140.00–150.00 per bag
- (ii) The prices of steel ISI mark rose from Rs. 13000 per tonne to Rs. 16000 per tonne
- (iii) There was a steep hike in quarry material such as Sand, Bajri
- (iv) There was a hike in price of bricks in the market
- (v) There was hike in petroleum products
- (vi) Hike in railway freight
- (vii) Due to introduction of prohibition in Haryana Government had levied major taxes and raised quarry rates

Other factors contributing to the extra cost are —

- (i) Advance deposit of 5% performance security within 21 days from the date of issue of allotment letter
- (ii) Defects liability period is for 12 months and bidder's 5% performance security plus 2½% retention money remain block for 12 months

- (iii) The works are scattered in rural areas involving additional cost
  - (iv) As the material such as cement steel are to be arranged by the bidder in World Bank cases any rise in the prices of cement and steel will be borne by the bidder
  - (v) The works are to be completed within scheduled period otherwise liquidated damages are to be levied
- 20 All documents mentioned in various paras above were sent to Ed Ctl/GOI from time to time If any of these documents are required can be supplied or can be seen in this office
  - 21 It is further stated that inflation rates started going down at the end of the year 1996 onward
  - 22 The total process for approval from GOI took more than 3 months from the date of invitation of bid Moreover GOI also approved one of the pilot bid which was a single bid which clearly shows that there is no bar on allotting works at Single bid
  - 23 From the perusal of bids received on 9 7-96 under para 5 it will be seen that there was no bid received/awarded at 30 93% as mentioned in the Audit Para All the bids whether single or more were ranging between 48 24% to 81 05%
  - 24 It is also pertinent to mention that for any new concept once started the rates are bound to be higher as there are lot of apprehensions in the mind of bidder and these apprehensions can be seen from the proceedings of the pre bid conference held on 26 6 96 (Annexure C )
  - 25 It will be seen from the detail of 6 bids received on 9 7-96 the rates received for single bid works lowerer than the bids where 2 tenders were received The tender committee founded prudent that if the work for which two bids are received to be allotted the works for which single bid was received at lower rates will also be allotted There is no work in these bids where the rates received are 30 93% which has been compared for working out extra expenditure

All the expenditure accounts of VCCs have been adjusted There is no pending advance so far as 1999 2000 is concerned Hence Para may be dropped

**During the course of oral examination the Committee observed with concern that construction work was given to a single bidder The Committee desired that the department may explain the circumstances under which the work was allotted to a single bidder The Committee also desired that information in this regard be supplied to the Committee within a period of three months**

[59] 3 1B 10 Appointment of teachers/instructors/staff

Against 543 CRCs existing in 1998 99 and 1999 2000 293 CRCs in 1998 99 and 92

CRCs in 1999 2000 were without cluster teachers thus affecting the implementation of project activities at grass root level in these centres The State Project Director replied (February 2000) that the Education Department did not provide the required number of teachers

ORG MARG survey pointed out that in more than half of the schools all the sanctioned posts had not been filled Higher percentage of female posts were lying vacant (46 *per cent*) as compared to male posts (26 *per cent*)

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

489 posts out of 543 posts of CRC sanction under DPEP Project were filled The remaining 10% posts could not be filled as there is always some variations Owing to promotion and transfer of staff

**During the course of oral examination, the Committee observed that all the sanctioned posts of teachers/instructors have not been filled up and desired that reasons of lying vacant of sanctioned posts be supplied for the information of the Committee The latest position in this case be supplied to the Committee within a period of three months**

### **[60] 3 1B 11 Training**

Training under the programme was provided at the State council of Education Research and Training Gurgaon (SCERT) and by District Institute of Education and Training (DIETs) in the districts Besides Block Resource Centres were set up to serve as the extension units of the DIETs by catering to the inservice training needs of the teachers head teachers NFE Instructors etc working in the respective block area

At the initial stage SCERT decided to provide training in the language subject of Hindi to all the teachers head teachers BRC and CRC staff Shortfall in training was to the extent indicated below

Category of functionaries	Number of persons		Shortfall and its percentage
	(i) planned to be trained	(ii) actually trained	
(i) Master trainers/Resource persons	1 166	922	244(25)
(ii) BRC/CRC staff	2 316	1 817	499(22)
(iii) Teachers	58 297	47 654	10 643(10)
(iv) Headmasters	5 896	5 077	819(14)
(v) NFE Instructors	948	441	507(53)
(vi) ECE Instructors	15 838	9 409	6 429(41)
(vii) VEC/NGO members	38 273	25 344	12 929(34)

Shortfall in the categories of NFE instructors ECE instructors and VEC/NGO members

was substantial i.e. 53 per cent, 41 per cent and 34 per cent respectively during 1994-95 to 1999-2000. Thus, due attention towards training programme was not given under the project.

The State Project Director attributed the shortfall in training to delay in developing package for the training by the State Project Office, non-sanction of centres, etc. The reply was not tenable as these shortcomings were required to be attended to.

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

Training could not be organised at a large scale at the initial stage for want of funds which were released at the frayed end of the financial year i.e. 1994-95. The teacher trained from 1995-96 to 1999-2000 yearwise is as under —

Sr No	Year	No of teachers in position	No of teacher trained	Percentage
1	1995-96	10260	9144	91%
2	1996-97	10360	8969	89%
3	1997-98	9507	8449	88%
4	1998-99	17858	16484	92%
5	1999-2000	19892	16248	91%

During the year 2000-2001 adequate training programme were chalked out and the training to almost every teacher was imparted.

**During the course of oral examination, the Committee observed that adequate attention was not given towards training programmes under the Project and desired that effective steps be taken for chalking out training programmes and report in this regard be given to the Committee within three months.**

#### [61] 3.1B.12 Monitoring and Evaluation

At the State level, the scheme was to be monitored by the *Haryana Prathamik Shiksha Paryojna Parishad*. The Society has two bodies since March 1994, namely the General Council and the Executive Committee. The General Council and Executive Committee were required to meet regularly to review the progress of the programme and to accord approval of work plans for implementation. It was noticed that the General Council was not constituted so far. The SPD in his reply (July 2000) stated that the process of constitution of General Council was in final stage.

The Executive Committee had met only 13 times to review the progress of the programme during last six years from 1994-95 to 1999-2000.

A perusal of the minutes of the meetings of the Executive Committee revealed that though the progress reports in regard to physical and financial aspects received from field units were seen by the committee, direction to improve the slow progress in construction of new school buildings and other infrastructure were not on record. Thus, monitoring of the programme was ineffective.

### 3 1B 13 Conclusion

The objective of the programme was to improve enrolment and reduce dropout among primary school children in educationally backward districts where female literacy was low. Though the capacity of schools regarding enrolment increased during 1995-2000 but access to primary education to all eligible children could not be provided and was short by 12 to 20 per cent.

The target of reducing of overall dropout rate to less than 10 per cent and difference in dropout rate among SC and non SC students to less than 5 per cent was not achieved. Dropout rate among SC students increased successively from 20.83 per cent in 1997-98 to 44.56 per cent in 1999-2000 and was much higher considering the dropout rate of 7.22 per cent to 14.32 per cent among non SC students. 93 per cent of the SC students and 40 per cent of non SC girl students were not provided books free of cost. These shortfalls adversely affected enrolment and retention of children in schools.

Monitoring of the programme by the Executive Committee of HPSP to secure achievements of its objectives was not adequate.

Thus the project failed to achieve the objective of universalisation of primary education.

These points were referred to Government in May 2000. Their reply had not been received (August 2000).

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

The General Council of the Parishad has been constituted vide Haryana Government Notification No. 6/77/2001 Edu. 4 dated 23/26 April 2001 and it is fixed on 27.11.2001.

In addition Executive Committee has met twice during the year 2001 and very well giving directions to monitor and evaluate the various schemes. Now the percentage of expenditure on civil works has been enhanced from 24% to 34% and there will be much improvement in the construction of work.

The reply to the ongoing CAG reports would reveal there is much improvement in enrolment and further shortfall will be reduced. The drop out rate of SC and Non SC although not achieved in full but improved. The books are provided to all students of DPEP districts now.

Executive Committee meetings are being held on regular interval in which stress is laid down to monitor and evaluate the scheme. Now the General Council has been constituted and is holding its meeting on 27th November 2001 and considerable over all improvement is expended.

**During the course of oral examination, the Committee observed that monitoring system of this programme was ineffective and desired that monitoring system be strengthened and devised effectively so that physical and financial aspects of the progress reports received from field can be reviewed regularly.**



## Medical and Health Department

### [ 62 ] 3 2 National Family Welfare Programme

#### Highlights

*The programme aimed at Stabilizing population and health for all through comprehensive primary health care services and an easy access to family welfare facilities. Though Rs 196.13 crore were spent on the programme during 1995-2000, goals laid down in national health policy were not achieved. State was far behind the demographic goals set in the National Health Policy. Effective couple protection rate in the state declined from 54.4 per cent in 1995-96 to 49.7 per cent in 1998-99. Shortage of infrastructure like PHCs/CHCs, vacancies in the critical cadres of doctors and para medical staff in rural areas adversely affected the family welfare services. Deliveries handled in health institutions ranged from 9 to 16 per cent and infant mortality rate increased to 70 per thousand while the goal of 60 per thousand was to be achieved by year 2000. Review and monitoring aspects of the programme were the weakest links. Important points as detected in audit are as under.*

#### 3 2 1 Introduction

The main objective of the Family Welfare Programme is to stabilise population at a level consistent with the needs of National development. National Health Policy (NHP) 1983 adopted in Haryana State envisaged attainment of twin goals of health for all and a net reproductive rate of unity (NRR 1) by 2000 AD through universal provision of comprehensive primary health care services to all and an easy access to family planning and maternal/child health care facilities. NHP set demographic goals for achievement by 2000 AD as crude birth rate 21 per thousand, Crude death rate 9 per thousand, annual natural growth rate 1.2 per cent, Infant mortality rate below 60 per thousand, Effective couple protection rate 60 per cent and Child mortality rate 10 per thousand. In Haryana, crude birth rate (CBR) in 1995 was 29.9 per thousand, infant mortality rate (IMR) was 69 per thousand and child mortality rate (CMR) was 22 per thousand. In 1998, the CBR and IMR was 27.6 per thousand and 70 per thousand respectively (CMR figures for 1995 onwards not available).

#### 3 2 2 Organisational set up

Financial Commissioner and Secretary to Government of Haryana, Health Department is responsible for overall management and monitoring of the Programme. Director General Health Services, Haryana is the head of the department as well as the controlling Officer. The Director Health Services, Family welfare looks after the implementation of the Programme.

For implementing Reproductive and Child Health (RCH) Programme, the State Government has set up a State Committee on Voluntary action (SCOVA) which is a registered society. Project Director is the Chief Executive Officer (CEO) of the SCOVA which had 7 members with Financial Commissioner and Secretary Health, Haryana as its chairman.

District Family Welfare Officers are responsible for implementation of scheme/activities relating to family welfare programmes in the districts with the support of District Immunisation Officers (DIOs).

### 3 2 3 Audit coverage

Records relating to Family Welfare Programme during 1995 96 to 1999 2000 were test checked in the Directorate of Health Services in 5th districts (out of 19) and in the office of the Project Director Reproductive Child Health (RCH) Programme Panchkula between October 1999 and April 2000. Important points noticed are discussed in the succeeding paragraphs.

The services of the ORG Centre for social research, a division of ORG MARG Research Limited, was commissioned by the Comptroller and Auditor General of India with a view to obtaining the beneficiary preception of the programme and related matters. The ORG MARG carried out survey over a sample determined on the basis of socio cultural characteristics and development status. Findings of the survey on matters discussed in the report have been included in this review at appropriate places.

### 3 2 4 Financial outlay and expenditure

Family Welfare Programme is 100 per cent Centrally sponsored except one scheme namely selected Area Programme, cost of which is shared in the ratio of 90 : 10 between GOI and the State Government. The funds are released by GOI to the State government on quarterly basis. Besides assistance in kind in the form of contraceptives, equipment, vaccines, drugs, vehicles, etc. are also provided by GOI.

(i) the details of budget provision and actual expenditure incurred under the programme during 1995 96 to 1999 2000 were as under:

year	Revised budget			Expenditure		
	Revenue	Capital	Total	Revenue	Capital	Total
(Rupees in crore)						
1995-96	34.04	2.78	36.82	30.82	1.91	32.73
1996-97	40.03	1.30	41.33	33.70	0.36	34.06
1997-98	48.20	2.35	50.55	35.41	1.58	36.99
1998-99	52.21	4.70	56.91	44.36	4.61	48.97
1999-2000	49.73	0.60	50.33	42.77	0.61	43.38
Total	224.21	11.73	235.94	187.06	9.07	196.13

Component-wise details of revised budget and expenditure for 1993 2000 was as under

Sr No	Name of Component	Revised Budget (Rupees in crore)	Expenditure
(i)	Direction and Administration	15 45	13 27
(ii)	Rural Family Welfare Services	94 60	77 99
(iii)	Maternity and Child Health	33 70	31 46
(iv)	Other Services and supplies including Post Partum Centres	37 35	30 96
(v)	Mass Education	3 76	2 29
(vi)	Training	6 74	5 54
(vii)	Urban Family Welfare Services	3 68	3 54
(viii)	Transport	1 01	0 77
(ix)	Compensation	11 92	8 21
(x)	Selected Area Programme	16 00	13 03
Total		224 21	187 06 (83 per cent)

Saving of 17 per cent in revised estimates would be indicative of poor budgeting savings were attributed by the department to a cut of 10 per cent on sanctioned posts and a ban on new recruitment of staff. This was not tenable as provision for vacant posts was not to be made in the budget in view of the ban on recruitment. Besides there was no ban on recruitment of doctors.

The budget provision under Capital head of account was short utilised due to non construction or non completion of the buildings. DGHS furnished no reasons for this (April 2000).

Besides funds (Rs 22 16 crore) released during 1997 98 to 1999 2000 under Reproductive and Child Health (RCH) programme (started in 1997 98) by GOI directly to State Committee of Voluntary Action (SCOVA) also went unutilized to a large extent as only Rs 10 57 crore were spent by the district level societies to whom these funds were released by SCOVA.

(ii) *Irregular claims from GOI*

An amount of Rs 3 48 crore was spent from the funds allotted to the Family Welfare Programmes on the operation of 128 posts not covered in the programme as evidenced in test check of 5 districts.

DGHS irregularly claimed Central assistance of Rs 3 48 crore from GOI against these posts as the expenditure was debited to the programme. The amount was required to be refunded to GOI. On being pointed out in audit the DGHS issued instructions in

June 1999 to District Family Welfare Officers not to debit the salaries of staff nurses in PHCs to Family Welfare Programme but no action as regards past irregularity was taken

### 3 2 5 Deficient infrastructure for rural areas

Family Welfare Services were provided through the network of existing Sub Centres Primary Health Centres (PHCs) and Community Health Centres (CHCs) established in rural areas under Minimum Needs Programme These infrastructures were common for general medical and health services as well as for family welfare services In urban areas these services were to be provided through Government hospitals and dispensaries

The rural population of Haryana was 1 53 crore<sup>10</sup> during 1999 2000 Against the requirement of 127 CHCs 509 PHCs and 3 055 Sub Centres as of March 2000 as per norms only 64 CHCs 402 PHCs and 2 299 Sub Centres were in existence

Because of shortfall in setting up of CHCs (50 per cent) PHCs (21 per cent) and sub Centres (25 per cent) each CHC PHC and Sub Centre was catering a population of 2 39 lakh 38 thousand and 6 6 thousand as against the norms of 1 2 lakh 30 thousand and 5 thousand respectively The DGHS intimated (September 2000) that proposals for opening of Sub Centres PHCs and upgrading of PHCs to CHCs sent to the Government during 1995 2000 were not approved Vacancies in the critical cadres in rural areas i e doctors (29 per cent) staff nurses (53 per cent) laboratory technicians (29 per cent) lady health visitors (42 per cent) and multipurpose health workers (male) (16 per cent) existed as of March 2000

ORG MARG survey indicated that 60 per cent of the household did not utilise the Government health facilities in rural areas and 45 per cent in urban areas on account of improper services (50 per cent) non availability of medicines (46 per cent) and inaccessibility of services (46 per cent)

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

In this contents it is mentioned that time to time proposals were sent to state Government for establishing new sub centres primary health centre and community health Centre as per the rural population of the State But during the period 1995 2000 State Government issued sanction for establishing 7 Community Health Centre Bondkalan (Bhiwani) Mirpur (Rewari Araya Nagar (Hisar) Purkhas Juan (Sonapat) Odha (Sirsa) and Mathana (KKR) 8 Primary Health Centre Badara Bamla Jui (Bhiwani) Keharwal (Sirsa) Keshri (Ambal) Pilimandori (Fatehabad) Amin (KKR) and Saga (Kamal) and 8 Sub Centre-Baisawali (Fardabad) Jundali (Ambala) Khurampal (Jhajjar) Khairatikhera Hinderwala (Fatehabad) for the rest sanctions are still awaited from the State Government

During the course of oral examination of the departmental representatives, the Committee observed that in rural areas there was shortfall of infrastructural facilities viz CHCs, PHCs and sub centres as envisaged in the norms fixed by the Government The Committee, therefore, desired that necessary infrastructural facilities in rural areas be provided keeping in view of

the population status in the State as per 2001 census. The Committee further desired that progress made in this regard be intimated to the Committee within three months.

### [ 63 ] 3 2 6 Programme implementation

The main components/schemes for the programme were (i) Family Planning Programme (ii) Child Survival and Safe Motherhood Programme (iii) All India Hospital Post Partum Programme (iv) Reproductive and Child Health Programme. Implementation of these programmes are discussed below —

#### (I) Family planning programme

Earlier the Director Family Welfare Medical and Health Department Haryana was setting the district level targets (upto 1996-97) based on GOI targets. However under decentralised system for family welfare methods from 1997-98 the targets were proposed by District level Family Welfare Officers. These were finally approved by the Director Director Family Welfare/DGHS for the State as a whole. The targets fixed under each birth control method during 1995-96 to 1999-2000 and achievements were as under

Year	Sterilisation		Intra uterine device		Conventional contraceptives		Oral pills		Crude birth rate
	Target	Achievement (Percentage)	Target	Achievement (Percentage)	Target	Achievement (Percentage) (Figures in lakh)	Target	Achievement (Percentage)	
1995-96	1.25	1.08(81)	2.07	1.64(79)	NA	5.11( )	0.57	0.53(93)	29.9
1996-97	1.23	1.00(81)	1.90	1.58(83)	5.00	4.75(95)	0.75	0.57(76)	28.8
1997-98	1.20	0.94(78)	1.81	1.63(90)	3.71	4.11(111)	0.86	0.59(69)	28.3
1998-99	1.21	0.91(75)	1.85	1.61(87)	4.00	3.69(92)	0.86	0.61(71)	27.6
1999-2000	1.03	0.96(93)	1.77	1.63(92)	3.99	3.58(90)	0.67	0.65(97)	

The table shows that targets were lowered every year during 1995-2000. Consequently effective couple protection rate (eligible couples covered by various birth control methods) fell from 54.4 per cent in 1995-96 to 49.7 per cent in 1998-99 which was far behind the goal of below 60 per cent set in the national health policy. There was a general decline in fixing of targets and achievements for sterilisation, IUD and conventional contraceptives though the number of eligible couples in the State has increased.

The DGHS did not analyse the reasons for decline in achievements.

#### (II) Child Survival and Safe motherhood Programme

Child Survival and Safe Motherhood (CSSM) Programme was implemented with the objective to reduce incidence of disease and deaths in infants under 5 years of age and pregnant women. This programme was discontinued and integrated under the RCH Programme from 1997-98. However funds for this component continued to be received from GOI as grant in aid separately through budget. Under the programme Rs. 31.46 crore were spent during 1995-2000.

**(a) Prophylaxis against anaemia and blindness**

To ensure maternal and child health the programme envisaged prophylaxis against nutritional anaemia among mothers and children pregnant women and acceptors of family planning Children of 1-5 years age group were to be given daily dose of iron and folic acid for 100 days For prophylaxis against blindness due to deficiency of Vitamin A among children dose of vitamin A was to be given every six months Targets and achievements made under the programme during 1995-96 to 1999-2000 were as under

Year	Prophylaxis against anaemia among women		Prophylaxis against anaemia among Children		Against blindness	
	Target	Achievement	target	Achievement	Target	Achievement
(Number in lakh)						
1995-96	5.83	5.54	7.50	6.27	Ist dose	5.31
					IInd dose	4.71
1996-97	5.93	5.71	7.50	6.84	Ist dose	5.30
					IInd dose	4.80
1997-98	6.04	5.50	7.55	5.15	Ist dose	5.47
					IInd dose	4.87
1998-99	6.27	3.75	7.81	4.92	Ist dose	5.66
					IInd dose	5.05
1999-2000	6.14	6.37	7.79	5.68	Ist dose	5.20
					IInd dose	5.13

As evident from the above table there was a decline in achievement for prophylaxis against anaemia among women and nutritional anaemia among children in the years 1997-99 as compared to 1995-96 There was a steep decline in achievements in 1998-99

The DGHS attributed (January 2000) the shortfall due to late supply of Iron Folic Acid (IFA) tablets by GOI during 1997-98 and 1998-99 This is not tenable as GOI allowed (June 1998) the State Government to purchase tablets locally but the department purchased (January 1999) only 30.43 lakh IFA tablets against requirement of 1.5 crore tablets

**(b) Universal immunisation programme**

The Government of India launched Universal Immunisation Programme (UIP) in 1985-86 (in the same year in Haryana also) with a view to immunize 85 per cent infants with one dose of BCG and measles and three doses each of DPT/Oral Polio Vaccine (OPV) 100 per cent women with two doses of Tetanus Toxoid (TT) and to reduce neonatal mortality rate to less than one per thousand live births However Ninth Five year Plan (1997-2000) envisaged 100 per cent coverage for all vaccine preventable disease

The physical performance on immunisation under this programme during 1995 96 to 1999 2000 was as indicated below

(Figures in lakhs)

Name of vaccine	1995 96		1996 97		1997 98		1998 99		1999 2000	
For Children	T*	A (Perce ntag)	T	A (Perce ntag)	T	A (Perce ntag)	T	A (Perce ntag)	T	A (Perce ntag)
DPT 3rd dose	5 30	4 70 (89)	5 38	5 23 (97)	5 47	5 42 (99)	5 66	5 20 (92)	5 20	5 50 (106)
OPV 3rd dose	5 30	4 70 (89)	5 38	5 26 (98)	5 47	5 42 (99)	5 66	5 33 (94)	5 20	5 50 (106)
Measles	5 30	4 24 (80)	5 38	4 81 (89)	5 47	4 90 (90)	5 66	5 00 (88)	5 20	5 11 (98)
BCG	5 30	5 18 (98)	5 38	5 81 (108)	5 47	5 93 (108)	5 66	5 90 (104)	5 20	5 92 (114)
DT	4 70	4 20 (89)	4 79	4 88 (102)	4 87	5 80 (119)	5 04	5 32 (106)	5 13	4 58 (111)
TT 10 years	4 33	3 36 (63)	4 41	3 90 (75)	4 49	4 44 (87)	4 65	4 24 (80)	5 13	3 54 (82)
TT 16 years	3 67	2 31 (63)	3 74	2 80 (75)	3 83	3 33 (87)	3 96	3 16 (80)	4 34	3 54 (82)
For Mothers										
TT	5 83	4 62 (79)	5 93	5 08 (86)	6 04	5 27 (87)	6 27	5 34 (85)	6 14	5 49 (89)

\*T Target A Achievement

During 1995 2000 immunisation for TT for children for 16 years age was achieved by 63 to 87 *per cent* of targets. The goal of immunisation of 100 *per cent* mothers/expectant mothers with TT was short achieved by 11 to 21 *per cent* during 1995 2000. Reasons for shortfall were not intimated by the Director Health Services Family Welfare.

Basis for fixing targets was not on record with the department. It was not on record with the department as to whether the targets included all the children/mothers eligible for immunisation. Therefore the extent of uncovered/left over children requiring immunisation was not known to the department. However the infant mortality rate of 69 per thousand in 1995 increased to 70 per thousand live births in 1998 which was far from the goal of 60 per thousand live births set in the national health policy.

### (III) All India Hospital Post Partum Programme

Post partum Programme aims to motivate women within the reproductive age group of 15-44 years and their husbands for adopting small family norms through education and motivation during pre-natal, natal and post natal period and after medical termination of pregnancy (MTP).

In the State 37 (13 district level and 24 sub district level) Post Partum Centres were set up to provide an integral package of material, child health and family welfare.

services inservices training to medical/para medical personnel out reach services to allotted population to promote birth methods to reduce infant mortality rate (IMR) and maternal mortality (MMR) rate etc

During 1995-96 to 1999-2000 Rs 14.14 crore were spent under post partum programme The following points were noticed

(i) *Maternal and child health services*

Under this component expectant mothers were to be registered at PP Centres for ante natal and post natal services immunisation etc and for early detection of complications of anaemia bleeding etc among them Newly born infants and all children visiting out patient department (OPD) and other children in the areas allotted to the centres were to be immunised

It was however noticed that in 4 PP Centres of Bhiwani and Mohindergarh districts (out of 10 PP<sup>12</sup> Centres test checked) 40 487 expectant mothers were registered during 1995-96 to 1999-2000 of which 32 922 (81 per cent) were immunized for tetanus toxoid reasons for short achievement were not informed

(ii) *Performance of post partum centres*

(a) Family planning included provision of sterilisation methods and medical termination of pregnancy services besides provision for conventional contraceptives for spacing of births In 10 PP Centres test checked actual achievements against the targets during 1995-2000 of birth control methods were as under

Birth Control Methods	1995-96		1996-97		1997-98		1998-99		1999-2000	
	Target	Achievement (Percent age)	Target	Achievement (Percent age)	Target	Achievement (Percent age)	Target	Achievement (Percent age)	Target	Achievement (Percent age)
Sterilisation	2654	1901(72)	2593	2348(91)	2406	1645(68)	2706	1696(63)	2652	1944(73)
Intra uterine Device	4900	3124(64)	4414	3274(74)	4005	3491(87)	4311	3180(74)	4371	4082(94)
Oral Pill Users	1549	847(55)	1568	951(61)	1550	1300(77)	1614	1209(75)	1637	1253(77)

Achievements of sterilisation cases were very low in 3 PPCs i.e. Dabwali between 14 and 29 percent Gohana 28 to 34 percent and Jagadhari 19 to 26 percent of the targets Achievements of intra uterine device was very low in 2 PPCs i.e. at Jagadhari 24 to 39 percent and Yamunanagar from 46 to 53 percent Achievements of oral pills users was very low at PPC Yamunanagar which ranged between 16 to 39 percent

As noticed in audit low achievements at PPC Dabwali were due to shortage of Doctor/Lady Health Visitors (LHV) and at Jagadhari due to vacancy of post of LHV

(b) *Acceptors of sterilisation methods*

To bring down the natural annual population growth rate to 1.2 percent by 2000 AD as envisaged in the national health policy education and motivation of couples in



the reproductive age group (15-44 years) immediately after they had two healthy children was necessary

A scrutiny of records of 10PP Centres in 5 districts test checked revealed that the number of sterilisation cases done in the group of couples who already had three or more children was more i.e. 0.47 lakh (67 per cent of the total cases) than the cases from the couples having upto 2 healthy children i.e. 0.23 lakh (33 per cent of the total cases) during 1995-96 to 1999-2000. Thus the PP Centres largely failed to motivate the couples at the initial stage when they had two healthy children.

**(c) Workload in PP Centres was low**

Annual work load of obstetrics (OB) cases, abortion (AB) cases, direct acceptors, achieved and tubectomies performed per bed per annum by an individual PP Centre were the performance indicators of each PP Centre.

Out of the 10PP Centres test checked in 5 districts, in the PP Centre Dabwali the number of OB cases (61) and AB cases (113) during 1995-96 to 1999-2000 was extremely low because there was vacancy of Gynaecologist, LHV and laboratory technician during this period. Similarly at PP Centre Gohana also, number of OB cases (15) and AB cases (32) performed during the same period was insignificant.

At PP Centres Gohana, Sonapat and Jagadhari, there were no direct acceptors of sterilisations, IUD and Oral Pill users during 1995-96 to 1999-2000. At PP Centre Charkhi Dadri and Narnaul, percentage of direct acceptors was negligible i.e. 0.5 per cent of the total OB/AB cases and at the remaining 5 PP Centres, it was between 5 and 18 per cent of the total OB and AB cases during the above period.

ORG MARG survey had pointed out that the services of paediatricians, anaesthetist and specialist in Reproductive Tract Infection/Sexually Transmitted Diseases (RTI/STD) were found in few PPCs only. 24 hour emergency services were not available in half of the PPCs.

**(IV) Reproductive and Child Health Programme**

In the Ninth Five Year Plan, CSSM programme was integrated with Reproductive and Child Health (RCH) Programme. The RCH programme incorporates various interventions in addition to components under CSSM programme. Funds for components of CSSM were provided by GOI as grant in aid to the State Government. However, for other components, funds were being provided through bank drafts directly to the implementing agency (SCOVA).

The Programme was sanctioned for 5 years i.e. 1997-98 to 2001-2002 at an estimated cost of Rs. 131.17 crore for Haryana State. During 1997-98 to 1999-2000, GOI released Rs. 22.16 crore through bank drafts to SCOVA against which Rs. 10.57 (48 per cent) crore were spent and Rs. 11.88 crore (including interest) were lying unspent. The sluggish release and under utilization indicated the poor performance of the department.

In Haryana, two district projects i.e. Bhiwani and Faridabad urban were selected by GOI to upgrade them to a State level hospital facilities by strengthening infrastructure, inputs and facilities, etc. Besides various interventions were to be implemented in 17

districts in a phased manner over a period of 3 years starting from 1997-98 (1997-98 6 districts 1998-99 5 districts and 1999-2000 6 districts)

The receipt of grant and expenditure on main components of the programme was as under

Sr No	Name of Component	Receipt of grant	Expenditure (Rupees in crore)	Unspent amount
1	District project	5.23	3.53 <sup>13</sup>	1.70
2	Contractual staff	5.31	3.29	2.02
3	Minor Civil works	1.60	0.02	1.58
4	Training	3.06	0.86	2.20
5	Pulse Polio Immunisation	4.58	2.49	2.09
6	24 hour delivery services	0.57	0.01	0.56
7	Referral transport	0.30	—	0.30

#### Progress under various activities

##### (a) District projects

##### (i) Civil works

GOI released Rs. 0.95 crore in 1998-99 for construction of 2 first referral units (FRUs) at Faridabad. But no civil works were carried out. The Project Director RCH sent the cost estimates of two FRUs to GOI only in January 2000 for approval. Entire amount was lying with Project Director (RCH)/District RCH Coordination and Implementation Society as of March 2000. The Project Director stated (July 2000) that the estimates for the construction of FRUs had been approved by GOI in June 2000 and the allotment of works was under process in PWD (B&R).

Further, GOI released Rs. 0.35 crore in 1997-98 for repair of 4 CHCs, 7 PHCs and 129 Sub Centres in Bhiwani district but no repair works were done. The delay has been attributed to non-preparation of estimates by PWD (B&R).

##### (ii) Negligible purchase of equipment/drugs

Similarly, against Rs. 0.85 crore for equipment and Rs. 0.91 crore for drugs received from GOI during 1997-98 to 1999-2000 under district project i.e. Faridabad and Bhiwani districts, only Rs. 2.08 lakh were spent on purchase of drugs and balance of Rs. 1.74 crore remained unutilised as no equipment/drugs were purchased. Reasons for not making purchases of equipment/drugs were not intimated by the Project Director RCH; therefore, equipment and drugs for reproductive tract infection and sexually transmitted infections at RTI/STI clinics, equipment for emergency obstetric care, newborn care in CHCs/PHCs were not supplied.

(b) *Minor civil works*

The progress in the work relating to provision of water supply/electricity facility and upgrading the facilities in labour rooms or repair of PHCs in 16 districts for which Rs 1 60 crore were released from GOI was dismal as only Rs 1 74 lakh were spent upto March 2000. The reply of the Project Director (July 2000) that rough cost estimates were yet to be prepared by the *Panchayati Raj* Divisions which were assigned this job (May 1999) as per decision taken by SCOVA indicated that there was little likelihood of the provision of these facilities in near future.

(c) *Contractual staff*

Against receipt of Rs 5 31 crore Rs 3 29 crore were spent upto March 2000. Less expenditure was attributable to non filling of posts of medical and para medical staff. During 1998 99 against sanctioned posts of 376 ANMs and 120 Staff Nurses for 8 districts 362 and 95 posts of ANMs and Staff Nurses respectively were filled. However during 1999 2000 all the sanctioned 324 posts (ANM 264 Staff Nurse 46 and Laboratory Technicians 14) for implementation of programme in 6 additional districts were not filled.

(d) *Referral transport*

Under Referral Transport component the scheme intended to assist the referral of women from indigent families in rural areas. Lump sum assistance of Rs 1 000 to Rs 5 000 per year per village *Panchayat* was to be given. Rs 30 lakh were received from GOI in 1998 99. In 3<sup>14</sup> of the 5 district test checked DIOs released Rs 8 12 lakh to 252 villages *Panchayats* in 1998 99 and 1999 2000 for procuring transport facility to carry pregnant women in rural areas to PHCs/CHCs at the time of delivery. No records were kept by the *Panchayats* regarding any such facility of transport provided to such women nor any account for this purpose was rendered to concerned DIOs in support of expenditure incurred by them. In the absence of such records the extent of this facility provided if any to the village women could not be verified in audit.

(e) *24 hour delivery service not provided at PHCs/CHCs*

The medical and Health Department was required to evolve a mechanism for the doctor to be available on call at least one nurse being available beyond normal working hours in the CHC/PHC. Honorarium to the CHC/PHC doctor at the rate of Rs 200 per delivery conducted during 8 00 PM and 7 00 a m (provided the doctor was not on night shift duty). During 1998 99 and 1999 2000 Rs 56 59 lakh were received from GOI by the Project Director RCH against which only 0 75 lakh were spent. Thus the facility of 24 hour delivery service at PHCs/CHCs was not provided.

(f) *Inadequate prevalence and utilisation of services for treatment of RTIs/STDs*

ORG MARG survey found that 48 per cent of the women reported experiencing Reproductive Tract Infections (RTIs) or Sexually Transmitted Diseases (STDs). Out of the facilities surveyed 46 per cent sought treatment for RTI/STD. Only one fourth of the facilities were having laboratory equipment for diagnosing RTIs/STDs. RTI/STD check up records were not maintained by a large number of facilities.

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

**3 2 6 (i)**

It is pointed out that decrease in percentage is not uniform at many places. At many places the percentage of achievement has increased over different years. Secondly increase and decrease in achievement does not indicate the quality of the service provided. Since 1996-97 under the Target Free approach (TFA) lately renamed as Community Needs Assessment Approach (CNAA) more and more emphasis being given to quality of work rather than quantity. Table given below will clarify the position.

Percentage of Sterilisation and IUD acceptors with 0-2 Children and with the age of wife less than 30 years

Year	Percentage of Acceptors			
	0-2 Children		With the age of wife less than 30 years	
	Sterilization	IUD	Sterilization	IUD
1995-96	25.02	56.62	56.09	64.03
1996-97	26.32	58.64	58.42	70.06
1997-98	34.40	61.20	58.72	71.34
1998-99	33.95	63.47	63.87	71.44
1999-2000	35.22	64.60	65.10	74.70

From the above table it is evident that with the percentage of the number of FW acceptors with 0-2 children and less than 30 years of age has shown a considerable increase.

Besides the above as per the National Health Policy- The goal of achieving the CBR of 21 per thousand by 2000 AD has been advanced to 2011-2016. In the latest National Health Policy with the kind of efforts expected to be done by the State, the State of Haryana will be able to achieve this goal much before the deadline set by the GOI.

However the following factors have also contributed to decline in achievement at some places:

- 1 Short/delayed supply of tubal rings and Nirodh by GOI
- 2 Flood in year 1996
- 3 Health Staff Strike in year 1998
- 4 Frequent elections in the State

5 Since 1995 96 Pulse Polio Immunization Programme is in progress which lasts from 2 4 month in a year which also diverts the attention of the field level workers

In this respect it is clarified that upto the year 1995 96 the target were fixed by Government of India and were distributed to the districts without considering about their local needs. With implementation of Target Free Approach (Renamed as Community Needs Assessment Approach) in the year 1996 97 No targets were set by Government of India or State Government to the districts but on the country workload was assessed by grass root level worker as per local needs which still in the practice. Under these circumstances there is bound to be a variation in assessing the yearly work load. It is evident from the fact that in the year 1997 98 the work load assessed for sterilization was 119500 where as work load assessed for the year 1998 99 was 121000 showing an increase in the workload. So it is not true that target set under Birth Control were reduced from year to year.

It is true that Targets for sterilization and IUD during the period 1995 2000 were short achieved as far as statistics is concerned but achievements of 93% and 97% in respect of sterilization and 90 to 106% in respect of IUD against the work load cannot be considered as a short achievement.

It is further clarified that since the introduction of CNAA emphasis has shifted from quantity to quality. That is one of the important reasons that the effective couple protection rate has shown temporary decline. As per the latest survey report NFHS II the couple protection rate in the State has increased to 62.4% correspondingly birth rate as per NFHS II survey has also come down to 23.1 which indicates that programme is progressing in the right direction and emphasis on quality rather than quantity is bearing fruit.

The above statement is also proved true by the fact that during the period 1994 95 to 1999 2000 percentage of acceptors of sterilization with 0 2 children have increased from 24.20% to 35.22% and percentage of IUD acceptors has increased from 52.83% to 64.68% same category same period which further indicates the commitment of the department towards quality of service rather than quantity.

### **3.2.6 (ii)**

Funds received from GOI as grant in aid under CSSM programme was spent during the year 1995 96 to 1999 2000 as detailed below as per the audit certificate issued by the A.G. Haryana.

Year	Expenditure on salary of staff under CSSM	Expenditure on vaccine and Cold Chain equipment against book adjustment	Total
	(In Rupees)	(In Rupees)	(in Rupees)
1995-96	8730000/	23023000/	31753000/
1996-97	9801477/	50075000/	59876477/
1997-98	7468240/	52118000/	59586240/
1998-99	10983418/	69424000/	80407418/
1999-2000	12131841/	69163000/-	81294841/
Total	49114976/	263803000/	312917976/

(a)

Government of India used to supply tablets Folifer in Drug Kit A which were not supplied late supply to the districts during the year 1997-98 and 1998-99

Since Haryana Government was not purchasing Tab Folifer these were not in DSD rate contract and it took lot of time to bring these tablets on DSD rate contract due to various formalities like calling of tenders etc. Hence delay in supply of these tablets. Moreover the supplying firm also failed to supply the required quantity of tab Folifer.

(b)

Immunization achievement under UIP for the year 1997-98 to 2000-2001 have been quite satisfactory and above the national average and are given below —

**Haryana**

	DPT	OPV	BCG	MSL	TT(PW)
1997-98	99.09	99.13	108.48	89.64	87.36
1998-99	91.81	94.13	104.30	88.44	85.07
1999-2000	105.77	105.78	113.75	98.31	89.45
2000-01	104.09	107.60	115.15	100.66	89.80

**India**

	DPT	OPV	BCG	MSL	TT(PW)
1997-98	88.70	89.20	94.80	80.00	78.50
1998-99	90.01	90.44	90.79	84.31	80.35
1999-2000	92.80	93.40	99.10	87.00	79.00
2000-01	93.90	95.10	102.80	88.50	79.50

## 3.2.6 (iii)

Under the Maternal and Child Health Services component of Child Survival and Safe Motherhood (CSSM) all expectant mothers are to be registered at PP Centres for Ante Natal Immunisation and Post Natal services for early detection and treatment of anaemia and identification of and referral of high risk cases. Newly born infants and all children visiting OPD and other children in the allotted areas are also to be immunized.

Immunization of 81% of registered expectant mothers for tetanus toxoid in four PP Centres of Bhiwani and Mohindergarh is quite satisfactory and the reasons for short achievement have been due to shortage of staff, strike by MPW (Female) and irregular and short supply of vaccine. However, efforts are constantly being made to immunize all registered expectant mothers in spite of shortage of staff.

## (ii) (a)

The objections made by audit are correct and as observed by audit party this shortfall is mainly due to shortage of staff i.e. Doctors, LHV etc. due to vacancy of post. This fact is admitted and efforts are being made to get this requisite staff posted. It is worth mentioning here that the birth rate of the state which is 23.1 as per NHFS II survey against the National Birth Rate of 24.8 indicates that the programme in general is going in right direction. The names of 5 districts test checked have not been given in the para. However, it is informed that number of sterilization cases with 3 or more children (State as a whole) has come down from 75.8% (Year 94-95) to 64.8 (year 99-2000) which indicates that the stress is on motivating couples with 2 or less than 2 children for terminal method of sterilisation which will in turn reflect on the Birth rate of the state.

The fact that there is decline in AB & OB cases and direct accept sterilization in test checked distribution. As directed by the this is due to vacancy of Gynaecologist, LHV, L.T. paediatric anaesthetist and specialist in RTI/STD. Efforts are now being made to take up this case of filling up the vacancies at the directorate level. Hopefully the situation will improve in near future. Regain availability of round the clock emergency services in PPCs. Hope this will be possible once the staff in full strength is available. Also worth mentioning that there is acute shortage of Lady M. Officer, Paediatricians and anaesthetist in the State.

Regarding population growth rate of 1.2 which was to be achieved 2000 AD as envisaged in National Health Policy 1983 has extended to year 2011-16 by the Govt. of India as envisaged in National Health Policy 2002 and the State is also following the directions.

As observed by the Audit it is a fact that specialists are not available particularly in PP Centre this is a universal fact in whole State. Deptt. could not get the service of the specialist from the private even RCH I Programme. However, efforts are on to engage service of specialists particularly in PP Centres.

A provision has been made in RCH II project programme to engage specialist on contractual basis. Hopefully the suggestion will be approved with the implementation of this project.

#### **Sub Project Faridabad (Urban)**

As regards the non utilization of amount of 2 FRUs at Faridabad Urban, only provisions of Rs. 0.95 crores was made in budget while the actual release by GOI has not been done. Drawing for FRUs prepared by Chief Architect Haryana vide their letter No. Arch 98/SA III/1112 dated 24.12.98 were approved by the office vide No. 1/2 (RCH) (I) 98/163 dated 12.1.99. They were also requested to get the drawings approved from MOH&FW, GOI, New Delhi on 18.1.99. Chief Architect was requested on 28.1.99 to incorporate necessary amendments in the aforesaid drawings. The amended drawings duly approved by MOH&FW, GOI, New Delhi vide their letter No. L 10912/39/96 APS (Vol IV) dated 23.3.99 were sent by Chief Architect Haryana vide their Memo No. Arch 99/SA III/7003 dt. 7.7.99 to Engineer in Chief, PWD (B&R) Haryana for preparation of rough cost estimates. The rough cost estimates of FRU Sector 3 amounting to Rs. 3.19.00.000 and of FRU Sector 30 amounting to Rs. 3.58.06.000 received from Engineer in Chief Haryana vide Memo No. 5831/WI dated 27.7.99 were sent to MOH&FW, Govt. of India, New Delhi vide registered post No. 1/2 RCH I 99/330 dated 5.8.99 for approval and release of funds. After discussion with GOI Engineer in Chief Haryana vide this office No. 1.2 RCH I 99/4774 dated 30.8.99 was asked the reasons for enhancing the rough cost estimates of the proposed FRUs for 1.44 crore each to Rs. 3.58 crores for FRUs in sector 3 & 30. As discussed in the meeting dated 2.11.99 presided over by Ms. Meenakshi Dutta Chaudhary, Joint Secretary (APS), GOI, MOG&FE, New Delhi, a team comprising National Consultant Architect (RCH) representative PWD(B&R) Haryana, Architect Deptt. Haryana and Health Department made spot assessment of the proposed site of FRUs Sector 3 & 30 and suggested that architectural plans be re-casted and surplus area reduced to make the plan more reli-



able As suggested by National Consultant Architect drawings were recasted by Chief Architect Haryana on 2 12 99 and revised rough cost estimates prepared by PWD(B&R) Department Haryana were submitted to GOI on 4 1 2000 for approval

Chief Engineer PWD (B&R) Haryana was requested on 3 3 2000 to submit the Model Bid document for approval of GOI as agreed to by them in the meeting held on 5 2 2000 at Nirman Bhawan New Delhi The Model Bid documents amounting to a Rs 2 05 69 333/ and Rs 2 06 00 000/ for Sector 3 of 30 were approved by the World Bank vide Govt of India's letter dated 3 10 2000 and letter dated 30 11 2000 respectively Hon ble Chief Minister Haryana laid the foundation stone of sector-3 on 24 10 2000 and that of sector 30 on 20 12 2000 An amount of Rs 2 00 crores have been placed at the disposal of District RCH implementation and Co ordination Committee Faridabad for further placing it at the disposal of PWD (B&R) Haryana the work executive agency As per the latest report received from the Civil Surgeon Faridabad the work is in an advance stage of progress and an expenditure of Rs 1 99 crores have already been incurred on both FRUs The construction work of sector 3 will be completed by 31 10 2001 and of Sector 30 will be completed by 14 12 2001

**During the course of oral examination of the departmental representatives, the Committee feels that condition of providing medical facilities to women of middle and lower classes in rural areas is very bad They and their new born children are not provided adequate medical facilities/aid during the delivery period The Committee desired that necessary infrastructure be created in hospitals in rural areas for providing better medical facilities to general public especially to women in rural areas and vacant post of doctors and paramedical staff be filled upto improve the working conditions of hospitals The Committee also recommends that at least one Post Partum Centre be opened in each district and timely action be taken for the purchase of medicines so that people get the medicines well in time**

**The Committee further recommends that awareness compaigns be done by organising camps regarding availability of referral transport facility for pregnant women The Committee be informed about the action taken in this regard within three months**

[64] 3 2 7 **Performance indicators of maternal health services**

The RCH programme envisaged a number of performance indicators for monitoring the progress of its implementation the position with reference to these performance indicators of maternal health services in Haryana was as under

**Maternal health indicators**

	1995 96	1996 97	1997 98	1998 99	1999 2000
Percentage of ante natal cases registered to total Institutional deliveries (Percentage to total)	78 89	78 72	80 09	78 87	83 39
Deliveries by Health workers (female)/LHVs (Percentage to total)	9 79	9 32	11 36	10 03	16 47
Trained Dais (Percentage to total)	14 14	14 45	16 77	15 45	18 34
Others (Percentage to total)	54 67	57 71	55 67	58 06	52 22
Percentage of complicated cases of pregnancies referred/treated at CHCs	21 40	18 52	16 20	16 49	12 97
			2 03	1 61	2 32

As evident from the table above the percentage of ante natal cases registered in various hospitals CHCs PHCs etc in the State during 1995 96 to 1999 2000 remained stagnant except a marginal increase in the year 1999 2000 Similarly deliveries in hospitals CHCs PHCs etc ranged between 9 32 per cent and 16 47 per cent of the total deliveries during the same period and hence improvement in this area was negligible During 1995 2000 12 97 per cent to 21 40 per cent of the total deliveries were through others and not in the health institutions or by health workers (LHVs/trained dais etc )

It was noticed that against the target of training of 13 000 dais only 4 801 dais (37 per cent) were trained during 1995 97 and no dai was imparted training during 1997 2000 Thus the department did not pay due attention towards safe deliveries in rural areas through trained workers

ORG MARG survey observed that achievements related to natal services such as institutional deliveries and medical assistance during delivery was not satisfactory

The department in their written reply explained the position as under -

Ante natal registration had been around 79% again mainly because of shortage of staff at various health institutions especially in rural areas and because of large number of private institutions/nursing homes providing ante natal natal and post natal services Getting the delivery done at homes is the common practice in rural areas which is main reason for less percentage of institutional deliveries 12 97% & 21 40%

deliveries conducted by untrained personnel. The total deliveries were conducted by trained personnel ranged between 78.6% to 87.03% which is quite satisfactory. Ante natal registration had been around 79% again mainly because of shortage of staff at various health institutions especially in rural areas and because of large number of private institutions/nursing homes providing ante natal, natal and post natal services. Getting the delivery done at homes is the common practice in rural areas which is main reason for less percentage of institutional deliveries. 12.97% & 21.40% deliveries were conducted by untrained personnel. The total deliveries conducted by trained personnel ranged between 78.6 to 87.03% which is quite satisfactory.

In this connection, it is intimated that at the initial stages there were some procedural delays like finalization of tender for finalization/approval of list of items to be purchased, publishing of tenders in the press, submitting the tender before High Powered Purchase Committee decision/approval. Now the work has already been picked and at present we have already made purchases for 91.89.750/- up to March 2001. It would be appreciated now the procedure has been approved and started, all things are going well and it is assured that we will be able to purchase all the items approved by the Government of India within the Project period. A list of items already purchased is enclosed for ready reference.

#### **Sub Project Bhiwani**

Regarding the repair of 4 CHCs, 7 PHCs and 129 Subcentres in Bhiwani under Sub Project Bhiwani, the rough estimate were required to be prepared by PWD(B&R) consequent upon the estimates received from PWD (B&R) funds to the tune of Rs. 1,02,52,886/- were sent to Civil Surgeon, Bhiwani for keeping them at the disposal of PWD(B&R). The repair work of 3 CHCs, 1 PHC and 96 Sub Centres have been completed and the whole work of spec repair in all respect is likely to be completed by 30.6.2001. It is clearly mentioned that the delay is because of submission of estimates by PWD(B&R) in time.

#### **Minor Civil Works under RCH Project**

As regards the non utilization of funds i.e. Rs. 1.95 crore repair of CHCs/PHCs/Sub Centres. Provision of Rs. 1.60 crore was made instead of Rs. 1.95 crore. A sum of Rs. 1.60 crore was sanctioned and released by Govt. of India for repair Primary Health Centres on dated 7.6.1998. Further the actual amount was received on 14.5.1998. The expenditure could be incurred due to the following reasons —

1. The rough cost estimates were prepared PWD(B&R) but in SCOVA meeting it was decided that the rough cost estimates are to be prepared Panchayati Raj Department.
2. In compliance of these instruction PRD was asked to do the needful (to prepare the rough cost estimates repair of PHCs) vide this office letter No. 1/28/RCH/99/2282-2339 dated 11.5.99.
3. According as and when rough cost estimates was received the funds were released. The upto date districtwise release of funds is enclosed for your perusal.

The above statement clearly reveals that inspite repeated reminders the estimates from PRD have been received in time due to which funds could not released and no expenditure could be incurred

Now Rs 1 55 59 627/ has been allotted to all distt according to their demand and Rs 1 01 34 549/ have been spent so far All allotted repair works are likely to be completed by March 2002

Against the grant in aid of Rs 5 31 crore received from Govt of India Rs 3 29 crores were spent upto March 2000 The reasons for less expenditure and non filling of sanctioned post in 6 additional districts under RCH Programme is that the excess time was taken in recruitment of contractual staff by the Civil Surgeons at district level

At present for and upto March 2001 all sanctioned posts have been filled up and against the funds of Rs 643 64 lacs received from Govt of India Rs 607 85 lacs (94 44%) have been spent under this scheme Hence the scheme is fully implemented

Out of the funds of Rs 30 00 lacs received from Govt of India Rs 21 00 lacs were placed at the disposal of Civil Surgeons of 8 districts for further placement of these funds at the disposal of Village Panchayat But due to non cooperation of the Village Panchayat the scheme could not be implemented

Against the funds of Rs 56 59 lacs received from Govt of India a sum of Rs 0 75 lacs was spent during 1998 99 The reason for less expenditure is that in most of the PHCs/CHCs this facility is being provided through the regular staff already posted in PHCs/CHCs and they are doing the night deliveries Hence less expenditure incurred

It is stated that facility survey of STD clinics was also conducted in Haryana during year 1999 2000

In this regard all the Civil Surgeons were apprised of the facts during Civil Surgeons conference held on 15 16 Sept 2000 at Karnal and were requested for optimum utilization of STD services in their respective districts

**After going through the replies of the department the Committee recommends that the department should make the efforts to enhance the percentage of institutional deliveries Appropriate programmes should be made to train Dais The progress report in this regard be intimated to the Committee within three months**

**[65] 3 2 8 Information, education and communication**

Information education and communication (IEC) activities were intended to generate awareness of family welfare programme and educate the eligible couples on voluntary acceptance of small family norms. During 1995-96 to 1999-2000 Rs 2.29 crore were spent under IEC.

There was decline in IEC activities during the years 1996-2000. No Mahila Swasth Sangh training was held during 1998-2000. No film shows were shown during 1996-98. Exhibitions and Jahankis arranged during 1996-99 were negligible.

Further out of 182 posts sanctioned for IEC activities 77 to 95 posts remained vacant during 1995-2000.

ORG MARG survey stated that only 47 per cent of the women were aware of the sources of Medical Termination of Pregnancy (MTP) and exposure of women to village/local level activities was very low in urban as well as rural areas. Respondents were not aware about the existence of Non Government Organisations (NGOs) providing family welfare services to the masses.

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

During 1996-2000 IEC activities were in decline as per reports sent to Govt. of India during 1998-2000 no training was provided to the Mahila Swasth Sangh as Budget for this purpose was provided to Govt. of India. During the year 1998 a film show was organized. During 1996-99 56 Jahankies were arranged and 1105 Exhibitions were organized.

It is submitted that during 1995-96 77 posts sanctioned for this scheme remained vacant. During 1996-97 92 posts and during 1997-98 94 posts were vacant. During 1998-99 95 posts were vacant. During 1999-2000 94 posts were vacant because Haryana Govt. have imposed ban on recruitments. The awareness programme about the MTP and other family welfare measures being adopted by non Govt. organization could not be made functional extensively due to shortage of funds provided by Govt. of India. During the year 1998-99 a sum of Rs 53.15 lakhs had been provided by Govt. of India for IEC activities but during the year 1999-2000 and 2000-2001 a sum of Rs 29.08 lacs and 30 lacs respectively had been provided for IEC activities which is very much meager as such IEC programme could not be launched to the extent it was desired. Since now a sum of Rs 47 lacs has been incurred during the current year i.e.

2001 2002 on IEC activities as such publicity and awareness to general public about family welfare programme has been made extensively

**During the course of oral examination of the department representatives the Committee observed that Rs 2 29 crore were spent on IEC activities during 1996 2000. However, it failed to generate awareness about family welfare programme amongst the public. It is also felt that 77 to 95 posts remained vacant for this activity**

**The Committee therefore recommends that effective steps be taken to create awareness of family welfare programme and education of eligible couples for voluntary acceptance of small family norms. Reasons for not giving adequate attention towards IEC during 1996 2000 needs to be examine and the Committee be informed accordingly within a stipulated period**

**[66] 3 2 9 Manpower position**

**(a) Shortfall in Staff**

In the State 11 403 posts including 2 767 posts under Family Welfare Programme of doctors and para medical staff were sanctioned for providing general medical health as well as family welfare services. Out of these 1 752 posts were vacant as of March 2000. Break up of vacancy position under Family Welfare Programme and other health services was not supplied by DGHS as separate record for the same was not maintained

**(b) District level vacant posts**

As of March 2000 against 17 sanctioned posts each of District Family Welfare Officer, District Immunisation Officer and District Training Officer, vacancies were 5, 3 and 4 respectively. This had an adverse effect on the implementation and monitoring of the programme at district level.

**(c) Vacant posts in CHCs/PHCs**

As per norms, the posts of one Senior Medical Officer, 4 to 5 Medical Officers, 6 Staff Nurses and one Laboratory Technician were sanctioned at each Community Health Centre. Two Medical Officers, One Staff Nurse and one Laboratory Technician were sanctioned at each Primary Health Centre.

In the 5 districts test checked in rural areas the doctors and supporting para medical staff sanctioned and in position in the PHCs/CHCs during the years 1995-96 and 1999-2000 indicated that 40 per cent posts of doctors, 16 to 55 per cent posts of para medical staff were vacant in CHCs while in PHCs 40 per cent posts of doctors, 50 to 51 per cent posts of staff nurses/laboratory technicians and 22 per cent MPHW (Male) were lying vacant as of March 2000 (Appendix XV)

Though ban on recruitment of doctors was withdrawn in October 1996 by the State Government there was no progress in filling up vacant posts of doctors during 1996-2000

Vacancy in the posts of the doctors and para medical staff adversely affected the performance of family programme in the districts test checked. Shortfall in achievement of targets during 1995-2000 in these districts ranged between 6 and 19 per cent for sterilisation, 6 and 23 per cent for IUD and 14 and 30 per cent for oral pill users (except in 1999-2000)

Besides immunisation programme were also affected where shortfall was 6 to 25 per cent for measles, 5 to 40 per cent for TT for children upto 16 years of age and 13 to 25 per cent for TT for pregnant women in these districts during the same period

**(d) Posts of Male Health Workers vacant at sub centres**

According to the instructions issued (October 1990) by GOI a Sub Centre was to be manned by 2 multi purpose health workers, i.e. one male and one female. Out of 2,299 Sub Centres functioning in the State during 1995-96 to 1999-2000 male health workers were not posted in 513 to 551 (22 to 24 per cent) Sub Centres by the State Government. In the absence of health workers motivation of male persons remained weak as only 5,699 cases of vasectomy out of 4.83 lakh cases of sterilisation were done during 1995-2000. The Director Health Services, Malaria intimated (March 2000) that these posts could not be filled due to 10 per cent cut imposed (in July 1996) by Haryana Government. The reply was not tenable because the number of short posted MPHW (Male) was far above 10 per cent of the requirement.

The department in their written reply explained the position as under

It is to inform you that it is correct that in the year 1999-2000 many posts of Medical Officers remained vacant in PHC/CHC and at present posts of Medical Officers are also vacant. Department is making efforts to fill up the vacant post of Medical Officers for the last many years in PHCs/CHCs. A requisition has already been sent to Govt. for advertisement for 200 posts of Medical Officers to fill up the vacancy at PHC/CHC.

**The information regarding the vacant posts are as under**

	Sanctioned posts	Filled posts	Vacant posts
DIO	17	9	8
DFWO	17	16	1

The proposal has been sent to Govt for fill up the vacant on promotional basis

641 posts of Laboratory Technician is sanctioned in the Haryana State Out of which 146 posts are lying vacant In addition to it 12 Lab Technician are working on contract basis in each district under R C G H programme Under the revised National TB Control Programme 20 Senior Treatment Supervisor/Senior Treatment Laboratory Supervisors/Laboratory Technicians are also working on contract basis in Faridabad Gurgaon and Sonapat

The Govt has imposed ban on new recruitment Thus 146 posts of Lab Technicians are lying vacant Govt has been requested to lift the ban As soon as the ban is lifted by the Govt the vacant posts of Lab Technicians will be filled up

In the year 1983 ban was imposed for filling up all the vacant posts by the Govt and 10% cut was also imposed on the posts of MPHW(M) Govt was requested from time to time for removal of ban as well as 10% cut but the Govt has only accorded the sanction to fill up the vacant posts except 10% cut On the basis of that sanction efforts were made for filling up the vacant posts but all the vacant posts could not be filled up due to non availability of eligible candidates The detail of the action taken for filling up the posts is as under

Sr No	Year	Letter No & date vide which demand was sent to Board	Nos of candidates for which demand was sent	Nos of candidates recommended by the Board
1	1995-96	FW ECCD/M	247	126
2	1996-97	4/95/1687 dt 7-3-95 FW 9975 dt 7-10-96	125	103
3	1997-98	FW/ECCD /M 5/130 dt 19-1-98	116	109
4	1999-2000	FW/ECCD /M 7/370 dt 7-1-2000	172	



- I Due to the total ban on new recruitment imposed by the Govt the list of candidates could not be sent by the Board till today
- II In addition to that Govt has already been requested for granting relaxation of F D for filling up the 172 posts but approval of FD is still awaited
- III There are 2299 sanctioned sub centres in Haryana State out of which the posts of MPHWM are not sanctioned 207 sub centres In the scheme of every year the proposal was sent for sanctioning of new posts of MPHWM but due to new provision of budget the new posts of MPHWM has not got sanctioned It is also made clear that Govt has already imposed ban for the creation of new posts It is further stated that as and when any new sub centre is created the post of MPHWM is automatically sanctioned alongwith sub centre because the expenditure of that is borne by Central Govt Whereas the expenditure of MPHWM is borne by State Government

It is clear from the above mentioned facts that all the vacant posts of MPHWM could not be filled up inspite of making full efforts

It is also submitted here that the work of family welfare is voluntary The MPHWM can only motivate the persons for sterilization and no compulsions can be made with any person The co operation is also sought from other departments to achieve the target of sterilization

**During the course of oral examination, it was observed by the Committee that there was an acute shortage of doctors and para medical staff under family welfare programme The Committee, desired that the latest position of doctors and paramedical staff presently working in family welfare programme in the State be intimated within three months**

#### **[67] 3 2 10 Monitoring and evaluation**

Demographic and evaluation (D&E) Cell to undertake regular monitoring and evaluation of the programme existed at the directorate level Except compiling and consolidating the prescribed reports/returns for sending to GOI the D&E Cell was not carrying out any monitoring functions

Further co ordination committees were required to be constituted at district/ sub district PP Centres to evaluate the progress of the programme The committees were to meet at least once in 3 months In 3 districts namely Bhiwani Sirsa and Yamunanagar such committees were not constituted during 1995 96 to 1999 2000 In Mohindergarh district though the committee was constituted no meeting was held during the above mentioned period

No evaluation of the programme was undertaken by the department during the period of review

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

In this regard it is submitted that the D&E Cell at the Directorate level is short of following staff

Sr No	Name of the Post	Nos of post
1	Assistant Director (Demo)	1
2	Statistical Officer	1
3	Field Evaluation Worker	2
4	Statistical Assistant	1
<b>Total</b>		<b>5</b>

In view of the above situation evaluation work is being hampered. However monitoring work is being done regularly on monthly basis. In order to streamline evaluation work to the extent possible services of field level worker have been called for during the year 2001. It is also informed the evaluation is also being done by GOI in shape of following reports

MPHW I (1992-93)

MPHS II (1998-99)

#### **District Survey (1996-97)**

It is informed that State Level Seminar on PP Programme was conducted in 1997 in collaboration with GOI. District Officers are stressed from time to time during the State Level meetings to form local co-ordination committees to ensure their regular meeting.

During the course of oral examination, the department informed the Committee that due to shortage of staff at district and sub-district level monitoring of the programme could not be done properly. The Committee desired that the department should streamline monitoring and evaluation work of the programme. The committee be apprised of the action taken in the matter within three months.

[68] 33 *Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak*

### Highlights

The Medical College and Hospital Rohtak was upgraded as a Post Graduate Institute of Medical Sciences (PGIMS) in April 1995. Review of the working of PGIMS revealed that lack of superspecialties and non availability of essential equipment machinery deprived the patients of treatment and a large number of patients were referred to other institutions outside the State. Teaching activities were not upto the level of a Post Graduate Institute as a number of P.D. degree and PG diploma courses were not conducted. No admissions were made in diploma and degree courses during 1999-2001 in Nursing College. Similarly in Dental College no admissions were made in Post Graduate courses after 1995-96 for want of faculty. A number of critical level posts such as professors, teachers and residents were vacant which affected the medical education to the students. Important points noticed in audit were as under:

#### 3.1 Introduction

The Medical College and Hospital (MCH) Rohtak was upgraded and renamed as Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences (PGIMS) in April 1995.

The Institute comprises a Medical College, Dental College, Pharmacy College and a Nursing School and offers post graduate degree (MD and MS) and diploma courses, undergraduate courses (MBBS and BDS) and other diploma courses and also provides training in General Nursing and Midwifery.

#### 3.3 Organisational set up

The Commissioner and secretary to the Government of Haryana, Health and Medical Education Department, Chandigarh is responsible for the overall administrative and financial management of the PGIMS. The Director, PGIMS, Rohtak is the Head as well as the Controlling Officer of the Institute and is assisted by a Medical Superintendent for hospital work and one Deputy each of Medical College and Dental College.

#### 3.3.3 Audit coverage

Records and activities relating to the working of the PGIMS, Rohtak for the period 1995-2000 were test checked in audit during December 1999 to April 2000. Important points noticed in audit are discussed below.

#### 3.3.4 Financial management and budgetary procedure

i) Of the total expenditure of Rs. 185.40 crore incurred by PGIMS during 1995-2000, Rs. 141.35 crore (76 per cent) were spent on salaries, Rs. 41.68 crore (23 per cent) on machinery, equipment and medicines and Rs. 2.37 crore (1 per cent) towards grant-in aid to various organisations. Capital expenditure was Rs. 6.52 crore which was 3 per cent of the total expenditure during 1995-2000.

### 3 3 5 Need for revision of X ray and laboratory test charges

The rates of X ray and laboratory tests had not been revised since 1989. Against the issue of 7.95 lakh X ray films valued at Rs 1.44 crore during 1995-2000, actual receipt realised by way of X ray charges was Rs 2.85 lakh (2 per cent) from the patients falling in the category of paid patients as indicated in Appendix XVII.

Similarly, the chargeable amount for 4.47 lakh tests conducted during 1995-96 to 1999-2000 worked out to Rs 2.24 crore against which actual receipt was merely Rs 2.87 lakh (1 per cent) from the patients falling in the category of paid patients as indicated in Appendix-XVIII.

There is need to consider narrowing down the gap between the cost of laboratory tests and cost of X ray films and the amount charged for these services.

(ii) The Institute made a budget provision of Rs 11.33 crore originally for 8 plan schemes during 1995-96 to 1999-2000, of which Rs 7.77 crore were transferred to non-plan side through re-appropriations to meet expenditure towards payment of interim relief (Rs 0.73 crore), dearness allowance (Rs 4.86 crore), purchase of machinery and equipment (Rs 0.71 crore), arrears of salaries on account of revision of pay scales (Rs 0.27 crore) and payment of stipend to medical students (Rs 1.20 crore) while balance provision of Rs 3.56 crore was surrendered (refer Appendix-XVI). Thus, these schemes were not implemented.

### 3 3 6 Cash management

Following irregularities were noticed in the maintenance of cash book and handling of cash:

#### (i) *Embezzlement of cash*

The present drawing and disbursing officer i.e. Accounts Officer took over charge on 25 March 1999. At the time of taking over, closing cash balance as per cash book was Rs 48,18,355.65, whereas actual cash found on physical verification was Rs 51,12,776.55. No action was taken to reconcile the cash balance. At the instance of audit (February 2000), the Director investigated the matter and it was revealed (August 2000) that there had been a totalling mistake on 18 February 1999. Having taken into consideration the said totalling mistake, actual cash should have been Rs 51,55,835.65 instead of Rs 51,12,776.55 found in the cash chest at the time of taking over charge on 25 March 1999 by new Accounts Officer. Thus, there was embezzlement of Rs 43,059.10. The Director intimated (August 2000) that the amount of Rs 43,059.10 had been deposited in the cash chest by the cashier. Audit scrutiny revealed that the details of undisbursed payments were not worked out since September 1996. No physical verification of cash balance was done during 1995-2000. Besides, totals were also not got checked regularly from some responsible official other than the writer of the cash book.

Evidently, the Director failed to ensure compliance of important checks/controls which led to the embezzlement of cash.

#### (ii) *Unnecessary drawl of funds*

Huge amounts were drawn by Accounts Officer from the Treasury without immediate requirement as a result of which cash ranging from Rs 7.84 lakh to Rs 21.94 lakh was lying

in the cash chest at the end of every month during December 1997 to November 1999. Minimum cash in each month during the same period was also very high and ranged between Rs 5.61 lakh and Rs 13.15 lakh.

Director did not ensure that such large amount of cash are not retained in the cash chest. As no physical verification of cash was conducted, the possibility of misuse of Government funds for private purposes could not be ruled out. Retention of heavy cash in the cash chest continuously for a long period involved risk of theft and embezzlement.

### **3.3.7 Non submission of detailed contingent bills**

#### **(a) Huge advance payments to suppliers**

The Director PGIMS drew Rs 6.96 crore from Rohtak Treasury on 111 abstract contingent (AC) bills during 1995-2000 for the purchase of equipment, library books, medicines, etc. but did not submit detailed contingent (DC) bills to the Principal Accountant General (A&E) as required under the rules for adjustment of advances drawn on AC bills as of March 2000. Scrutiny revealed the following:

(i) Rs 2.21 crore (12 bills) were drawn during 1998-2000 for the purchase of machinery/equipment from abroad. The amount was lying in Fixed Deposit Receipts in Banks as the letter of credit (LOC) in favour of the foreign firms had not been opened as of March 2000.

(ii) Rs 4.28 crore pertaining to 29 bills were paid to various firms/suppliers towards purchase of medicines/material during 1997-98 to 1999-2000.

(iii) Rs 46.97 lakh (70 bills) were advanced to the officials/departments of the Institute for miscellaneous petty purchases, repair works, etc. and the adjustment bills were not received from them.

Inordinate delay in submission of DC bills raises doubt about genuineness of utilization of funds and needs to be investigated.

The matter of non submission of DC bills for Rs 6.08 crore out of total advance of Rs 6.34 crore drawn on 86 AC bills during 1994-99 by the Director was commented in paragraph 1.8.4 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1999, Civil Government of Haryana. Despite this, fresh AC bills were drawn and DC bills were not submitted by the Director. The Director stated (July 2000) that these advances were being adjusted shortly by completing all the formalities.

#### **(b) Blocking of Government funds**

Director drew Rs 41.63 lakh on AC bills on 31 March 1999 and kept the amount in the State Bank of India in the shape of short term fixed deposit for opening a letter of credit in favour of a foreign firm for supply of a surgical operating microscope through an authorised Delhi firm 'A'. Although the department came to know in April 1999 that firm 'A' ceased to be the authorised agent of the foreign firm, no action was taken either to cancel the supply order or to refund the amount Rs 41.63 lakh into the treasury. Director stated (July 2000) that the Director General Supplies and Disposals (DGS&D), Haryana, has been requested in May 2000 to cancel the supply order, but till date the supply order had not been cancelled.

## A. Hospital services

The hospital attached to PGIMS Rohtak provided general health care services to 37.56 lakh outdoor and 2.40 lakh indoor patients during 1995-99. It had 26 wards, 1202 beds and 9 operation theatres besides rendering facilities for laboratory tests through 23 pathological laboratories.

### 3.3.8 Lack of superspecialities

The Medical Council of India (MCI) recommends 17 superspecialities for Post Graduate Institute of Medical Sciences. In PGIMS Rohtak, only 11 superspecialities were sanctioned by the State Government. But against 11 superspecialities, only 6 faculty were in position and 5 superspecialities had no faculty during 1995-2000. Associate Professors and Lecturers of these departments were either absenting or had resigned and the vacancies had not been filled so far. The Director stated (July 2000) that the posts had been advertised several times and with the existing pay structure and Non-Practicing Allowance (NPA), Specialist Doctors were not willing to join the hospital due to unattractive remuneration compared to private corporate hospitals in and around Delhi.

Due to lack of superspecialities, 1004 patients were referred by PGIMS to various other institutions outside the State during 1995-2000. Out of these, 382 cases were referred by Cardiology Department alone.

Thus, the objective of upgradation of Medical College to PGIMS level to function as an Apex Referral Centre in the State was not fully achieved.

### 3.3.9 Paediatric Surgery death due to post operative infection

Number of post operative infection cases in Paediatric Surgery Department during 1995-96 to 1999-2000 was as under:

Year	Number of infected cases	Deaths due to infection
1995-96	200	64
1996-97	212	52
1997-98	189	58
1998-99	192	40
1999-2000	189	45
	982	259

In paediatric surgery, 982 children developed post operative infection during 1995-2000 which led to death of 259 (26 per cent) of them. The Director stated (February/July 2000) that the infection rate in neonates was higher because many of the neonates were referred late from rural areas where they were not diagnosed in time. However, follow up action such as 'barrier nursing in nursery', good antibiotics and prevention of hypothermia in paediatric age group was being taken to avoid post operative infection.

### 3 3 10 Cardiac Surgery Department

The department of Cardiac Surgery started from June 1997. The facility of angiography (an advanced technology for heart patients) was not being provided to the patients due to lack of Cardiac Cath<sup>16</sup> Laboratory in the department. The department also did not possess the essential machinery and equipment like Echo Colour Doppler, Cine Film Projector, Mechanical Heart Valves, High Pressure Auto Clave Sterilizer, Automatic Scrub Station, etc. as a result of which patients were being referred to outside Institutes for angiography. During 1997-98 to 1999-2000, 81 patients were referred to outside Institutes for angiography. Therefore, even though a Professor of Cardiology was in place, the effectiveness of cardiology was suffering due to absence of essential equipments.

### 3 3 11 Neurology Department

The department had one EMG\* evoked potential machine which was outdated and another EMG MNCV\*\* machine was lying out of order for the last 4 years, as a result of which EMG and MNCV tests to find out the muscle strength and velocity of the nerves in paralysed patients were not being carried out and the patients were being referred to other hospitals.

The post of the EMG technician was also lying vacant for the last one year.

Out of 4 EEG machines in the department, 2 were lying condemned for the last 4 years.

### 3 3 12 Nephrology Department

Nephrology department offers dialysis services for kidney patients. The department functions under the Department of Medicine and comprises three Hemodialysis machines and one Peritoneal Dialysis machine which were sufficient for emergency dialysis only. Essential facilities of maintenance dialysis and renal transplantation were not available due to non-sanctioning of posts of specialist doctors, dialysis technicians by the Government and lack of hemodialysis machines. The head of the department, Nephrology and Medicine, stated (March 2000) that the proposal for the sanction of 4 posts of Registrars, 2 posts of Dialysis Technicians/House Surgeon was declined (February 1999) by the State Government.

### 3 3 13 Nuclear Medicine Department

#### Non upgradation of nuclear medicine facilities

The Board of Radiation and Isotope technology (BRIT), Department of Atomic Energy, Mumbai, supplied a Gamma Camera valued at Rs. 30.83 lakh as grant to PGIMS, Rohtak, in March 1996 for upgradation of medical facilities for the treatment of cancer patients. The camera was installed in February 1997 but could not be commissioned as of March 2000 as two posts of nuclear medicine technologists to operate the camera and one post of nuclear medicine specialist had not been filled. The camera was lying idle for the last three years.

### 3 3 14 Ophthalmology Department

#### Eye Bank

The department had one Eye Bank which had the facility to store donated eyes for 24 to 48 hours, which was a short-term storage method. The Eye Bank maintained a register

indicating the names of patients on whom donated eyes were to be transplanted to ensure that Keratoplasty was performed strictly according to the seniority of waiting recipients. However, though during 1995-2000, 48 persons got themselves registered with the Eye bank for Keratoplasty, none of them was transplanted donated eyes. The donated eyes were transplanted on the patients available in the eye OPD ward according to the discretion of the concerned doctors. The Head of the Ophthalmology Department stated (March 2000) that registered recipients could not be contacted due to lack of transport, telephone, and non-existence of intermediate and long term storage facilities with the department.

### **3.3.15 Blood Bank**

PGIMS was running a Blood bank without licence from the Drug Controller, Government of India since 1997.

An important and essential screening test for Hepatitis C virus was not being done at the blood bank due to non-availability of Hepatitis C virus testing kits. The department stated (March 2000) that testing kits were purchased only once in 1998 and the tests were carried out during January 1999 to April 1999 only and stopped thereafter due to paucity of funds.

### **3.3.16 Radiology Department**

A 192-bed hospital building which comprised 2 ward (ward nos. 16 and 17) was declared unsafe by PWD authorities during 1993. The whole building was vacated, but two X-ray units valued at Rs. 19.22 lakh installed therein were not shifted out as the estimated cost of shifting (Rs. 3.35 lakh) was considered uneconomical.

The building was repaired in December 1999 and one of the two X-ray units (valued Rs. 8.29 lakh) became unserviceable after remaining idle for six years. Thus, due to non-shifting, two X-ray units valued at Rs. 19.22 lakh remained idle and one (valued at Rs. 8.29 lakh) of the two became unserviceable.

### **3.3.17 Advanced Taruma Centre not established**

The State Government accorded administrative approval for the construction of Taruma Centre for Rs. 3.75 crore in February 1996. Though the building construction work for the centre targeted for completion by September 1998 was started by PWD in March 1997, it had not yet been completed (April 2000).

### **3.3.18 Computer Centre not set up**

During 9th Five Year Plan (1997-2000), a Central Computer Centre having an advanced technology in the field of medical sciences was to be set up. The Computer Centre was not set up due to non-receipt of sanction from the State Government while budget provisions of Rs. 10 lakh during 1996-97 and Rs. 80 lakh during 1997-98 were diverted for the purchase of machinery and equipment, provision of Rs. 60 lakh during 1998-99 and Rs. 60 lakh during 1999-2000 was surrendered due to reduction of plan outlay.

## **A Teaching activities**

### **3.3.19(a) Shortfall in conducting post graduate degree and diploma courses**

MCI recommends 44 postgraduate (PG) degree and 41 PG diploma courses in various



disciplines of medicine in a post graduate institute. Against this 19 to 21 PG degree and 8 to 10 PG diploma courses were organized during 1994-99. The Director attributed (March 2000 and July 2000) the reasons to non-availability of staff, accommodation and resources etc.

### **(b) Nursing School not upgraded**

Government accorded sanction for upgradation of the School of Nursing to Nursing College from the session 1999. Institute however did not fill 50 seats each for the first and second year students of nursing diploma courses in 1999-2000 and 2000-2001 in anticipation of the upgradation of the School to Nursing College from 1999-2000 academic session. However as the Nursing College was not started neither the admission in the diploma course nor admission in B.Sc. (Nursing) were made in 1999-2000 and 2000-2001. The Director stated (July 2000) that the college was likely to start from August 2001.

### **3.3.20 Dental College**

The Dental College of PGIMS was recognised by Dental Council of India (DCI) in November 1977 and was sanctioned 20 seats for Bachelor of Dental Surgery (BDS) course. Scrutiny of records of functioning of the college revealed the following:

#### **Admissions in Master of Dental Surgery courses not made**

Dental College of the PGIMS had 11 full fledged teaching departments but had no Principal (except for the years 1997 and 1998), no Professor in any dental speciality and no Readers in the departments of oral pathology, oral medicine and community dentistry since its inception in 1977.

Only 3 admissions were made in MDS course during 1995-96 and no admissions were made thereafter as there was no Professor/Associate Professor in the college since 1996. Due to non-availability of Professors and Associate Professors, admissions for MDS course could not be made during the years 1996-2000. The Director stated (July 2000) that Professors were not willing to join the college in the existing pay structure. It was a non-starter.

### **3.3.21 Inventory control**

Procurement of bulk material, equipment, machinery, medicines etc. were made through the Director General, Supplies and Disposals (DGS&D) Haryana. Following irregularities were noticed in procurement of material, medicine etc.

#### **(i) Avoidable extra expenditure on the purchase of Simulator**

The Government sanctioned Rs. 2.15 crore on 31 March 1998 for purchase of Simulator. The Director deposited only Rs. 1.50 crore with the State Bank of India for opening LOC and diverted Rs. 65 lakhs for the purchase of other equipment. In November 1998, when the machine was purchased, the exchange rate for HFL (currency of Netherlands) increased from Rs. 19.25 to Rs. 22.58. Thus, the Director had to pay Rs. 2.49 crore i.e. Rs. 34.56 lakh over and above the price of the machine payable in March 1998 for not depositing the full cost in the LOC at the outset.

## (ii) Unfruitful expenditure

The Director PGIMS purchased (May 1991) bleep paging system alongwith 30 pagers from a Delhi based private firm an agent of USA based firm for Rs 5.67 lakh. Though the material was received in March 1992 inspection/demonstration was held in October 1994. It was then found that the range of written messages was audible upto a distance of two and half kilometres and verbal messages were not audible outside the campus of the PGIMS i.e. about half km in place of tendered specification of 5 kms. The system was therefore not put to use and it was lying in the store since then. Director stated (July 2000) that the firm had been given final notice to replace the goods and refund the amount paid with interest. Legal action should be initiated for recovery of the amount.

## Human Resource Management

### 3.3.22 Manpower management

The Institute had a sanctioned strength of 3,703 employees in various cadres of medical para medical ministerial and Class-IV staff against which 3,099 staff (84 per cent) were in position as on March 2000. Year-wise sanctioned strength during 1995-96 to 1999-2000 and the actual strength in various cadres was as indicated in Appendix-XIX.

The cadre-wise sanctioned strength and men in position at critical level i.e. Professors Teachers Senior and Junior Residents during 1995-2000 was as under:

Name of the Post	1995-96		1996-97		1997-98		1998-99		1999-2000	
	S*	F**	S	F	S	F	S	F	S	F
Professors	46	27	46	27	46	26	46	26	49	25
Teachers	200	176	200	160	201	142	201	142	203	169
Residents***	462	371	462	388	464	381	466	382	496	403

Huge vacancies at critical levels i.e. in the cadres of teaching staff (professors teachers registers and junior residents) affected not only the medical education to the students of MBBS/BDS MS/MD and MDS but also affected adversely the health care services. The vacancies were attributed mainly to resignation of specialised staff non recommendation of suitable candidates by Haryana Public service Commission and court cases regarding filling of posts of Professors.

Para medical staff was another critical area where also large vacancies existed. Department wise vacant position in various cadres was not available with the Director PGIMS.

### 3.3.23 Internal audit

There was no Internal Audit Cell at PGIMS and thus no internal audit was conducted during 1995-96 to 1998-99. The department stated (February 2000) that internal audit had been started with effect from July 1999.

### 3.3.24 Conclusion

Hospital services were poor due to lack of superspecialities non availability of essential

machinery/equipment and storage of specialised medical staff in various departments. Large number of patients were referred to other institutions outside the State for treatment. All these deficiencies left the local population without the fulfilment of their expectation and services from a Post Graduate Institute.

Teaching activities did not gear up to the level of a Post graduate Institute as a number of PG degree and PG diploma courses were not conducted. No admissions were made in post graduate courses in Dental College after 1995-96 for want of faculty. Sizeable vacancies added to these problems.

Even after 5 years of its upgradation as a Post Graduate Institute, the Institute is still struggling to get established with shortages in critical higher level cadres, lack of equipment and other infrastructure. Mismanagement in financial matters was very evident with embezzlement of cash and huge cash being retained in cash chest and advances drawn drawn on AC bills not getting adjusted for a considerable period.

The matter was referred to Government in May 2000, their reply had not been received (July 2000).

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

3.3.4 After going through the record, it is submitted that this institution has incurred a total expenditure of Rs. 186.12 crore out of which a sum of Rs. 128.21 crore incurred (68.89%) on salaries, a sum of Rs. 55.54 crore (29.84%) as contingent expenditure i.e. Machinery and Equipment, Medicines, X Rays, Films, Suture of material, Dressing material, Dietary charges, Payment of electricity bills, Chemicals etc. and a sum of Rs. 2.37 crore (1.27%) given as Grant in aid to MAHARASHTRA Government (Annexure-I). It is worth to mention here that in this Institute there is a large number of Faculty, Para Medical staff, Class-IV employees and Ministerial staff etc. (3496 employees approximately). Hence, a huge amount of budget is being incurred by this Institute on payment of salary to the staff. It is also made clear that free medicine/treatment is being provided by this Institute in the accidental and emergency department as well as in General Wards. In view of above para may kindly be dropped please.

It is incorrect to say that a sum of Rs. 7.70 crore were transferred from Plan to Non Plan side by re-appropriation in order to meet the expenditure incurred towards payment of interim relief D.A., purchase of machinery and equipment and salaries. It is correct that a sum of Rs. 9.07 lakh was included in excess on account of D.A. during 1995-96, Rs. 42.00 lakh during 1996-97 and Rs. 435.00 lakh during 1999-2000, Rs. 73.00 lakh was incurred excess on account of I.R. It is worth to mention here that a sum of Rs. 70.60 lakh was provided by the Government in addition to the budget allocation under Non Plan scheme vide Government Memo No. 7/6/97-2HBIV dated 31.3.97 by transferring of funds from DGHS to PGIMS Rohtak. The scheme namely upgradation of the school of Nursing to a College of Nursing at Medical College Rohtak mentioned in the audit para could not be started for want of sanction to the creation of various posts under this scheme. As such no funds were transferred from Plan to Non Plan side by this office during the period as mentioned in the audit para. It is therefore requested that the audit para may be dropped.

**3 3 5** It is submitted that the charges of X-ray and laboratory tests are being approved from the Government of Haryana and rates are charged only from the paid patients. All the Government of Haryana employees and poor out door/ indoor patients are free from these charges as per policy of the Haryana Government. Hence para may kindly be dropped.

**3 3 6** It is incorrect to say that the total of the cash book were not got checked from the official other than the writer of the cash book. The difference in cash was due to clerical error in totaling related to bill No 2413 dated 18-2-1999 amounting to Rs. 3 7500/-. The whole cash book was got checked by constituting a committee by the then Director and the defects were also got verified by the audit party. Due to heavy cash transaction/work load of college and medical both sides unpaid amount was not timely remitted into treasury or otherwise also not paid towards payment of FSCs. The undisbursed amount Rs. 24 61 307 65 was remitted into treasury as per para No. 12 A of the audit report for the period 12/99 to 12/2000 and the para was got settled during A.G. audit in the month of February 2004. (Photo copy enclosed as Annexure-II). However the facts related to para 5 of audit report of 12/97 to 12/99 regarding totaling of cash book facts stands verified by the audit party and this para will be dropped after review of PAC. Complete enquiry was held and the person at fault was charge sheeted and punished under the rules. In view of above para may kindly be dropped.

It is submitted that the drawal from treasury as per requirement under the rules but due to heavy transaction/work load of college and medical both sides as stated in the above para. The unpaid amount on account of arrear of revision of pay/arrear of D.A. etc. was not timely remitted into treasury which was remitted after reconciliation with the cash book. Hence para may kindly be dropped.

**3 3 7 (a)** It is submitted that being life saving and patient welfare expenditure drawal from treasury from AC contingent bills as advance was in the interest of the institution. However out of Rs. 6.96 crore a sum of Rs. 4.45 crore was adjusted upto 20-2-2002 and balance Rs. 2.51 crore was adjusted in the subsequent year. Moreover during A.G. audit during the period from 17-2-2005 to 31-3-2005 all the outstanding advances were got checked a sum of Rs. 8 93 507/- was found unadjusted which relates to period from 28-2-2001 to 31-3-2003 on x bills. Earnest efforts are being made to adjust the above amount and also for all advances drawn on AC contingent bills. Hence para may kindly be dropped.

**(b)** It is submitted that the supply order was issued by the DS&D and the same was also cancelled by the DS&D Haryana on 29-12-2000 on the request of this institution. As such no further action is required. Hence para may kindly be dropped.

**3 3 8** It is submitted that 14 superspecialties got sanctioned from the Govt. and out of these 14 11 superspecialties are in position as per Annexure-III. Six professors posts, 18 lecturers posts and 16 senior residents posts are still lying vacant despite best efforts for recruitments of these posts by advertisements. Expert specialists are not willing to join the hospital due to unattractive

remuneration compare to private corporate hospitals in and around Delhi. Proposals for two superspecialties departments namely surgical gastroenterology and endocrinology is under process with the Govt for sanction. Best efforts are being made to fill up the vacant posts. However it is worth to mention here that after the establishment of cath laboratory and another related equipments (MRI CT SCAN LITHO TRIPSY HEART LUNG machine etc ) No patients are being referred to outside. In view of this para may kindly be dropped.

**3 3 9** It is submitted that infection rate in neonates is normally high due to their low resistance. But in our cases it was still higher because many of the neonates were referred late from the rural areas where they were not diagnosed in time. The number of infected cases during the year mentioned in the audit report included mild infection like stitch abscess and patients with severe infection or main would like burst abdomen and infection of whole main wound were very few. Deaths due to infections were mainly in neonates who were referred to us late after the onset of severe bronchopneumonia from peripheral areas due to lack of diagnosis of the neonatal surgical diseases poverty and ignorance among the rural population. In order to decrease the death of neonates due to infection it is very essential for the peripheral doctors to know about the neonatal surgical problems so they are referred to this hospital in time. It is also very essential to educate the rural population so as to create the awareness about the surgical problems in neonates. The comparison in the neonates from other hospitals are also similar. As such it is requested to drop the para.

**3 3 10** It is submitted that a Cath Lab has been procured and installed in the year 2003 after obtaining the sanction of the Govt. However the delay in procurement of equipments was due to adoption of purchase procedure. Now no patient is being referred to outside. Hence para may kindly be dropped.

**3 3 11** It is submitted that new machine was procured since last 4 years. The earlier equipment is very old and has become unserviceable due to constant use. This machine was purchased in the year 1970-71 and the normal expected life of such machine is about 10 years. There was nothing wrong in referring the patient to other institutes for those services which are not available in this institute at the moment. However at present no patient is being referred outside except in exception. The condemned machine has since been disposed off and the post of EMG technician was advertised for recruitment and the interview has since been conducted but result not yet declared. In view of this para may kindly be dropped.

**3 3 12** It is submitted that despite best efforts no qualified professor/teacher was available. However efforts are being made to fill the vacant posts of Nephrology Super specialty. The work of Nephrology department is being looked after by Dr Nitya Nand, Professor of Medicine in addition to his duty. One post of professor is sanctioned which is lying vacant, two posts of teachers are sanctioned which are lying vacant and two posts of senior residents are sanctioned and both are lying vacant. Hence para may kindly be dropped.

**3.3.13** It is submitted that despite best efforts suitable trained nuclear medicine could not be recruited because much better avenues are available in the private sector/hospital and around Delhi. However efforts are being made to fill the vacant posts. One post of nuclear professor is sanctioned which is lying vacant two posts of teachers are sanctioned and also lying vacant and two posts of senior residents are sanctioned and both are lying vacant. Hence para may kindly be dropped.

**3.3.14** It is submitted that the facilities available in the Eye Bank situated in the department of ophthalmology PGIMS Rohtak do not have long term preservation facility for the donated eyes. The success of keratoplasty is directly proportional to the time lapse between the death of the person and grafting of the donated eye to the recipient. Keeping in view the above facts eyes have been utilized by the various doctors of the department of Ophthalmology in the best possible manner within the existing constraint facilities. However efforts are being made to strengthen the infrastructure of the Eye Bank for establish quick contact with registered person. Hence para may kindly be dropped.

**3.3.15** It is submitted that PGIMS has a licensed Blood Bank. The license is being got renewed from time to time. Screening of blood for Hepatitis C virus is now being done through funds made available by HACS. Hence para may kindly be dropped.

**3.3.16** It is incorrect to say that the machine has been damaged because it was not shifted during the repair of the building. This machine was purchased more than 25 years ago and normal life of such machine about 10 year. The space occupied by the Cardiology and ICCU in 192 bedded building was vacated in 1993. Shifting of the machine was not considered economical by the repair committee especially in view of the fact that the machine was very old and the firm has not given guarantee of its good functioning even after spending 3.35 lakh. The X-ray machine was well protected and there was no damage to the machine during repairs of the building. It worn out due to constant use of 25 years which is double of the expected life of the machine. Spare parts of this model are not really available. The manufactures have suggested that parts like X-ray tubes may be used in another machine which is being done in the interest of the institution. Hence para may kindly be dropped.

**3.3.17** It is submitted that Govt of Haryana vide G.Madhaan IASDC Letter No PS/FCHM/2000/650/Health dated 23.12.2000 decided that State Govt is establishing a Trauma Center at the Karnal Civil Hospital with the assistance of Govt of India. As such no Trauma Center could be established at PGIMS Rohtak. The non completion of building in time by the PWD Department was due to change in the building Plan from time to time as per requirement of the PGIMS. The building has now been completed named as Lala Shyam Lal Super specialty block and 11 super specialties are functioning in this building independently. Hence para may kindly be dropped.

**3 3 18** It is submitted that a token provision of Rs 10 lakhs was made available during the year 1996-97 and 80 lakh during 1997-98 to set up a central computer center at this institute. The CMC limited and NIDC New Delhi were requested to submit their project report which were received in this office but in the time the post of computer fell. Hence the project could not be finalized. However HARTON was approached to submit the project report for computerization of all the OPDs with investigative departments and the proposal for Rs 43.48 lakh received from HARTON was sent to the Govt. But the same has not yet been approved by the Govt. and Govt. has desired to submit a fresh proposal which is under process. It is made clear that token provision of 1996-97 and 1997-98 was got diverted for the purchase of machinery and equipments for which supply orders were to be issued by DSD Haryana and sanction was received from the Govt. Hence para may kindly be dropped.

**3 3 19 (a)** It is submitted that duration of PG degree courses is of three years and PG diploma courses is of two years. Admission to PG degree and PG diploma courses were made as per sanctioned seats pointed out by the Director PGIMS Rohtak vide his letter No. 26/46/AC/PG/05 dated 17-4-2005. The year wise detail is as under:

Year	Admission		Out turn	
	PG Degree	PG Diploma	PG Degree	PG Diploma
1994	77	17	98	16
1995	88	44	71	28
1996	85	38	56	18
1997	90	43	89	34
1998	87	47	62	41
1999	92	49	95	38

In view of above the para may be dropped.

**(b)** It is submitted that Govt. accorded sanction for the staff required for the first phase vide its letter no. 7/67/97 ZMB IV dated 9-4-99 but due to procedure could not be started upto July 2000. Further it is worth to mention here that Govt. vide its letter dated 5-7-2002 advised this institute to upgrade the school to nursing college with effect from 2003-2004. Accordingly admission were made from the session 2003-04 after adopting all procedure for recognition of the nursing college to the Indian Nursing Council Haryana Nursing Council and MD University Rohtak. Hence para may be dropped.

**3 3 20** It is submitted that since the inception of the dental college the following principals have been heading the dental college from time to time:

Shri Y C Chawla	24 7 81 to 30 9-89
Shri J K Sharma	7/97 to 12/98
Shri S C Anand	8 6 2001 to date

Despite best efforts no suitable candidate was available for the period from January 99 to 7 6 2001 The position of professors was as under

Dr Y C Chawla Prosthetics	18 2 60 to 23 7 81
Dr M K Chadda Pedodontics	9 12 83 to 31 3-94
Dr V K Grover Orthodontics	16 2 93 to 6 1 96
Dr J K Sharma Oral Surgery	7/97 to 12/98
Dr Sanjay Tiwari Operative dentistry	24 11 99 to 'odate
Dr Sameer Dutta Pedodontics	16 3 2002 to todote

Dr Shikha Tewari was working as reader in community dentistry Efforts are being made to fill up the vacant posts However regular admission to BDS courses/MD courses are being made as per sanctioned posts Para may be dropped please

3 3 21 It is submitted that Government vide its letter No 7/18/98 2HB IV dated 31-3-98 accorded the financial sanction for the purchase of various items costing Rs 3 60 67 716/ including the cost of Simulator costing Rs 2 15 crore This sanction was accorded by the Government in the late hours of 31 3 98 At the time of receipt of Government sanction actual funds to the tune of Rs 276 31 lakhs were available Keeping in view the urgency/emergency of patients care LOC for the following items were required to be opened

- 1 Mobile C Arm image intensifier with double memory and two monitors  
Cost Rs 19 55 374/-
- 2 Electro surgical unit cautery (quantity 40)n Cost Rs 40 50 lakh
- 3 Cadiothobacice unit Heart surgery costing Rs 33 36 241/
- 4 Radio therapy simulator with all accessories Rs 2 15 crore
- 5 Ultra sound machine costing Rs 34 21 700/

After opening of LOC for the above mentioned items Rs 1 50 crore was left with this institute Although Government accorded sanction for simulator for Rs 2 15 crore To avoid lapssation of funds in financial year 1997 98 Rs 1 50 crore was deposited with SBI Medical College Rohtak for opening of LOC Since amount deposited with SBI was inadequate Government was requested to accord sanction of the balance payment of Rs 70 24 500/ which was ready available Hence para may kindly be dropped



(ii) it is submitted that paging system was purchased for Rs 5.67 lakh (by opening of LOC). The range of equipment was not found as per specification. The Indian agent/supplier was approached repeatedly to replace the equipment but the equipment was to be replaced. The firm was given final notice to replace the goods or refund the amount paid with interest but all in vain. However the case was referred to the Consumer Court as per observation of Audit Party but no fruitful result was received. However the case is being taken up with the Govt. to dispose off the equipments. Para may kindly be dropped.

3.3.22 It is submitted that the latest position of sanctioned, filled and vacant posts of Professors, Teachers, Senior Residents/ Demonstrator, Class III misc. posts and Class III and IV posts is given as under:

Category	Sanctioned	Filled	Vacant
Professors	57	36	21
Teachers	245	156	89
Senior Residents	150	63	87
Demonstrator	82	53	29
Class III Misc	39	24	15
Class III & IV			123 for some posts interview held but result not yet declared

However category wise position of the staff after restructuring is enclosed as Annexure IV.

3.3.23 It is reported that internal audit is being done with the help of existing staff as per advice of the A.C. and Audit Party. Hence para may kindly be dropped.

3.3.24 In view of the position explained in the preceding years maximum machinery and equipment have been purchased and installed in the various superspecialties and specialties like MRI, Cath Lab, Heart Lung Machine Simulator, Cobalt Unit, Therapy Planning system, Lithotripsy etc. and apart from 11 superspecialties three more superspecialties namely 1. Hospital Administration, 2. Medical Oncology, 3. Rheumatology have been sanctioned by the Government and proposal for two superspecialties namely surgical Gastroenterology and Endocrinology are under process with the Government. After the sanction of these superspecialties departments no patient will be referred to outside.

It is worth to mention here that PG degree course has been started in Dental College. Teaching activities have been geared up to achieve the targets. Necessary efforts have been made to fill up the vacancies faculty where these are required.

With regard to Financial matter it is submitted that all the old paras related to cash transaction have since been got settled with the A G Party and all the concerned have been advised to be more careful. No audit para related to cash transaction is pending. So far as adjustment of AC bills is concerned the subject matter is reviewed monthly and earnest efforts are being made for timely adjustment of AC bills.

It is submitted that fruitful results are being received from all departments of this institute. Hence para may kindly be dropped.

During the course of oral examination and on the spot visit of PGIMS Rohtak the Committee feels that present building of PGIMS Rohtak is very old, congested, small and unfit for use. It is also observed by the Committee that there is shortage of space in super specialities wing and there is no space for placing ultra sound machine, blood bank and equipments of casualty departments. It is also observed that many posts of doctors and paramedical staff are lying vacant for a long period. The Committee therefore, recommends that separate blocks for emergency and OPD be built to avoid inconvenience to general public. It is also desired that separate space be provided for Blood Bank, Super Specialities wing, viz. Urology, Cardiac, Surgery, Cardiology, Neurology, Gastroenterology, Nephrology, Clinical Hematology, Nuclear Medicine, Pediatrics, Surgery, Burn and Plastic Surgery and Neuro Surgery. The Committee recommends that separate staff be provided for Anesthesia and Super Specialities wing. Adequate action be taken to fill up the vacant posts of doctors and paramedical staff to meet with the shortage of trained staff. Necessary efforts be made for purchase/ installation of equipments and action taken in this regard be intimated to the Committee within a stipulated period.

During the spot visit the Committee was also informed that irregularities were made in allotting the Chemists shops, Canteen shops and Private Laboratories in the premises of the Hospital previously. The Committee recommends that the matter of allotment of shops be got investigated afresh thoroughly and the same be re-auctioned to the genuine persons as per rules/regulations.

[69] 3.4 *Implementation of Prevention of Food Adulteration Act*

### Highlights

The State Government did not frame Rules under the PFA Act defining the powers and duties of the implementing agencies, i.e. DGHS/Local Bodies. Due to lack of co-ordination between Local Bodies and Health Department samples were not seized in the prescribed ratio and licenced establishments were not inspected. Shortage of Government Food Inspectors was 92 to 93 per cent as per norms. Even those in position collected only 44 per cent on average of total required number of samples. As a result capacity of the two laboratories to analyse food samples was grossly underutilized. Government did not devise any food proof method for seizing adulterated articles immediately in receipt of reports of Public Analyst to prevent their sale. Prosecution took a lot of time and by the time decisions were received adulterated stocks were already sold. Thus the impact of the programme to prevent food adulteration was highly inadequate and adulteration increased. Important points noticed as a result of test check are as follows:

### 3 4 1 Introduction

To ensure availability of unadulterated food and drink (other than drugs) to consumers protect them from fraudulent trade practices and provide guidance/norms to the manufacturers/dealers of food articles Government of India (GOI) enacted the Prevention of Food Adulteration (PFA) Act 1954 and framed rules thereunder called Prevention of Food Adulteration (PFA) Rules 1955 Implementation of PFA Act (the Act) was transferred to the State Governments in 1976 Haryana Government adopted PFA Rules framed by GOI

The Act covers all the articles used as food or drink from human consumption other than drugs and water and broadly includes beverages spices and condiments sugar and sweetening agents milk and milk products edible oils fat products cereals pulses and its products fruit products and mineral water Standards of quality have been defined for about 12 broad categories of food items

### 3 4 2 Objectives of the Act

Main objectives of PFA Act as laid down in its preamble are

- \* to prevent adulteration of food stuff meant for human consumption
- \* to ensure purity of articles of food to the public and
- \* to prohibit misbranding of food stuffs to prevent fraud on the consumers

To achieve these objectives the Act provided for compliance of licencing provisions in regard to manufacture for sale storage and distribution of food articles adequate surveillance of seller/manufacturers/agents for delivery of food items analysis and follow up on the testing of samples done by food laboratories and imparting consumer education in creation of awareness against the menace of adulteration

### 3 4 3 Organised set up

Prevention of Food Adulteration Programme is implemented in Haryana by the Medical and Health Department headed by Director General Health Services (DGHS) the State Food Authority The DGHS is assisted by one Director Health Services (Laboratories) – the State Local Health Authority and one Deputy Director (EPI) who for the implementation of PFA Act works as Programme Officer in the Directorate office There is one State Food Laboratory at Chandigarh and one District Food Laboratory at Karnal each headed by a Public Analyst under the overall supervision/control of the Director Health Services (Laboratories) At the districts the Programme is implemented through Civil Surgeons one in each district

### 3 4 4 Audit coverage

Records relating to implementation of PFA Act for 1995 96 to 1999 2000 were test checked (January to April 2000) in the offices of Director General Health Services Chandigarh Public Analyst State Food Laboratory Chandigarh Public Analyst District Food Laboratory Karnal 5<sup>17</sup> out of 19 Civil Surgeons and 5 Municipal Committees Important points noticed during audit are discussed in the succeeding paragraphs

### 3 4 5 Financial outlay and expenditure

The Government spent Rs 4 40 crore on the implementation of PFA Act against the provision of Rs 4 73 crore during the years 1995 2000 Salaries accounted for 93 to 97 per cent of the total expenditure Government did not make any budget provision for advertisement

to generate public awareness for laboratory infrastructure for qualitative analysis of samples and for training of Government Food Inspectors (GFIs) for properly defending the adulteration cases in the Courts of Law and for setting up of legal cell to minimize acquittal cases and involvement of non-government organizations. Even GOI funds for Rs. 39 lakh sanctioned for strengthening and modernization of laboratories was also lying unutilized with DGHS. As a result these aspects of the programme remained neglected.

### 3.4.6 PFA Rules not formulated by the State Government

The PFA Act 1954 requires that the State Government make rules for the purpose of giving effect to the provisions of this Act particularly in regard to powers, duties of the State Food Authority, Local Health Authority, forms for licences for manufacture for sale, storage and distribution of food articles, etc. Harviana Government did not frame any rules as envisaged in PFA Act 1954 to define duties, powers and responsibilities of the DGHS, the Director Health Services, the local bodies (Municipal Committees/Panchayat Samitis in respect of prevention of food adulteration). The State Government was following GOI's PFA Rules 1955. As a consequence, the State Food Authority/Local Health Authority had no power to direct the manufacturers, wholesalers and retailers to deposit any sum as security for the performance of the conditions of licence and to impose fee/fines for contravention of the provisions of the Act.

### 3.4.7 Issue of licences

#### (i) Absence of licence records

PFA Act provides that the State Government would appoint licensing authorities. The Local Bodies i.e. Municipal Committees/Panchayat Samitis were empowered to issue and renew licences to manufacturers/wholesalers and retailers for a period of one year by charging prescribed fee of Rs. 10, Rs. 5 and Rs. 2 respectively which were last revised in 1966. The fees need revision due to increased cost of managing the programme.

In the districts just checked<sup>18</sup> the Municipal Committees/Panchayat Samitis did not maintain the details of units issued fresh licences or the units whose licences were renewed during 1995-2000. Thus, an important control mechanism to keep track of units which got their licences and were required to renew the same was non-functional. There was no record to suggest that the authorities ever cancelled any licence for violation of provisions of PFA Act.

#### (ii) Lack of co-ordination among various authorities

DGHS (State Food Authority) had no State wide record of the manufacturers, distributors, retailers and vendors for food articles in the State. The Municipal Committees/Panchayat Samitis did not send list of food establishments (for which licences were issued from time to time) to the Civil Surgeons and the DGHS during 1995-2000. The Civil Surgeons, Government Food Inspectors (GFIs) and Tehsil Sanitary Inspectors (TSIs) were not aware about the number of various types of food establishments/units in existence within their jurisdiction.

There was no interaction and co-ordination between Municipalities/Panchayat Samitis and the Civil Surgeons/DGHS (State Food Authority) in regard to issue, renewal or cancellation of licences for manufacture and sale of food articles. Therefore, in the absence of State wide record of manufacturers, etc. of different food preparations the DGHS could not ensure coverage of all eligible units under implementation of PFA Act. Due to lack of co-ordination among

various authorities samples were not seized in the prescribed ratio and all licenced establishments were not inspected to satisfy that their premises were free from sanitary defects

### 3 4 8 Huge shortage of Food Inspectors

As per the recommendation of the Task Force Committee set up by GOI and Central Health Council one Food Inspector was required for 50 00 population for rural and urban areas. By this norm Food Inspectors were short by 92 to 93 per cent during 1995-99 as indicated below

Year	Population of the State (In crore)	Number of GFIs required	Number of GFIs/TSIs working in the State		Shortage of GFIs (percentage)
			GFIs	TSIs	
1995-96	1.84	368	17	12	339(92)
1996-97	1.88	377	17	12	348(92)
1997-98	1.93	386	17	12	357(92)
1998-99	1.98	396	14	12	370(93)

The State Government had a plan to recruit 247 GFIs in the State during ninth Five Year Plan (1997-2002). But no effective action had been taken in this regard. Even the proposal of DGHS (November 1998) for recruitment of 10 GFIs had not been acted upon by the State Government. The insufficient number of Food Inspectors contributed to inadequate sampling and surveillance as discussed below

### 3 4 9(A) Inadequate collection of sample in the districts

(i) Each Government Food Inspector (GFI) Tehsil Sanitary Inspector (TSI) was to collect 30 and 10 food samples every month respectively. The department had only 7 to 8 per cent of Government Food Inspectors and Tehsil Sanitary Inspectors (compare to norms) in position (refer paragraph 3 4 8). Even the few GFI/TSI in position collected only 44 per cent (on average) of the required number of samples during 1995 to 1999 shown below

Calendar year	Manpower authorised to seize food samples in the State		Number of food samples required to be taken		Total samples required to be taken	Number of samples taken	Shortfall to requirement (percentage)
	GFIs	TSIs	GFIs	TSIs			
1995	17	12	6 120	1 440	7 560	4 511	3 049(40)
1996	17	12	6 120	1 440	7 560	3 736	3 824(51)
1997	17	12	6 120	1 440	7 560	2 858	4 702(62)
1998	Between 14 & 16	12	5 430	1 440	6 870	2 443	4 427(64)
1999	Between 13 & 14	12	4 920	1 440	6 360	2 085	4 275(67)
<b>Total</b>					<b>35 910</b>	<b>15 633</b>	<b>20 277(56)</b>

(ii) The DGHS did not prescribe any norms for seizing food samples in order to cover all the manufacturers wholesale distributors sellers of food articles over a given cycle of period GFIs and TSIs seized samples from units arbitrarily

(iii) Government Food Inspectors were required to take food samples from manufacturers/wholesalers and retailers in the ratio of 40 : 60. Contrary to this the number of samples taken from manufacturers/wholesalers and retailers in 4 districts of Gurgaon Rohtak Bhiwani and Hisar was in the ratio of 65 : 35 : 33 : 67 : 13 : 87 and 19 : 81 respectively during 1995-99. Except Gurgaon district collection of samples was heavily biased in favour of retailers. Thus the surveillance was poor in respect of the manufacturers and wholesalers though the most of the food stuff trade was controlled by them. Civil Surgeons reported these deviations to the Health Directorate but no action was taken by the DGHS/Director Health services to ensure the collection of samples as per prescribed ratio.

(iv) The department did not fix targets rural and urban area wise for collection of food samples. As a result food adulteration prevention measures in rural areas were not monitored.

(v) There are 802 commodities as mentioned in PFA rules. Department divided all these commodities into 12 categories. Test check of records of selected districts revealed that out of 802 commodities only sample of 60 useable commodities were collected. Samples of popular food items like toffee chocolate dried ice cream condensed milk and spices like *dal chini long elaichi saunf* other items like honey saccharine sodium asfoetida *khas khas* etc. were not taken.

(vi) Samples of salt were seized mainly for prominent brands while samples seized for local brands of salt in five districts test checked ranged between 3 and 20 per cent of the total salt samples seized during 1995-99.

#### **(B) Collection of insufficient samples by Civil Surgeons**

The Civil Surgeons in each districts were also required (as per annual action plan) to seize 10 samples of essential commodities like milk and mustard/edible oils and 5 samples of pan masala/gutka every month and send separate reports to the DGHS. During September 1998 to March 1999 number of samples to be collected for mustard/edible oils was increased to 20 per month. Analysis of actual number of samples collected by the Civil Surgeons during 1996 to 1999 revealed that shortfall in collection of samples by Civil Surgeons ranged from 43 to 75 per cent for milk 74 to 84 per cent for mustard/edible oils and 100 per cent for Pan Masala Gutka as shown below.

Calendar year	Number of Civil Surgeons in the State	Commodity	Number of samples required to be taken	Number of samples actually taken	Shortfall to requirement (percentage)
1	2	3	4	5	6
1996	17	Milk	1 530	864	666(43)
1997	17 to 19	Milk	2 160	695	1 465(68)

1	2	3	4	5	6
1998	19	Milk	2 280	503	1 777(78)
		Mustard oil/ Edible oil	1 520	400	1 120(74)
1999	19	Milk	2 280	562	1 718(75)
		Mustard oil/ Edible oil	2 850	453	2 397(84)
		<i>Pan Masala/ Gutka</i>	855	Nil	855(100)
<b>Total</b>			<b>13 475</b>	<b>3 477</b>	<b>9,998(74)</b>

Obviously the quality and extent of check of food items including items of potential health hazard like *gutka* and *pan masala* were compromised DGHS failed to enforce the compliance of the annual action plans Government failed to monitor an important area of implementation of PFA Act

Thus due to shortage of Food Inspectors and failure of GFIs and Civil Surgeons to collect prescribed number of samples for important food items and indifference of DGHS to ensure compliance of the Government orders any worthwhile enforcement of the provision of the Act was not possible

### 3 4 10 Analysis of food samples

There are two food laboratories in the State one at Chandigarh and another at Karnal each headed by a Public Analyst State Food Laboratory Chandigarh analyses food samples collected by GFIs and TSIs in 14<sup>19</sup> (out of 19 districts in the State while food samples from the remaining 5<sup>20</sup> districts are analysed by District Food Laboratory Karnal Analysis of work done by these laboratories during 1995 to 1999 revealed the following

#### (A) State Food Laboratory, Chandigarh and District Food Laboratory Karnal

During 1995 2000 Rs 2 45 crore (SFL Chandigarh Rs 2 16 crore + DFL Karnal Rs 0 29 crore) were spent on the salaries of laboratory staff and Rs 2 18 lakh were spent on laboratory material etc Number of food samples received from GFIs/TSIs in Haryana State and analysed under PFA Act decreased by 33 *per cent* (3 505 in 1996 to 3 342 in 1999) in the State Food Laboratory Chandigarh and by 34 *per cent* (1 155 in 1995 to 758 in 1999) in District Food Laboratory Karnal

DGHS attributed the decline in collection/analysis of food samples mainly to non filling of vacant posts of GFIs The reply was not tenable as the DGHS did not ensure that even the existing GFIs collect adequate samples as per targets fixed for them Collection of insufficient samples and analysis increased the risk of non detection of adulterated food

#### (B) Underutilisation of the capacity of laboratories

State Food Laboratory (SFL) Haryana Chandigarh has an annual capacity of analysing

5 000 food samples whereas District Food Laboratory (DFL) Karnal has a capacity to analyse 1 500 samples in addition to water and liquor samples. Samples received in these laboratories declined from 4 175 to 3 791 (9 per cent) in SFL Chandigarh during 1995 and 1997 after which it increased again. In DFL Karnal the number of samples declined 1 185 to 824 (30 per cent) during 1995 and 1999. As a result capacity of the laboratories were grossly underutilised as shown below

Year	State Food Laboratory Chandigarh			Districts Food Laboratory Karnal		
	Number of samples received under PFA Act	Shortfall in relation to full capacity	Percentage of shortfall	Number of samples received	Shortfall in relation to full capacity	Percentage of shortfall
1995	4 175	825	16	1 185	315	21
1996	4 464	536	11	1 121	379	25
1997	3 791	1 209	24	937	563	37
1998	4 226	774	15	751	749	50
1999	4 055	945	19	824	676	45

Capacity of the laboratories was not fully utilised in any year during 1995-99 as adequate number of samples were not collected and sent for analysis according to the targets fixed by DGHS.

### (C) Non revision of sample testing rates

For analysing the food samples brought by private parties in the State or Agencies from outside the State, Medical and Health Department charged Rs. 16 per sample. During 1995-99 SFL Haryana, Chandigarh and District Food Laboratory Karnal realised a meager amount of Rs. 2.45 lakh (SFL Chandigarh Rs. 2.44 lakh and DFL Karnal Rs. 0.01 lakh). The sample testing rates were not revised since 1958. The State Government should consider upward revision of rates of samples brought by private parties in line with the rising cost of staff and laboratory.

### (D) Non utilisation of GOI funds for strengthening laboratory infrastructure

According to an internal estimate of Public Analyst, Chandigarh and Karnal, these laboratories needed strengthening/modernisation with additional equipments<sup>21</sup> costing about Rs. 60 lakh. For this purpose, the GOI sanctioned grant of Rs. 39 lakh during 1995-2000 (1995-96 Rs. 9 lakh, 1996-97 Rs. 7 lakh, 1997-98 Rs. 5 lakh, 1998-99 Rs. 9 lakh and 1999-2000 Rs. 9 lakh). No amount of the sanction was utilized by the DGHS to purchase the equipment. A scrutiny revealed that the DGHS did not obtain any proposal from Public Analysts to take it up with the Government for the purchase of equipment. Neither the DGHS nor the Health Commissioner furnished any reply as to why the amount was not utilized by them. Evidently they failed to ensure the use of funds to improve the infrastructure of analysis and testing.

21 High pressure liquid chromatograph, atomic absorption spectrophotometer, gas liquid chromatograph, U.V. spectrophotometer, laminar flow cabinet, autoclave, vertical, one digital colony counter, two BOD incubator, conductivity meters and refrigerator, etc.



### 3 4 11 Incorrect analysis of food samples by State Food Laboratories

The PFA Act provided that the court may at the request of the accused (whose food sample was declared as adulterated by the State Food Laboratory) send the sample under its own seal to the Director Central Food Laboratory (CFL) Pune who shall thereupon send a certificate to the court in the prescribed form within one month specifying the results of analysis. Certificate issued by the CFL shall supersede the report given by the State Laboratory. It was noticed that during 1995-99 in 4<sup>22</sup> of the 5 districts test checked out of 261 samples sent by the courts to CFL for re-testing 112 samples (43 per cent) were found to be unadulterated on re-testing.

Government conducted no investigations for improper and misleading results by the State Food Laboratory.

### 3 4 12 Increasing trend in food adulteration

(i) As the collection/analysis of samples declined there was a significant increase in the rate of adulteration from 12 to 19 per cent during 1995-1999 as shown below.

Calendar Year	Number of samples analysed	Samples found adulterated (Percentage to total)
1995	4 511	534(12)
1996	4 600	653(14)
1997	3 553	596(17)
1998	3 346	512(15)
1999	3 100	598(19)

(ii) The various types of food which were analysed and found adulterated during 1995-99 and their percentage of adulteration noticed during testing of food samples are shown below.

Sr No	Category of Food	Percentage of Adulteration				
		1995	1996	1997	1998	1999
1	2	3	4	5	6	7
1	Beverages					
	(i) Alcoholic	25	6	—	33	47
	(ii) Non Alcoholic	6	14	4	7	8
2	Spices and Condiments	23	17	18	22	18
3	Sweetening Agents	2	5	14	3	4
4	Tea Coffee Chicory	2	2	4	2	1
5	Milk	31	32	27	31	50
6	Butter Ghee Ice cream and other milk products	19	17	18	22	24

1	2	3	4	5	6	7
7	Edible oil fats and vanaspati	3	4	6	18	25
8	Cereals Cereals products and pulses	10	25	31	31	12
9	Fruit products	7	2	1	0	3
10	Infant foods	6	0	0	9	0
11	Misc other food articles	7	6	12	6	9
12	Edible salts	2	2	1	2	2

It would be seen that percentage of adulteration in milk increased from 31 to 50 *per cent* beverages (alcoholic) from 25 to 47 *per cent* edible oil fats vanaspati 3 to 25 *per cent* butter ghee ice cream and other milk products from 19 to 24 *per cent*. The trend in increase in adulteration should be seen in the context of inadequate samples collected and analysed. Had the number of samples been collected as per norms there was possibility detection of increased number of cases of adulteration. This indicates the ineffectiveness and mismanagement of the programme by the Government.

(iii) As prescribed in the Act maximum period for analysing food sample by Food Laboratory was 40 days. This time gap provided the manufacturer/wholesaler/retailer an opportunity to sell the entire stock of adulterated food by the time the results of test report was available. A specific provision in the Act is required for seizure of the adulterated food items immediately on receipt of report from public analyst. The Government did nothing to prevent the sale of adulterated food items while samples are taken for analysis.

(iv) The Act lays down that GFI may seize and carry away or keep in safe custody of vendor such article which appears to be adulterated or misbranded. These powers are only discretionary and not mandatory and the GFIs failed to seize even a single adulterated stock in the entire State during the last 5 years i.e. 1995-2000. Provision should be made mandatory and GFIs did not utilise their discretion in favour of the Government. In fact the adulterated stocks were not seized even where the persons were convicted under the Act.

### 3.4.13 Prosecution

(i) The total number of outstanding cases increase from 3,569 at the beginning of 1995 to 4,091 in 1999 (July 1999). Of 3,569 cases, 1,584 cases (44 *per cent*) were decided during 1995 to 1999 (upto July 1999) and 1,985 cases were pending for more than 5 years.

Further, in various courts during the above period 2,006 cases were added which was more than the cases decided (i.e. 1,584). Considering the increase in the number of prosecution cases launched every year and the fewer cases decided by courts, the deterrence through prosecution was ineffective.

(ii) Of the total 1,584 cases decided by courts during 1995-99 (upto July 1999), 1,026 cases (65 *per cent*) ended in acquittal. Out of 1,026 cases, 437 cases were from the 5 districts tested, checked of which 64 cases were analysed in audit to identify the factors attributable to such high percentages of acquittal. In 17 cases of milk samples, the milk was not stirred.

properly as required. In another 6 cases of milk samples fats and solids in milk taken together met the prescribed standards. In 4 cases the kind of milk (cow milk buffalo milk etc) was not indicated. In 4 cases the laboratory reports did not declare the food stuffs unfit for human consumption. In 3 cases the accused were not identified. In 7 cases food standards were not prescribed in PFA Rules and in other cases lack of evidence etc. The DGHS was expected to analyse the cases of failure in prosecution and strengthen the internal controls to ensure that remedial measures were taken to minimize the failure of cases.

### **3 4 14 Non reporting of food poisoning cases to health Department**

The State Government violated the provision of the Act and did not notify any instructions for 27 145 private medical practitioners in Haryana (upto March 1999) to report case of food poisoning as no case of food poisoning was reported to the Civil Surgeon/DGHS by any medical practitioner during 1995-2000.

From Government Hospitals the Civil Surgeons reported to the Directorate of Health Services 12 cases of food poisoning during 1999. Action if any taken to identify the source of food stuffs for arranging samples for laboratory tests and for seizing the stock and launching prosecutions in these cases was not intimated to audit.

### **3 4 15 Failure to create consumer awareness**

(a) Director General Health Services Haryana intimated (February 2000) that instructions received from GOI/State Government in relation to consumer awareness were sent to the Civil Surgeons for compliance. However no such instructions were produced to audit. This was further corroborated by the fact that no expenditure was incurred by DGHS in the State and Civil Surgeons in the districts on advertisement radio broadcast publicity through television for public awareness about the danger of food adulteration.

(b) During 1995-2000 the Medical and Health Department did not involve any non government organisation (NGO) in the implementation of prevention of food adulteration programme. No education to consumers were imparted about creation of awareness and demonstration cum educational programmes were not organised to curb the menace of food adulteration.

### **3 4 16 In service training**

The Public Analyst imparted no training to the GFIs/TSIs from the State during 1995-2000 to update their knowledge with latest techniques of sampling and testing of food stuffs.

No reasons for not training their staff were intimated by the DGHS/Public Analyst. DGHS failed to monitor the upgradation of skills through training and took no action against the Public Analyst for this failure.

### **3 4 17 Monitoring**

DGHS monitors the prevention of Food Adulteration Programme through Annual Action Plans. The Action Plans for this purpose cover various returns from the Civil Surgeons relating to the number of samples seized (article wise) number of samples sent monthly to State/District Public Analyst results of analysis of such samples number of cases launched in the courts number of cases decided cases acquitted/convicted etc.

These reports were sent regularly by the Civil surgeons but were not analysed either by DGHS or Director Health Services. No instructions to bring about improvement were ever issued. Monitoring of the programme was thus ineffective.

### 3.4.18 Conclusion

The State Government did not frame PFA Rules defining the powers and duties of the implementing agencies for implementation of PFA Act. There was lack of co-ordination between local bodies and Health Department as records relating to the number of licences issued, renewed, fee realisable or actually realised was not maintained by Health Department. Thus monitoring of important aspects of the Act was neglected.

Food adulteration is a public health issue and the extent to which its prevention can be addressed by Medical Officers of the Health Department, who are entirely engaged in curative treatment, has to be seen in the larger public interest due to the fact that severe time constraints prevent effective supervision and overlooking of the functions and duties assigned to them under PFA Act.

Department did not collect adequate samples from manufacturers/wholesalers and retailers and failed to verify the licenced establishments to see that prescribed sanitary conditions were being observed in the food vending establishments. Number of Government Food Inspectors (GFIs)/Tehsil Sanitary Inspectors (TSIs) was short by 92 to 93 per cent as per norms and even those in position did not collect prescribed number of samples. As a result the capacity of the two laboratories in the State were grossly underutilised. Samples were not analysed according to the standards laid down in PFA Rules. Samples of important food items were neither collected nor tested.

The Government did not devise any fool proof method for seizing of articles of adulteration immediately on receipt of report of Public Analysts to prevent their sale. Prosecution launched against the traders did not prove fruitful because decision in such cases took a lot of time and adulterated stock were already sold by them.

The matter was referred to Government in May 2000. Their reply had not been received (August 2000).

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

**3.4.5** It is correct that 95% of the budget under PFA programme has been spent on staff salary from 1995-96 to 1998-99. This is mainly due to revision of pay scale of all categories of staff from 1-1-1996. More funds are being asked from Government.

**3.4.6** Health Department Haryana has framed PFA Rules for Haryana State and these rules are under active consideration.

**3.4.7** Health Department Haryana is not a licencing authority under the PFA Act. However Civil Surgeons have been directed to maintain proper record about the new licences issued. No. of licences renewed and the nos. of defaulters units. Detail amount of fees collected can be verified from the licencing authorities.

(ii) Health Department Haryana is keeping a liason with local bodies licensing authorities by keeping a complete record of all the manufacturers units/distributors and retailers. All efforts are being made to cover all the eligible units for compliance of PFA Act

**3 4 8** There is a acute shortage of Food Inspectors only 20 posts of GFIs are sanctioned by the Government. The creation of 65 additional posts of Food Inspectors has been already under consideration at State Government so that one FI can be posted at district level and one FI at each tehsil level

**3 4 9** The shortfall in collection of food samples is due to acute shortage of Food Inspectors under PFA Act

(ii) State Food Authority has already devised a system for taking food samples in the ratio of 40 : 60 between manufacturers, wholesalers and retailers. Action plan to this regard is circulated to all local health authorities every year in the month of April which were made available to the audit party

Observation made by audit party that no device for taking food samples from all manufacturers, wholesalers, distributor and retailer is not correct as in this para audit party has test checked 4-5 districts showing against the requirements of taking 40% samples from manufacturers/distributors only 13 to 33 per cent samples have been collected from 1995-96 to 1998-99. This shows that regular system of taking samples is already existing in the State

In the absence of rules under PFA Act DGHS is not competent to issue licence for food establishment. Due to the reason no record was being maintained in this regard. Now the framing of PFA Rules are under active consideration of the State Government and under these rules DGHS would be empowered to issue the licence for running of food establishments and proper record will be maintained at Tehsil/Districts and State Level. Steps are being taken to fix targets for collection of food samples for rural and urban area wise

Instructions are being issued to all the Civil Surgeons to direct their Food Inspectors to seize maximum number of useable commodity of food articles mentioned in food article

Instructions have been issued to all Civil Surgeons to seize the samples of salt from other than prominent brands

(B) The shortfall of seizing the samples of essential commodities is due to shortage of Food Inspectors in the State. The Civil Surgeons have been instructed to seize the samples of essential commodities including Pan masala/Gutka also

**3 4 10(a & b)** It is admitted that the declining trend in collection/analysis of food samples was attributable mainly due to non filling up the posts of GFIs/TSIs. Steps are being taken to fill up the vacant posts of GFIs and TSIs. During the audit period there were 11 GFIs against 20 sanctioned posts and now 14 GFIs are in position

(c) The change of rates of testing the samples of private parties have been considered in the rules under PFA Act and as and when the rules are notified by the State Government the new rates will come into force

(d) in fact the laboratories are being fully utilized as the number of the samples seized by the Food Inspector and received by them are analysed within the prescribed period and there is no backlog in these laboratories. Shortfall in seizing the food samples is all due to shortage of Food Inspector. The department has sent a proposal to the State Government for converting of 65 posts of MPHS (M) into Food Inspectors. After finalisation of the proposal the number of samples will also increase and capacity utilization of the State Food Laboratories will automatically met

**3 4 11** Number of prosecution cases is increasing in various courts because there are no separate courts to decide the PFA cases

**3 4 12(i)** Increase in adulteration rate is due to the fact that during this period there was a problem of syntehtic milk and then there was problem of dropsy due to adulteration of Mustard Oil with Argetibe. To check these menace of synthetic milk and dropsy intensive drives were carried out in the State

(ii) Health Department Haryana is aware of this problem and remedial measures are being taken time to time

(iii) Suggested amendments in PFA Act are within the jurisdiction of Central Government

(iv) Suggested amendments in PFA Act are within the jurisdiction of Central Government

**3 4 13(i)** Proper procedure is being adopted in seizing and analyzing the Food Samples as laid down under the PFA Act 1954 & Rules made thereunder

Pending cases of Food samples have risen due to cumbersome legal procedure of the courts. However the number of courts having food cases should be increased to cope up with the work

Regarding the factors attributed to the acquittal of cases on the ground mentioned in para 3 4 13 Prosecution Programme is being chalked out to in part refresher course/training to the Food Inspectors in coordination with Director of Prosecution so as to minimize acquittal of food cases. Food Inspectors are also being directed to seek opinion of District Attorney's/ADA of their district before filing prosecution

**3 4 14** Steps are being taken by this Directorate regarding reporting of food poisoning cases in their respective districts including from private practitioners. Civil Surgeons will ensure that report on food poisoning cases even if it is nil should be sent to State Headquarter alongwith other reports of PFA by 5th of every month

**3 4 15** There is a acute shortage of Food Inspectors only 20 posts of GFIs are

sanctioned by the Government. The creation of 65 additional posts of Food Inspectors has been already under consideration at State Government so that one FI can be posted at district level and one FI at each tehsil level.

**3 4 16** In service training to GFIs/TSIs could not be imparted due to acute shortage of Food Inspectors.

**3 4 17** Due to insufficient ministerial staff and in the absence of separate cell in the State the monitoring of the programme has not been effective earlier. Now monitoring and analysis of the reports received from the Civil Surgeons is done at Directorate level.

**3 4 18** Due to insufficient ministerial staff and in the absence of separate cell in the State the monitoring of the programme has not been effective earlier. Now monitoring and analysis of the reports received from the Civil Surgeons is done at Directorate level.

During the course of oral examination the representatives of the department informed the Committee that draft of Prevention of Food Adulteration rules have been sent to LR and the same would be implemented in near future. Regarding shortage of Food Inspector, action is being taken to create 65 additional post of Food Inspectors. The department also informed, the Committee that adequate measures are being taken to check adulteration in food items under Drugs and Cosmetic Act. The Committee is not satisfied with the departmental reply as still there is no check on the sale of spurious cold drinks in the market. The Committee also desired that suitable action plan be chalked out to check the sale of adulterated food items especially the spurious cold drinks. The Committee further desired that full details of total inspections conducted of food items, samples collected and number of samples found adulterated during the previous last three years be supplied. The Committee therefore, recommends that stern action be taken against the food adulterators and report be sent to the Committee.

## CO-OPERATIVE DEPARTMENT

[70] 3.5 Avoidable payment of interest

**Due to delay in refunding the unutilised amount to NABARD the State Government had to bear an additional interest burden of Rs 69.80 lakh**

National Bank for Agriculture and Rural Development (NABARD) is providing long term loans to the State Government at concessional rate of interest for contribution to share capital of co-operative Credit Institutions under NABARD Act 1981. The funds were required to be utilised by the State Government for contribution to the equity base of respective Co-operative institutions and a certificate to that effect was to be furnished to NABARD within a period of 3 months from the date of drawal of funds from NABARD. In case the funds were not utilised and lying unutilised either with the State Government or with any other intermediary institutions beyond 3 months from the date of drawal and not refunded to NABARD, the State Government had to pay a higher rate of interest at Bank rate.

Scrutiny of the records (July 1998) of Registrar Co-operative Societies in audit revealed the NABARD released a loan of Rs 12.17 crore at the rate of interest of 7.5 per cent per annum to the State Government in March 1997, repayable within a period of 12 years in equal annual instalments commencing on the expiry of 3 years from the date of drawal. The interest was payable at the end of each quarter.

Of this, the State Government could utilise only Rs 8.54 crore (1996-97 Rs 55.64 crore and Rs 1997-98 Rs 2.90 crore) within the stipulated period of 3 months, i.e. upto 30 June 1997. The remaining amount of Rs 3.63 crore could not be utilised due to failure of the Co-operative Department to ensure adequate budget provision under this scheme. Registrar Co-operative Societies requested the Secretary Co-operation Department to enhance the Plan outlay under the scheme in January 1997, but the department approved the proposal only towards the end of March 1997. Thus, because of late approval by the department, sufficient provision for the purpose could not be made in the budget for 1997-98. The Co-operative Department did not refund the unutilised amount and sought extension to utilise the funds by 31 March 1998, to which NABARD did not agree (March 1998). Though the fresh limits/funds of Rs 6.82 crore were sanctioned by NABARD for 1998-99, no drawal from this limit was allowed until the entire unutilised amount along with additional interest was refunded to NABARD. Ultimately, the State Government refunded the unutilised amount of Rs 3.63 crore and additional interest of Rs 15.34 lakh in March-May 1999, in addition to payment of normal interest of Rs 54.46 lakh.

Thus, due to failure of the Co-operative Department to ensure adequate budget provision under that scheme for the year 1997-98, the State Government did not utilise the loan fully. Further, due to delay in refunding the unutilised amount, the State Government had to bear an avoidable burden of interest of Rs 69.80 lakh (Rs 54.46 lakh + Rs 15.34 lakh).

The matter was referred to Government in March 2000; their reply had not been received (August 2000).



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

During the year 1996-97 NABARD had sanctioned a loan to the State Govt. amounting to Rs. 1279.40 lacs. The detail is given below

HSLDB	100.00 (in lacs)
66 PLDBs	786.42
438 PACS	213.34
6 C C B s	154.64
HARCOBANK	25.00
<b>TOTAL</b>	<b>1279.40</b>

Out of above NABARD had released only Rs. 1217.12 lacs (amount sanctioned for CB Panchkula was not released by NABARD). The Department utilized Rs. 564.03 lacs upto 31.3.1997 during the year 1996-97 and an amount of Rs. 653.09 lacs remained unutilized.

There was a provision of Rs. 290.00 lacs under this scheme for the year 1997-98. The State Govt. was requested to enhance the plan ceiling on 29.4.97 to utilize the funds in time. The State Govt. vide their letter dated 10.6.97 advised the Deptt. to utilize Rs. 290.00 lacs upto 30.6.97. Accordingly the Deptt. utilized Rs. 290.00 lacs upto 30.6.97 and in this way an amount of Rs. 363.09 lacs remained unutilized.

The State Govt. requested NABARD on 25.7.97 to extend the time limit so that the unutilized amount of Rs. 363.09 lacs was utilized. But the proposal was turned down by NABARD on 28.8.97 and directed the State Government to refund the unutilized amount of Rs. 262.09 lacs along with interest at bank rate. On 15.9.97 the Govt. issued letter to the Finance Department to refund the amount of Rs. 363.09 lacs to NABARD.

On 24.3.99 the Finance Department directed the Accountant General (A&E) Haryana to refund the principal amount of Rs. 362.09 lacs to NABARD. The Finance Department further directed the Accountant General (A&E) Haryana to pay interest amounting to Rs. 15.34.926/- to NABARD.

As explained above it is evident that the amount of Rs. 363.09 lacs had never remained with this department for further disbursement.

So far as the amount of Rs. 54.46 lacs borne as interest is concerned, it is evident from the perusal of audit objection that this amount has been stated to be paid as normal interest. Hence, it can not be termed as avoidable burden.

As such the committee is requested to drop the para in the circumstances explained above

During the course of oral examination of the department, the Committee asked the reasons of non utilization of the loan given by NABARD. The department told the committee that Finance Department was asked to increase the ceiling of budget so that this amount could be used. The matter was referred to Finance Department and on the receipt of reply from Finance Department, the committee desired that A.G. (Audit) may be asked to give advice on this para in the light of reply of the Finance Department.

The Accountant General (Audit) in its reply observed that unutilised amount of Rs 3 63 crore lying with State Government (Finance Department) could not be refunded to NABARD as the Co-operative Department had not made any budget provision for the said amount. In case the amount was not required by the Co-operative Department it should have been refunded by Department/Government (Finance Department) to NABARD. Thus, there was lapse on the part of Co-operative Department for which Government had to pay interest at higher rates (Penal rate) to NABARD. However, Finance Department could also have asked the Co-operative Department regarding the requirement of that amount after lapse of three months as required under NABARD Act 1981 and after ascertaining the requirement of Co-operative Department, the surplus/unutilised amount could have been refunded by Finance Department in time to save the interest.

Therefore, the Committee desired that the matter may be examined by the Finance Department and Co-operative Department on the basis of advice of A.G. (Audit) Haryana and responsibility be fixed on the erring officials of both the departments and the Committee be apprised accordingly at the earliest.

[71] 6.6 Storage gain on account of moisture in wheat stocks below norms

HAFED did not account for the storage gain and therefore sustained loss of Rs 15 83 lakh

Wheat stored in godowns gains in weight due to moisture content in the atmosphere. District Manager (DMs) were required to ensure proper storage gain through the field Inspector (Stores) Haryana State Co-operative and Marketing Federation Limited (HAFED) also fixed norms (June 1992) for storage gain in wheat between 800 grams and 1400 grams per quintal during the months of July to March. It was also clarified that where wheat with high moisture content was procured the benefit of lesser gain would be given but only after inquiry by the concerned District Manager for fixing the responsibility of the concerned staff for the less accounting of moisture gains.

During audit of District Manager HAFED Panipat and Rewari (December 1999) it was noticed that 3 80 255 61 qtls and 48 043 51 qtls of wheat was dispatched from these stores during 1993-99. As per norms fixed storage gain on the wheat dispatched from these stores worked out to 4 167 67 qtls and 623 36 qtls whereas the actual gain given by the Field Inspectors

(Stores) was 2 068 92 qtls and 462 60 qtls respectively Apart from this 625 13 qtls of wheat was found short in Panipat stock during October 1995 to March 1997 Thus there was shortage of 2 884 64 qtls (2 098 75 + 160 76 + 625 13 qtls) valued at Rs 15 83 lakh

Chief Audit Officer HAFED stated (February 2000) that disciplinary proceedings had been initiated against defaulters who were responsible for less accounting of moisture gains Further developments were awaited (June 2000)

The matter was referred to Government in December 1999 their reply had not been received (August 2000)

The department in their written reply explained the position as under

Five officials were identified to be responsible for the loss of Rs 15 83 lacs on account of less storage gain in Distt Office Panipat and Rewari These Officials were charge sheeted as per the service rules The action has been initiated against all the officials and the recoveries have been effected as detailed below

S No	Name of the employee	Qty of less Gain (Qtls )	Value of loss (Rs )	Latest status of the case
1	Balbir Singh FI	1280 42 330	756052 20	The official expired on 4 3 2002 Rs 232725/ has been recovered from his retiral dues and for the balance amount surcharge proceedings has been initiated His wife filed a suit against the recovery orders in the Civil Court Karnal Next date of hearing is fixed for 20 9 2004
2	PK Arora FI	231 41 360	118105 45	Official has retired on 31 1 2002 Full amount has been recovered from his retiral dues
3	Ram Karan FI	519 16 309	250539 40	Official has been removed from service on 25 3 2003 Rs 135274/ has been recovered from his retiral dues and the surcharge proceedings has been initiated for the balance amount
4	Ram Kishan FI	692 88 885	391351 60	Official has been removed from

service on 3 7 2000  
Rs 131846/- has been  
recovered from his retiral dues  
and also surcharge proceedings  
has been initiated against Sh  
Ram Kishan

5 Ram Niwas FI 160 76 000 67000 00

Charge sheet issued Inquiry  
Officer Hafed is conducting the  
enquiry Enquiry will be  
completed by Nov 2004

<b>Total</b>	<b>2884 64 884</b>	<b>1583048 65</b>
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During the course of oral examination the committee viewed it seriously that department took about four years to initiate the proceedings against the defaulting officials in this matter The committee also desired that if Internal Audit system was existing in the department, why this matter did not come to the notice during internal Audit The committee further desired that responsibility needs to be fixed in this matter and the committee be apprised about the action taken against the erring officials within a period of three months

## FINANCE DEPARTMENT (TREASURY AND ACCOUNTS)

### *[72] 3 7 Overpayment of pensionary benefits*

As per Punjab Treasury Rules and Punjab Financial Rules applicable to Haryana State Treasury Officers (TOs) were responsible for ensuring the correctness of the payments made with reference to the records maintained by them before incorporating the transactions in their accounts. TO was required to maintain a register in the prescribed pro forma for keeping a comprehensive record of pension payments. In token of having applied the required checks each entry of monthly payments registers was to be checked by the TO.

Inspection of 20 District Treasuries including sub treasuries conducted by Principal Accountant General (A&E) Haryana during 1999-2000 revealed that Rs 15.26 lakh of pensionary benefits were overpaid to 252 pensioners/family pensioners due to failure to observe rules/orders and their incorrect interpretation. Of this overpayment of Rs 11.50 lakh was attributable to excess payment of pension/family pension/communication pension in respect of 155 pensioners and Rs 3.76 lakh were attributable to payment of medical allowance, interim relief, etc. in respect of 97 pensioners.

In response to the comments of Principal AG (A&E), the Director, Treasuries and Accounts, Haryana took up the matter with concerned TOs and directed them to explain under which circumstances these overpayments were made. TOs were also directed to pin point the responsibility of the officials/officers for the overpayments and recover the same within 15 days. Rs 1.20 lakh had been recovered from the pensioners as of June 2000. Further development was awaited.

The matter was referred to the Government in May 2000. Their reply had not been received (August 2000).

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

It is stated that the Accountant General, Haryana had shown overpayment of pension etc. to the extent of Rs 15.26 lacs which included medical charges of Rs 3.76 lacs. But review of the inspection of Treasuries conducted by AG showed overpayment of Rs 15,08,537.

(Annexure A)

Audit note of each Treasury was consulted and found that actual overpayment was to the tune of Rs 15,07,142 (Rs 13,60,353 Pension and Rs 1,46,789 medical).

Against a total overpayment of Rs 15,07,142 a sum of Rs 13,12,734 has been recovered.

Status of remaining overpayment of Rs 1,94,408 is as under —

<u>1 Being recovered</u>	<u>Remarks</u>
(i) Gurgaon Rs 2861	Amount will be recovered from pension. However, pensioner is not reporting for availing pension for the last three years.
(ii) Panipat Rs 34244	being recovered @600/ p m

- 2 The Punjab and Haryana High Court vide order dt 16 11 04 has directed that recovery of Rs 86494 would not be made from the pensioner. The disciplinary action against Sh. Prem Parkash, dealing Assistant, has been finalised and a punishment of stoppage of one grade increment with commulative effect has been awarded on 15 7 2005.

3 <u>Death cases</u>	70809
(i) Ambala	Rs 44063
(ii) Fatehabad	Rs 4058
(iii) Karnal	Rs 15053
(iv) Panipat	Rs 7635

Efforts are being made to effect the recovery of the outstanding amount indicated above. So far as the action against the officials/officers is concerned, it is submitted that the overpayment has not taken place intentionally/deliberately. The Treasury Officers have been asked to fix the responsibility of the officials responsible for over payment. Explanations of the defaulting Treasury Officers have also been called for.

**During the course of oral examination, the committee desired that the department should give Head wise, year wise information where the over payments of pensionary benefits have been made deliberately by the officials or the benefit has been given to a particular person. The committee further desired that the department should also give the information whether the disciplinary action has been taken against the officials who authorized these over payments to the pensioners within three months.**

## HOME DEPARTMENT

### *[73] 3 10 Non responsiveness to Audit findings and observations resulting in erosion of accountability*

Accountant General (Audit) (AG) arrange to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot, these IRs are issued to the Heads of offices inspected with a copy to the next higher authorities. The Rules/Orders of Government provide for prompt response by the executive to the IRs issued by the AG to ensure corrective action in compliance of the prescribed rules and procedures and accountability for the deficiencies lapses etc. noticed during his inspection. The Heads of offices and next higher authorities are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half yearly report of pending inspection reports is sent to the Secretary of the Department in respect of pending IRs to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto June 2000 pertaining to 45 offices of Police Department disclosed that 824 paragraphs relating to 280 IRs remained outstanding at the end of June 2000. Of these 41 IRs containing 54 paragraphs had not been settled for more than 10 years. Year wise position of the outstanding IRs and paragraphs are detailed in the Appendix XXIV. Even the initial replies which were required to be received from the Head of offices within six weeks from the date of issue were not received in respect of 20\* IRs issued between December 1995 and April 2000. As a result the following serious irregularities commented upon in these IRs had not been settled as of June 2000.

Sr No	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
1	Shortage/short receipt/Non accounting of material	16	0 28
2	Drawal of money from treasury to avoid budget grant	26	6 24
3	Irregular excess/wasteful expenditure on salaries/LTC/Medical allowances/Bonus	103	16 14
4	Misutilisation of telephone/the Government money	62	0 69
5	Irregular Payment of motor vehicle/House Building Advances	42	2 29
6	Irregular/Injudicious Purchase/expenditure	232	10 29
7	Non obtaining/production of actual payee receipts	14	1 92
8	Blocking up of the Government money/wasteful/avoidable expenditure	45	1 43

Sr No	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
9	Non disposal of condemned/surplus stores/articles	28	1 31
10	Miscellaneous irregularities	256	31 56
<b>Total</b>		<b>824</b>	<b>72 15</b>

A review of the pending IRs relating to Police Department revealed that concerned Heads of offices whose records were inspected and the Director General of Police (DGP) who is the head of the department failed to discharge their due responsibility as they did not send any reply to a large number of IRs/paragraphs. At the instance of Audit the DGP issued (March 2000) instructions in respect of pending IRs/paragraphs to all the filed units of Police Department to expedite the replies. However no replies to these paras containing the defects omissions and irregularities pointed out in the IRs have since been received as of June 2000. The Secretary Home Department who was informed of the position through half yearly reports also did not ensure that the concerned officers of the department take prompt and timely action.

Inaction against the defaulting officers facilitated continuation of serious financial irregularities and loss to Government though these were pointed out in audit.

It is recommended that Government should look into this matter and ensure that procedure exists for (a) action against officials who failed to send replies to IRs/Paras as per time schedule (b) action to recover loss/outstanding advances/overpayments in a time bound manner and (c) revamping the system of proper response to the audit observations in the department.

The matter was referred to Government in June 2000 their reply had not been received (August 2000).

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

The reply to the Inspection and Audit reports in an annotated form had already been furnished to A G (Audit) Haryana within the stipulated period by all the Units and Headquarters office. No such Inspection report is pending for which reply in an annotated form has not been given so far. Moreover corrective action has also been taken on the outstanding paras by the Units as well as at Headquarters level and compliance thereof reported to the A G (Audit) Haryana.

Now the A G (Audit) Haryana has intimated that 825 Audit Paras pertaining to Police Department are outstanding at the end of 30.9.2002. Out of which 28 Paras are related to Vigilance Department to which A.G. (Audit) Haryana has already been requested to transfer the same to the Director Vigilance Department Haryana. Further 120 Paras relating to the period upto 1992-93 have been transferred to Govt. by the A G for which compliance is being reported in due course.

In outshell out of total 797 outstanding Audit Paras 287 Audit Paras have since been settled by the A G Audit Party of the time of their Inspection of the concerned Units. However a Monitoring Committee has been constituted at the Headquarters.



level to Monitor and Review the progress in the disposal of remaining pending Audit Paras which will meet once in a month for this purpose. Thus concerted efforts will be made to get the outstanding remaining Audit Paras settled from the A G Haryana as early as possible.

During the course of oral examination the committee desired that the department should initiate action to settle the outstanding inspection reports/paras. The departments instead of settling the remaining outstanding inspection reports/paras send only an interim reply to these audit objections. The Committee, therefore, recommends that the remaining outstanding inspection reports/paras be settled at the earliest by taking necessary action and progress made in this regard be intimated to the Committee within three months.

## IRRIGATION DEPARTMENT

[74] 4 1 *Water Resources Consolidation Project*

### Highlights

The objectives of the Water Resources Consolidation Project taken up in 1994 with the World Bank financial assistance were to generate 953 million M<sup>3</sup> additional surface water by reducing water seepage losses (through bank strengthening and lining of channels) and increase irrigated area by 1 56 lakh hectare. The department could generate 428 million M<sup>3</sup> (45 per cent) of what was envisaged in the Project document) additional surface water. Though the Project life was already over in June 2000 (extension for another two years applied but not yet received) 44 per cent of the available world bank credit remained unutilised as of June 2000. Rs. 54 98 crore were incurred as extra expenditure/avoidable expenditure on account of various factors like delays in decisions, defective estimates, delayed drawings, inadequate site surveys, poor contract management, etc. Monitoring by the High Level Committee was not effective. Implementation of the Project was not satisfactory in view of substantial shortfalls in achievement of targets. Important audit findings are as under:

#### 4 1 1 Introduction

Water Resources Consolidation Project (WRCP) taken up with the World Bank assistance in June 1994 was to be implemented over a period of 6 years i.e. by June 2000. It aimed at achieving an increase in surface water supplies by 953 million M<sup>3</sup> by reducing seepage losses and increasing the water carrying capacities of major canals for increasing irrigated area by 1 56 lakh hectare, improving flood control by rehabilitating and augmenting maintenance and management of existing drainage structures and river control works. The department made a proposal for the extension of the Project by another two years to which the approval of the World Bank/GOI was awaited as of July 2000.

#### 4 1 2 Organisational set up

The Secretary, Irrigation and Power had overall responsibility for the Project. The Engineer in Chief (EIC), Irrigation Branch, Public Works Department (PWD) was responsible for the implementation of the Project. The EIC was supported by the Chief Engineer (CE), Co-ordination, Environmental Affairs, Water Services Policy Support and Quality Assurance. The Project was executed through 24 Superintending Engineers (SEs) in charge of circle offices and 82 Executive Engineers (EEs) in charge of 82 divisions (Construction: 34, Water Services: 46 and Hathnikund Barrage: 2).

#### 4 1 3 Audit coverage

Records relating to implementation of WRCP for the period 1994-95 to 1999-2000 were test checked in the offices of the Engineer in Chief, Irrigation Branch, two Superintending Engineers and 28 Executive Engineers (out of 82) during September 1999 to April 2000. In the divisions test checked, expenditure of Rs. 254 96 crore (out of Rs. 821 05 crore) i.e. 31 per cent was covered in audit. Important points noticed in audit are discussed in the succeeding paragraphs.

#### 4.1.4 Funding pattern

Out of the total Project cost of US \$ 483.4 million equivalent to Rs 1 858.25 crore Rs 975 crore (53 per cent) was to be borne by the IDA (according to prescribed percentage for each activity) and Rs 883.25 crore (47 per cent) (including establishment cost of Rs 496 crore) was to be borne by the Haryana Government

The credit was to be repaid by the State Government in semi annual instalment (at 1.25 per cent of credit upto March 2014 and at 2.5 per cent thereafter) commencing from September 2004 and to be completed by March 2029

The expenditure incurred on the Project is reimbursed according to the prescribed<sup>1</sup> percentage for each activity by the World Bank through GOI on the basis of reimbursement claims submitted by the EIC Irrigation Branch

#### 4.1.7 Rehabilitation of existing canals and drainage system

(i) The primary objective of the rehabilitation component was to invest in one time repair and rehabilitation of existing systems both canals and drainage and bring the systems back to acceptable performing standards

During 1994-2000 against budget provision of Rs 173.17 crore Rs 157.85 crore (91 per cent) were spent both for Western Yamuna Canal and Bhakra Canal Systems

The targets and achievements under this component during 1994-2000 were as under —

Western Yamuna Canal				Bhakra Canal		
Activity	Target	Achievement	Percentage of achievement	Target	Achievement	Percentage of achievement
<b>Canal Lining</b>				<b>(Sqm in lakh)</b>		
Main/Branch Canals	7.61	2.04	27	4.64	3.65	79
Distributaries	7.28	4.87	67	27.97	5.44	19
Minors	6.12	4.51	74	8.70	6.59	76
<b>Total</b>	<b>21.01</b>	<b>11.42</b>	<b>54</b>	<b>41.31</b>	<b>15.68</b>	<b>38</b>
<b>Bank Strengthening</b>				<b>(Cum in lakh)</b>		
Main/Branch Canals	55.87	19.09	34	26.54	8.34	31
Distributaries	26.67	15.02	56	49.49	21.34	43
Minors	25.98	17.89	69	43.16	31.93	74
<b>Total</b>	<b>108.52</b>	<b>52.00</b>	<b>48</b>	<b>119.19</b>	<b>61.61</b>	<b>52</b>

Lining of main/branch canals was intended to consolidate the water resources by reducing

the water seepage losses for enhancing water delivery to minors/distributaries. Shortfall of 73 per cent in lining work of main/branch canal under WYC system and 21 per cent under BC system was attributed by the Chief Engineer to non-availability of sufficient number/duration of closures of water flow in canals. The reply was not tenable as it was the responsibility of the department for arranging closures for sufficient duration during the lean period of irrigation between March to May every year.

The work of strengthening of bank of main/branch canals was intended to prevent breaches and increase their water carrying capacities. There was shortfall of 66 per cent in the achievement of targets under WYC and 69 per cent under BC system during 1994-2000. Due to shortfall in achievements, desired objectives of the project could not be achieved.

Physical achievements against control structures i.e. head regulators, bridges, ghats was 5.33 and 61 respectively under WYC whereas under BC systems it was 9.42 and 64 per cent respectively which was much less, which adversely affected the efficient and timely distribution/delivery of the irrigation supplies. The World Bank Mission also pointed out (December 1997) the reduced emphasis to structure maintenance. The department attributed (March 2000) the shortfall to taking up of works according to prevailing field conditions. Thus the department failed to prepare plans for execution of works according to field conditions.

In 28 divisions test checked 130 works involving an expenditure of Rs. 254.96 crore were checked and following irregularities were noticed under this component:

#### **Execution of works below specification**

Guidelines laid down by Ganga Flood Control Commission, Ministry of Water Resources provided that the embankment of rivers carrying flood water of more than 3000 cuses should be designed with 6 feet free board. Accordingly the Adviser, Irrigation Haryana (February 1997) also recommended the EIC, Irrigation Department to follow these guidelines.

Contrary to the guidelines, the CE approved (January 1997) the free board of 4 feet for the work of bank strengthening of embankment of Yamuna River (reach 213-285). The work was accordingly got executed during April to July 1997 and payment of Rs. 52.72 lakh was made to the contractor. This led to reducing the water carrying capacity of the river. The Chief Engineer admitted the failure (June 2000).

#### **(ii) Rehabilitation of Drainage System**

Drainage sub-component under WYC area was intended to increase the carrying capacities of drains in order to reduce the period of submergence of farmers' field under water which caused agricultural losses.

During 1994-2000, 459.76 lakh cum work of internal clearance of drains was targeted to be completed against which merely 121.94 lakh cum (27 per cent) was done.

Similarly, against the target of providing 186 cross drainage, 10 regulators, 523 bridges and 58 outfalls, actual achievement was only 36, 1, 194 and 4 respectively.

The CE, Co-ordination replied (March 2000) that physical achievements were low due to shortage of funds which was not tenable as there was no significant variation between the

annual budget provisions and the funds released by Government. As analysed in audit, the shortfall was attributable mainly to improper planning of the works and less importance given to masonry works.

**(a) Extra expenditure due to difference in rates**

After the floods of 1995, the silt clearance work of diversion drain 8 was got done in two packages (reaches 175-195 and 195-225) at a cost of Rs. 6.13 crore.

Tenders for both packages were opened on 25 April 1996. Although departmental through rate for the packages was Rs. 31.50 per cum, yet without recording any reasons, the SE recommended rates of Rs. 33.75 per cum for one reach and Rs. 39.00 per cum for another reach. The CE approved (May 1996) different rates for both the reaches for which tenders were invited on same date. The work being on same drain in adjoining reaches, different rates were not justified. The approved of higher rate resulted in extra expenditure of Rs. 45.41 lakh for 8.65 lakh cum work executed by the contractor.

**(b) Excess payment of machinery charges**

The field inspection note (July 1998) of the EIC Irrigation branch provide working capacity of Jaw cum bucket (JCB) as 60 cum per hour and that of poclain 200 cum per hour for deployment of these machines on hire basis.

During audit it was noticed that JCB and Poclain machine were deployed on hire basis for the work of internal silt clearance on 9 works and Rs. 39.98 lakh (Rs. 2.54 lakh for JCB and Rs. 37.44 lakh for Poclain) were paid. The machine executed 2,09,689 cum of work for which 1,116 working hours were required but payment was made for 2,355 hours. This resulted in excess payment of Rs. 20.73 lakh for 1,239 hours.

**(c) Excess use of force account 3 by splitting up of works**

Project Agreement and guidelines for procurement under WRCP provided for execution of small works, costing upto Rs. 3 lakh (revised to Rs. 4.25 lakh in January 1999) by the department under force account in cases where quantities of work could not be defined in advance and no contractor was willing to carry out the works etc.

In 12\* divisions test checked, it was revealed that in contravention of the above guidelines 226 works of raising and strengthening of river banks and channels, silt clearance, rehabilitation of channels etc. valuing Rs. 3.65 crore were got executed under force account through contractors and not departmentally as provided for in the Project. Scrutiny revealed that the cost of each work was more than the prescribed maximum limit yet the works were executed by splitting up the normal work by keeping the amount of each sub work within maximum limits.

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

**4.1.7 Rehabilitation of existing canals and drainage system**

It is admitted that progress during initial period was slow due to the reason explained above. In addition to reasons explained above, it is submitted that shortfall in lining was due to the fact that Central Water Commission while appraising the project decided that canal lining should not be done in sweet water zone. One of the main reason for shortfall was that the

demanding funds could not be released by the Government due to various constraints such as prohibition and Fifth Pay Commission

It is admitted that pace of work was slow in the beginning i.e. upto June 2000 but in the extended period the rehabilitation component cost is 124% of SAR estimate O & M cost is 106% of SAR estimate

#### **Execution of works below specification**

Admitted to the extent that Ganga flood control Commission had provided 6 free Board for river carrying more than 3 thousand cumecs discharge River Yamuna passes through Haryana Area in a total length of about 200 K M The Department had to provide 4 free Board in a length of embankment in the sanctioned estimate of about 22 K M because of the fact that remaining length of embankment i.e. 178 KMs was with free Board of 4 If the department had provided 6 free Board for 22 KMs length the water could have overtopped through out the remaining length of 178 KMs where the existing free Board was 4 only Keeping this fact in view it was not considered necessary to raise the free Board of 6 in an isolated portion of embankment of 22 KM (RD 213 85) Thus there is no lapse

It is submitted that the discharge mentioned should have been 3000 Cumecs It is further submitted that there has been no overflow in this reach for the last years

#### **4 1 7 (ii) Rehabilitation of Drainage system**

As per Staff Appraisal Report (SAR) the target for Internal Drainage Clearance work was 2279 Th cum against which the department has achieved 17798 Th cum i.e. 781% of the targetted provisions by the end of December 2001

Against the target of 240 cross Drainage works 11 Regulators 427 bridges and 58 outfalls achievement is 80 6 303 & 20 respectively

The Department had executed these works as per site condition and actual requirements

(a) The variation in rates cannot be ruled out for the similar works on different reaches Each tender is an independent exercise and can not be linked with another similar tender Moreover no negotiation of rates was allowed as per terms & conditions of Haryana Water Resources Consolidation Project Work was to be got executed before 30 6 96 Hence there was no time left for re tendering which was to be done with the approval of World Bank which was a time consuming job The then Chief Engineer being competent authority had approved the rates taking into account the site condition Thus there are no irregularities

In addition to above it is submitted that after devastating flood of 1995 Government had issued instructions that criminal cases will be registered against the officer who do not get the work completed in time i.e. up to 30 6 1996 The rates for different reaches vary because of different site condition

#### **4 1 7(b)–Excess payment of machinery charges**

The progress of machinery varies from work to work type of soil and lead involved and other site conditions The then Engineer in Chief had fixed the progress of 60 cum earthwork

per hour for JCB and 200 cum Earthwork for Poclain without considering the ground reality  
The actual progress so achieved on these works are as under —

S No	Name of work	Work Done in Cum	No of hour	Progress per hour	Type of machinery
1	Constg Bhainswal Sub Link Drain	5334	44	121 22	poclain
2	Inter clearance of Rindhana Drain From RD 3700 11500	7096	189	37 53	do
3	Inter clearance of Chhapra Drain from RD 34700 to 65500	42867	1200	35 72	do
4	do RD 29000	18974	258	73 40	do
5	Inter clearance of BSB RD 0 35000	111417	1725	64 63	do
6	Inter clearance of Dubheta Drain from RD 16000 25200	20333	269	75 50	do
7	Inter clearance of Isapur Kheri Drain RD 58500 79000	18485	167	111 35	do
8	Desilting of Gharwal Drain RD 0 3500	1512	40	38 28	J C B
9	Inter Clearance of Kohla Link Drain RD 0 1110	1802	62	29 03	do

From the above progress it would be seen that the progress of machines varied from the work to work and local site conditions. No fixed progress can be achieved from a particular machine. However, State Vigilance enquiry was conducted and action has been taken against officers involved in the execution of work.

**(c) Excess use of force account by splitting up of works**

In terms of Staff Appraisal Report of World Bank, the procurement of works could be made by International or local competitive bidding or force account. In terms of SAR works

under force account upto US\$ 49.2 Million (Rs. 155 Crores) could be executed. Value of Dollar at the start of project was Rs. 31.5 which got increased subsequently due to fall in value of Rupees. In emergent circumstances splitting of work estimate is required for early completion of the work. It is further submitted that this amount of Rs. 155 crores has not been allowed to be exceeded under force account.

The position of 226 No. works in 12 Divisions so executed under force account is explained as under —

In Water Services Divisions, namely Nehrana Water Services Division, Sirsa Ghaggar Water Services Division, Sirsa Water Services Division, Gohana and Water Services Division, Tohana, the works so executed under force account were small works and splitting up if any done is on the basis of site requirements being emergent nature of works.

In construction Division No. 2 & 3 Sirsa, No. 4 Fatehabad, No. 6 Hisar & No. 8 Tohana, the actual expenditure in both Construction Sirsa and Hisar works was Rs. 642.159 lacs, whereas the works executed under force account in both these circles only Rs. 8.149 lacs, i.e. 1.27% of the total expenditure. As such the expenditure on works under force account is well within the prescribed limit of 10% as given in Staff Appraisal Report (SAR).

In construction Division No. 32 Bahadurgarh, the Division had executed works amounting to Rs. 9.58 crores and the expenditure under force account is Rs. 1.28 crore, which is slightly higher than the prescribed limit. In Construction Circle Gurgaon, the total expenditure has been booked to Rs. 31.31 crores and Rs. 1.28 crores had been incurred under force account, which is about 4% of the total expenditure. Thus, the works executed under force account are well within the prescribed limit fixed under SAR if taken by the Department as a whole.

During the course of oral examination, the departmental representatives informed the Committee that charges against the officials have been dropped by the enquiry officer. The Committee is not satisfied with the reply of the department. The Committee desired that the main file concerning the enquiry conducted by the State Vigilance Bureau and follow up action taken thereafter in the matter in respect of para 4.1.7 (b) 'Excess payment of machinery charges' be placed before the sub-committee (B) of Public Accounts Committee for its perusal. But the department failed to submit the enquiry file to the sub-committee. The Committee viewed it seriously and recommends that the file be shown to the Committee along with the action taken against the erring officials within three months.

#### [75] 4.1.8 Modernisation

The objective of modernisation component was to restrict the rise of sub-soil water level by reducing water seepage losses and controlling salinity through lining of canals, distributaries, minors and strengthening of selected canal masonry structures leading to substantial water savings and better control of water delivery.



(i) The physical targets and achievements during 1994-2000 under canal lining was as under —

Activity	Western Yamuna Canal			Bhakra Canal		
	Targets	Achievements	Percentage Achievement	Targets	Achievements	Percentage Achievement
<b>Lining of</b>	<b>(Sft in lakhs)</b>					
Main/Branch Canals	128.08	32.94	26	240.53	03.85	2
Distributaries	98.85	73.96	75	224.27	75.60	34
Minors	40.13	21.02	52	22.81	24.34	107
<b>Total</b>	<b>267.06</b>	<b>127.92</b>	<b>48</b>	<b>487.61</b>	<b>103.79</b>	<b>21</b>

As indicated in the table above, there was huge shortfall in lining works of main/branch canal. Shortfall of 74 per cent in lining of main/branch canals under WYC and 98 per cent under BC, which were to deliver water to minor/distributaries, was alarming. Physical performance under this component was much less as compared to financial performance. Thus, the intended benefit of controlling rise of sub-soil water in the areas around the canals and generating additional water by reducing seepage losses were not achieved. The Chief Engineer stated (June 2000) that low achievement of physical targets were due to non-obtaining of sufficient duration/number of closure for water discharge in the canals from the State Government.

### (ii) Structures

Progress under various types of structures like regulators, falls, bridges, ghats, outlets targeted to be remodelled and strengthened under both canal systems during 1994-2000 was low and ranged between 16 and 44 per cent.

Shortfall resulted in non-achievement of intended purpose of proper water regulation at various control points at canals, distributaries and minors.

### (iii) Water seepage losses

The project aimed at generating additional surface water by 953 million M<sup>3</sup> by reducing water seepage losses through lining of canals, distributaries, minors, sub-minors over an area 762.05 lakh sft and lining of 1,500 WCs (WYC 550 and BC 950) in a length of 6,858 km.

However, as intimated (June 2000) by the EIC Office, water seepage losses to the extent of 428 million M<sup>3</sup> were reduced after completion of lining works of canals and water courses. Shortfall in water seepage losses of 525 million M<sup>3</sup> of water thus resulted in depriving the farmers of the intended benefit of irrigation over an increased area.

The department informed (June 2000) that balance targets of lining will be achieved if the extension of the project was approved.

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

#### **4 1 8 Modernisation**

It is a fact that the objective of modernisation component was to restrict the rise of sub soil water level by reducing water seepage losses and controlling salinity by lining of canals Distributaries minors and strengthening of selected canals masonry structures leading to substantial water savings and better control of water delivery Modernisation component covered the following —

- (i) Modernisation of canal system
- (ii) Modernisation of water courses
- (iii) Construction of Hathnikund Barrage and link channels

To ensure above objectives all the canals distributaries and minors in saline area were lined Some of the minors/distributaries which were not included were also lined to achieve the above said objectives

Main Branch/Canals such as Sirsa Branch Ottu Feeder Hansi Branch etc fall in sweet water zone In terms of restrictions imposed by CWC Lining was not to be done in channels falling in sweet zone Accordingly there was less progress on Main/Branch canals

Jhajjar Sub Branch falling in saline water zone was lined However against a targeted progress of 75 70 lacs sq feet the purpose was achieved by lining just 22 lacs sq ft because area of Jhajjar Sub Branch D/S RD 62000 was transferred on JLN Feeder

In case of distributaries Ballabgarh disty could not be lined as it falls under sweet water zone Rewari Khera minor falls in saline zone could not be lined and disciplinary action is being taken against the delinquents

In view of above facts achievements in attaining above said object in respect of lining of main branch distributaries was fully achieved

#### **Bhakra Canal System**

As per detail of para of A G (Audit) Haryana total area proposed to be lined under Bhakra Canal system works out to be 224 10 lacs sft

Work on Barwala branch was under progress at the time of A G inspection which was completed in Saline zone to the extent shown in A G Para Similarly work of Pabra Sub Branch was completed as per provision Work of Ratia Sub Branch and Ottu Feeder was not done due to sweet water zone Hence there is no shortfall

In case of distributaries lining of Kaithal Disty & Saraswati Disty could not be done as these fall in sweet water zone Lining of Kewal disty and Fagu disty could not be done as these are falling in Punjab area Hence there is practically no shortfall

Progress under water courses modernisation is to the extent of 96% because 1434 water courses out of provision of 1500 water courses were completed by December 2001 HKB and link channel have been completed

It is admitted that the progress in the beginning was slow but it picked up subsequently after June 2000 i.e. in the extended period of project

## Structures

It is admitted that there was shortfall in rehabilitation of structures upto the time of audit inspection. However 4363 structures out of 7573 structures were rehabilitated upto December 2001. After completion of project there was not a single canal which was suffering on account of proper water regulation as pointed out in the para

Originally the project was intended to be implemented over 6 years and to bring about an increase in surface water supplies of 953 MM<sup>3</sup> on account of modernization of conveyance system i.e. by lining of canal/water courses etc. It was also to increase the irrigated area by 1.56 lac hectares. This appraisal was done by the World Bank in March 1994. However the Project was subsequently appraised by the Central Water Commission in December 1994 when it was decided that canal lining should not be done in sweet zone. This altered the figures for increase in irrigated area to 1.13 lac hectares. Against this altered target additional area brought under irrigation was 1.0765 lac hectares which is 95% of the revised target.

**During the course of oral examination the department informed the Committee that targets of modernisation of components have been achieved in remodelling and strengthening of structures but the Committee is not satisfied with the department's version as the Committee has observed that the work has not been executed in accordance with the targets fixed in this regard.**

**Therefore, the Committee recommends that reasons of not executing the work in accordance to the targets be supplied and further desired to know that who ordered to work according to actual survey inspite of fixed targets. Responsibility needs to be fixed after examining this case in details.**

### *[76] 4.1.11 Unauthorised excess execution of work in post tender stage*

As laid down in PWD Code the quantities of item of work provided in Bid of Quantities (BOQ) appended with the DNIT should not exceed or decrease by more than 5 per cent. If the variation is more than the permissible limit it should be got regularised with the sanction of the competent authority by explaining/justifying such increase.

In 14 divisions it was noticed that 16 works (rehabilitation of distributaries, drains, falls, feeders, minors, HKB, restoration and construction of cross regulators, replacement of Pathrala dam and repair of damaged lining of augmentation canal) were got executed where the variation between the quantities actually executed and that provided in Detailed Notice Inviting Tenders (DNIT) ranged between 6 per cent and 5184 per cent. The department paid Rs. 32.75 crore for execution of these works in excess of the permissible limits without approval of the competent authority viz. the CE/SE concerned. The increase in the quantities was mainly due to inadequate site survey, non-approval of drawing/design in time and revision of design during execution.

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

4 1 11

A G (Audit) Haryana has provided a list of 14 works but in the para 16 works have been mentioned

During course of inspection by World Bank some changes were suggested by the inspecting Team which were not provided while framing the estimate. Some changes were suggested at the time of inspection by the World Bank Team. These changes were to be subsequently got regularised by getting revised estimates of these works sanctioned from Competent authority. Out of 14 works highlighted revised estimates of 8 works have been sanctioned by the competent authority list of which is annexed as Statement II Revised estimate of one work i.e. E/W & S/L/BL of Sukh Chain Disty RD 152 55 155 158 and 158 to 161 is not required to be sanctioned as the work has been executed within sanctioned estimate

The following revised estimates have not yet been sanctioned by the competent authority —

- (1) *Rehalitation of Try Drain No 1 RD o to 71500 I/C & repair of 6 No bridges*
- (2) *Rehabilitation of New Sancha Khera Minor*
- (3) *Constq HKB and its Appurtenants*
- (4) *Constq HKB WJC Link Channel and works Appurtenants*
- (5) *Replacement of Pathrala Dam (Barrage at Dadupur*

**During the course of oral examination, the deparment stated that this error occurred at the calculation stage of estimates. The Committee is not satisfised with the reply given by the deparment as qualified Engineers are doing these calculations. The Committee recommends that deparment should not work in a negligent way and responsibility be fixed for the lapse and decision taken in this regard be intimated to the Committee**

[77] 4 1 12 *Hathnikund Barrage*

The Project envisaged replacement of Tajewala Head Works (which serves 66 per cent of state s irrigated area) by constructing a new Barrage across the Yamuna river at Hathnikund about 3 km upstream of Tajewala Head Works at an initial estimated cost of Rs 138 33 crore

The work of construction of Hathnikund Barrage (HKB) and its appurtenant works was allotted (September 1996) to Hindustan Construction Limited Mumbai. Except appurtenant works (landscaping other related works etc) the works of barrage construction was completed in June 1999 at a cost of Rs 208 19 crore. Following irregularities were noticed

(a) The water delivery from HKB to Yamuna Canal system was to be linked through WYC link channel to be constructed over a length 3 890 59 metre at a cost of Rs 35 crore against which Rs 20 98 crore were spent (May 2000). However the works of the link channels were started late i.e. January 1999 which was not completed (March 2000). Water delivery from Yamuna river through link channel therefore could not be started. The Executive Engineer attributed (July 2000) the late start of work to delay in identification of wildlife sanctuary of Kaleshar forest range for which approval by GOI was given in February 1999

*(b) Avoidable extra expenditure*

The agreement for the work construction of HVB and its appurtenant works provided that when the quantities executed varied by more than 25 per cent and its effect was more than 2 per cent of the agreement amount (Rs 167.44 crore) the rates were to be revalued. On the basis of assessment made on the volume of work instead of drawings the division included for steel item of work quantities as 17,006 mt in the agreement. However on completion of the work only 7,793.397 mt of steel was used. Variation in quantities being more than 25 per cent the rates were revalued and revised upward by the department to Rs 22,609.65 per mt against agreement of Rs 20,610 per mt leading to extra expenditure of Rs 1.56 crore.

The EE in reply (July 2000) stated that quantity of steel was assessed on percentage basis of volume of work as per prevailing practice instead of on the basis of specification drawings. From the reply it was clear that the method adopted was incorrect. Government ought to look into the prevailing practice and direct the department to end this.

*(d) Delay in furnishing drawings resulted in additional liability*

The agreement for the work Hathnikund Barrage provided that whenever planning or execution of work was likely to be delayed or disrupted the contractor would apply to the Engineer for extension of time by giving reasons for delay. The work of first milestone was due to be completed by September 1997 but was delayed to non supply of drawings etc. by the division. The contractor therefore applied for extension of 6 months against which the SE allowed (May 1998) extension for 4 months i.e. upto January 1998.

The contractor submitted (September 1999) claim for Rs 16.14 crore (reduced to Rs 13.13 crore) on account of ownership cost of equipment for the extended period of 4 months to the Dispute Review Board which awarded (12 September 2000) compensation of Rs 2.43 crore plus interest at 12 per cent per annum from 10 March 2000 to the date of payment (which was not yet made). The delay in supply of drawings by the department resulted in additional liability to Government. The Executive Engineer replied (September 2000) that drawings were to be supplied by the Central Water Commission (CWC) New Delhi and hence the delays.

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

- (a) A new HKB Project was constructed to replace the century old Tajewala Head works which had become outdated. The Barrage has been dedicated to the State of Haryana on July 9, 1999 more than 3 months ahead of the schedule date of completion i.e. 23rd Sept. 1999.

As already stated that the Project envisaged the replacement of Tajewala Head works (which serves 66% of State's irrigated area) by constructing a new Barrage i.e. Hathnikund Barrage. The water delivery through Tajewala Head works continued uninterrupted till the diversion of water from HKB through WJC link channel. Delay in starting construction of WYC Link Channel was on account of delay in receipt of forest clearance and clearance from the Wild Life Board of India in respect of the wildlife sanctuary.

However the functioning of HKB did not depend on completion of WJC links channel only. It in fact depended on completion of WYC Hydel channel constructed by HPGC Ltd. In any case it did not have material effect in its absence.

Tajewala Barrage continued to remain functional and there was no impact on Haryana's utilisation of Yamuna waters

- (b) Contents of the para are admitted. There is no prevalent practice to provide steel reinforcement @ 1.75% of the volume of Concrete. In specification drawings itself it is stated that in the wearing coat concrete M 25 with nominal reinforcement is to be provided and as per I S Code 456 for RCC work % of nominal reinforcement is provided @ 0.30%. The contract document favours the department in those cases where there is an increase in quantity during execution. So the provision of steel should not have been made more than @ 1% of the volume of RCC other than wearing coat. Action against the dealing officers is being initiated.
- (d) In fact drawings should have been got finalised before signing of Contract agreement. Since cost involved was huge and it was an inter state issue an MOU was signed on 2nd May 1994 for sharing of Yamuna waters between different States. Further as per the agreement signed in 9/1994 between the participatory State the construction drawings for this project were to be supplied by Central Water Commission Govt. of India. The Department had been pursuing with the Central Water Commission for issuing construction drawings timely so that the project is completed within the time schedule. Central Water Commission had also intimated that it is short of manpower in the Directorate and was also handling other projects and not HKB exclusively. However despite some delay in issue of construction drawings by the Central Water Commission yet the project had been completed 3 months ahead from its scheduled date. In respect of this delay in the intervening milestone Contractor has raised a claim and this dispute is still sub judice before the Arbitral Tribunal as the Department had challenged the recommendation of Dispute Review Board in favour of the Contractor.

#### 4.1.12 (a)

During the course of oral examination the department informed the Committee that estimate was prepared for the construction of the barrage and the actual rates were higher than what was estimated. The Committee was not satisfied with the reply of department as there is Rs. 70 crore difference between the original cost and the initial estimated cost. The Committee recommends that the department should supply the list of works where increase has happened. It also wanted to know the components which were not included in the estimated costs earlier. The report be submitted to Committee within three months.

#### 4.1.12 (b)

During the course of oral examination the department stated that action has been initiated against the erring officials. The Committee is not satisfied with the department reply as the case came to notice in 1999-2000 and even after lapse of considerable time action has not been finalised against the defaulting officials. Therefore the Committee recommends that responsibility should be fixed within a fixed span of time against the officials who committed irregularities and the Committee

be informed about the action taken in this regard within three months

4 1 12 (d)

During the course of oral examination the department informed the Committee that decision of the Arbitral Tribunal is still awaited

The Committee recommends that department should pursue the matter and the final decision of the Arbitral Tribunal be intimated to the Committee

[78] 4 3 *Avoidable expenditure due to incorrect sanction of estimates*

Non utilisation of earth available in cutting reaches towards filling of same channels resulted in extra expenditure of Rs 42 66 lakh

Specification No 6 2 (8) of PWD specification 1990 provides that when there are both cutting and embankment (filling) the spoil from the cutting shall as far as economical be utilised for the filling

During audit of 4 divisions\* in Bhiwani district (July to October 1999) it was noticed that while execution of the work (January 1997 to June 1999) on 25 channels for their extensions/new constructions involving 35 agreements/work orders the prescribed procedure to utilise earth as laid down in the PWD specifications No 6 2 (8) was not followed

The earthwork in all these channels was in the nature of cutting and filling but the earth available on spoils (cutting) was not utilised in adjoining filling reaches. The disposal of earth in cutting was shown separately and earth for filling was reportedly brought separately. Payments of Rs 55 23 lakh were made to the contractors for earth shown to have been brought for filling which otherwise was available from cuttings of spoils in adjoining reaches. Against this the expenditure would have been Rs 12 57 lakh only had the available earth from cutting been utilised in filling. As the contractors for filling as well as cutting reaches were the same and in the absence of any proof of rejecting the cut earth compensation paid for fresh earth on its carriage etc. to show the earth brought from other sources the possibility of using the same earth from cuttings for fillings cannot be ruled out.

The (EIC) admitted (July 2000) the use of earth from spoils (cutting) in filling where compaction was not required. However he stated that in filling reaches where compaction is required it is done after 25 centimetre layers to attain proper bonding and to achieve desired dry bulk density (DBD) before laying subsequent layer by adopting continuous process. This poses problem of stopping the job of execution if the credit of soil from cutting is afforded to filling reaches.

The reply was not tenable as in the specifications no distinction has been made for cases requiring compaction or otherwise. As the work was not to be executed in one go the same could have been planned in suitable portions for continuous and smooth working for achieving required DBD after compaction.

It was also noticed that in the same circle the work on 2 channels (i) Nawa Garhpura Minor RD 0 to 19250 and (ii) Daryapur Minor RD 0 to 15000 where all these operations were involved credit of earth for filling was afforded. The EIC stated (July 2000) that the credit of earth available in cutting was afforded in filling on experimental basis and as the works were got executed on agreemental basis it was mandatory for contractors to complete them. He further

stated that there were problems in execution and also the credit of earth in cutting to filling may to result in quoting the higher rates for future works. The reply was not tenable as the extent of difficulties in execution and affecting the tendered rates were presumption and were not based on facts.

Thus irregular sanction of 25 estimates by the SE (3)/CE (19)/EIC (3) for not utilizing the earth available from the cutting of spoils for use in the filling of adjoining reaches resulted in avoidable extra expenditure of Rs 42.66 lakh.

This was brought to the notice of the Government in August 1999 but their reply was awaited (August 2000).

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

Departmental reply could not be given due to non receipt of complete reply from the field offices.

Specification No. 6.2 (8) of PWD specification 1990 provides that when there are both cutting and embankment (filling) the spoil from the cutting shall as far as economical be utilised for the filling.

During audit of 4 divisions Bhiwani district (July to October 1999) it was noticed that while execution of the work (January 1997 to June 1999) on 25 channels for their extension/new construction involving 35 agreements/work orders the prescribed procedure to utilise earth as laid down in the PWD specifications No. 6.2 (8) was not followed.

The earthwork in all these channels was in the nature of cutting and filling but the earth available on spoils (cutting) was not utilised in adjoining filling reaches. The disposal of earth in cutting was shown separately & earth for filling was reportedly brought separately. Payments of Rs 55.23 lakh were made to the contractors for earth shown to have been brought for filling which otherwise was available from cuttings of spoils in adjoining reaches. Against this the expenditure would have been Rs 12.57 lakh only had the available.

The observations made by the party are not correct so far it relates to the Divisions of Bhiwani District. Hence reply is given as under —

It is stated that the texture of the soil is purely sandy in cutting reaches and it has nil or negligible cohesiveness. All the cutting reaches in all channels are of sandy dunes. The earth from cutting is not at all suitable for filling reaches due to its sandy texture. If it is utilised in filling reaches it will blow up after construction leaving the lining hanging in air which could be damaged subsequently. Besides the process of carriage of earth from cutting reaches to filling reaches would have involved extra consumption/involvement of labour and additional time on the part of contractor resulting in overall excess in tender rates for the works which would have naturalised the costs maximum instant. The difference in rates worked out by A.G. Haryana is paid extra.

The point of economy in filling reaches is not correct in construction of Canals where compaction is involved. Further Irrigation channels were not in existence or



constructed in undulating area as the case of District Bhiwani when the PWD specifications were framed. In the sandy area it is not possible to economically utilise cutting earth in filling reaches. The earth available in cutting reaches of all channels is of sandy nature which is non cohesive and is not desirable/suitable for construction of channels in filling reaches.

In view of above explained facts of undulating terrain where these channels have been constructed the execution as per above para 6 2 (8) of PWD specifications can not be applied and hence the para may kindly be dropped.

During the course of oral examination the department admitted the facts of the para informed the Committee that recovery tantamounts to Rs 18 65 lakh and not Rs 42 66 lakh as stated in Audit para. The Committee desired that this variation in amount of recovery be sorted out with A G (Audit). The Committee recommends that all aspects of this case be examined and responsibility be fixed on the erring officials who have approved the estimates and recovery be effected within two months under intimation to the Committee.

*[79] 4 4 Unfruitful expenditure on extension of existing channel*

By not raising upper reaches of original channel expenditure of Rs 55 21 lakh incurred in Bhiwani district became unfruitful.

With a view to increase the irrigation potential the project for extension of Mahu Distributary from RD 38000 to 44000 and 44000 to 47500 and Dhanger Minor from RD 16000 to 26000 were approved by the State Government in September 1986 May 1987 and April 1987 for Rs 8 60 lakh Rs 10 76 lakh and Rs 16 88 lakh respectively. The work started in 1986 and 1987 were stopped and left incomplete after Rs 4 95 lakh and Rs 4 64 lakh were spent respectively due to shortage of funds. Thereafter during 1996 the left over works were included in Rural Infrastructural Development Fund (RIDF) II project financed by NABARD when it was found that the work already executed were damaged. The repair and balance works were completed during March 1997 to May 1998 at an expenditure of Rs 45 62 lakh.

During audit (May to July 1999) of Siwani Water Services Division Bhiwani it was noticed that the upper reaches of the channel were not raised to accommodate the additional discharge of water required for extended portion as a result of which water never reached in the extended portions of these channels and thus the very purpose of extension of the existing channels was defeated. The Engineer in Chief Irrigation Department stated (November 1999) that the raising could not be done because it was not included in the original estimates sanctioned during 1986 87. The reasons for no inclusion of the raising work in the estimates was not on record.

Separate project estimates for raising of these feeder channels had been included in RIDF V project approved (June 1999) by NABARD but the construction was yet to be taken up. Further another project of Rs 6 crore had been reportedly sanctioned for the replacement of the old and outlived pumps of Siwani System. As per the department after implementation of this work the availability of water for the entire system will improve and there will be no shortage of water. However the period of its implementation was not informed to audit and therefore this possibility is uncertain.

Thus the funds spent for additional water release in the distributary totalling Rs 55.21 lakh was rendered unfruitful due to department's negligence in the preparation of estimates (omission of the item raising of the channel) and damage to the works due to passage of time.

The matter was referred to Government in April 2000. Their reply had not been received (August 2000).

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

Departmental reply could not be given due to non receipt of complete reply from the field offices.

With a view to increase the Irrigation potential the project for extension of Mahu Distributary from RD 38000 to 44000 and 44000 to 47500 and Dhanger Minor from RD 16000 to 26000 were approved by the State Government in September 1986, May 1987 and April 1987 for Rs 8.60 lakh, Rs 10.76 lakh and Rs 16.88 lakh respectively. The work started in 1986 and 1987 were stopped and left incomplete after Rs 4.95 lakh and Rs 4.64 lakh were spent respectively due to shortage of funds. Thereafter during 1996 the left over works were included in Rural Infrastructural Development Fund (RIDF) II Project financed by NABARD when it was found that the work already executed were damaged. The repair and balance works were completed during March 1997 to May 1998 at an expenditure of Rs 45.62 lakh.

During audit (May to July 1999) of Siwani Water Services Division, Bhiwani it was noticed that the upper reaches of the channel were not raised to accommodate the additional discharge of Water required for extended portion as a result of which water never reached in the extended portions of these channels and thus the very purpose of extension of the existing channels was defeated. The Engineer in Chief Irrigation Department stated (November 1999) that the raising could not be done because it was not included in the original estimates sanctioned during 1986-87. The reasons for non inclusion of the raising work in the estimates was not on record.

Separate project estimates for raising of these feeder channels had been included in RIDF Project approved (June 1999) by NABARD but the construction was yet to be taken up. Further another project of Rs 6 crore had been reportedly sanctioned for the replacement of the old and outlived pumps of Siwani System. As per the department after implementation of this work the availability of water for the entire system will improve and there will be no shortage of water. However the period of its implementation was not informed to audit and therefore this possibility is uncertain.

Thus the funds spent for additional water release in the distributary totalling Rs 55.21 lakh was rendered unfruitful due to department's negligence in the preparation of estimates (omission of the item raising of the channel) and damage to the works due to passage of time.

The matter was referred to Government in April 2000. Their reply had not been received (August 2000).

The observation of the Audit party that the channel has been constructed but not fed with Canal Water is correct. This is due to the reason that the revised designed

discharge is not being lifted at the pump Houses on Jui and Nigana Canal System from which this channel off takes as the efficiency of old and outlived pumps had been reduced considerably due to continuous wear and tear. In addition to this another reason for not feeding of the extended length of both these channels is due to the fact that raising of parent channels upstream the old tails is yet to be carried out for carrying the additional discharge of extended length of both these channels.

To overcome this situation a project estimate for raising of Mahu Disty from RD 0 38000 off taking at RD 16500 L Nigana Canal amounting to Rs 53.69 lacs and Danger Minor amounting to Rs 18.69 lacs has already been approved on dated 8.9.99. Further separate project estimate for increasing capacity of pumps/ houses 1-7 of Jui Canal System amounting to Rs 99.69 lacs and that of Nigana Canal System pump house 1 and 2 amounting to Rs 108.96 lacs had already been sanctioned by Govt. on dated 27.5.99.

Further more this scheme was prepared keeping in view of the allocation of surplus Ravi Beas water to Haryana. As and when these water become available this will further help the situation in carrying the authorised discharge into the channels.

On completion of project of increasing capacity of pumps of Jui Canal and Nigana Canal system in addition to raising of Mahu and Dhanger Disty in the initial length there will be no shortages of water and all the beneficiaries shall start getting their authorised share. Therefore the parameter envisaged while framing the project estimates of extension of Mahu Disty RD 38000 to 44000 and 44000 to 47590 and Danger Minor from RD 16000 to 26000 shall be achieved.

In view of above position no unfruitful expenditure on extension of existing channels has been incurred. Hence the para may kindly be dropped.

**During the course of oral examination the departmental representatives informed the Committee that it is correct that water was not reaching upto the tail at that time due to non available of water. The Committee is of the view that departmental Engineers should have brought out the clear picture about the availability of water before incurring expenditure on extension of existing channel and it is a departmental lapse. The Committee recommends that responsibility be fixed for the lapses and Committee be informed of the action taken within three months.**

## PUBLIC HEALTH BRANCH

[80] 4.8 *Non responsiveness to Audit findings and observations resulting in erosion of accountability*

Accountant General (Audit) (A G ) arranges to conduct periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection are not settled on the spot, these IRs are issued to the Heads of Offices inspected with a copy to the next higher authorities. The Rules/Orders of Government provide for prompt response by the executive to the IRs issued by the AG to ensure corrective action in compliance of the prescribed rules and procedures and accountability for the deficiencies lapses etc. noticed during his inspection. The Heads of offices and next higher authorities are required to comply with the observations contained in IRs and rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half yearly report of pending inspection reports is sent to the Secretary of the Department in respect of pending IRs to facilitate monitoring of the audit observations in the pending IRs.

Inspection Reports issued upto March 2000 pertaining to 43 divisions of Public Health Department disclosed that 784 paragraphs relating to 304 IRs remained outstanding at the end of June 2000. Of these 58 IRs containing 72 paragraphs had not been settled for more than 10 years. Year wise position of the outstanding 304 IRs and 784 paragraphs are detailed in the Appendix XXXI.

Out of these IRs in respect of 36 division for 36 IRs issued between April 1999 and January 2000, even the initial replies which were required to be received from the Head of offices within six weeks from the date of issue were not received. As a result the following serious irregularities commented upon in these IRs had not been settled as of June 2000.

Sr No	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
1	Loss due to theft misappropriation and embezzlement	33	0.39
2	Recoverable amounts from contractor/agencies on account of excess payments issue of material cost of work done at their risk and cost and non recovery of income tax sales tax and liquidated charges	103	5.69
3	Recoverable amounts on account of shortages/ excess payments from Government officials	20	0.42
4	Non observance of rules relating to custody and handling of cash reconciliation of withdrawal from treasuries maintenance of cash books and irregular utilisation of departmental receipt and non observations of codal provisions	89	0.89

Sr No	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
5	Extra and avoidable expenditure excess expenditure incurred on deposit works non reimbursement of funds liabilities of Government irregular unauthorised and infructuous expenditure	342	130 89
6	Irregular/injudicious purchases	25	1 38
7	Undue financial aid to contractors	6	0 89
8	Execution of sub standard works	14	2 61
9	Blocking of funds	24	4 16
10	Non accounting/short receipts of material	45	4 21
11	Non preparation of tools and plant (T&P) returns non closing of manufacturing accounts and under utilisation of machinery	29	7 76
12	Unsanctioned estimates and loss of measurement books	54	33 32
<b>Total</b>		<b>784</b>	<b>192 61</b>

Analysis of the pending paragraphs of the Inspection Reports revealed the following

(i) In 19 division 33 Paragraphs involving Rs 39 12 lakh relate to losses due to theft (19 paragraphs Rs 21 55 lakh) pilferage/ misappropriation of stores etc (13 paragraphs Rs 17 24 lakh) and embezzlement (one paragraph Rs 33 thousand) These were outstanding since 1979 2000 in absence of final action by the departmental officers

In 4 cases Rs 13 90 lakh were placed in Miscellaneous Public Works Advances but action to recover the amounts were awaited (June 2000) In 8 cases (Rs 15 99 lakh) the matter was under investigation by the department and in remaining 21 cases (Rs 9 23 lakh) the matter was stated to be under correspondence at various stages within the department

(ii) Twenty paragraphs (Sr No 3) related to shortage of material and excess payment etc of Rs 42 lakh which were recoverable from 54 officers/officials In 28 cases involving Rs 8 thousand were outstanding for more than 10 years Details of amount recoverable from various categories of officers/officials were as under

Sr No	Name of officers/officials	Number of officers/officials (crore)	Amount (Rupees in officials)	Period for which outstanding
1	Executive Engineers	3	0 02	Between October 1972 and March 1985

Sr No	Name of officers/ officials	Number of officers' officials	Amount (Rupees in crore)	Period for which outstanding
2	Sub Divisional Engineers	8	0 06	Between August 1971 and March 1985
3	Junior Engineers	36	0 33	Between August 1971 and April 1998
4	Others	7	0 01	Between January 1978 to March 1999
<b>Total</b>		<b>54</b>	<b>0 42</b>	

These amounts were routinely included in the Miscellaneous Public Works Advances shown against the concerned officials but no action was taken to recover them. As a result possibility of permanent loss of large amounts of funds cannot be ruled out.

Further 784 paragraphs in 304 IRs pertaining to 1977-2000 were outstanding for want of comments from Head of the Department (31 paragraphs) and proper reply from divisional officers (753 paragraphs). This showed that even at the higher level of Government response to serious matters brought out in audit is poor.

A Review of other pending IRs revealed that Heads of Offices of Public Health Department whose records were inspected in audit and the Superintending Engineers failed to discharge due responsibility by not replying to a large number of IRs/paragraphs and initiating action in regard to the defects, omissions and irregularities pointed out in audit. The Commissioner and Secretary to Government of Haryana, Public Health Department, who was informed of the position through half yearly reports, also did not ensure that the concerned officers of the department take prompt and timely action in respect of the financial and other irregularities pointed out in audit.

The above inaction against the defaulting officers facilitated the continuation of serious financial irregularities and loss to Government though these were pointed out in audit.

With a view to settle the audit objections by holding meetings with the departmental officers at circle level a special review party was formed. As a result of meeting held at 4\* stations (between January 1999 to February 1999) 144 paragraphs involving Rs. 24.68 crore were settled.

The matter was referred to Government in May 2000. Their reply had not been received (August 2000).

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

In order to solve the problem of pending outstanding paras of Inspection reports and other issues such as PW Misc Advance, CSSA, O.B. items and misappropriation and defalcation etc. a meeting was held between Engineer in Chief, Public Health and Sh. V.K. Sareen, Deputy Accountant General (Works), Haryana on 7.6.2001. It was decided in the meeting that in future the Audit Committee meetings will be held at

circle level to discuss and settle the outstanding paras cases of PW Misc advance CSSA and cases of misappropriation & defalcation etc Accordingly a time bound schedule was framed as under to hold such meetings

	Name of Public Health Circle	Month and date
1	Ambala	July 10 11 & 12
2	Kamal	July 25 26 & 27
3	Sonapat	August 8 9 & 10
4	Bhiwani	August 22 23 & 24
5	Hisar	September 11 12 & 13
6	Rohtak	September 26 27 & 28

Instructions also been issued to the concer Superintending Engineers vide Engineer in Chief Haryana Public Health Branch Panchkula Memo No 882 87 Ph/AC(3) dated 15 6 2001 for settlement of outstanding paras and other related issues The progress achieved in the Audit Committee meetings will be reviewed at Head Office level for further action

During the course of oral examination the department informed the Committee that 784 paras pertaining to years 1977 2000 were outstanding The Committee viewed it seriously and wanted to know that what action has been taken against the erring officials involved in the paras pending for the last 10 years The Committee further desired to know why the reply is not furnished to AG within a stipulated time as fixed under the rules The Committee also desired to know the position of unsettled paras and details of cases pending in courts and arbitrations alongwith details of cases under stay in courts The Committee observed that no specific reasons have been given by the department for effecting the recovery from defaulting officials and recommends that proper and effective procedure be adopted with specific time frame for settling of these paras and Committee be informed accordingly

## PRINTING AND STATIONERY DEPARTMENT

### [81] 5 1 1 Introduction

The Printing and Stationery (P&S) Department is a service department responsible for the printing distribution and sale of Government Publications Gazette notifications and Text Books etc

The department is headed by the Controller Printing and Stationery There are three Government presses in the State located at Chandigarh Karnal and Panchkula Nationalised Text Books (NTB) scheme cell Panchkula and 21 Text Books Sales Depots

Details of budget provisions and expenditure on printing and purchase of paper etc for 1995 2000 were as under

Year	Budget Provision			Expenditure			
	2058 Printing & Stationery	2202 General Education	Total Budge Provision	2058 Printing & Stationery	2202 General Education	Total Expendi ture	Excess (+) Saving ( )
(Rupees in crore)							
1995 96	4 55	10 54	15 09	4 55	10 80	15 35	(+) 0 26
1996 97	3 27	8 77	12 04	3 27	8 77	12 04	
1997 98	3 55	7 52	11 07	2 58	3 72	6 30	( ) 4 77
1998 99	2 90	10 83	13 73	2 82	7 38	10 20	( ) 3 53
1999 2000	2 90	9 13	12 03	1 89	6 79	8 68	( ) 3 35
<b>Total</b>	<b>17 17</b>	<b>46 79</b>	<b>63 96</b>	<b>15 11</b>	<b>37 46</b>	<b>52 57</b>	<b>( ) 11 39</b>

Scrutiny revealed Rs 4 77 crore Rs 3 53 crore and Rs 3 35 crore of budget provision during 1997 98 1998 99 and 1999 2000 respectively were not spent as the suppliers bills were not paid due to non receipt of clearance from Finance Department In 1999 2000 economy measures were imposed by Government and paper was purchased less by the department in view of existing stock

### 5 1 2 Audit coverage

Records relating to purchase custody issue and management of stores and stock in the department for 1995 2000 and of two Text Books Sales Depots (Kurukshetra and Rewari) were test checked in audit during December 1999 to February 2000 All major cases of purchases (more than Rs 5 lakh each) amounting to Rs 14 crore were examined Irregularities noticed in audit are mentioned in the succeeding paragraphs



### 5 1 3 Store Accounts

All the departments are to furnish store accounts (in duplicate) by 15 May each year in respect of stores of value of Rs 5 lakh or more purchased in a year to the Accountant General. Though the P&S Department purchased stores exceeding Rs 5 lakh every year they did not prepare annual store accounts\* since 1984-85. As a result the stock as per the physical verification (other than NTB scheme) conducted by the department were not reconciled with the book balances.

In respect of NTB scheme there were huge differences between closing balances as per stock ledgers and closing balances as per *pro forma* accounts during 1992-93 to 1996-97. No *pro forma* accounts were prepared after 1996-97.

The department had not analysed the reasons for these differences. Audit scrutiny revealed that these differences were due to non maintenance of separate consumption account for paper required for NTB scheme and other printing works for free distribution of publication to other Government Departments.

### 5 1 5 Excess payment due to failure in internal control system

On the basis of indent from Police Department P&S Department placed a print order in August 1998 for printing and supply of 5 types \*\* of forms in pads/bond registers with an approved private printer.

The firm delivered the material directly to the Police Department instead of supplying it in the store of P&S Department. The bills submitted by the printer were paid by Controller P&S on the basis of approved samples in January to March 1999 at approved rates (October 1998 and March 1999).

Random checking by Controller P&S of samples of registers actually supplied by firm revealed that the registers did not conform to original samples. Therefore the rates were re-fixed (August 1999) which were much lower than the rates earlier approved and paid to firm. Thus Rs 8.42 lakh were paid in excess due to lower fixation of rates and Rs 8.57 lakh on account of less consumption of papers due to supply of registers with less number of leaves allowing excess wastage and cost of unused binding material.

The department asked the firm (October 1999) for refund of amount excess paid but the firm refused (December 1999) to refund on the plea that the payment claimed was as per rates decided and intimated by the department and also that the material supplied was accepted without any objection.

Thus failure of department to follow the prescribed procedure of receipt and checking of material in store before payment resulted in excess payment of Rs 16.99 lakh.

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

Five type of Pads and Registers of Police Deptt Haryana were got printed and bound vide P.O. No. 20/OP dated 20.8.98. Paper and binding material for the jobs was supplied by this deptt.

Payment to the extent of Rs 16 27 830/ was made to the firm at letter press rates calculated by the computing branch. The samples were got inspected by Sh Chahal Assistant Controller and it transpired that the work or printing has been done by the firm by offset printing machines where as the payment had been made at letter press rates calculated by Sector 18 Press. The excess payment to the extent of Rs 8 50 029/ was due to difference of rates of letter press and offset press. Besides the amount of Rs 8 57 089/ was found to be recoverable on account of paper Borad and binding cloth which was not returned by the printer and 150% surcharge on the aforesaid material as per condition of print order and also leaves of registers found short than the actual number required.

The para points out difference between rates of letter press and offset press and recovery of balance paper which was to be returned by the Firm. The matter was got investigated from the Vigilance Department and report of Vigilance has been received which is examined further.

**During the course of oral examination the department informed the Committee that Vigilance enquiry was conducted in this case but the Department is of the view that this case needs reinvestigation. Therefore the Committee recommends that the Department should get this case reinvestigated at the earliest as the case is quite old and the Committee be apprised of the action taken against the concerned officials within six months.**

**[82] 5 1 6 Excess issue of paper to private printers**

As per para 4 1 of Manual of Printing and Stationery Department printing work was to be allotted only after assessing the state of work in Government presses and the paper for printing was to be supplied to the private printers after assessing the requirement.

During 1994 99 while 392 384 MT of paper was actually needed the Controller P&S supplied 500 438 MT of paper to five printers for various printing works. The Assistant Controller (OP Branch) failed to maintain Pending Job Register and to keep watch on the progress of jobs till their completion. The excess quantity of paper of 108 054 MT valuing Rs 27 65 lakh for the incomplete jobs had not been returned by the printer nor the cost thereof has been recovered from them (July 2000). Bank guarantees i.e. 25 per cent of value of paper obtained from the printers as security was also not renewed/invoked. Therefore the chances of recovery of Rs 27 65 lakh from the printers are remote. At the instance of audit action to recover the amount from the printer was initiated by the Controller P&S (June 2000).

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

In this connection it is submitted that as per record actually 521 147 M T Cream Wove Paper was issued to five Printers instead of 500 438 M T as per Annexure A attached. Cream Wove Paper as pointed out by the Audit. Similarly 390 281 M T Cream Wove paper was actually consumed due to non completion of work according to print orders instead of 392 384 M T Cream Wove Paper as shown in the para

The paper was issued as per norms and actual requirement for completion of jobs entrusted to the firms. No excess quantity of Paper was issued. Since the Firms did not complete the jobs, resultantly 130 866 M T Cream Wove Paper amounting to **Rs 42 23** lac is to be recovered from them. Out of which cost of 9 307 M T Cream Wove Paper amounting to Rs 2 31 lac has already been recovered and a sum of Rs 1028454 payable to the firm/society on a/c of printing charges etc. of Forms/Registers supplied by them is to be adjusted. So net balance 121 559 M T Cream Wove Paper amounting to **Rs 29 63** lac is to be recovered from them as per Annexure B attached after adjusting the payable amount to the firms/society. The Firm/Society wise details of Paper to be recovered and action taken against them is as under —

**1 M/s Nishant Benevolent, Panchkula**

Print Order No 577/OP dated 6 7 94 for the preparation of 3 lacs Flappers was placed to the Firm. Accordingly as per requirement of the Job 281 250 Kg Cream Wove Paper amounting to Rs 5901/- was issued to the firm. The firm neither supplied the flappers nor returned the paper issued to it. The matter is being pursued with the firm for settlement of the issue. In case firm does not agree to return the paper the department will file a Civil suit in the Court against the Firm for recovery of Paper.

**2 M/s Ambala Central Co operative Consumer Store Ltd , Chandigarh**

**Print Order No 137/OP, dated 20 3 96**

Being an approved source, an order for Printing and Preparing of 1 crore envelopes of make PSE 3 and PSE 4 (50 lacs each) was placed with the Society vide Print Order No 137/OP dated 20 3 96. Accordingly 51259 100 Kg Cream Wove Paper was issued to the Society for making of envelopes. The Central Co operative Consumer Store Sector 22 Chandigarh made in complete supply of envelopes in which 25561 140 kg Cream Wove Paper was consumed. Now 25698 Kg Paper valuing Rs 965582/- is due from the Society. The Department has to pay Rs 1 30 083/- on account of Printing Charges to the Society. The balance cost of paper to be recovered from the Society is Rs 835499/-

The matter was brought to the notice of Hon ble C M through Financial Commissioner and Principal Secy to Govt Haryana Printing & Stationery Department. Hon ble C M has ordered on 7 6 02 that Registrar Co operative Society may sort out the issue urgently. Accordingly several letters were issued to Registrar Co operative Society Haryana and the Ambala Central Co operative Consumer Store Sector 22 Chandigarh for recovery of paper and meetings were held between the Registrar Co operative Societies and Director Supply and Disposal on 9 1 02, 10 5 02, 4 9 02 and 22 9 03. But no concrete result has come out. The Department is stressing upon the Registrar Co operative Society to return the balance Paper. Now the matter was referred to Govt vide letter No P&SH/211/OP dated 13 8 04 and No 241/OP dated 17 9 04 for recovery of paper and permission of filing a civil suit in the Court.

**3 M/s Saket Hospital Press, Chand Mandir**

- (i) Print Order No 20/OP dated 6 6 95 (Printing of IGR Forms/ Registers)
- (ii) Print Order No 45/OP dated 19 9 95 (Printing of COCS & U F 87 Registers)

- (iii) Print Order No 47/OP dated 20 10 95 (Printing of PSE 3 4 & UF 89 Envelopes)
- (iv) Print Order No 26/OP Jated 21 8 98 (Printing of Forms/ Registers of PG Rohtak)
- (v) Print Order No 53/OP dated 20 11 98 (Printing of Forms/ Registers of DHS ESI)

Against the above noted print order 135454 Kg of Cream Wove Paper was issued to M/s Saket Hospital Press Chandī Mandir for Printing of Forms Registers and envelopes etc M/s Saket Hospital Press Chandī Mandir made incomplete supply of forms and registers in which 92177 Kg Cream Wove Paper was consumed Now 43277 Kg cream wove paper valuing Rs 1439882 is due from the Press The department has to pay Rs 603092/ on account of Printing Charges to this press The balance cost of paper to be recovered from this press is Rs 836790/ The matter has been taken up with the Director Saket Hospital Press Chandī Mandir for supply of either material or return the balance paper

**4 M/s Muskan Publishers, Mubarakpur (Now at Yamuna Nagar)**

**Print Order No 27/OP dated 18 12 96**

An order No 27/OP dated 18 12 96 was placed with this Firm for printing of various kind of GTS Forms/Registers of Transport Deptt For printing of these Forms/Registers 126209 Kg Cream Wove Paper was issued to the printer The Firm made incomplete supply of Forms/Registers in which 73906 Kg was consumed Now the balance 52303 Kg Cream Wove Paper valuing Rs 1580186/ is due from the firm An amount of Rs 295279/ on account of printing charges and security is due to the Firm Now the balance cost of paper is to be recovered from this firm Rs 1284907/ after adjusting the payable amount to the firm The department has filed a Civil suit against the firm in the Distt Court Sector 17 Chandigarh for recovery of paper

**5 M/s Manav and Shishu Kalyan Samaj Samiti, Panchkula**

- (i) Print Order No 130/OP dated 3 3 98 (Printing of P&K Forms/ Registers of DLR)
- (ii) Print Order No 8/OP dated 8 5 98 (Printing of Form/Registers of DLR)
- (iii) Print Order No 11/OP dated 19 5 98 (Printing of Registers of DHS)
- (iv) Print Order No 22/OP dated 20 8 98 (Printing of Forms/ Registers of Sports Deptt )
- (v) Print Order No 80/OP dated 24 2 99 (Printing of Forms/ Registers of DPI)

207944 Kg Cream Wove Paper was issued to the firm against the above noted Print Orders for Printing of Form and Registers etc The firm made incomplete supply of Forms and Registers in which 198637 Kg Cream Wove Paper was consumed Now the firm has settled the accounts and the recovery of balance 9307 Kg Cream Wove paper has been made good from the firm and nothing is due from this firm

Regarding maintenance of Pending Job Register it is stated that no separate job register felt to be prepared at that time because Print Order Register was already maintained separately Through this Print Order Register pending of print order could be watched properly Regarding

bank guarantees it is stated that only two bank guarantees for Rs 94000/ and 9255/ from Saket Hospital Press Chandr Mandir were received against P O No 26/OP dated 21 8 98 and P O 53/OP dated 20 11 98 but could not renew The firm is being approached to give its consent for its renewal as the consent of the firm is must for renewing of the Bank guarantees

### ANNEXURE A'

No	Name of the Press	P O No & Dated	Paper Supplied	Consumed	Balance
1	2	3	4	5	6
1	M/s Nishant Benvolent Panchkula	577/OP 6 7 94	2 837 MT		2 837 MT @ 20700/ 58725 90
2	M/s the Ambala Co cop Consumer Store Ltd Chandigarh	137/OP 18 12 96	51 280 MT	21 910 MT	29 370 MT @ 30500/ 895785 00
3	M/s Saket Hospital Press Chandimandir	20/OP 6 6 95 45/OP 19 2 95 47/OP 10 10 95 26/OP 21 8 98 53/OP 20 11 98	136 280 MT	104 433 MT	31 847 MT @ 24900/ 792990 30
4	M/s Muskan Publishers Mubankpur	27/OP 18 12 96	124 00 MT	82 00 MT	42 000 MT @ 23050/ 968100 00
5	M/s Manav & Shishu Kalyan Samaj Samiti Panchkula	80/OP 24 2 99 22/OP 20 8 98	186 041 MT	184 041 MT	2 000 MT @ 24900/ 49800 00
Total			500 438 MT	392 384 MT	108 54 2765401 20

During the course of oral examination of the Department the Committee felt that there is a lapse on the part of Department as five years have already passed and a very meagre amount of recovery has been made from the firms/officials in this case The Committee recommends that stern action be taken against the erring officials after fixing the responsibility Recovery be effected from the firms/officials involved in this case and the Committee also be apprised about the nemes of officials and action taken against each official within the stipulated period

## ENVIRONMENT DEPARTMENT

### [83] 6 2 Implementation of Environmental Acts and Rules relating to Water Pollution

#### Highlights

Water is polluted by traditional organic waste waste generated from industrial processes chemical agents for fertilizers and pesticides for crop protection and silt from degraded catchments While three fourths of the waste water is generated from municipal sources industrial waste contributes over one half of the total pollutant load There are two main rivers i e Yamuna and Ghaggar in the State Industrial and sewage effluent being discharged in these rivers and their tributaries had been causing serious environmental degradation and health hazards A review on implementation of Environmental Acts and Rules relating to Water Pollution revealed that out of 80 701 industrial units only 2 867 units (3 55 per cent) were identified upto March 2000 for enforcing the Water Act Of 2 867 units only 1 854 units applied for discharging trade effluents and consent was granted to only 928 units The remaining 926 units were either refused consent or directed to comply with certain directions of the Haryana State Pollution Control Board (Board) As on March 2000 996 units out of 1 535 industrial units installed effluent treatment plants Pollution control devices in industrial units were not interlinked with the production system though directed by the Central Pollution Control Board 82 local bodies in the State caused 65 per cent of the organic pollution but only 12 towns had or planned to have sewage treatment plants Bacteriological tests of drinking water done by the PWD Public Health branch were grossly inadequate Approximately 50 per cent posts in scientific and technical cadre in the Board remained vacant for periods more than six years Following important points were noticed

#### 6 2 1 Introduction

Water is polluted by traditional organic waste waste generated from industrial processes chemical agents for fertilizers and pesticides for crop protection and silt from degraded catchments While three fourths of the waste water is generated from municipal sources industrial waste contributes over one half of the total pollutant load There are two main rivers i e Yamuna and Ghaggar in the State Industrial and sewage effluent being discharged in these rivers and their tributaries had been causing serious environmental degradation and health hazards

To prevent and control water pollution and to maintain or restore wholesomeness of water Government of India (GOI) enacted Water (Prevention and Control of Pollution) Act 1974 which *inter alia* provides

- (a) to plan a comprehensive programme for prevention control or abatement of pollution of streams and wells in the State and to secure the execution thereof
- (b) to collect and disseminate information relating to water pollution and prevention control or abatement thereof

- (c) to encourage conduct investigate and research relating to problems of water pollution and prevention control or abatement of water pollution etc

For better timely and efficient implementation of activities directly relating to conservation and preservation of the environment the department of environment was set up in the State during 1983 and the Directorate of Environment was established in 1989

#### 6 2 2 Organisational set up

The nodal department co ordinates various agencies/departments of the State Government and formulates scheme for conservation and preservation of the environment apart from the administrative control of Haryana State Pollution Control Board Chandigarh (Board) Commissioner and Secretary to Government of Haryana Environment Department is administrative head at Government level dealing with policy aspects and the Director Environment Department is responsible for implementation of policies programmes etc There are two Special Environmental Courts one each at Faridabad and Hisar headed by the presiding officers (set up in 1995 96 and 1997 98 respectively) for speedy disposal of cases under various Environmental Acts

The Board is 17 members body including one full time Chairman Member Secretary five members representing the State Government five members nominated from the members of the local bodies three non officials to represent interest of industry trade etc and two members representing Corporations Boards etc The main functions of the Board are to plan execute and advise the State Government on programmes for prevention and control or abatement of pollution of water enforce pollution control of water bodies

The other major department at Secretariat level concerned with environmental problems is Public Works Department (PWD) (Public Health Branch) headed by the Financial Commissioner and Secretary to Government of Haryana The main function entrusted to this department is providing safe drinking water and hygienic sanitation facilities

#### 6 2 3 Audit coverage

With a view to assess the compliance of the various important provisions of the Acts and Rules relating to water pollution and quality of potable water in towns and cities of Haryana and to evaluate *inter alia* the efficiency of the performance of the Ganga Action Plan (Phase II) records for the period 1994 2000 in the various offices viz Environment Department at Secretariat and Directorate level the Board Engineer in Chief PWD Public Health branch (all stationed at Chandigarh) five Regional Environmental Engineers (REEs)<sup>1</sup> and four Executive Engineers<sup>2</sup> of PWD Public Health Divisions were test checked during March and April 2000 Important audit findings are discussed in the succeeding paragraphs

#### 6 2 4 Financial arrangements and expenditure

##### (C) (iii) Arrear in recovery of water cess

As of March 2000 Rs 2 34 crore of cess was outstanding out of which Rs 0 41 crore was recoverable from Municipal Committees (up to March 1993) and Rs 0 73 crore and Rs 1 20 crore as of March 2000 were recoverable from the various divisions of Public Health

branch of PWD and industrial units respectively Non recovery of cess was stated to be due to poor financial condition of the local bodies non release of letter of credit to the Public Health Divisions and appeals of the industrial units pending with the Board

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

- (iii) The Assessing Authority has given personal hearing to the Municipal Committees and Public Health Divisions for recovery of cess Most of the cess amount has been recovered The major defaulting 10 municipal committees amount has been converted into arrears of land revenue The Tehsildar is persuing to recover this amount under the Land Revenue Act

**During the course of oral examination the Committee observed that Pollution Board is not serious to recover the outstanding water cess from Municipal Committees and Public Health Divisions The Committee recommends that matter in regard to recovery of outstanding water cess be vigorously pursued with Municipal Committees and Public Health Divisions and latest position of recovery be intimated to the Committee**

*[84] 6 2 5 Status of water pollution*

#### **6 2 5 1 No survey on status of water was done**

For the purpose of enabling the Board to perform the function conferred on it the Board was to make survey of any area and gauge and keep records of the flow or volume and characteristics of stream or well in such area and to take steps for installation and maintenance of gauges/apparatus to carry out such surveys However Board since inception conducted no survey of ground or surface water and made no regulation regarding extraction and use of water

Further the State Government had also not conducted any study on status and conservation of environment in the State On being asked the Department stated (September 2000) that there was no State profile on environment The proposals invited (March 1999) by the Environment Department from the consultants for preparation of Environment Management Plan for the State had also been dropped by the Government

#### **6 2 5 2 Pollution level in major rivers**

Quality of water of two major rivers (Yamuna and Ghaggar) of the State was being monitored by the Central Pollution Control Board through the State Board under the scheme Monitoring of Indian National Aquatic Resources (MINAR) However the Board even though did not have the mechanism to monitor the continuous flow of pollution level at different stretches of Yamuna River conducted periodical tests by taking samples of river water from selected places under the MINAR scheme

Position of pollution level in Yamuna and ghaggar river was as under

During 1996 99 average Bio chemical Oxygen Demand (BOD) at Agra Canal at Madanpur Khadar (near Badarpur Power unit) ranged between 4.9 mg/litre to 20 mg/litre which was



higher than the acceptable BOD level of 3 mg/litre. The objective of cleaning the polluted water of Yamuna river by reducing BOD to below 3 mg/litre level was not achieved as of March 1999 as the river was continuously fed by untreated sewage and domestic/industrial waste.

Quarterly sampling of water of River Ghaggar under the MINAR scheme revealed that BOD value of water increased from 4.5 mg/litre to 28 mg/litre during September 1998 to December 1999.

As per Action Plan 1997-98, the Board was aware of the pollution being caused in river Ghaggar by discharge of untreated sewage and industrial effluent from Parwanoo in Himachal Pradesh, Patiala in Punjab and Sirsa in Haryana before it entered in Rajasthan territory where the water of this river was used for drinking purpose. But the Board failed to control the pollution because of involvement of other states.

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

6.2.5.1

The Environment Department is preparing a State of Environment Report for Haryana and MOEF, GOI has engaged Administrative Staff College, Hyderabad as National Host Institution for this purpose.

6.2.5.2 The HSPCB has achieved tremendous success in controlling pollution of river Yamuna. The CPCB and HSPCB is constantly monitoring the quality of river Yamuna at village Palla in Haryana-Delhi Boarder and data is being filed in the Hon'ble Supreme Court of India in a Public Interest Litigation Case (PIL 725) pending there. From the perusal of the analysis reports submitted by CPCB, it is evident that the BOD level at village Palla is ranging from 1.0 to 3.0 mg/l against the permissible limit of 3.0 mg/l, which shows that the quality of river Yamuna before entering Delhi is well within permissible limits and satisfactory. Further, all major towns in Haryana along river Yamuna have installed sewage treatment plants and all the STPs are functioning which would further improve the quality of river Yamuna.

The quality of river Yamuna at Badarpur is exceeding the permissible limit as value of BOD ranges from 16.20 mg/l against permissible limit of 3.0 mg/l. The CPCB has been requested to take up the matter with Delhi Government for installation of STPs. The CPCB is closely monitoring the progress of installation of STPs in Delhi and so far 11 STPs have been installed in Delhi territory and remaining 4 are in the process of installation. With the installation of all these STPs and CETPs in Delhi, the quality of river at Badarpur would improve.

As regards to river Ghaggar, the board is monitoring the water quality under MINARS project. Notices have been issued to MCs which are directly discharging sewage effluent into river Ghaggar for setting up of Sewage Treatment Plants. So far as the pollutants from Punjab Territory entering to the River Ghaggar, the matter has been taken up with CPCB from time to time. The Board is taking all efforts to control pollution in River Ghaggar and River Yamuna. The matter is also being reviewed by Hon'ble Supreme Court in PIL named Yamuna Mail.

During the course of oral examination, the departmental representatives informed the Committee that Environment Report for Haryana is being prepared and efforts are being made to keep the pollution in River Yamuna and River Ghaggar under control. The Committee is not satisfied with the departmental reply and recommends that department should pursue the matter of installation of STPs alongwith River Yamuna and river Ghaggar with Delhi Government and concerned Municipal Committees till the pollution in River Yamuna and River Ghaggar comes to desirable level. Report to this effect be sent to the Committee within a stipulated period.

[85] 6 2 6 *Treatment of Industrial effluent*

**(a) Grant of consent for discharge of effluent**

Section 25 of the Water (Prevention and Control of Pollution) Act, 1974 (amended in 1988) provided that no person shall without the previous consent of the State board (a) establish or take any steps to establish any industry operation or process or any treatment and disposal system or an extension or addition thereto which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land or (b) bring into use any new or altered outlets for the discharge of sewage or (c) being to make any new discharge of sewage. Further under subsection 4 of the Act the State Board may grant permission subject to such conditions as it may impose or refuse such consent for reasons recorded in writing.

For implementation of the provisions of the Water Act, the Board has categorised the industrial units into highly polluting, polluting and less polluting industries. Accordingly, 17 industries e.g. fertilizer, cement, sugar, oil refineries etc. had been categorised as highly polluting, whereas 19 industries e.g. dyeing and printing, electroplating, food processing etc. had been classified as polluting industries and 98 industries e.g. sports goods, household appliances, umbrella, agarbathi etc. have been categorised as less polluting industrial units.

Out of 80,701 industrial units established in the State, as intimated by the Director Industries Department, only 2,867 industrial units (3.55 per cent) falling under highly polluting and polluting categories and other large and medium units were identified up to March 2000 by the Board for enforcing the provisions of the Water Act without conducting actual survey of these units which caused water pollution. Out of 2,867 units identified by the Board under consent management, only 1,854 units applied for consent to the Board for discharging of trade effluent. Of 1,013 units including 20 large and medium units in the highly polluting category which did not apply for consent, 402 units including 19 large and medium units under highly polluting category (Appendix XXXIV) were lying closed. Further, out of 1,854 units which applied for consent, 928 units were granted consent, whereas 926 units were either refused consent (182 units) or were directed (744 units) to comply with certain directions of the Board.

The Board could take coercive action, such as restraining the units to operate or stoppage of electricity and water etc. against the defaulting units through legal means. However, no coercive action was taken against units which failed to comply with the Board's directions and observations on the consent applications. Prosecutions were launched in only 26 cases during 1994-2000 for not observing provisions of the Water Act. Specific action taken against 182 units which were refused grant of consent during 1999-2000 was awaited (August 2000).

### **(b) Installation of effluent treatment plants**

Section 24 of the Water Act provides that no person shall knowingly cause or permit any poisonous, noxious or polluting matter determined in accordance with standards laid down by the Board to enter (whether directly or indirectly) into any stream or well or sewer or on land. As such industrial units discharging effluent were required to install ETPs at the units.

The Board stated that there were 1,535 industrial units which were polluting industries under the Water Act operating in the State. As on March 2000, ETPs had been installed only in 996 units and remaining 539 units had either no treatment facility (130 units) or had inadequate facilities (409 units) and were throwing their untreated trade effluent and polluting the water resources of the State. The Board launched prosecution against 7 units, issued closure orders against 100 units and issued show cause notices to 432 units.

However, to avoid industrial slow down and also unemployment in the State, it was decided (May 1998) by the Board that no industry, even if polluting and unresponsive, would be closed. Thus, powers of the Board to close down the non-complying units were used sparingly due to adoption of policy which was *ultra vires* of the Water Act.

### **(c) Non implementation of inter locking system**

Central Pollution Control Board (CPCB) issued instructions (November 1995) to all the State Boards that industries having pollution control devices would make arrangements for interlocking the production system with the pollution control devices. Though the Board was bound to follow the instructions of the CPCB, it was decided in the meeting held (July 1996) by the Chief Minister with the Haryana Chamber of Commerce and Industries that consent to industrial units (excluding large and medium highly polluting units) who did not adopt interlocking system would be given on year to year basis. In June 1999, the CPCB again directed the Board to implement the interlocking system in industrial units.

The Board stated (September 2000) that it had issued directions to the REEs for persuading the industries falling under their jurisdiction for arranging interlocking the production system with pollution control devices. Interlocking system, if adopted by any such unit covered under the Water Act, was, however, not intimated (August 2000).

### **(d) Construction of common effluent treatment plants**

Ministry of Environment and Forests (MOEF), Government of India (GOI) had sponsored a scheme of financing the Common Effluent Treatment Plants (CETPs) for cluster of small scale industrial units wherein MOEF provided aid upto 25 per cent of the cost of CETP, the State contributed 25 per cent and rest of the cost was to be borne by the beneficiaries through their contributions/soft loan lending from financial institutions. The scheme was also made applicable for organized industrial sectors in the states.

Haryana State Industrial Development Corporation (HSIDC), which was responsible for setting up of industrial estates in the State, constructed (February 1997) the CETP at Kundli Industrial estate at a cost of Rs. 76.90 lakh with capacity to treat 11.08 lakh litre of effluent per day. This was inadequate as 9 lakh litre effluent per day was still being released untreated.

by various units. The reason for not constructing the CETP for adequate capacity was not intimated by the HSIDC (August 2000)

Though Environment Department released Rs. 21.64 lakh during 1997-98 to HSIDC as subsidy for construction of CETPs at Jind and Murthal for treatment of 4.63 lakh litre trade effluent per day, only the first part of CETP at Jind was complete and no CETP at Murthal was constructed as yet.

Therefore, untreated effluent of 13.63 lakh litre per day was being released in the industrial estates.

#### **(e) Prosecutions under Water Act**

Under the Water Act, the Board was empowered to launch prosecution for restraining the persons who were likely to cause pollution. As on March 1994, there were 171 cases of water pollution pending under Water Act in the Court of law. During six years (1994-2000), only 26 prosecutions were launched by the Board.

In order to ensure speedy disposal of cases concerning environmental offences, Government set up two Special Environmental Courts at Faridabad and Hisar from September 1995 and June 1997 respectively. Out of the total 197 cases pending/launched up to March 2000, 73 cases were decided against the Board, 82 cases were withdrawn by the Board, four cases were decided in favour of the Board, and 38 cases were pending with the Special Environmental Courts. However, orders of convictions in these four cases were set aside by the Sessions Courts. Cases which were decided against the Board were mainly attributable to dismissal in default, non-appearance of complainant, non-availability of appropriate witnesses, and launching of cases beyond the jurisdiction of the Board.

Government constituted a Committee (May 1995) for scanning cases suitable for withdrawal filed by the Board, and a case could be withdrawn with the approval of the Chief Minister. Though 82 cases were reportedly withdrawn from 1994-2000, the recommendation of the committee and approval of the Chief Minister was not shown to audit.

#### **(f) Environmental statements**

Environmental auditing, now renamed as Environmental Statement, is a tool comprising a systematic, documented, periodic and objective evaluation of how well a unit is performing in order to achieve the objective of the waste prevention and reduction, assessing compliance with regulatory requirements, and placing environmental information in public.

The preparation and submission of environmental audit report was mandatory under the Environment (Protection) Rules, 1986 (second amendment) since March 1992. The industrial units requiring consent under section 25 of the Water Act were required to submit environmental audit report for the financial year to the Board on or before the 15th day of May every year beginning from the year 1993. The Board had not maintained any consolidated record to verify the submission of environmental statements.

Though all the 2,867 industrial units identified by the Board under the consent management as on March 2000 were required to submit the environmental statement, the Board had identified only 445 industrial units for submitting environmental statement. Of these, only 144 units actually submitted, and the remaining 301 units did not submit any environmental statement. No action was taken by the Board on statements received from the units.

The Board furnished no reasons for not complying the provision of the rules (August 2000)

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

**6 2 (a)**

Out of 4275 units 1542 units have installed ETP and 1995 units do not require any ETP and as such 3537 units are complying out of 4275 units. The defaulting units have been served with show cause notices to modify the ETP within a stipulated time. Most of them had come forward with the proposal to complete the ETP within the stipulated time agreed upon by the Board. The Hon ble Supreme Court of India is also monitoring the progress of installation of ETP. The Board had directed highly polluting industries to restrict/regulate their discharge upto the capacity of existing ETP till they modify the same. Therefore the Board has not failed to discharge its duties.

In view of above stated facts the para may be dropped.

**6 2 6 (b)**

It is further stated that the Board has directed all polluting industries covered under 17 and 19 categories to upgrade the inadequate ETP installed by them and as a result of that most of these units already upgraded their ETP but there may be some operational problem/inadequacies of ETP and notices to such defaulting units has already been issued. The Board has also taken stringent action such as closure of industry against persistent defaulting unit under the Water Act during the year 2000 2001.

The Board has persuaded the Tinny electroplating Unit operating in residential Area to shift to approved Industrial Area in Sector 58 with installation of C E T P. About 300 electroplating units have already shifted to approved Industrial Area in Sector 58 Faridabad and their effluent is being treated in CETP. The Govt. of India has given grant of Rs. 1 00 core for installation CETP. Similarly the small dyeing units are being persuaded to shift to approved HUDA Industrial Area Sector 29 at Panipat. The plots have been allotted by HUDA for this purpose.

**6 2 6 (c)**

The Board has already issued the instruction to ensure installation of inter locking system so that continue operation of ETP is also ensured. However this inter locking device is applicable only to those industries which are having continues discharge of trade effluent. Besides this Board has also directed the industries to install separate energy meter for ensuring regular operation of ETP.

**6 2 6 (d)**

The HSIDC has upgraded the CETP and stopped taking discharge from six polluting industries (which have installed their own ETP). The prosecution case against HSIDC has been withdrawn. HSIDC has installed CETP at Murthal and Jind.

**6 2 6 (e)**

It is submitted that the lacunae for failure of Board's Cases initiated by the Board have been rectified. All the Regional Officers have been directed to file complete cases in the courts. An office order in this regard has also been issued to all concerned officers of the Board. Regarding withdrawal of cases it is submitted that only those cases were withdrawn which were recommended by Screening Committee and most of units were either closed or did not come under the purview of the Board during non polluting as there was no discharge of effluent and were prosecuted having non applicant.

As regard to the competency of the Board for withdrawal of prosecution as per the Hon ble High Court order Haryana State Pollution Control Board filed criminal revision in Hon ble High Court against the order of Special Environment Judge Hissar in which the court did not accept the plea of Board for withdrawal from prosecution. Hon ble High Court in its judgment in CRM 11470/1998 observed that if the prosecution making an application for withdrawal of the prosecution and has applied its mind and has ultimately come to the conclusion that the withdrawal of prosecution is in larger interest of the parties the law courts should not impede and become stumbling block. Further if the Board is satisfied that the necessary steps have been taken and it is reached to a compromise the law courts rather should try to protect the interest of both the unit as well as the Board itself. In pursuance to said directions of Hon ble High Court the Special Environment Courts also accepted the plea of the Board.

The above facts testifies that the Board is competent to allow withdrawal as it is the prosecutor. Interference by other (any committee) will rather prejudice the mind of Board. Therefore it is not in the interest of justice to seek any guidance/orders from others. The same was also opined by Legal Remembrance Haryana for reference please. A committee under the Chairmanship of Hon ble Chief Minister Haryana had been constituted for withdrawal of court cases.

In view of above state facts the para may be dropped.

**6 2 6 (f)**

All large & medium units are being asked to submit Environmental audit/statements. However it is submitted that powers to take action under Environment Protection Act is with State Government.

**After going through the departmental replies the Committee recommends that installation of ETPs by the Industrial Units be pursued till all the polluting units install the required ETPs. It also desired that installation of interlocking system in Industrial Units be ensured. The Committee further recommends that responsibility be fixed in the cases which are dismissed in default due to non appearance of complainant, non availability of appropriate witnesses and launching of cases beyond the jurisdiction of the Pollution Board. The report in this regard be sent to the Committee.**

[86] 6 2 7 Domestic sewage treatment plants

Domestic sewage is one of the major sources of urban water pollution. Under the Water Act local bodies in towns were required to install Sewage Treatment Plants (STPs) for controlling pollution caused by domestic sewage. There were 82<sup>3</sup> local bodies in various towns of State which were causing 65 per cent of organic pollution. Of these 12 towns were situated along Yamuna river. Out of these Government identified 6<sup>4</sup> major towns which were directly or indirectly discharging their effluent in river Yamuna and were included under Ganga Action Plan (GAP). Six<sup>5</sup> more towns were included (February 1996) at the direction of the Supreme Court. Following is the position regarding the status of sewage treatment plants in these cities of GAP.

In four<sup>6</sup> towns out of six towns originally identified under the GAP 7 STPs were commissioned and STPs in 8<sup>7</sup> towns were stated to be under construction as of May 2000.

There was no plan to construct STPs in the 70 local bodies and only the 12 towns identified under Ganga Action Plan were being covered under the plan. Though notices to all the local bodies in the State had been issued failing which action would be taken under the Water Act there was remote possibility of enforcement of these notices.

The Board was monitoring the STPs by taking sample of the effluent from the outlets of STPs. Test report of such samples (February – April 2000) revealed that BOD of treated sewage effluent ranged from 55 to 190 mg/litre against permissible limit of 30mg/litre.

Further the following points were also noticed

- (i) Most of the areas of Panipat town either had no sewerage system or were not connected with the sewerage pipelines. Domestic sewage alongwith 2.37 million litre per day (mld) trade effluents from 162 units located in these areas which included large number of dyeing and processing units passed through the Panipat drain. As intimated by the Executive Engineer PWD Public Health Division No. II Panipat the discharge of the Panipat drain on a normal non rainy day during July 2000 was 26 million litre per day. But the effluent of Panipat drain was not being taken in STP and remained untreated which polluted the water of river Yamuna. BOD level of effluent of Panipat drain in March 2000 was 145 mg / litre.
- (ii) Sewage Treatment Plant Zone II Faridabad commissioned in December 1998 was tackling between 15 and 20 million litres sewage daily against the capacity of 45 mld sewage as the sewage from various Sectors (3, 7 to 9, 14, 18 and 21) was not reaching the STP due to non completion (December 1999) of ancillary works at intermediate pumping stations by HUDA and Municipal Corporation Faridabad. The Executive Engineer PWD Public Health Division No. II Faridabad intimated (September 2000) that pumps at intermediate pumping stations maintained by Municipal Corporation Faridabad and HUDA were giving less discharge being worn out and more than 20 years old.

- (iii) STP at Gurgaon constructed and commissioned (August 1998) under the GAP was tackling 30 mld sewage. Another STP with 68 mld sewage capacity being constructed by HUDA for areas falling under it and other colonies in the new township was still incomplete (January 2000). Therefore untreated sewage was being thrown into Nazafgarh drain polluting the water earlier treated through the project STP.

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

### 6.2.7

Under YAP 6 STP has been set up in 6 major towns alongwith Yamuna i.e. Yamuna Nagar, Karnal, Panipat, Sonapat, Faridabad and Gurgaon. 2 more STPs have been setup at Gohana and Gharaunda. 4 STPs are under installation at Radaur, Indri, Chhachrauli and Palwal. ETPs in 10 towns have already been installed and one at Ambala is under construction. The Board has issued notices to all the defaulting MCs/Public Health Department to set up STP in the towns to treat the sewage effluent.

The reasons for non installation of STPs by local bodies/public health department is due to financial constraints. In order to overcome problem of financial constraints the Board has formulated a scheme to provide financial assistance for class II/III towns having population less than 1.0 lac upto 25% cost of the STP subject to maximum of Rs. 10 lacs provided they arranged remaining 75% amount. The Board has requested EIC Public Health/Director Local Bodies to submit the proposal for financial assistance in this regard *vide* this office letter No. 2826/27 dated 20.11.2000 and reminder issued *vide* no. 753/54 dated 30.3.2001. 2 proposals for Kalka and Ganaur have been received from Engineer in Chief Public Health which are under consideration of the Board.

The Board has requested the State Govt. to issue sanction required under section CRPC 197 for prosecution of officers of Public Health Department being Public Servant.

In view of above stated facts the para may be dropped.

**6.2.7 (i)** The STPs under YAP have been provided to treat only domestic sewage. For treating the industrial waste coming in Panipat drains a common effluent treatment plant is proposed to be taken up by NRCD Government of India under YAP Project Phase -II.

**6.2.7 (ii)** Municipal Corporation Faridabad and HUDA are being pursued constantly to ensure that all domestic sewage including of Sec. 3 to 9, 14, 18 and 21 Faridabad is made to flow to STP Zone II Faridabad. To further replace old pumping machinery of sewage pumping station at section 8, 9, 14 and 18 Faridabad.

DPR has been approved by NRCD Government of India recently and the work is being taken in hand.



6 2 7 (iii) As far as Public Health Department is concerned Sewage Treatment Plant at Gurgaon is functioning since 8/98 Only I&D sewers were laid under YAP Action for commissioning of 68 MLD plant is to be taken by HUDA

**After going through the departmental reply, the Committee observed that STPs have not been installed by Local Bodies/Public Health Department The Committee also desired that Common effluents treatment plants for treating industrial waste in Panipat drains be installed and further recommends that Municipal Corporation Faridabad and HUDA Faridabad and Gurgaon be pursued to install sewage treatment plants The report in this regard be sent to the Committee within the stipulated period**

[87] 6 2 10 *Inadequate sampling of water for drinking purpose*

The laboratory examination of water sample comprised four types of tests namely physical chemical bacteriological and biological Bacteriological examination of water was necessary to check safety of water for consumption Out of total seven laboratories of PWD (Public Health Branch) facility of bacteriological analysis of water existed in four laboratories only

Prescribed minimum sampling frequency from the water supply scheme for towns with population of more than one lakh was one sample per 10 000 of population per month whereas maximum interval between successive sampling was one day However the Engineer in Chief PWD (Public Health Branch) Chandigarh fixed frequency of bacteriological analysis as once in four months for each scheme which was very much lower than the prescribed norms A total of 3 380 and 3 640 bacteriological tests were done in the entire State during 1998 99 and 1999 2000 respectively though number of tests required as per norms in 10 towns only with more than one lakh population (as per 1991 census) worked out to 3 650 Thus the tests were grossly inadequate

Percentage of failed samples of quality of water after bacteriological analysis done by the Health Department during 1998 and 1999 was 33 2 and 27 25 respectively whereas as per tests carried out by the PWD (Public Health Branch) during 1998 99 and 1999 2000 the same were 8 58 and 7 55 *per cent* only which rendered the sampling done by PWD (Public Health Branch) unreliable

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

No comments

**After hearing the departmental representatives the Committee observed that sampling procedure of water for drinking purposes is not satisfactory and recommends that adequate test be conducted of the water required for drinking purposes to insure supply of bacteria free water to the people Action taken in this regard be intimated to the Committee**

[88] 6 2 11 *Environment training education and awareness*

During 1994 2000 Rs 85 00 lakh<sup>a</sup> were allotted to Environment Department for environment training education and awareness programmes and only Rs 37 96 lakh were utilized as grants to various agencies The department however did not monitor whether the amount was actually spent for environmental training education and awareness Even utilization

certificates in 51 cases amounting to Rs 14 52 lakh were still awaited (August 2000) from the concerned agencies

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

6 2 11

There was a provision of Rs 85 00 lakh under the scheme during the year 1994 2000 but Rs 37 96 lakh were used which was the actual as per the administrative approval/sanction. The U C in 19 cases are pending for an amount of Rs 7 74 lakh for which efforts are being made to get the same.

**During the course of oral examination the departmental representatives informed the Committee that only Rs 37 96 lakh were used out of Rs 85 00 lakhs provided for environment training education and awareness. It was also informed by the department that utilization certificates for Rs 7 44 lakh were also outstanding. The Committee viewed it seriously and recommends that responsibility be fixed for not using the full amount on training components and slackness in submission of utilization certificates. The report be sent to the Committee within stipulated period.**

[89] 6 2 14 *Monitoring and evaluation*

The Directorate of Environment was set up by the State Government in 1989 with the object of creating a nodal agency to co ordinate the functioning of the Board and for effective implementation of the activities directly related to conservation of the environment. The Environment Department was also given the administrative control of the Board. Although the technical officers were posted in the Directorate for scrutinizing the proposal of Board technically Board was sending proposal directly to Commissioner and Secretary Government of Haryana without routing through Environment Department.

Though the Board was functioning since September 1974 no internal or external monitoring or evaluation of the activities working and functioning to judge the impact of implementation of its programme by the Board or by the State Government was conducted.

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

6 2 14

The monitoring of evaluation of the HSPCB was done by the Planning Department Govt. of India New Delhi during the year 2000 2001. More over the Environment Department is also monitoring day to day work of the Board.

In view of the above the para may kindly be dropped.

**During the course of oral examination the Committee desired that maintaining and evaluation report of Planning Department Government of India New Delhi for 2000 01 be sent to the Committee for its perusal.**

## URBAN DEVELOPMENT DEPARTMENT

### (LOCAL SELF GOVERNMENT)

[90] 6.3 Urban Employment Generation Programme

#### Highlights

Government of India designed various urban employment generation schemes programmes to alleviate urban poverty as well as to bring about a shift in sectoral distribution of work force through training and self employment. These programmes also aim at creating basic infrastructure and providing civil amenities to urban poor. According to the survey conducted by Expert Group of Planning Commission, GOI urban population below poverty line (BPL) in Haryana was 7.31 lakh in 1993-94. However, the BPL population increased to 9.61 lakh in 1998-99. Wage employment was provided for 2.10 lakh mandays against the target of 3.70 lakh mandays during 1995-2000. Even these figures were inflated. Targets for setting up of self employment ventures were not achieved. Under PMRY, recovery percentage of bank loans declined from 54 per cent in 1996 to 48 per cent in 1999 and 17 per cent of the ventures were closed down. Thus, the objectives of the programme to alleviate urban poverty through wage employment, self employment and training, besides creating infrastructure and providing civic amenities to urban poor, were not achieved.

#### 6.3.1 Introduction

Government of India (GOI) designed various urban employment generation schemes/programmes to alleviate urban poverty as well as to bring about a shift in sectoral distribution of work force through training and self employment. These programmes also aim at creating basic infrastructure and providing civic amenities to urban poor. The main urban employment generation programmes implemented in Haryana State include:

- (i) Swarn Jayanti Shahari Rozgar Yojna (SJ S R Y) launched in December 1997 with which Nehru Rozgar Yojna (NR Y) and Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) were merged (from December 1997).
- (ii) Prime Minister's Rozgar Yojna (PMRY) launched in 1993 to provide employment to educated youth.

The former is concerned with wage employment as well as self employment whereas PMRY is for self employment only.

According to the survey conducted by expert group of the Planning Commission (GOI) in 1993-94, urban population below poverty line in the State was 7.31 lakh, which increased to 9.61 lakh in 1998-99 (as per survey conducted by municipal committees).

#### 6.3.2 Organisational set up

The Secretary, Local Self Government Department is responsible for co-ordination, implementation and monitoring of the programmes. A State level Urban Development Society (SUDS) headed by the Project Director, registered under Societies Registration Act, is responsible for implementation of SJ S R Y. The Project Director, SUDS is responsible for administration of the Society. PMRY is implemented by the Director, Industries Department through General Managers at District Industries Centres (DICs).

In the districts the schemes were implemented by District Urban Development Agency (DUDA) Besides Municipal Committees/Corporations of respective towns executed the constructional works

### 6 3 3 Audit Coverage

Records relating to implementation of schemes for the period 1995 2000 were test checked in the offices of the State Urban Development Society (SUDS) Director Industries Department DUDAs and DICs in 5 districts (out of 19 districts) in the State and 43 branches of the public sector banks during October 1999 to April 2000 Important audit findings noticed during test check are discussed in the succeeding paragraphs

### 6 3 4 Funding Pattern

SJSRY and NRY are Centrally Sponsored Schemes and the expenditure is shared with State Government in the ratio of 75 25 and 60 40 respectively PMRY is cent per cent Centrally sponsored GOI releases their share of contribution to the Project Director SUDS which in turn release funds to the Officers of DUDAs for implementation of the schemes

Under PMRY for subsidy component against loan disbursed by various banks funds are released by GOI through Reserve Bank of India for credit to the accounts of the concerned banks For Training and Contingency under this scheme GOI release funds to the Director Industries Department who in turn disburse the same to the General Managers District Industries Centres (DICs) for meeting expenses on training to entrepreneurs

### 6 3 5 Financial outlay and expenditure

(i) Total funds available under various schemes and the total expenditure incurred during 1995 2000 were as under <sup>10</sup>

Year	Opening balance	Funds received during the year			Total	Expenditure	Unspent Balance
		Central share	State share	Interest Receipt			
(Rupees in lakh)							
1995 96	194 16	353 44	168 11	5 61	721 32	268 96	452 36
1996 97	—	245 43	100 12	5 42	350 97	338 76	12 21
1997 98	—	171 60	89 86	9 45	270 91	306 51 <sup>11</sup>	(-)35 60
1998 99	—	252 25	73 88	20 10	346 23	198 30	147 93
1999 2000	—	30 69	10 23	5 81	46 73	299 66	(-)252 93
Total	194 16	1 053 41	442 20	46 39	1 736 16	1 412 19	323 97

Scheme wise details of expenditure are at Appendix-XXXV

At the end of March 2000 Rs 3 24 crore (19 per cent) were not utilized due to slow progress of wage employment and self employment components of these schemes Under NRY Rs 1 94 crore carried over from earlier years upto 1994 95 were not utilized till November 1997 when the scheme was discontinued

From November 1997 NRY and PMIUPEP were discontinued and merged with SJSRY launched from December 1997. As on 30 November 1997 Rs 3.67 crore remained unspent (NRY Rs 1.01 crore and PMIUPEP Rs 2.66 crore) under these two schemes. Non utilization of funds under these schemes indicated that schemes were not implemented properly. Out of total unspent amount of Rs 3.67 crore Rs 2.38 crore were allocated (May 1998) by SUDS to field units for utilisation under the components of SJSRY and the balance of Rs 1.29 crore were not allocated to any DUDAs/executing agencies till March 2000. The unspent balances under the schemes with field offices were under reconciliation as of July 2000.

### Delay in release of funds

(ii) Releases of GOI and State Government's share of funds by SUDS to the implementing agencies at districts were delayed by 3 to 12 months under SJSRY during May 1998 to January 2000.

According to sanction issued by GOI the funds were to be utilized within one year of release. Due to delayed release of funds and investment of Rs 1.25 crore in fixed deposit for one year during 1999-2000 by SUDS these funds could not be utilized within a year on scheme activities. Thus opportunities for employment generation to urban poor families were not provided promptly as per the scheme.

### 6.3.9 Wage Employment

Urban Wage Employment schemes covered urban poor families having annual income below Rs 11,850 at 1991-92 prices under NRY and PMIUPEP and Rs 337.42 per capita per month under SJSRY.

This Programme implemented through Urban Local Bodies (ULBs), aimed at generating wage employment for the urban poor living below poverty line through creation of assets of public utility. The works included mainly pavement of streets, installation of hand pumps, construction of roads in municipal areas, construction of drains etc. The ADC cum Chief Executive Officer DUDAs were responsible for sanction of works proposed by ULBs. Funds allocated and expenditure incurred under various schemes for wage employment were as under:

Name of Scheme	Period	Funds allocated      Expenditure	
		(Rupees in crore)	
NRY (SUWE)	1995-96 to November 1997	2.10	2.37 <sup>13</sup>
PMIUPEP	1995-96 to November 1997	2.01	1.60
SJSRY (UWEP)	1998-2000	2.23	1.74
<b>Total</b>		<b>6.34</b>	<b>5.71</b>

In urban areas of the State there were 1.88 lakh BPL families (as per 1998 survey). At an average wage rate of Rs 65 per day the available funds could generate employment for 3.90 lakh mandays during 1995-2000 (5 year period) which worked out to 0.78 lakh mandays in a year. Thus only 780 families (100 days per family in a year) i.e. 0.42 per cent of the total 1.88 lakh identified BPL families in urban areas could be covered in a year. Funds allocated by GOI for wage employment component to alleviate urban poverty did not have any correlation with number of BPL families and were far short of actual requirements.

(a) *Non - achievement of wage employment targets*

Scheme for Urban Wage Employment (SUWE) was implemented mainly under NRY (upto November 1997) and SJSRY

Under NRY against the target of generating 1 94 lakh mandays employment during 1995 96 to 1997 98 (upto November 1997) 1 20 lakh (62 per cent) mandays were generated as intimated by the Project Director SUDS

SJ SR Y envisaged wage employment to persons living below poverty line Against the target of 1 76 lakh mandays employment generation in 1998 2000 only 0 90 lakh mandays (51 per cent) were generated Thus the purpose of the scheme to provide employment to the unemployed urban poor was largely unachieved The shortfall in achievement of targets was mainly due to non adherence to material labour ratio of 60 40 as evidenced by the scrutiny in test checked districts as discussed below

(b) *Reporting of inflated employment figures*

A scrutiny of wage payments made to labourers through muster rolls during 1998 99 under SJSRY scheme by 17 Municipal Committees (refer Appendix XXXVI) revealed that under UWEP component 5 883 mandays employment was generated based on actual attendance of labourers However Chief Executive Officers/ADC of these DUDAs intimated employment generation of 14 687 mandays (150 per cent more) in their progress reports on estimate basis Thus DUDAs failed to maintain correct figures of employment generation and ADCs furnished inflated figures of employment

(c) *Employment generated for non BPL families*

NRY and SJSRY were intended to extend benefit of employment generation to urban poor families identified by DUDAs as being below poverty line In the 5 districts test checked no reference of BPL list was given in the muster rolls in any case nor the names of labourers employed were traceable in the BPL lists of the area and therefore possibility of these names being fictitious cannot be ruled out The matter calls for investigation In the five districts test checked Rs 20 32 lakh under NRY during 1995 98 and Rs 5 74 lakh under SJSRY during 1998 2000 were paid as wages to such labourers for employment of 36 568 mandays

(d) *Low expenditure on labour*

Under NRY and SJSRY schemes expenditure on material and labour components was to be in the ratio of 60 40

Actual expenditure on labour component was however very low and ranged between 17 and 35 per cent under NRY during 1995 98 in 4<sup>14</sup> districts test checked which led to generation of less employment by 11 492 mandays In Jind and Kurukshetra districts expenditure under NR Y on labour component was merely 25 per cent and 17 per cent respectively

Under SJSRY the expenditure on labour component during 1998 2000 varied between 15 per cent and 27 per cent of the total expenditure which led to generation of less employment by 7 683 mandays in the 5 districts test checked In Faridabad and Bhiwani districts expenditure on labour was merely 15 16 per cent of the total expenditure

### 6 3 10 Self employment schemes

Under self employment component financial assistance (bank loan and subsidy) and training is provided to the poor unemployed persons for setting up of micro enterprises under various schemes

Loan was provided by banks on the recommendation of DUDAs while subsidy was provided through ULBs under NRY and SJSRY schemes Under PMRY loan is provided by banks on the recommendation of Dies subsidy is claimed by banks from GOI through Reserve Bank of India for further adjustment in loanee s accounts

Following points were noticed during audit

(a) Analysis of funds allocated and expenditure incurred for this component was as under

Name of Scheme	Period	Funds allocated	Expenditure
( Rupees in crore)			
NRY (subsidy and training)	1995 96 to November 1997	1 41	1 83 <sup>15</sup>
PMIUPE (subsidy and training)	1995 96 to November 1997	2 12	0 92
SJSRY (i) (subsidy and training)	1998 2000	2 67	2 02
(ii) (DWCUA) (subsidy and thnft and credit societies)		0 74	0 19
PMRY (training and contingency)	1995 2000	1 96	1 55
<b>Total</b>		<b>8 90</b>	<b>6 51</b>

As evident from the table 27 per cent of the funds allocated during 1995 2000 were not spent Out of this of Rs 1 98 crore were lying with SUDS/DUDAs

(b) Against the target of setting up of 48 177 ventures under NRY SJSRY and PMRY during 1995 2000 36 647 ventures (76 per cent) were set up for which Rs 22 95 crore (NRY Rs 1 23 crore SJSRY Rs 1 65 crore and PMRY Rs 20 07<sup>16</sup> crore approximately) were disbursed as subsidy

(c) DUDAs/DICs did not monitor the schemes to assess actual number of ventures running successfully to ascertain the impact of the programme

### 6 3 11 Prime Minister s Rojgar Yojna

PMRY was launched in October 1993 to provide employment to educated unemployed youths who were matric passed or failed (from April 1999 Class VIII pass) and whose family income was upto Rs 24 000 per annum The scheme mentioned 137 activities (industry 75 business 41 and service 21) for which the ventures could be set up The scheme laid down that in business sector micro enterprises should not exceed 30 per cent of the total enterprises Amount of loan under PMR Y was Rs 1 lakh (increased to Rs 2 lakh each for services and industry sector from April 1999) per youth

(a) **Diversion of loan/subsidy from industry/service sector to business sector**

In the 5 districts test checked out of 9 689 micro enterprises 6 168 cases (64 per cent) for which bank loans of Rs 31 58 crore were sanctioned during 1995 99 were

for business sector as against the prescribed ceiling of 30 per cent. This resulted in diversion of financial assistance (loan/subsidy) of Rs 16 70<sup>17</sup> crore from industry and service sectors. GM of the DICs replied (November 1999–March 2000) that the applicants were interested for setting up of business enterprises instead of industry and service enterprises because these sectors required technical knowledge, potentiality and good marketing prospectus.

The contention of the GMs was not tenable since Government policy had laid down certain priorities and ceiling in the matter of disbursement of loans and it was not within the GMs' competency to alter it.

#### **(b) Defaulters in repayment of loans and closure of ventures**

PMRY scheme was to provide loan facilities for setting up employment ventures. A task force comprising General Manager, DIC, representatives of lead bank, two other leading banks, District Employment Officer and one member from Small Industries Service Institute set up at district level invited applications from eligible persons through advertisements in local newspapers, etc. These applications were scrutinized by the task force for identifying the targeted beneficiaries, examining the financial viability of the proposed ventures and recommending loans for sanction by banks. Besides there were District PMRY Committees to monitor and evaluate the scheme to ensure its effectiveness.

A scrutiny of information furnished by the Punjab National Bank (the lead bank in Haryana) revealed that recovery of bank loans came down from 54 per cent as of December 1996 to 48 per cent as of December 1999. Against the total demand of Rs 27 08 crore raised by the banks as of December 1999, Rs 14 05 crore were overdue.

Further age analysis of loans (overdue for recovery) in respect of one major bank, i.e. PNB revealed that of Rs 5 34 crore overdue for recovery as of March 2000, Rs 2 65 crore (50 per cent) was more than one year old.

A perusal of the information furnished by the Director, Industries Department revealed that in 12 of the 19 districts of the State, 15 644 ventures were set up during 1995–99 of which 2 684 ventures (17 per cent) were closed down as of July 2000.

It was thus evident that financial appraisal of the project reports by the task force committee at DIC level was not done properly before recommending the cases for sanction of loans by the banks.

#### **6.3.12 Training**

PMIUEP was launched in November 1995 in 9<sup>18</sup> selected towns of the State. The scheme envisaged self employment through setting up of micro enterprises and skill development through appropriate training. The Project Director, SUDS did not maintain the information about the number of persons trained in the State under this scheme. However in 3<sup>19</sup> towns test checked, Rs 18 87 lakh (Rs 2 000 per trainee) were provided for imparting training to 943 persons against which Rs 11 84 lakh only were spent and 588 persons (62 per cent of expected number) were imparted training during 1995–98. Reasons for shortfall in achievements were not intimated.



### 6 3 13 Non implementation of the shelter upgradation component

PMIUPEP provided for financial support to urban poor for shelter upgradation with a loan component of Rs 10 000 and subsidy at the rate of 25 per cent of unit/renovation/repair cost subject to a ceiling of Rs 2 500 per unit During 1995 98 GOI (Rs 33 55 lakh) and the State Government (Rs 22 35 lakh) released Rs 55 90 lakh to the Project Director SUDS Haryana for shelter upgradation The Project Director decided and released Rs 49 04<sup>20</sup> lakh to Haryana Housing Board (HHB) for taking up works of upgradation of shelters in 9 towns

The entire amount of Rs 55 90 lakh was still lying unutilised with SUDS Non implementation of the scheme deprived atleast 2 236<sup>21</sup> BPL families of the benefit of upgradation of their shelters

The Secretary Housing Department informed (July 1996) the Secretary Local Self Government Department that since SUDS had come into existence for implementation of the scheme therefore this component should also be implemented by them However SUDS instead of taking up the works at its own level continued to release the funds to HHB up to November 1997 The HHB ultimately returned the unutilized amount to the Project Director SUDS in January 1998 (Rs 20 31 lakh) and October 1999 (Rs 28 73 lakh)

### 6 3 14 Monitoring and evaluation

Monitoring of PMRY was to be done by District PMRY Committee at district level and State PMR Y Committee at State level Monthly/quarterly progress reports were being sent by DICs to the Director Industries Department However in large number of cases the ventures were closed and reasons thereof were not analysed Bank loanees were defaulters but the PMRY Monitoring Committees or the GMs DICs did not know the reasons for non repayment of loans

The Project Director SUDS was required to monitor the implementation of the SJSRY scheme at State level The Chairman DUDAs were to monitor the implementation at district level However in view of the large scale failure and irregularities in keeping of accounts and low achievements of targets evidently the Project Director SUDS and the Chairman DUDAs failed to monitor the schemes

Evaluation study of NRY was got conducted in 7 out of 19 districts during 1997 In the evaluation reports it was recommended to provide sufficient funds for wage employment component but limited funds were provided during 1997 2000 for this component under SJSRY

### 6 3 15 Conclusion

According to the survey conducted by expert group of the Planning Commission (GOI) in 1993 94 urban population below poverty line in the State was 7 31 lakh which increased to 9 61 lakh in 1998 99 (as per survey conducted by municipal committees) Thus the schemes failed to have any appreciable impact

The funds provided for wage employment component could cover only 0 42 per cent of the identified BPL families in urban areas Against the target of generating employment of 3 70 lakh mandays 2 10 lakh mandays (57 per cent) were generated under various wage employment schemes

Against the target of setting up of 48 177 ventures under NRY SJSRY and PMRY 36 647 ventures (76 percent) were set up

Recovery of bank loans under PMRY was decreasing it came down from 54 percent in December 1996 to 48 percent in December 1999 17 percent of the ventures set up in 12 district during 1995 99 were closed down

The Project Director SUDS failed to discharge accountability as he did not prepare the annual accounts and get them audited since its inception in December 1991

These points were referred to Government in May 2000 their reply had not been received (August 2000)

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

This office was implementing three schemes namely NRY UBSP PMIUPEP which was replaced by SJSRY w e f 1 12 97 whereas the A G in its report has taken into account the figures of NRY and PMIUPEP and another schemes that is PMRY which is not implemented by this office It appears that the confusion in figures of receipt and expenditure is due to this reason As per record of this office the schemewise receipt and expenditure during 1995 2000 is as under —

Scheme	Opening Balance	Receipts during the period			Other/ Misc	Total Funds Receipts	Expenditure	C Balance
		Central	State	Total				
N R Y	242 17	248 73	165 82	414 55	6 45	663 17	541 05	122 12
U B S P	70 41	64 80	43 18	107 98	—	178 39	105 29	73 10
PMIUPEP	—	356 28	192 26	548 54	—	548 54	279 00	269 54
Total	312 58	669 81	401 26	1071 07	6 45	1390 10	925 34	464 76
								(1 12 97)
SJSJRY	464 76	403 89	134 62	538 51	—	1003 27	474 07	529 20
	(1 12 97)							

A detailed statement (1995 2002) of schemewise and yearwise receipt and expenditure is enclosed at annexure I (the figures have been reconciled with the GOI and implementing agencies )

It will be seen that there was an unspent balance of Rs 464 76 lacs of old schemes available because the G O I abruptly closed the 3 schemes in the middle of 1997 98 This unspent balance was treated as opening balance of SJSRY as per guidelines of GOI and distributed to implementing agencies i e DUDAs

Regarding delay in release of Central & State Share to the implementing agencies it is intimated that the central assistance alongwith State Share can be disbursed as per guideline of GOI The State share of 1997-98 was received in Oct 98 and since the unspent funds of old schemes were distributed in May 98 the sum of 1997 98 were released in April 99 keeping in view the availability of funds with DUDAs The GOI released Central share at the end of the year the State share was therefore released in the next year The State share for the 1998 99 was released in April 99 and was distributed in July 99 The funds are utilized in the next year due to

releases by GOI at the end of the financial year

The targets for mandays are worked out on the basis of allocation of funds and material labour ratio as 60 40 and minimum wages applicable in that year. The works are undertaken on the recommendations of CDS. Practically works like earth filling and installation of hand pump etc. have much higher ratio of material. Some times even the wages are higher than the minimum wages. This resulted in to less generation of mandays and unachievement of targets.

The GOI was therefore requested to amend the guidelines in this regard and the matter is under consideration. Regarding reporting of inflated employment figures the concerned ADC cum CEO have been requested to rectify the same.

So far as SJSRY is concerned there is nearly 100% utilisation of funds under Self employment schemes as on 31 3 2002.

**(a) Diversion of loan/subsidy from industry/service sector to business sector**

It is correct that against the ceiling of 30% cases for business sector the bank loans were sanctioned in respect of 64% cases from business sector during 1995 99. However it is pointed out that it was not possible to adhere to the ceiling of 30% cases from business sector indicated in the PMRY Scheme due to the following reasons:

- 1 The Task Force was required to forward double applications than the targets fixed for each district and it was upto the entrepreneurs to complete the bank formalities and get the loan disbursed. It was easy for the beneficiaries from business sector to complete the formalities as the entrepreneurs from industrial sector has to arrange the electric connection, suitable place of business, procurement of machinery and equipment etc.
- 2 The beneficiaries could not be forced to start the industry in the area where there is no industrial potential.
- 3 It is difficult for the unemployed matriculate person to set up his industrial unit without any technical experience and his own resources.

It is further informed that the ceiling of 30% for business sector was not being altered at the GMs level. Rather the whole system was used to accept the ventures under any sector with the sole objective of providing an opportunity to the unemployed youth to set up his venture according to his qualification, interest and skill.

It is pertinent to point out that the monthly and quarterly progress reports indicating the sector wise achievements were used to be sent to the Govt. of India and banks were also submitting their reports to the Reserve Bank of India. Since the ceiling of 30% for business sector was not being followed by the concerned agencies due to obvious reasons, the Govt. of India Ministry of Industry vide their letter dated 22 1 1999 had removed the ceiling fixed for different sectors and indicated that the loans will be granted under PMRY for all economically viable activities including agriculture and allied activities.

### **Defaulters in repayment of loans**

It is correct that the loan recovery position under different Govt Sponsored Schemes is not satisfactory. However, it is pointed out that the loans granted to the beneficiaries under PMRY scheme are to be recovered by the banks. However, the GMs/DICs do provide assistance to the banks in making loan recoveries as and when desired by the banks. The recovery under Govt Sponsored Schemes including PMRY is monitored in the Distt Level Bankers Committee headed by Deputy Commissioner of the concerned district and State Level Bankers Committee.

### **Closures of ventures**

It is correct that out of 15644 ventures set up in twelve districts during 1995-99, 2684 ventures (17%) were closed down due to the following reasons:

- (1) The beneficiaries got employment
- (2) The beneficiaries could arrange better opportunities
- (3) Due to shortage of funds
- (4) Due to domestic circumstances
- (5) Due to competition with the existing business establishments in the area etc

However, it may be pointed out that 17% closure of business ventures set up during a period of five years cannot be considered to be on the higher side, particularly a scheme where the beneficiaries are (i) Matriculate (ii) no experience (iii) meager financial resources (iv) no place of business etc.

The scheme of PMIUPEP was introduced in 1995-96 and the funds were received in 1996-97 and 1997-98. The scheme was replaced on 1-12-97. The scheme was in operation for about 1½ year only. The data of persons trained under the scheme was therefore not maintained at H.Q. The same is available with concerned DUDAs.

The unspent amount of Rs. 55.91 lacs of SHASHU component of PMIUPEP Scheme was refunded by Haryana Housing Board. The GOI was requested for clarification in the matter and as per instruction of GOI, this unspent amount was transferred to SJSRY and distributed to DUDAs.

The implementation of SJSRY is being very closely monitored. Regular meetings to review the progress on quarterly basis are held at the State level and at distt level. There has been almost 100% achievement and utilization under SJSRY as on 31-3-2002 and GOI has graded the achievement in Haryana under SJSRY as outstanding.

The increase in BPL population is due to the reason that under NRY the economic criteria for identification of BPL was annual income below Rs. 11850/- whereas under SJSRY the criteria is Rs. 337.42 per month per family member which comes to Rs. 20000/- per year family taking into account average 5 members in the family. Moreover, the BPL in Haryana are mostly migratory labour and there is a continuous flow of the same. Therefore, increase in BPL is not due to failure of the

scheme The reasons for low achievement of targets under UWEF has been explained above The annual accounts since inception of the society have been got prepared and audited and there is no short coming in the books of accounts

Details of funds received and expenditure incurred scheme wise during 1995 98 to 2001 2002

(Amt in lacs)

Scheme	Year	O Bal	G I A sanctioned during the Financial Year			Other Grants Utilised	Total Funds Avail	Expenditure	Unspent Amount
			C Share	S Share	Total				
A NRY	1995 96	242 17	103 99	69 33	173 32	0 00	415 49	251 89	163 60
	1996 97	183 60	84 75	56 50	141 25	0 00	304 85	133 97	170 88
	1997 98	170 88	59 99	39 99	99 98	6 45	277 31	155 19	122 12
	<b>Total</b>		<b>248 73</b>	<b>165 82</b>	<b>414 55</b>	<b>6 45</b>		<b>541 05</b>	
B PMIUPEP									
	1995 96	0 00	183 03	98 78	281 81	0 00	281 81	49 66	232 15
	1996 97	232 15	103 68	55 94	159 82	0 00	391 77	101 92	289 85
	1997 98	289 85	69 57	37 54	107 11	0 00	396 96	127 42	269 54
	<b>Total</b>		<b>356 26</b>	<b>192 26</b>	<b>548 54</b>			<b>279 00</b>	
C UBSP									
	1995 96	70 41	29 30	19 53	48 83	0 00	119 24	47 78	71 48
	1996 97	71 48	26 85	17 88	44 73	0 00	116 21	40 16	76 05
	1997 98	76 05	8 65	5 77	14 42	0 00	90 47	17 37	73 10
	<b>Total</b>		<b>64 80</b>	<b>43 18</b>	<b>107 98</b>	<b>0 00</b>		<b>105 29</b>	
D SJSRY									
	1997 98	464 76	86 87	28 95	115 82	0 00	580 58	0 00	580 58
	1998 99	580 58	134 79	44 93	179 72	0 00	760 30	195 99	564 31
	199 2K	564 31	182 23	60 74	242 97	0 00	807 28	278 08	529 20
	<b>Total</b>		<b>403 89</b>	<b>134 62</b>	<b>538 51</b>	<b>0 00</b>		<b>474 07</b>	
<b>A+B+C+D</b>		<b>312 58</b>	<b>1073 70</b>	<b>535 88</b>	<b>1609 58</b>	<b>6 45</b>	<b>1928 61</b>	<b>1399 41</b>	<b>529 20</b>
Position without UBSP Scheme									
<b>A+B+D</b>		<b>242 17</b>	<b>1008 90</b>	<b>492 70</b>	<b>1501 60</b>	<b>6 45</b>	<b>1750 22</b>	<b>1294 12</b>	<b>456 10</b>
SJSRY 2000 01		529 20	125 14	41 72	166 86	0 00	696 06	368 16	327 90
2001 02		327 90	50 40	18 80	67 20	37 00	432 10	357 99	74 11
2002 03		74 11	0 00	0 00	0 00	0 00	74 11	32 36	41 75
<b>Total</b>			<b>579 43</b>	<b>193 14</b>	<b>772 57</b>	<b>37 00</b>		<b>1232 58</b>	
<b>G.Total</b>		<b>312 58</b>	<b>1249 24</b>	<b>594 40</b>	<b>1843 64</b>	<b>43 45</b>	<b>2199 67</b>	<b>2157 92</b>	<b>41 75</b>

After having discussed paragraph Nos 6 3 5, 6 3 9 6 3 10 and 6 3 12 to 6 3 14 with the Financial Commissioner and Principal Secretary to Government, Haryana Urban Development Department and the Director, Project, Urban Development, the Committee is of the view that the multiplicity of the schemes should be done away with. There is so much confusion prevailing at the level of department as well as at local level and also with the beneficiaries and the amount allocated by the Government of India is so small that practically it is not possible to achieve the cogent results. Therefore, the Committee proposes/suggests that inspite of having a number of schemes, there should be one or two schemes for the benefit of urban poor at one time. As the slums are being inhabited by the poorest of the poor having practically no facilities under the conditions prevailing, they are inhumane.

Therefore the Committee recommends that the slum development should be one scheme for which the major amount should be allocated. The Committee is further of the view that the implementation of this scheme should be routed through the local bodies. The local legislator is already an Ex officio Member of the Urban Local Bodies and therefore, he can be the Chairman of such schemes for slum development or any other scheme for the urban development for its effective monitoring. The Committee further proposes that the amount being allocated in the past was petty and symbolical. If the Govt of India wants to really help the poor, the amount allocated for such schemes should be substantial so that it can create an impact and provide the basic minimum facilities of drinking water, toilets, hygienic streets etc. The State share can be raised from 25% to 50% to make it really effective. The Committee desires that the State Government should take up the matter with Govt of India on the lines of the observation made by the Committee. The steps taken by the Department in this regard be intimated to the Committee.

## RURAL DEVELOPMENT DEPARTMENT

(District Rural Development Agency)

[91] 6 9 *Loss of Central assistance under Integrated Rural Development Programme*

### **Delay in release of matching grant by State Government led to poor utilisation of funds for IRDP and loss of Central share assistance**

Expenditure of Integrated Rural Development Programme (IRDP) a Centrally sponsored programme being implemented in the State was shared equally by the Central and the State Government. The funds were to be utilised at the rate of 15 25 35 and 25 per cent during first to fourth quarters of the financial year to avoid bunching of activities at the end of financial year. In case of shortfall in quarterly utilisation of funds the second instalment of Central share was to be deducted proportionately by Government of India (GOI).

A part of IRDP allocation could be utilised for meeting expenditure on administrative infrastructure at State, DRDA and Block level according to the norms fixed by the State Government. These norms were to be restricted to 15, 12.5 and 10 per cent of the funds allocated during previous year for DRDAs having (i) 4 or fewer blocks, (ii) 5 to 7 blocks and (iii) 8 or more blocks respectively. Proposals for release of second instalment were to be sent to GOI by the end of December each year.

Scrutiny of records of DRDAs of the State (October 1999) revealed that GOI released the first instalment of Central assistance of Rs 4.51 crore (Rs 1.27 crore in May 1998 and Rs 3.24 crore in July 1998) but the State Government released matching contribution only in July 1998 and October 1998. Due to late release of matching grant by the State Government, in 16\* out of 19 DRDAs, the quarterly utilisation of funds during 1998-99 for implementing the programme ranged between Rs 1.37 lakh and Rs 16.70 lakh in these districts which was less than the prescribed percentage laid down by GOI.

In 15 DRDAs, administrative expenditure exceeded by Rs 35.91 lakh during 1997-98 than the prescribed limits. Consequently, GOI deducted Rs 1.43 crore, Rs 1.07 crore on account of shortfall of quarterly utilisation of funds and Rs 35.91 lakh on account of excess administrative expenditure while releasing second instalment of Central assistance for the year 1998-99 during January 1999 to March 1999. GOI also deducted Rs 7.72 lakh in respect of DRDA, Jhajjar on account of late submission (February 1999) of proposal for release of second instalment.

Besides, the second instalment of Central assistance of Rs 40.13 lakh (DRDA Panipat Rs 18.26 lakh, DRDA Karnal Rs 21.87 lakh) for the year 1998-99 was not released due to non submission of proposal in respect of Panipat and slow progress of expenditure in case of Karnal.

The Special Secretary and Director, Rural Development Department, Haryana stated (June 2000) that quarterly targets had never been reiterated by Central Government and crediting of Central funds to the DRDAs' accounts after their release takes considerable

time due to which DRDAs were not able to adhere quarterly targets. The reply was not tenable as IRDP manual provided for quarterly utilisation of funds and to avoid any delay GOI was crediting the Central share direct to the DRDAs bank accounts by telegraphic transfers. The delay of two months in releasing the matching contribution by the State Government slowed down the utilisation of funds and the progress of implementation of the programme. As a result the State Government was deprived of the Central assistance of Rs 1 91 crore under IRDP during 1998-99.

The matter was referred to Government in March 2000. Their reply had not been received (August 2000).

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

Govt. of India had prescribed the targets of quarterly budgeting to avoid bunching of activities at the end of the financial year. These targets have never been reiterated by the Central Govt. while conveying the annual allocation of funds/release of 1st instalment of Central share of assistance during the last 4-5 years. Infact the budget provided for the annual allocation of funds is to be conveyed to the DRDAs during the 1st fortnight of April 1998 whereas the Govt. of India had circulated the financial targets of IRDP for the year 1998-99 *vide* their letter No 25011/8/98(IRD III) dated 11.8.98. In view of late conveying of allocation of funds by the Central Govt. the DRDAs could not make their planning for utilisation of funds strictly on quarterly basis.

Besides this the Central Govt. had released the 1st instalment of central share of assistance in two parts viz. 30% funds had been released *vide* Central Govt. sanction letter dated 18.5.98 and the balance of 1st instalment was released on dated 21.7.98. These release orders were received by the State Govt. during the month of June and August respectively. Accordingly the state matching share was got released by the state Govt. during the financial year of 1998-99. The Government of India is also well aware that crediting of Central funds in the accounts of the DRDAs takes considerable time. These facts would reveal that the DRDAs are not at fault for not adhering to the targets of quarterly budgeting.

The Govt. of India while releasing 2nd Instalment of funds had made deductions from the share of the DRDAs of Mohindergarh, Rewari, Fatehabad, Jhajjar and Panchkula because of late receipt of proposals. In this regard it is submitted that the State Govt. had submitted the requisite proposals of these DRDAs to the Govt. of India *vide* this Deptt. letter dated 29.12.98 through Special Messenger. The Central Govt. had already clarified that no deductions would be made from the share of DRDAs provided the proposals for release of funds are received by them before the end of December 1998. The proposals were sent in time and therefore the deductions on account of late submission of proposals not realistic and basis on the facts. Govt. of India also confirmed receipt of 18 proposals by its Ministry letter No M 11017/1/98 IRD(Moni) dated 10.3.99. Revised proposal of DRDA Jhajjar was sent to Govt. of India *vide* this office letter No Accts 1/98/653 dated 10.2.99 in response to Ministry letter No M 11017/1/98 IRD(Moni) dated 29.1.99.



So far as excess Administrative expenditure is concerned most of the DRDAs tried their best to incur expenditure within the prescribed norm as laid down by Govt of India but due to escalation the salary and rates of other material it was not possible for them to incur expenditure within norms prescribed by Govt of India Govt of India vide this department letter No Accts 93/57 A/10252 dated 23 6 94 and No 10272 dated 5 7 94 22426 dated 13 12 96 8627 dated 8 12 98 was requested to enhance this norm of expenditure as fixed by Govt of India Becuase grants received are almost static whereas the expenditure is ought to increase under the compelled circumstances To overcome the difficulty of project administrative expenditure faced by DRDAs Govt of India now launch a new scheme of DRDA Administration from 1 4 99 to meet out the salary expenditure cost of the employees working in DRDAs

Regarding non submission of proposal DRDA Panipat as stated by Audit it is submitted that Govt of India vide its letter M 11017/1/98 IRD(Moni) dated 10 3 99 had admitted that proposal for release of 2nd Instalment received from 18 DRDAs which includes DRDA Panipat too So far as non release of 2nd instalment funds is concerned in respect of DRDA Karnal and Panipat Govt of India vide its letter dated 10 3 99 illustrated that funds of 2nd Instalment to DRDA Karnal and Panipat are not released due to deductions being more than their share of 2nd Instalment

Govt of India vide its letter No M 11017/1/98 IRD(Moni) dated 18 5 98 released 1st Instalment funds amounting to Rs 126 61 lacs to all the 19 DRDAs of Haryana State in the month of May 1998 Saction letter of Govt of India received in the Directorate during the month of June 1998 and case for release of State share was sent to Finance Deptt (During June 1998) for its concurrence After obtaining concurrence from Finance Deptt in July 1998 State matching contribution released to the DRDAs In the month of August 1998 balance funds of 1st Instalment released by Govt of India According to funding pattern State share released during October 1998 There is no delay on behalf of the State Govt because process for release of State share takes considerable time

Keeping in view the position explained above para may kindly be dropped

**During the course of oral examination, the department explained the reasons of delay in release of matching grant by State Government which led to poor utilization of funds for IRDP and loss of central share assistance but the Committee is not satisfied with the reply of the department as the matching grant was late issued by State Government in this case The Committee desired to know that this lapse occurred at what stages and what was the system The Committee therefore, recommends that circumstances under which this delay occurred be examined and responsibility be fixed for the lapse and the Committee be apprised within three months**

## TOWN AND COUNTRY PLANNING DEPARTMENT

(Haryana Urban Development Authority)

[92] 6 11 *Payment of loan to HSEB from the funds of HUDA*

HUDA advanced a loan of Rs 6 crore to HSEB without any safe guard for recovery

Under the Haryana Urban Development Authority (HUDA) Act 1977 the Authority may invest any portion of its funds in such securities or in such manner as may be prescribed HUDA advanced a loan of Rs 1 00 crore to Haryana State Electricity Board (HSEB) in March 1982 for the electrification of the works of HUDA As per agreement with HSEB the principal amount alongwith interest was repayable in five annual instalments by HSEB after a moratorium of 5 years In case of delayed payment penal interest at the rate of 12 *per cent* was to be charged

Scrutiny of the records of HUDA in May 1998 revealed that HSEB did not pay any amount on account of principal and interest thereon which accumulated to Rs 3 05 crore (Principal Rs 1 00 crore and Interest Rs 2 05 crore) as of April 2000

In January 1991 on the direction of State Government HUDA advanced another loan of Rs 5 crore to HSEB at the rate of Rs 10 5 *per cent* per annum for a period of 5½ years with the conditions that the HSEB shall pay interest to the authority every year and after 5½ years the principal and interest due would be paid in lumpsum The loan was not backed with any guarantee or any security from the HSEB

At the end of the 5½ years in October 1996 HSEB requested HUDA for the renewal of the loan of Rs 5 crore in the fixed deposit for a further period of 5½ years at the same rate of interest of 10 5 *per cent* per annum HUDA did not agree with the proposal and asked HSEB that in case the amount was not refunded by 28 November 1996 penal interest at the rate of 18 *per cent* from the due date i e 28 July 1996 would be charged HSEB did not repay the amount of principal and interest due thereon and it accumulated to Rs 9 83 crore (Principal Rs 5 crore and Interest Rs 4 83 crore) as of April 2000

HUDA had not initiated any action to recover Rs 12 88 crore (Principal Rs 6 crore and Interest Rs 6 88 crore) from HSEB Thus due to their failure to obtain adequate security for the loan HUDA took under risk and failed to protect its interest

The matter was referred to Government in February 2000 their reply had not been received (August 2000)

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

### 6 11 **Payment of loans to HSEB from the funds of HUDA.**

HUDA advanced a loan of Rs 6 crore to HSEB without any safeguard for recovery

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At the end of the 5 1/2 years in October 1996 HSEB requested HUDA for the renewal of the loan of Rs 5 crore in the fixed deposit for a further period of 5 1/2 years at the same rate of interest of 10 5 per cent per annum HUDA did not agree with the proposal and asked HSEB that in case the amount was not refunded by 28 November 1996 penal interest at the rate of 18 per cent from the due date i e 28 July 1996 would be charged HSEB did not repay the amount of principal and interest due thereon and it accumulated to Rs 9 83 crore (Principal Rs 5 crore and Interest Rs 4 83 crore) as of April 2000

HUDA had not initiated any action to recover Rs 12 88 crore (Principal Rs 6 crore and Interest Rs 6 88 crore) from HSEB Thus due to their failure to obtain adequate security for the loan HUDA took undue risk and failed to protect its Interest

The matter was referred to Government in February 2000 their reply had not been received (August 2000)

Para No 6 11 Regarding payment of loan to HSEB from the funds of HUDA Rs 6 00 crore

It is submitted that out of the loan Rs 20 00 crores given to HSEB Rs 19 00 crores were refunded by HSEB in the year 1983 84 to 1984 85 and the amount of Rs 1 00 crore was converted into interest free loan for electrification of various sector of HUDA Accordingly an agreement was entered into with HSEB on 21-3 82 for the interest free loan of Rs 1 00 crore with the condition that the loan will be repaid in five equal instalments after a moratorium period of 5 years The loan was carrying interest @ 5½% payable annually commencing from 1st April of 6th year i e from 1-4 1988

The interest due on 1-4 88 and 1 4 89 has been received but the principal amount which was to be received in 5 instalment have not been paid by the HSEB The interest from 1-4 90 and onwards have not been paid by the HSEB inspite of repeated reminders from this office

An amount of Rs 5 00 crore was invested with HSEB on 29 1 91 at the rate 10 5% p a for a period of 5½ year with the approval of Authority in its 49th meeting

held on 24 91 The amount of interest was to be paid by the HSEB every year and after completion of 5½ years the principal and interest due at that time was to be repaid in lumpsum The interest amount has been paid by the HSEB regularly However the principal amount of FDRs of Rs 5 00 crore was not repaid by HSEB and it was requested that the financial position of HSEB is very tight and is in no way in a position to encash the fixed deposit and is better looking forward for fresh deposit by HUDA to maintain continuity of power supply in the State It was therefore requested that for the time being the fixed deposit of Rs 5 00 crores may be got renewed for further 5½ years

The request of the HSEB was considered it was approved by the Chairman HUDA to get the FDR renewed w e f 28 7 96 for further 5½ years at the interest rate of 10 5% p a The decision was conveyed to the Chairman HSEB now HVPN Ltd Panchkula vide this office letter No 31503 dated 12 10 99 and it was requested to renew the FDR and pay the interest from 28 7 96 In reply it was intimated by HVPN Ltd that as per new bifurcation the loan would be operated by the Dakshin Haryana Bijli Vitran Nigam Ltd The matter was taken up with Managing Director Dakshin Haryana Bijli Vitran Nigam Ltd vide this office letter No 35171 dated 22 11 99 and subsequent reminders and D O letter were issued But the renewed FDR and interest thereon w e f 28 7 96 has not been received so far

**During the course of oral examination, the department informed the Committee that amount of loan has been recovered and it is difficult to recover the amount of interest from H S E B The Committee is not satisfied with the reply of the department as HUDA should have advanced the loan after getting the requisite securities The Committee, therefore recommends that all loans in future be advanced against security and in this case matter be taken up with the Finance department for concurrence and Committee be also informed about it accordingly**

[93] 6 12 *Non recovery of enhanced compensation of land*

**HUDA failed to recover cost of enhanced compensation including interest of Rs 9 57 crore from HSEB**

Haryana Urban Development Authority (HUDA) allotted (March 1979) two plots of land measuring 112 71 acres and 28 168 square yards in Urban Estate II Hisar at the cost of Rs 82 lakh to Haryana State Electricity Board (HSEB) As per terms and conditions of allotment letters any enhancement in the cost of land awarded by the competent authority under Land Acquisition Act was payable by allottee proportionately as determined by the authority within 30 days of its demand In case additional price was not paid within time the Estate Officer (EO) was to take action for imposition of penalty and resumption of plot in accordance with the provisions of HUDAAct 1977

Test check of records of Estate Officer HUDA Hisar (August 1999) showed that HUDA paid enhanced compensation of land amounting to Rs 1 62 crore awarded by the court However HSEB did not pay this amount as demanded by HUDA as per terms of the sanction between June 1987 and April 1989 HUDA issued a show cause notice in December 1994 on Executive Engineer HSEB Hisar imposing penalty of Rs 37 61 lakh but took no further action to recover the amount or for resumption of land In January 1999 Haryana vidut Parasarn Nigam Limited (HVPNL erstwhile HSEB) enquired about the dues and requested HUDA to waive the penalty/enhancement as they were not in a position to pay the same in the absence of funds due to financial crunch EO Hisar supplied (July 1999) the details of recoverable amount of Rs 8 42 crore including interest upto June 1999 However no amount was recovered from HVPNL and the dues accumulated to Rs 9 57 crore as of May 2000 No action was also taken to resume the land

The matter was referred to Government in March 2000 their reply had not been received (August 2000)

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

**6 12 Non recovery of enhanced compensation of land from HSEB**

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of Rs 37 61 lakh by took no further action to recover the amount or for resumption of land In January 1999 Haryana Vidyut Parasaran Nigam Limited (HVPNL erstwhile HSEB) enquired about the dues and requested HUDA to waive the penalty/ enhancement as they were not in a position to pay the same in the absence of funds due to financial crunch E O Hisar supplied (July 1999) the details of recoverable amount of Rs 8 42 crore including interest upto June 1999 However no amount was recovered from HVPNL and the dues accumulated to Rs 9 57 crore as of May 2000 No action was also taken to resume the land

The matter was referred to Government in March 2000 their reply had not been received (August 2000)

In reply to the para it is submitted that the Executive Engineer, HSEB (now HVPNL) was served the notices on account of recoveries of enhanced compensation vide E O Hisar memo letter dated 11 6 87 for Rs 9362362 50 letter dated 17 2 88 for Rs 594834/ and letter dated 5-4 88 for Rs 553285/ The above said amount was to be deposited within 30 days from the issue of these notices but HVPNL has not turned up to deposit the same

The HSEB Authority has been requested time and again to deposit enhanced compensation vide letter detailed as under —

1 E O HUDA Hisar	No 13166/8 8 92
	No 16469/7 12 93
	No 13596/20 10 93

The HSEB authority were also requested for hearing through various letters given below

E O HUDA Hisar	No 6023/12 6 89
	No 10932/1-9 89
	No 12212/9 10 89
	No 12212/9 10 89
	No 13919/15 11 89
	No 15354/18 12 89
	No 3280/1-3 90
	No 4653/20 3-91
	No 19882/9-12-91
	No 103/6-1-92
	No 2045/11 2 92

The meeting between M D HVPNL Hisar and Administrator HUDA Hisar was also held on 9 5 2000 But no concrete result has been arrived at for the recovery

From the above it will be seen that this department tried its best to recover the enhanced compensation but the recovery is still outstanding

A fresh notice under HUDAAct 1977 section 17 (1) has also been served vide this office letter No 4151 dated 19 4-2001 to recover balance amount of Rs 10 02 04 795

During the course of oral examination, the Department informed the Committee that payment of original land has been paid by HSEB but cost of enhancement of land has not been paid by HSEB. The Committee took the delay in depositing the enhancement of land by HSEB seriously and recommends that matter be taken up with the HSEB and a written agreement be made about the mode of payment to be paid to HUDA by HSEB in stipulated time frame under intimation to the Committee

## FOOD AND SUPPLIES DEPARTMENT

*[94] 7 2 Pilferage of large quantity of wheat due to manipulation of weight*

**Moisture gain on 30 41 lakh wheat bags supplied to FCI was short accounted and consequently there was possibility of pilferage of 14,355 quintals of wheat valuing Rs 65 76 lakh**

Food and Supplies Department has been procuring wheat on behalf of the Food Corporation of India for Central pool during the months of April to June each year. Wheat so procured is delivered directly to FCI and in case immediate despatch is not feasible the wheat is stored and delivered on demand. During storage in godowns the wheat gains weight during the rainy months on account of absorption of moisture. With a view to avoid pilferage of increased weight of wheat the norms for excess in quantity were fixed (August 1993) at 900 grams per bag of wheat (95 kg) for despatches during the month of July and August and 1100 grams per bag of wheat (95 kg) for despatches from September to March by the State Government for the year 1993 94. These norms were made applicable upto the year 1998 99 i.e. 31 March 1999. The excesses were to be considered with reference to despatch of wheat during the month.

During audit (September 1999 to December 1999) of six District Food and Supplies Controllers it was noticed that 30 41 lakh bags of wheat were despatched during July 1996 to March 1999 by the department to Food Corporation of India. Excess weight in wheat due to moisture gains was taken as 17 844 quintals against 32 199 quintals as per prescribed norms. This resulted in shortage of 14 355 quintals of wheat valuing Rs 65 76 lakh. Possibility of pilferage of these quantity of wheat on the plea of less moisture gain can not be ruled out.

The department did not examine the reasons for less moisture gain than the prescribed norms. Similar lapse was commented upon in the Report of Comptroller and Auditor General of India for the year ended 31 March 1997 (Civil) Government of Haryana when it was noticed that Rs 14 31 lakh were lost due to excess moisture gains. No remedial measures were taken by Government in response to the Audit comments nor any responsibility for possible pilferage had been fixed (February 2000) by the Director Food and Supplies against the officials incharge of the godowns in the field. As a result the malpractice continued in subsequent years causing further loss to Government.

The matter was reported to the Government in April 2000. Their reply had not been received (August 2000).

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

Follow up action has been taken by the Department accordingly. Show cause notices have been issued to the defaulting officials/ officers. The department has already recovered an amount of Rs 0 98 lac out of Rs 24 19 lakh and efforts are being made to recover the balance amount.

During the course of oral examination, the department informed the Committee that actual loss is Rs 24 19 lakh and not Rs 65 76 lakh as pointed out by the A.G. The Department further informed that Rs 0 98 lakh has been recovered out of Rs 24 19 lakh. The Committee viewed it seriously as the pace



of recovery is very slow. The matter is quite old and desired that recovery be effected from the concerned officials/employees and latest report be sent to the Committee within a period of three months. The Committee also desired that figures of loss be reconciled with A.G. office and the Committee be informed about the actual loss sustained by the Department.

## TRANSPORT DEPARTMENT

### [95] 3.8 Operation of Personal Ledger Accounts

#### (v) Irregular deposit of funds in PLA to avoid lapse of budget grant

Under the financial rules money should not be drawn from treasury unless it is required for immediate disbursement. Financial rules also prohibit withdrawal of funds from treasury to avoid lapse of budget and keeping them in PLA.

GMs Haryana Roadways Gurgaon, Jind and Rewari drew Rs. 22.89 lakh from the Consolidated Fund of the State for execution of works such as construction of water tank, sewerage disposal, maintenance of bus stands, special repairs of workshop, construction of queue shelter and purchase of land etc. between March 1997 to February 2000. These amounts were kept under PLAs to avoid lapse of funds. Of Rs. 22.89 lakh drawn, Rs. 15.14 lakh were lying unutilised as of March 2000 as under:

Sr No	Name of DDOs	Period of withdrawal	Amount drawn	Amount lying * in PLAs as on 31 March 2000
(Rupees in lakh)				
1	General Manager Haryana Roadways Gurgaon	March 1998	1 19	1 19
2	General Manager Haryana Roadways Jind	March 1997	10 40	2 65
		March 1998	1 72	1 72
		February 2000	0 15	0 15
3	General Manager Haryana Roadways Rewari	March 1997	9 08	9 08
		August 1999	0 35	0 35
Total			22 89	15 14

Gurgaon Rs. 4.93 crore, Jind Rs. 0.11 crore and Rewari Rs. 4.63 crore  
Departmental figure

The unspent funds showed that these amounts were not immediately required. The amounts were not transferred to the Consolidated Fund of the State at the end of the financial year as required and were partly utilised by the GM Haryana Roadways Jind in the next financial year without the concurrence/sanction of the Government.

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

#### Reply of the Department

It is submitted that necessary direction has already been issued to all the General Managers of Haryana Roadways to adhere to the provisions contained in rule 12.17 of PFR Vol. I and in no case undisbursed salary/wages are deposited into PLA. The PLA should be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the consolidated fund.

During the course of oral examination of the departmental representatives the Committee observed that some DDOs of the department had drawn the money from Consolidated Fund in advance and kept the amount in PLA for making

subsequent payments in contravention of Rules Besides this some DDOs had kept the money unauthorised in PLAs received from other sources The Committee viewed it seriously as financial rules have been flouted by the department in operation of PLAs

The Committee therefore, recommends that responsibility be fixed in this regard and upto date information be sent for the perusal of the Committee within a stipulated period

**GENERAL****[96] 3 12 Misappropriations defalcations etc**

Cases of misappropriations defalcations etc of Government money reported to Audit upto the end of March 2000 on which final action was pending at the end of March 2000 were as under

	Number	Amount (Rupees in lakh)
Cases reported up to the end of March 1999 and outstanding as on 30 June 1999	292	140 36
Cases reported between April 1999 and March 2000	12	14 25
<b>Total</b>	<b>304</b>	<b>154 61</b>
Cases disposed of between July 1999 and March 2000	15	4 57
Cases outstanding as on 31 March 2000	<b>289</b>	<b>150 04</b>

The department wise break up of the cases in which final action was pending at the end of March 2000 was as under

Sr No	Name of the Department	Number of cases	Amount (Rupees in lakh)
1	Education	35	17 97
2	Forest	28	25 85
3	Irrigation	91	15 86
4	Public Health (PH)	38	6 95
5	Public Works (PW) (B&R)	23	6 97
6	Transport	25	25 93
7	Others	49	50 51
<b>Total</b>		<b>289</b>	<b>150 04</b>

Of these pending cases 141 cases (Rs 42 08 lakh) and 28 cases (Rs 28 52 lakh) were under departmental and police investigation respectively 32 cases (Rs 38 89 lakh) were pending in the courts 65 cases (Rs 26 71 lakh) were sent to Government for writing off and in 23 cases (Rs 13 84 lakh) full recovery had not been made as of June 2000

Of the 29 cases relating to shortages of store articles theft embezzlement fire in godown losses etc involving Rs 16 15 lakh of 11 departments (Appendix XXV) were scrutinised These cases were pending with the department/Government for 5 to 25 years The respective departments/Government for 5 to 25 years The respective

departments/Government need to take suitable steps to finalise the cases in a time bound manner

An analysis of these cases showed that (i) 18 cases involving Rs 8.55 lakh occurred due to theft and (ii) 11 cases involving Rs 7.60 lakh related to misappropriation. In PW and PH departments most of the cases pertained to theft of material or cash. The department need to strengthen the system of safekeeping of these assets.

It has been observed by the Committee that huge number of cases of misappropriation, defalcation etc were pending for investigation/finalisation by various Departments. The Committee would like to know the progress made in disposing off these cases alongwith the department wise break up of latest position through the Finance Department.

The Committee recommends that Finance Department may issue instructions to the concerned Departments to dispose off the cases concerning their department within three months and latest position be intimated to the Committee accordingly.

The Committee further recommends that such cases of misappropriation, defalcation etc be also investigated and decided at the earliest to avoid financial irregularities.

[97] 3.13 Write off of losses etc

During 1999-2000 Rs 3.32 lakh representing losses due to theft, fire and irrecoverable revenue etc were written off in 6 cases by competent authorities as reported to audit by the Government. The relevant details were as under:

Sr No	Department	Number of cases	Amount (In Rupees)
1	Education	1	49,969.40
2	Medical	1	5,348.00
3	Printing and Stationery	1	10,000.00
4	Social Welfare	3	2,66,455.36
<b>Total</b>		<b>3</b>	<b>3,31,772.76</b>

The Committee desired that detailed report regarding written off losses etc in one case each of Education, Medical & Health and Printing and Stationery Department and three cases of Social Welfare Department be sent to the Committee within a period of three months for its consideration.

[98] 3.14 Follow up on Audit Reports

According to the instructions issued (October 1995) by the Finance Department and reiterated in March 1996 and July 2000, the Administrative departments were to initiate *suo motu* positive and concrete action on all Audit paragraphs and reviews figuring in the Comptroller and Auditor General's Audit Reports regardless of whether the cases are taken up for examination by the Public Accounts Committee or not. They were also to furnish detailed notes duly vetted by Accounts Committee or not. They were also

to furnish detailed notes duly vetted by Audit indicating the corrective/remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the legislature

---

1 Animal Husbandry 2 Education 3 Forest 4 Food and Supplies 5 Labour and Employment  
6 Medical 7 Police 8 Transport 9 Irrigation 10 Public Health Department and 11 Public Works  
Department

A review of the position regarding receipt of Action Taken Notes on the paragraphs included in the Audit Reports upto the period ending 31st March 1998 revealed that though the Audit Reports for the period 1996-98 were presented to State legislature on 5 March 1997, 21 July 1998 and 15 November 1999 respectively, 19 Administrative departments had not submitted the remedial/corrective Action Taken Notes on 65 paragraphs/reviews as per details given in the appendix XXVI.

The matter was referred to the Government in June 2000, their reply had not been received (August 2000).

**The Committee is of the view that the department should send Action taken Notes on the Audit Reports immediately after three months of their presentation to State Legislature. However it is observed by the Committee that Department do not care to send the replies to paras contained in audit Reports. The Committee recommends that all the concerned departments should take immediate action for sending Action taken Notes on these paras through Finance Department to the Committee and A G (Audit) Haryana in future.**

## FINANCIAL ASSISTANCE TO LOCAL BODIES AND OTHERS

[99] 6 1 General

(a) Autonomous bodies and authorities perform non commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co operative Societies Act Companies Act 1956 etc to implement various programmes of Government. The grants are given by Government mainly for maintenance of educational institutions hospitals charitable institutions construction and maintenance of schools and hospital buildings improvement of roads and other communication facilities under municipalities and local bodies.

During 1999 2000 Government provided financial assistance of Rs 411 42 crore to various autonomous bodies and others broadly grouped as under

Sr No	Name of institutions	Amount of assistance paid
		(Rupees in crore)
1	Universities and Educational Institutions	130 43
2	Municipal Corporations and Municipalities	103 55
3	Zila Parishads and Panchayati Raj Institutions	4 97
4	Development Agencies	91 76
5	Hospitals and other Charitable Institutions	19 29
6	Other Institutions (including statutory bodies)	61 42
<b>Total</b>		<b>411 42</b>

(b) Delay in furnishing utilisation certificates

The financial rules of Government require that where grants are given for specific purposes certificates of utilisation are to be obtained by the departmental officers from the grantees and after verification these should be forwarded to Accountant General (AG) within 15 months from the date of sanction of the grant unless specified otherwise.

Of 1 723 utilisation certificates due in respect of grants and loans of Rs 920 23 crore paid during 1986 87 to 1998 99 only 368 utilisation certificates for Rs 173 28 crore were furnished to AG by 30 June 2000 and 1 355 certificates for Rs 746 95 crore were in

arrears Department wise and age wise break up of outstanding utilisation certificates as under

Department	Upto 1995 96		1996 97		1997 98		1998 99	
	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)	Number of certificates	Amount (Rupees in crore)
Education			6	14 67	6	18 93	18	74 73
Medical	43	6 16			3	0 04	26	0 55
Agriculture	1	0 01						
Development and Panchayat	33	1 36	18	1 58	33	2 32	46	11 01
Command Area Development Agency							35	33 42
Economical and Statistical Advisor	140	40 97	34	5 00	9	3 48	20	13 80
Revenue	9	1 36					10	3 50
Social Security and Welfare			17	6 99	40	4 57	70	7 52
Sports	12	2 12	10	2 42	26	1 79	33	1 35
Public Health	58	65 56	57	170 69	52	102 46	55	103 75
Science and Technology	5	0 34	1	0 05	4	0 08	16	1 25
Art and Culture					1	0 08	2	0 06
Non Conventional Sources of Energy	7	0 38	3	0 09	1	0 05	4	0 12
Ecology and Environment					3	0 13	7	0 35
Urban Development	98	7 67	80	1 01	76	1 01	64	16 55
Housing	2	0 17						
Irrigation							2	1 00
Technical Education							22	6 10
Animal Husbandry							8	4 07
Fisheries							16	2 30
Village and Small Scale Industries					8	1 23	6	0 75
<b>Total</b>	<b>407</b>	<b>126 10</b>	<b>226</b>	<b>202 50</b>	<b>262</b>	<b>136 17</b>	<b>460</b>	<b>282 18</b>



Out of 21 departments 9 departments were not furnishing utilisation certificates continuously for the last three years viz 1996 97 to 1998 99

(c) *Delay in submission of accounts*

The status of submission of accounts by the autonomous bodies and submission of Audit Reports thereon to the State Legislature as of June 2000 was as under

Sr No	Name of the body	Year upto which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non finalization of Audit Report
1	Haryana Khadi and Village Industries Board Manimajra Chandigarh	1999 2000	1998 99	1996 97	1996 97	Preparation of Draft Separate Audit Reports (SAR) for the year 1997 98 and 1998 99 are in process
2	Haryana Labour Welfare Board Chandigarh	1999 2000	1998 99	1996 97	1996 97	SAR for 1998 99 sent to headquarters office for approval
3	Haryana Urban Development Authority Panchkula	1999 2000	1996 97	1993 94	1989 90	SAR for the year 1994 95 has been sent to headquarters office for approval and for 1995 96 and 1996 97 are under process
4	Housing Board Haryana Panchkula	1998 99	1997 98	1997 98	1996 97	
5	Haryana State Agricultural Marketing Board Panchkula	1999 2000	1998 99	1994 95		Draft SAR for the year 1995 96 to 1998 99 sent to headquarters office for approval
6	Haryana Prathamik Shiksha Paryojna Parishad Chandigarh	1999 2000	1998 99	1995 96		Preparation of Draft Separate Audit Report for the years 1996 97 and 1998 99 are in progress
7	Haryana Forest Development Board (Defunct)	1983 84 to 1986 87	1983 84 to 1986 87	1983 84 to 1986 87		
8	Mewat Development Agency Nuh (Gurgaon)	1996 97 to 1999 2000	1996 97 to 1997 98			Preparation of Draft SAR for the years 1996 97 to 1997 98 are in process

The audit of accounts of the following bodies had been entrusted to the Comptroller and Auditor General of India for a period of 5 years as detailed below

Sr No	Name of body	Period of entrustment
1	Haryana Khadi and Village Industries Board Manimajra Chandigarh	1997 98 to 2001 02
2	Haryana Labour Welfare Board Chandigarh	1998 99 to 2002 2003
3	Haryana Urban Development Authority Panchkula	1992 93 to 1996 97
4	Housing Board Haryana Panchkula	1994 95 to 1998-99
5	Haryana State Agricultural Marketing Board Panchkula	1995 96 to 1999 2000
6	Haryana Prathmik Shiksha Panyojna Panshad Chandigarh	1995 96 to 1999 2000
7	Mewat Development Board Nuh (Gurgaon)	1996 97 to 2001 2002

(d) *Audit arrangements*

The primary audit of local bodies (Zila Parishad Nagar Palikas Town Area/Notified Area Committees) educational institutions Panchayati Raj institutions and others was conducted by the Director Local Audit Haryana Chandigarh Audit of co operative societies is conducted by the Registrar Co operative Societies Haryana Chandigarh

Two hundred eleven bodies/authorities whose accounts for 1998 99 were received attracted audit by Comptroller and Auditor General of India Of these 88 bodies/authorities were audited during 1999 2000 The audit of remaining 123 bodies/authorities had not fallen due

Two hundred twelve annual accounts of 114 bodies/authorities for 1999 2000 and earlier years had not been received as of July 2000 by the Accountant General (Audit) The details are given in Appendix – XXXII Of these bodies/authorities Municipal Committee Bhiwani did not submit accounts for 7 years Municipal Committee Karnal and Rohtak for 6 years and Municipal Committee Bahadurgarh Faridabad and Haryana Sahitya Academy Chandigarh for 5 years Municipal Committee Narnaul Hisar Gurgaon Integrated Women's Employment Development Project Haryana Chandigarh Hindu Kanya MV Jind DAV College Karnal KVA DAV College for Women Karnal Gandhi Adarsh College Smalkha (Panipat) DAV College Pehowa (Kurukshetra) IG National College Ladwa L N Hindu College Rohtak Hindu Mahila MV Sonapat and Gita Vidya Mandir KVM Sonapat for 4 years

Certain interesting points arising out of audit are mentioned in the succeeding paragraphs

The audit of these autonomous bodies had not been entrusted from 1997 98 in respect of Sr No 3 and from 1999 2000 in respect of Sr No 4 Matter has been taken up with them in December 1999 and September 1999 respectively their consent was awaited (June 2000)

The Committee observed that this para is regarding non furnishing of utilisation certificates by various departments/autonomous bodies. The Finance department gives grants to different departments on the basis of allocations. It is the responsibility of the concerned department to submit utilisation certificates well in time.

The Committee recommends that all outstanding utilisation certificates be furnished and Finance department should ensure before the release of further grants to the departments that they have furnished all the outstanding utilisation certificates of previous grants.

## COMMERCIAL ACTIVITIES

[100] 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<sup>st</sup> March 2000. The *pro forma* accounts of these undertakings are in arrears and the extent of arrears in preparing the *pro forma* accounts ranged between 1 year to 18 years.

The summarised financial results of all these undertakings on the basis of latest *pro forma* accounts as on May 2000 were as under:

Sr No	Name of undertaking	Period of accounts upto which finalised	Turnover	Profit (+)/ Loss (—)	Extent of arrears in the preparation of accounts
(Rupees in lakh)					Number of years
1	Transport Department (Haryana Roadways)	1998-99	32 197 80	( ) 9 102 23	1
2	Printing & Stationery Department (Nationalised Text Book Scheme)	1996-97	1 093 78	(+) 92 38	3
3	Animal Husbandry Department (Veterinary Vaccine Institute)	1997-98	13 45	( ) 0 55	2
4	Food and Supplies Department (Grain Supply Scheme)	1999-2000	69 937 37	(+) 2 481 38	
5	Agriculture Department (Purchase and Distribution of Pesticides)	1981-82	245 27	(+) 13 19	18
6	Agriculture Department (Seed Depot Scheme)	1984-85	31 51	(+) 0 11	15

The matter was referred to Government in May 2000. Their reply had not been received (August 2000).

After going through the written replies of various departments, the Committee recommends that expeditious steps be taken to update the *proforma* accounts relating to their departments and the Committee be intimated within the period of three months.

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**PART – IV 1999-2000 (REVENUE RECEIPTS)**

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## EXCISE AND TAXATION DEPARMENT

[101] 1 4 Arrears in revenue

As on 31March 2000 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sr No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
(Rupees in lakh)				
1	Taxes on Sales trade etc	21558 79	8231 80	Demand for Rs 1906 71 lakh certified for recovery as arrears of land revenue Rs 7573 30 lakh stayed by courts and other Appellate Authorities Rs 890 56 lakh held up due to dealers becoming insolvent demand for Rs 1 023 47 lakh proposed to be written off Rs 1 93 lakh held up due to rectification/review applications Specific action taken to recover the remaining amount of Rs 10162 82 lakh not intimated
2	Taxes and Duties on on Electricity	4660 36	2354 42	Rs 38 34 lakh recoverable from M/s Rama Fiber Bhiwani Rs 30 lakh from M/s Dadri Cement Factory Charkhi Dadri Rs 100 lakh from M/s Haryana Concast Hisar Rs 16 lakh from M/s Competent Alloys Ballbgarh and a sum of Rs 4476 02 lakh from consumers by Haryana Vidhyut Prasaran Nigam
3	State Excise	2027 36	765 84	Rs 1083 39 lakh covered by recovery certificates Rs 296 91 lakh stayed by High Court and other Judicial Authorities Rs 0 35 lakh held up due to dealers becoming insolvent Rs 32 84 lakh proposed to be written off Action regarding remaining amount of Rs 613 87 lakh not intimated by the department
4	Taxes on Goods and Passengers	1463 69	448 83	Rs 12 60 lakh stayed by the courts and Rs 0 37 lakh proposed to be written off Specific action taken to recover the remaining amount of Rs 1450 72 lakh not intimated by the department
5	Non ferrous mining and metallurgical industries	874 85	228 98	Rs 212 63 lakh covered under recovery certificates Rs 84 46 lakh stayed by High court and other Judicial Authorities Rs 41 60 lakh held up due to rectification/review applications Rs 1 13 lakh proposed to be written off and Rs 281 34 lakh recoverable from individuals Detailed break up of remaining amount of Rs 253 69 lakh was not available with the department
6	Animal Husbandry	36 07	29 75	Rs 2 60 lakh due from Chief Superintendent Live Stock Farm Hisar Rs 28 95 lakh due from project Director State Cattle Breeding Project Hisar and Rs 4 52 lakh due from Director Haryana Veterinary Vaccine Institute Hisar
7	Police	119 94	81 83	The amount was due from 6 States

8	Other taxes and duties on commodities and services Receipts under the Sugarcane (Regulation of Purchase and Supply) Act	472 78	234 86	The arrears were due to non deposit of purchase tax by two sugar mills (Panipat Rs 281 45 lakh and Rohtak Rs 191 33 lakh)
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<b>Total</b>	<b>31213 84</b>	<b>12376 31</b>
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The arrears outstanding for more than 5 years constituted 40 per cent of total arrears

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

Out of total arrears in revenue of Rs 21558 79 lacs Rs 1952 41 lacs stand recovered upto 31 10 2001 leaving a balance of Rs 19606 38 lacs The reasonwise details of balance arrears are as under —

S No	Amount in Lacs
1 Under Stay	6179 70
2 Under Liquidation	3798 14
3 Inter State arrears	2945 13
4 Inter District arrears	199 14
5 For writing off	1163 22
6 Property attached	1078 52
7 Under Instalments	453 77
8 Under Deferment	31 05
9 Net recoverable	3757 71
<b>Total</b>	<b>19606 38</b>

Out of total arrears of 2027 36 lacs an amount of Rs 839 99 lacs has been recovered upto 31 10 2001 leaving a balance of Rs 1187 37 lacs the reasonwise breakup of balance arrears are as under —

S No	Amount in Lacs
1 Under Stay	628 19
2 Under Liquidation	14 72
3 Inter State arrears	93 18
4 Inter District arrears	168 90
5 For writing off	37 16
6 Under instalments	13 30
7 Property attached	100 07
8 Net Recoverable	131 85
<b>Total</b>	<b>1187 37</b>

Out of Rs 1463 69 lacs Rs 108 90 lacs stands recovered upto 31 10 2001 leaving a balance of Rs 1354 79 lacs The reasonwise breakup of balance arrears are as under —

S No	Amount in Lacs
1 Under Stay	20 23
2 Inter State arrears	0 72
3 For writing off	0 37
4 Net Recoverable	1333 47
<b>Total</b>	<b>1354 79</b>

During the course of oral examination the committee was informed that out of total recovery of Rs 21558 79 lakh Rs 6055 94 lakh stand recovered upto 31 12 2005 leaving a balance of Rs 15502 85 lakh The Committee has desired that more effective steps be taken to recover the balance amount and also adopt some foolproof procedure to avoid accumulation of such huge arrears in future The steps taken in this regard be intimated to the Committee

The Committee was also informed that out of total arrears of Rs 2027 36 lakhs under the State Excise an amount of Rs 897 95 lakh has been recovered upto 31 12 2005 leaving a balance of Rs 1129 41 lakh Similarly out of Rs 1463 69 lakh under the taxes on Goods and Passengers, Rs 108 90 lakh stand recovered upto 31 10 2001 leaving a balance of Rs 1354 79 lakh The Committee therefore recommends that effective steps be taken to recover the balance amount under these heads at the earliest under intimation to the Committee

*[102] 1 5 Arrears in assessment*

The details of assessment cases of taxes on sales trade etc and passengers and goods tax pending at the beginning of the year cases becoming due for assessment during the year cases disposed off during the year and the number of cases pending at the end of each year during 1995 96 to 1999 2000 as furnished by the department are given below —

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
1995 96 ST	99615	217349	316964	158443	158521	50
PGT	117	509	626	391	235	62
1996 97 ST	158521	171538	330059	169535	160524	51
PGT	235	1213	1448	691	757	48
1997 98 ST	160524	147059	307583	194116	113467	63
PGT	757	628	1385	688	697	50
1998 99 ST	113467	96544	210011	123595	86416	59
PGT	697	775	1472	576	896	39
1999 2000 ST	86416	199560	285976	127082	158894	44
PGT	896	651	1547	567	980	37



The above table shows that number of pending cases in respect of taxes on sales trade etc at the beginning of 1995 96 was 99615 which went up to 158894 at the end of 1999 2000 registering an increase of 60 per cent while the percentage of finalisation of assessment cases decreased from 59 per cent during 1998 99 to 44 per cent in 1999 2000. During 1999 2000 41 per cent and 61 per cent assessment cases have been finalised out of old and current cases respectively. The position of finalisation of assessment cases in respect of taxes on passengers and goods tax decreased from 39 per cent during 1998 99 to 37 per cent in 1999 2000.

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

This para is based on the information supplied by the Department for Chapter No 1 to the Accountant General (Audit) Haryana. In the C A G Report for the year 1999 2000 159874 cases (158894 S T + 980 P G T) were shown pending for assessment under Sales Tax and Passenger and Goods Tax Acts. Out of 159874 cases 22557 cases (22460 S T + 97 P G T) have been disposed off upto 31 10 2001 leaving a balance 137317 (136434 S T + 883 P G T) cases. Efforts are being made to clear the pendency at the earliest.

**During the course of oral examination, the committee was informed that 3230 cases are still pending as on 1 1 2006 under the Sales Tax Act. The Committee has desired that effective steps be taken by the Department to clear the pending cases at the earliest and some effective measure be adopted to dispose off assessment cases within reasonable time to avoid accumulation of arrears. The progress made in this regard be intimated to the Committee within a period of 3 months.**

[103] 1 6 *Frauds and evasions of taxes/duties*

The cases of frauds and evasions 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 taxes/duties raised against the dealers during the year and the number of cases pending finalisation at the end of March 2000 as supplied (July 2000) by the respective departments are given as under:

Sr No	Name of tax/duty	Cases pending as on 31 March 1999	Cases detected during the year 1999 2000	Number of cases in which assessments/ investigations completed and additional demand including Penalty raised	Amount of demand (Rupees in lakh)	Number of cases pending finalisation as on 31 March 2000
1	Taxes on Sales Trade etc	142	1205	1189	1910.69	158
2	Passengers and Goods Tax	82	2697	2705	131.38	74
3	Entertainment Duty and Show tax	25	14	26	0.72	13
4	Animal Husbandry	1	—	—	0.65 (stayed by court)	1

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

Out of 158 cases 88 cases have been disposed off by creating an additional demand of Rs 36 22 lacs out of which Rs 21 27 lacs stands recovered leaving a balance of Rs 14 95 lacs Balance 70 cases are under review and concerned Deputy Excise and Taxation Commissioners have been directed to dispose off these cases early

#### **PASSENGERS AND GOODS TAX**

Out of 74 cases 13 cases have been disposed off by creating an additional demand of Rs 0 73 lacs which stands recovered Balance 61 cases are under review and concerned Deputy Excise and Taxation Commissioners have been directed to dispose off these cases early

During the course of oral examination the Committee was informed that out of 158 cases, 142 cases have been disposed off by creating an additional demand of Rs 57 44 lakhs out of which Rs 42 94 lakh stand recovered leaving a balance of Rs 14 50 lakh The Committee was further informed that remaining 16 cases are under review and the concerned DETCs have been directed to dispose off these cases at the earliest The Committee therefore, desired that intimation be sent to the Committee after finalizing these revenue cases

#### **PASSENGERS AND GOODS TAX**

As per the written reply out of 74 cases, 13 cases have been disposed off by creating an additional demand of Rs 0 73 lakh which stand recovered and the remaining 61 cases are under review The Committee, therefore, desired that latest recovery position be intimated to the Committee within a period of three months

[104] 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) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1999 and which were pending settlement by the departments as on 30 June 1998 1999 and 2000 are given below —

Particulars	At the end of June		
	1998	1999	2000
Number of inspection reports pending settlement	2229	2301	2517
Number of outstanding audit observations	5718	6092	6176
Amount of revenue involved (Rupees in crore)	721 67	279 93	650 03

(iii) Department wise break up of the inspection reports and audit observations upto December 1999 and outstanding as on 30 June 2000 is as follows

Department	Number of outstanding		Amount of receipts involved (Rupees in crore)	Number of inspection reports to which even first replies had not been received
	Inspection reports	Audit observations		
Revenue Department	700	1182	15 66	11
Excise and Taxation	544	2796	182 64	41
Transport	285	409	3 88	8
Forest	62	115	8 18	19
Others	926	1674	439 67	75
<b>Total</b>	<b>2517</b>	<b>6176</b>	<b>650 03</b>	<b>154</b>

The matter was brought to the notice of Government in June/July 2000 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 2000)

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

The position of disposal of inspection reports and audit observations pertaining to this department is given as under —

	Inspection Reports	Audit Observation	Amount Involved (Rs in crores)
Outstanding	544	2796	182 64
Disposed off	87	624	57 82
Balance	457	2172	124 82

The concerned Deputy Excise & Taxation Commissioners have been directed to dispose off the pending inspection reports/audit observations on top priority

During the course of oral examination the Committee was informed that 278 inspection reports and 1187 audit observations involving the amount of Rs 65 56 crores are yet to be settled. The Committee therefore recommends that the outstanding inspection reports/audit observations may be disposed off within a period of three months under intimation to the Committee

## [105] 2.1 Results of Audit

Test check of sales tax assessments refund cases and other connected records conducted during the year 1999 2000 revealed under assessments etc of sales tax amounting to Rs 6802 63 lakh in 1124 cases which broadly fall under the following categories

Sr No	Particulars	Number of cases	Amount (Rupees in lakh)
1	Incorrect computation of turnover	328	821 78
2	Application of incorrect rate of tax	203	809 12
3	Non levy of interest	52	258 81
4	Non/short levy of penalty	5	126 04
5	Under assessment under the Central Sales Tax Act	150	511 33
6	Other irregularities	385	2509 67
7	Review on Evasion in Sales Tax	1	1765 88
<b>Total</b>		<b>1124</b>	<b>6802 63</b>

During the course of the year 1999 2000 the department accepted under assessment of tax of Rs 122 14 lakh involved in 131 cases of which 42 cases involving Rs 52 59 lakh were pointed out during the year 1999 2000 and the rest in earlier years. An amount of Rs 53 05 lakh had been recovered in 81 cases during the year 1999 2000 of which Rs 14 57 lakh recovered in 51 cases related to the earlier years

A few illustrative cases involving Rs 1927 85 lakh and a review on Evasion in Sales Tax involving Rs 1765 88 lakh are mentioned in the following paragraphs

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

In this para the audit has pointed out under assessment to the tune of Rs 6802 63 lacs whereas according to Key supplied along with the CAG Report the under assessment works out to Rs 6812 47 lacs. The difference is under sub head 2 Application on incorrect rate of tax. In the printed report the under assessment is shown as Rs 809 12 lacs instead of Rs 818 96 lacs

In view of the position cited above there are 1124 cases in totals out of which 1123 involving an amount of Rs 5046 59 lacs have been reviewed with the following results

Number of Cases	Amount pointed out by audit (Rs in lacs)	Result of Review
34	29 74	Settled with additional demand
435	1141 25	Settled without demand
654	3875 60	Cases are under review
<b>1123</b>	<b>5046 59</b>	

As regards the remaining one case involving an amount of Rs 1765 88 lacs as mentioned at Sr No 7 of the table in the para reply is given in succeeding paras 2 2 5 to 2 2 14

During the course of oral examination the Committee was informed that 396 cases of under assessment involving an amount of Rs 2881 42 lakh are still pending. The Committee, therefore recommends that the remaining cases be also settled within a period of three months under intimation to the Committee

[106] 2 2 Evasion in sales tax

### 2 2 1 Introductory

An efficient tax collection machinery provides an elaborate system of controls to prevent detect and penalise any willful avoidance of taxes. Operation of these controls by scrupulous adherence to the rules and procedures by departmental officers in necessary for plugging leakages of revenue through evasion

### 2 2 2 Organisational set up

The overall control and superintendence of the sales tax organization vests with the Prohibition Excise and Taxation Commissioner (PETC) who is assisted by the Deputy Excise and Taxation Commissioners (DETCs) Excise and Taxation officers (ETOs) Assistant Excise and Taxation Officers (AETOs) Taxation Inspectors and other allied staff in the administration of the Acts

### 2 2 3 Scope of audit

Out of 21 Deputy Excise and Taxation Commissioner offices records in respect of 15\* offices for the year 1996 97 to 1998 99 were test checked (between August 1999 and March 2000) to ascertain the extent of compliance of rules and executive instructions to check the incidence of evasion in sales tax and purchase tax. In addition points of similar nature noticed in audit during the earlier years have also been included

### 2 2 4 Highlights

Notwithstanding the departmental instructions of conducting regular surveys to detect unregistered dealers no survey was conducted in 8 out of the 9 divisions test checked 367 dealers remained outside the tax net resulting an evasion of Rs 5 95 crore during 1996 97 to 1998 99

(Paragraph 2 2 6 (i)&(ii))

In 418 cases deduction of Rs 469 66 crore involving tax effect of Rs 40 62 crore was allowed against declaration forms (ST 14 and H/15A) which did not contain complete particulars of deposit of tax as well as number and date of purchase orders

(Paragraph 2 2 9(a) & (b))

In 139 cases cross verification of 2232 transactions having sale value of Rs 92 79 crore involving tax effect of Rs 7 41 crore was not done and assessments were finalised without cross verification of sales/purchases

(Paragraph 2 2 11)

## 2 2 6 Evasion by unregistered dealers

### **Non conducting of survey for registration**

Systematic survey under the Act is one of the important tools in the hands of the department to prevent the evasion of tax by unregistered dealers. For conducting regular survey to detect unregistered dealers the department emphasized (September 1993) that AETOs in charge of the circle should conduct survey in their respective circles every year in the months of April and May.

During test check of records of 9\*\* DETCs it was noticed (between August 1999 and March 2000) that no survey was conducted in any of the offices during the years 1996-97 to 1998-99 except that of DETC Rewari where the survey was conducted in 1996-97 but no evaluation report was prepared. As a result of this a number of dealers remained out of the tax net. A few illustrations involving tax and penalty of Rs. 6.22 crore (Tax Rs. 1.36 crore, Penalty Rs. 4.86 crore) are given below.

#### *(i) Non levy of tax on contractees*

Under the HGST Act 1973, sales means any transfer of property in goods for cash or deferred payments or other valuable consideration and includes transfer of property in goods (whether as goods or in some other form). PETC Haryana clarified (December 1996) that material supplied by the contractees constitute an independent sale for which they are required to be registered under the Act. Under the HGST Act 1973, where a dealer liable to pay tax under the Act wilfully failed to apply for registration, he shall be liable to pay penalty in addition to the amount of tax, a sum equal to twice the amount of tax.

During cross check of records of 6\* offices with those of the records of the offices of Haryana Urban Development Authority (HUDA), Haryana Housing Board (HHB) and Haryana State Agriculture and Marketing Board (HSAMB) it was noticed (between August 1999 and March 2000) that 12 divisions supplied material (Cement, Steel, Bitumen and SW Pipes) valued at Rs. 11.50 crore to 362 contractors for their use in the execution of works during the years 1996-97 to 1998-99 against payments to be recovered from their bills. It was noticed in audit that contractees were neither registered nor paid sales tax. Due to non-registration of contractees, the department could not monitor the levy and recovery of sales tax on the material supplied to the contractors. This resulted in evasion of tax of Rs. 1.27 crore besides penalty of Rs. 2.54 crore leviable for failure to apply for registration.

#### *(iii) Non recovery of tax due to non grant of registration*

Under the HGST Act 1973, a dealer who has applied for grant of registration certificate and no final decision in that behalf has been taken, shall furnish such correct returns and pay tax by such dates as may be prescribed.

A dealer of Panchkula engaged in lottery business applied for registration in June 1996. He was not granted registration certificate as he did not furnish surety bonds/bank guarantees required under the rules and the department considered it as an act of wilful intention to evade tax. It was noticed (October 1999) that the department did not prescribe the dates for filing returns and pay tax pending his registration. By the time his assessment for the period from June to September 1996 was finalised (February 1997) as unregistered

dealer the dealer had absconded and demand of Rs 27 lakh (Tax Rs 9 lakh and Penalty Rs 18 lakh) could not be recovered (October 2000)

The department stated (April 2000) that recovery proceedings are in process Further report on action taken has not been received (October 2000)

The department in their written reply explained the position as under

It is admitted that previously the survey was not being conducted However recently the field officers have been directed to conduct survey in their respective circles

## 2 2 6 (C)

Under the provisions of Haryana General Sales Tax Act 1973 goods involved in the execution of a works contract in the state of Haryana are liable to tax and every contractor who executes a works contract is liable to pay sales tax and to obtain registration under the Act *ibid* if his taxable turnover during the year exceeds Rs 5 00 000/ However Haryana Government has framed a law of lump sum payment of sales tax by the contractors @2% of the total value of contract executed on behalf of the contractees Under the law of lump sum payment every contractor can opt for the lump sum payment of sales tax payable under the Act and on the exercise of this option he is not required to maintain regular books of accounts or appear for regular assessment before the Assessing Authority Contractee is generally not liable to pay any sales tax on such transactions but however if they have supplied any material to their contractors for the execution of a works contract on their behalf they are liable to pay sales tax on such supplies and are also liable to registration under the Act if their taxable turnover exceeds Rs 5 00 000/ in a year In the cases of 12 divisions involving 362 contractors the contractees involved are either Govt departments or Government undertakings like Garrison Engineer Hisar Forest Officer Sirsa Haryana Urban Development Authority Haryana Housing Board and Haryana State Agricultural Marketing Board and they have supplied materials to their contractors for use in their works contract The contractors have opted for payment of lumpsum tax in most of the cases and this lump sum tax is paid on the total value of works contract which includes the supplies of materials made by the cotntractees also Thus the Government has received its due tax on these contracts Keeping these facts in view Government has issued instructions vide letter No 1511/ST 1 dated 19 6 2001 in respect of PWD (B&R) and PWD (Public Health) that if the contractors have paid @2% lump sum tax on the total value of works contract the contractee shall not be liable to pay any sales tax on the materials supplied by them to the con ractors Similar is the position in most of these cases as would be seen in the replies to the sub paras as under —

### (i) M/s XEN HUDA AMBALA CITY (34 CONTRACTORS)

It is submitted that the assessment proceedings in this case for the years 1996 97 to 1998 99 were initiated u/s 29 of HGST Act out of which one case for the year 1996 97 was decided on 16 5 2001 and additional demand of Rs 12 49 000/ was created The assessee has filed an appeal before the 1<sup>st</sup> appellate authority which is fixed for 25 10 2001 The dealer has already paid Rs 1 49 845/ and furnished a guarantee for Rs 11 00 lacs Final position will be intimated after decision

- (ii) M/s Xen HUDA Divn No 1 Faridabad (E)
- (iii) M/s Xen HUDA Divn No II Faridabad (E)
- (iv) M/s Xen Housing Board Faridabad (E)  
(69 Contractors)

In these cases the contractees have deducted tax from the payments made to the contractors and paid the same to the Government under the lump sum scheme. There is thus no evasion of tax as alleged by audit party as if a contractor opts to pay tax in lump sum he is liable to pay tax @2% only which has already been paid to the state Govt. Hence the non registration of such dealers has not resulted in any evasion of tax.

- (v) M/s Xen HUDA Divn No 1 Gurgaon (E)
- (vi) M/s Xen HUDA Divn No II Gurgaon (E)
- (vii) M/s Xen HUDA Divn No III Gurgaon (E)  
(120 contractors)

In the above three cases the contractees have deducted and deposited the tax @2% of the total value of the work contracts and so there is no evasion of tax.

- (viii) M/s Xen HUDA Divn No 1 Hisar
- (ix) M/s Xen HUDA Divn No II Hisar  
(92 Contractors)

In this case it is submitted that the assessment proceedings against the contractees have already been initiated by the concerned Assessing Authorities and an amount of Rs 13 45 992/- stands recovered in one case. The assessment proceedings are in progress in respect of remaining cases. As soon as the same are finalised the results will be conveyed.

- (x) M/s Xen H S A M B (Haryana State Agricultural Marketing Board) Jind  
(11 Contractors)

In this case the contractees have deducted and deposited the tax @ 2% of the total value of the works contract and so there is no evasion of tax.

- (xi) M/s Xen HUDA Divn No 1 Panchkula
- (xii) M/s Xen HUDA Divn No II Panchkula  
(36 Contractors)

In the above cases the contractees have deducted and deposited the tax @2% of the total value of the works contracts and so there is no evasion of tax.

## **2 2 6 (iii) M/s A P Lotteries Panchkula A Y 1996 97**

In this para the dealer applied for grant of RC vide his application dated 7 6 96 and he was directed to submit required documents/surety bonds as security or alternative bank guarantee. The dealer was directed to appear on 29 7 96. On 11 8 96 application under both the acts were rejected and a notice u/s 29 was issued. There was no time between submission of RC application by dealer and rejection of RC application by Assessing Authority as such no time limit for submission of return could be prescribed. Moreover the dealer was



issued notice u/s 29 immediately after rejection of RC application and case was decided at ex parte on his failure to appear and produce documents. Now the dealer has absconded and efforts are being made to effect the recovery. Recovery Certificate has already been issued.

(i) **M/s XEN HUDA Ambala City (34 Contractors)**

During the course of oral examination, the Committee was informed that the assessment for the year 1996-97 to 1999-2000 of XEN, Haryana Urban Development Authority Ambala City were finalized under Section 29 of the Haryana General Sales Tax Act, 1973 and the additional demand along with penalties under Section 29 were raised against the dealer vide orders dated 16.5.2001 (1996-97), 21.2.2003 (1997-98), 21.2.2003 (1998-99) and 28.2.2003 (1999-2000). However, the Department being aggrieved with the appellate orders went in appeal before the Joint ETC (Appeal) Ambala vide its orders dated 31.3.2005 remanded the cases in the light of the appellate orders. The case is under process with the Assessing Authority. After hearing the departmental representatives, the Committee recommends that the Assessing Authority may be directed to finalise the remand cases within a period of three months under intimation to the Committee.

(iii) **Non recovery of tax due to non grant of registration**

**M/s A P Lottery Centre A Y 1996-97**

During the course of oral examination, the Committee was informed that the dealer has applied for grant of Registration Certificate under the HGSR Act/CST Act but the RC could not be granted as the dealer failed to complete the formalities as required under the Act/Rules. Moreover, the dealer has not furnished the surety Bonds/Banks guarantee in spite of affordable number of opportunities. At last, the case was finalized under Section 29 of the HGST Act being an unregistered dealer and the dealer assessed to tax of Rs. 9,00,000/- and penalty of Rs. 18,00,000/-. The dealer went in appeal against the assessment order before the Joint ETC(A) Ambala as well as against the order of Appellate Authority before the Sales Tax Tribunal Chandigarh and both the appeals of dealer were dismissed. Thereafter, the recovery proceedings were started from the defaulter through Circle Inspector but the same could not be made. The defaulter is presently residing at Amritsar (Punjab). Hence, the recovery certificate has been sent to Collector Amritsar vide Memo No. 2123 dated 22.3.2001.

Thereafter, in this case, property certificate was asked for and it was reported by the E.O. HUDA that the proprietor Shri Ajit Pal Singh, resident of House No. 978 Sector 9 Panchkula, does not have this property in his name and also not residing at the said plot. The Tehsildar Panchkula had also been asked for NOC regarding Shri Ajit Pal Singh, R/o Gate No. 3 Old Panchkula vide letter Nos. (1) 1529 dated 17.5.2004, (2) 3649 dated 18.8.2004, (3) 3956 dated 16.9.2004 and letter No. (4) 42 dated 3.1.2006. Matter is being pursued with the Tehsildar.

The Committee is not satisfied with the action taken by the Department in the instant case and therefore desired that a criminal case be registered against the defaulters and further progress made in this regard be also intimated to the Committee.

*[107] 2 2 11 Non compliance of departmental instructions regarding cross verification*

In order to ensure the genuineness of the transactions and to detect evasion of tax by the dealers the department revised (August 1988) instructions issued to assessing authorities to cross verify all transactions exceeding Rs 10 000 in the case of ETO and Rs 5 000 in the case of AETO and send its report in the prescribed proforma to the Excise and Taxation Commissioner by 10<sup>th</sup> of each month

During test check of records in 8\* offices it was noticed that neither any record in support of cross verification done was maintained by any assessing authority nor any prescribed return sent by any field offices to the PETC Haryana during the years 1996 97 to 1998 99 In 139 cases test checked 2232 transactions each exceeding Rs 50 000 aggregating to sale value of Rs 92 79 crore involving tax of Rs 7 41 crore made to registered dealers were not referred to other offices for cross verification and assessments were finalised without cross verifications Besides no monthly report relating to verification was found in assessment record However cross verification by audit revealed that in 8 cases the dealers were allowed deduction of Rs 58 55 lakh on account of sales made to registered dealers against declarations in form ST 15 but the purchases were not accounted for by the purchasing dealers Failure on the part of assessing authority to cross verify the transactions resulted in evasion/under assessment of tax of Rs 3 99 lakh besides minimum penalty of Rs 7 98 lakh Evasion in remaining cases can not be ruled out

The department in their written reply explained the position as under

**3 M/s Johnson & Johnson Ltd Ambala R C No 31193 A Y 1996 97**

In this case the verification in respect of sales made by the dealer to M/s Panna Lal & Co Ambala has been got done Excise & Taxation Officer Ambala vide its memo No 3917/CC/Ward III dated 12 11 2001 supplied a list of purchases made by M/s Panna Lal & co from the dealer during the year 1996 97 In the said list the dealer M/s Panna Lal & Co has not made any purchases in respect of bill No 770673 dated 24 7 96 for Rs 15670 28 Moreover bill No (1) 770428 dated 21 5 96 has been accounted for Rs 12794 21 and (2) bill no 770728 dated 20 8 96 for Rs 19700 86 instead of Rs 20206 01 as mentioned in ST 15A Hence there is a difference of Rs 16808 62 in respect of purchases mentioned in ST 15A Suitable action against the concerned dealer M/s Johnson & Johnson Ltd is being initiated under section 40(2) of the Haryana General Sales Tax Act 1973 and results will be conveyed later on

**8 M/s Asian Bearing Ltd Pai Panchkula/Kaithal R C No 3387, A Y 1996 97**

In this case it is stated that as per Key supplied with the audit para the firm M/s Asian bearing Ltd Pai is shown in the O/o DETC Kaithal where as on confirmation from the office of A G (Audit) Haryana the said firm having R C No 3387 is shown in the office of DETC Panchkula Both the DETC s have been informed accordingly but the firm is yet to be located and thereafter the reply will be conveyed

### 3 M/s Johnson & Johnson Ltd Ambala, R C No 31193, A Y 1996 97

After hearing the departmental representatives, the Committee has desired that the details of this case be sent to the Committee and further recommends that recovery be effected from the firm under intimation to the Committee

### 8 M/s Asian Bearing Ltd , Panchkula Assessment Year 1996 97

During the course of oral examination the Committee was informed that the record pertaining to the assessment year 1996 97 of M/s Asian Bearing Ltd was shown as transferred by DETC Ambala to DETC Panchkula. The relevant file has been dislocated due to shifting of rooms of some assessing authorities and therefore the same is being looked into. The Committee is not satisfied with the reply of the Department and therefore recommends that the responsibility be fixed against the officer/officials who are liable for the missing of relevant file/record and the action taken in this regard be intimated to the Committee

#### [108] 2.6 Under assessment of notional sales tax liability computed on taxable turnover

Under the provisions of Haryana General Sales Tax Rules 1975 as amended from time to time and clarification issued (March 1997) by the commercial Taxation Commissioner Haryana notional sales tax liability means the amount of tax payable on the sales of finished products of the eligible industrial unit under the local sales tax law but for an exemption computed at the maximum rates specified therein. In the case of exemption the benefit shall extend to tax on gross turnover and in case of deferment it shall extend to tax on the taxable turnover of finished goods manufactured by the unit

(i) During test check of records of Deputy Excise and Taxation Commissioner Hisar it was noticed (May 1999) that the assessing authority while finalising the assessments of two dealers availing exemption from payment of tax allowed deduction of Rs 228.04 lakh as sales of finished products (buttons) liable to be taxed at last purchase to registered dealers against declarations in ST 15 during the year 1997 98 and calculated notional sales tax liability on taxable turnover instead of on gross turnover. This resulted in under assessments of Rs 22.80 lakh

On this being pointed out (May 1999) the department referred (July 1999) the cases to the revisional authority for taking suo motu action who remanded (March 2000) the cases with the directions to recalculate the notional sales tax liability on gross turnover of manufactured goods. Further report on action taken is awaited (October 2000)

The cases were reported (October 1999) to Government their reply has not been received (October 2000)

(ii) During test check of records of DETCs Karnal and Ambala Cantt. It was noticed (February 1999 and January 2000) that assessing authorities while finalising assessments of two registered dealers who were availing the facility of exemption of tax allowed (November 1997 and December 1999) deduction of Rs 119.73 lakh on account of sales to other exempted units against STD-4 during the years 1996 97 and 1997 98 and assessed notional

sales tax liability on taxable turnover instead of on gross turnover. This resulted in under assessment of notional sales tax liability of Rs 6.57 lakh.

On this being pointed out (September 1999 and January 2000) in audit DETC Karnal stated (September 1999) that in the case of exempted units though notional liability is calculated on gross turnover but there will be no tax on sales against STD 4. Reply of the department was not tenable as notional sales tax liability is to be calculated on gross turnover. The reply in respect of the dealer of Ambala was awaited (October 2000).

(iii) Under the provisions of Haryana General Sales Tax Rules 1975 branch transfers or consignment sales outside the state of Haryana shall be deemed to be the sale in the course of inter State trade or commerce for the purpose of calculation of notional sales tax liability of an exempted unit.

During test check of records of Deputy Excise and Taxation Commissioner Karnal it was noticed (June 1998) that a dealer availing exemption from payment of tax made consignment sale of Rs 85.95 lakh during the year 1994-95 but assessing authority while finalising (June 1997) the assessment for the year 1994-95 did not work out notional sales tax liability on goods in stock valued at Rs 48.22 lakh out of the consignment sale. The omission resulted in under assessment of notional sales tax liability of Rs 1.93 lakh.

On this being pointed out (June 1998) in audit assessing authority intimated (February 2000) that the case has been sent (October 1998) to the revisional authority for taking *suo motu* action. Further report on action taken has not been received (October 2000).

The case was reported to Government in September 1998 their reply has not been received (October 2000).

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

1 **M/s Zenith Dress Material Ltd, Hisar R C No 26190 A Y 1997 98**

2 **M/s New Era Fashions Ltd Hisar R C No 26191 A Y 1997 98**

In both the cases it is pointed out that the Hon ble Sales Tax Tribunal Haryana while deciding the appeal case No STA/142/144 of 2000 of the above dealers relating to assessment year 1997-98 has quashed the Revisional Authority's order dated 26.6.2000. The department has filed review application before the Hon ble Sales Tax Tribunal Haryana and the same is still pending.

**After hearing the departmental representatives the Committee has desired that the full details of both these cases may be sent to the Committee for its perusal**

[109] 2.8 Non levy of purchase tax

Under the HGST Act 1973 a dealer is liable to pay purchase tax on oil seeds when purchased within the State without payment of tax and used in the manufacturing of taxable and tax free goods at the stage of last purchase.

During test check of records of Deputy Excise and Taxation Commissioner Panipat it was noticed (January 2000) that a dealer purchased oil seeds (mustard and sunflower seeds) valued at Rs 139 30 lakh from within the State without payment of tax on the strength of his registration certificate during the year 1995 96 and used the same in manufacturing of taxable and tax free goods. While finalising (February 1999) the assessment the assessing authority failed to levy purchase tax on the oil seeds valued at Rs 139 30 lakh. The mistake resulted in under assessment of tax of Rs 5 57 lakh.

The omission was pointed out (January 2000) to the department but no reply has been received from the department (October 2000).

The case was reported to Government in March 2000 their reply has not been received (October 2000).

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

M/s Vardhman Solvex Ltd Panipāt R O No 5308 A Y 1995 96

In view of audit objection the case was sent to the Revisional Authority for taking *suo moto* action who vide his order dated 16 10 2001 created an additional demand of Rs 5 57 196/ and the recovery proceedings are under way.

**After hearing the departmental representatives, the Committee has desired that the full history of this case be sent to the Committee for its perusal and intimation be also sent to the Committee after effecting the full recovery from the firm.**

[110] 2 9 Non recovery of tax

Under the provisions of Haryana General Sales Tax Rules 1975 the exemption/entitlement certificate granted to an eligible industrial unit shall be liable to be cancelled either in case of discontinuance of its business by the unit at any time for a period exceeding six months or its closing down during the period of exemption/deferment. Further on cancellation of eligibility certificate or exemption/entitlement certificate before it is due for expiry, the entire amount of tax exemption shall become payable immediately in lumpsum and the provision relating to recovery of tax interest and imposition of penalty shall be applicable in such cases. The arrears of tax may be recovered as arrears of land revenue under the Land Recovery Act.

During test check of records of 5 offices it was noticed (between June 1998 and March 2000) that out of 17 units who were allowed exemption from payment of tax 16 units discontinued their business within the currency of exemption period and one unit discontinued its business before expiry of 5 years period after availing full exemption. For contravention of the provisions of Act/Rules by the dealers the department was required to cancel their exemption certificates and recover the entire amount of exemption availed by the units alongwith interest and penalty in lumpsum but no such action was taken. This resulted in non recovery of tax of Rs 1581 69 lakh (Tax Rs 996 12 lakh Interest Rs 585 57 lakh) as tabulated below.

Name of office	Number of dealers	Period of exemption availed	Nature of observations	Amount of exemption availed	Surcharge not levied recoable	Interest to be recovered	Total amount recoverable
				under HGST	Under CST		
					(Rupees in lakh)		
DETC Jind	1	1992 93 and 1993 94	Exempted unit remained closed for more than six months during currency of the exemption period	1 79	0 63	0 56	2 98
DETC Ambala Cantt	1	1992 93 to 1996 97	Exempted unit remained closed for more than six months during currency of exemption period	314 34	97 29	8 62	163 58
DETC Ambala Cantt	6	1990 91 to 1996 97	Exemption certificates were cancelled retrospectively on discontinuance of their business	33 25	1 72	25 99	60 96
DETC Panipat	3	1993 94 to 1996 97	Exemption certificates were cancelled retrospectively on discontinuance of their business	12 36	3 29	9 64	25 29
DETC Sirsa	1	1992 93 to 1997 98	Exemption certificates were cancelled retrospectively on discontinuance of their business	37 24		13 86	51 10
DETC Hisar	1	1988 89 to 1996 97	Exempted unit was allowed excess exemption by Rs 0 64 crore Further he discontinued his business before expiry of five years after the period of exemption	197 96		252 12	450 08
	4	1992 93 to 1998 99	Exempted units discontinued their business within the currency of exemption period	143 07	144 56	119 82	407 45
Total				740 01	247 49	8 62	585 57
							1581 69

On being pointed out DETC Jind stated that the amount is being recovered as arrears of land revenue in one case DETC Ambala stated that the firm was auctioned by HSIDC with whom claim for recovery of the amount has been lodged No final reply has been received from other offices

The departments in their written reply explained the position as under —

**1 M/s Arvind Pipe Udyog Jind R C No 6285 A Y 1994 95 to 95 96**

The firm enjoyed the exemption from payment of tax u/s 13 B of the Haryana General Sales Tax Act 1973 The exemption certificates in respect of this firm stands cancelled *vide* Deputy Excise & Taxation Commissioner Jind order dated 16 12 1996 being violation of the provisions of Rule 28 A of the Haryana General Sales Tax Rules 1975 The firm availed exemption of tax during its functioning i.e 1992 93 to 1995 96 to the tune of Rs 2 42 855/ under the Haryana General Sales Tax Act and Rs 1 23 196/ under Central Sales Tax Act These amounts are inclusive of a sum of Rs 2 42 lacs as pointed out in the para The assessment of the firm for these years has been framed and assessment orders served No recovery has been effected so far One of the partner sh Suresh Kumar is stated to have expired as per the departmental enquiry and the other partner Sh Rajesh is reported to be employed as Police Inspector presently is under going training at Police Training Centre Madhuban (Karnal) The recovery proceedings against Sh Rajesh Kumar are being initiated

**2 M/s Mayur Electrodes (P) Mohra (Ambala) R C No 27446, A Y 1990 91 96 97**

In this case the dealer after closing down his business has shifted to district Kurukshetra The whereabouts of the dealer are not yet known The recovery certificate has been sent to Deputy Excise & Taxation Commissioner Kurukshetra *vide* letter No 758/TI (ASC) dated 15 3 2000 Last reminder issued *vide* No 3355/TI (JS) dated 13 9 2001 for early recovery

**7 M/s Uma Industries Vill Khuda Kalan (Ambala) R C No 28882 A Y 1993 94 to 1994 95**

In this case the Deputy Excise & Taxation Commissioner Ambala *vide* his order dated 26 8 1999 cancelled the exemption certificate of the firm The dealer aggrieved with this order went in appeal before the Joint Excise & Taxation Commissioner (A) Ambala who *vide* his order dated 25 6 1999 quashed the orders dated 26 8 1999 and ordered to decide the case afresh On decision of the case afresh the exemption certificate of the dealer was cancelled again *vide* order dated 12 2 2001 At present the case is under action for levy of tax and penalty

**11 M/s Ahuja Electronic Diwana Panipat R C No 8446 A Y 93 94 to 95 96**

In this case the dealer went in appeal before the joint Excise & Taxation Commissioner (A) and thereafter before the Sales Tax Tribunal Haryana who remanded the case on 12 7 1999 for hearing on merits Since then the appeal is pending Moreover the firm stands closed and taken over by the Haryana Financial Corporation The whereabouts of the owner of the firm are not yet known

Final recovery will be conveyed on decision of appeal on merits

- 12 M/s Behal Roller Flour Mills (P) Ltd Sirsa R C No 7856 A Y 1992 93, to 1997 98**

In this case the entitlement certificates u/s 28A of the firm has been cancelled by the then Deputy Excise & Taxation Commissioner cum Assessing Authority *vide* his order dated 31 7 1998 The dealer went in appeal before the Joint Excise & Taxation Commissioner (A) Hisar against the cancellation of entitlement certificate and the appeal has been rejected *vide* order dated 15 6 2001 The dealer has preferred an appeal before the Sales Tax Tribunal Haryana which is still pending

- 13 M/s Kapil Roller Flour Mills (P) Ltd Hisar, R C No 23268 A Y 1988 89 to 1996 97**

- 14 M/s Aravalı Tubes Ltd Hisar R C No 27027 A Y 1992 93 to 1998 99**

The recovery proceedings in both the cases are under progress

- 15 M/s Kapil Cement Ltd Hisar, R C No 26760 A Y 1992 93 to 1998 99**

The notice for the cancellation of exemption certificate was issued but the same could not be served upon the dealer because his whereabouts are not known and in view of the decision given by the Hon ble Punjab and Haryana High Court the case for the withdrawal of eligibility certificates has already been sent to the Lower Level Screening Committee

- 16 M/s Osho Ceramics Ltd Hisar A Y 1992 93 to 1998 99 R C No 25731**

The notice for the cancellation of exemption certificate was issued but the dealer has submitted a copy of the order issued by the Board of Industrial and Financial Reconstruction However the case for the cancellation of Eligibility Certificate is being sent to the Higher Level Screening Committee

- 1 M/s Arvind Pipe Udyog Jind R C No 6285, Assessment Years 1994 95 to 1995 96**

After hearing the departmental representatives, the Committee recommends that the recovery proceedings against the defaulters be initiated/finalized within the stipulated period under intimation to the Committee

- 2 M/s Mayur Electrodes (P) Mohra Ambala R C No 27446 Assessment Years 1990 91 to 1996 97**

After hearing the departmental representatives the Committee recommends that the recovery proceedings against the dealer be finalized at the earliest under intimation to the Committee

- 7 M/s Uma Industries Village Khuda Kalan Ambala R C No 28882 Assessment Years 1993 94 to 1994 95**



After hearing the departmental representatives, the Committee recommends that the JETC (Appeal) Ambala be directed to decide the matter at the earliest under intimation to the Committee

- 11 M/s Ahuja Electronic Diwana Panipat R C No 8446 Assessment Years 1993 94 to 1995 96

After hearing the departmental representatives the Committee recommends that the Assessing Authority be directed to recover the outstanding dues within a period of three months under intimation to the Committee

- 12 M/s Behal Roller Flour Mills (P) Ltd Sirsa R C No 7856 Assessment Year 1992 93 to 1997 98

- 13 M/s Kapil Roller Flour Mills (P) Ltd Hisar R C No 23268, Assessment Year 1996 97 to 1997 98 and 1998 99

- 14 M/s Aravali Tubes Ltd Hisar R C No 27027 Assessment Year 1992 93 to 1998 99

- 15 M/s Kapil Cement Ltd Hisar R C No 26760 Assessment Year 1992 93 to 1998 99

After hearing the departmental representatives, the Committee has desired that the above said cases be decided at the earliest under intimation to the Committee

- 16 M/s Osho Ceramics Ltd Hisar R C No 25731 Assessment Year 1992 93 to 1998 99

After hearing the departmental representatives the Committee desired that full facts of this case be sent to the Committee It may also be informed that on which date the case for withdrawal of eligibility certificate was sent to H L S C

*[111] 2 10 Non levy of interest*

Under the provisions of the Haryana General Tax Act 1973 if the amount specified in any notice of demand whether as tax or penalty is not paid within the period specified in such notice or in the absence of such specification within 30 days from the date of service of such notice the dealer shall be liable to pay from the date commencing after the end of the said period for a period of one month simple interest on such amount at one *per cent* per month and if the default continues thereafter at one and a half percent per month for the whole of the period he continues to make default in the payment or a sum of ten rupees whichever is greater As per department's instructions issued in September 1983 tax demand notice and challan alongwith copy of the assessment order should invariably be issued immediately after the pronouncement of the assessment and in all circumstances within 15 days of the order positively Further for failure of payment of demand within the period specified in a notice the assessing authority may after affording the dealer a reasonable opportunity of being heard impose a penalty not exceeding twenty five *per cent* of the amount due from him

During test check of records of Deputy Excise and Taxation Commissioners Ambala Panchkula Panipat and Sirsa it was noticed (October 1999) February and March 2000) that assessing authorities while finalising (between November 1993 and December 1998) assessments of 21 dealers in 34 cases for the years 1989 90 1997 98 created (between November 1993 and September 1998) additional demands of Rs 68 11 lakh under HGST Act In 21 cases of 16 dealers involving demand of Rs 44 11lakh the dealers failed to deposit the amounts within the prescribed period of 30 days of service of demand notices and also delayed payments of instalments For delayed payments of demands interest of Rs 2 96 lakh besides penalty was chargeable but was not demanded In the remaining 13 cases of 5 dealers involving demands of Rs 24 00 lakh demand notices were served upon the dealers late by one to four months The dealer further deposited the amount late by 1 to 40 months but the department neither levied nor recovered the interest on late deposits This resulted in non levy of interest amounting to Rs 2 95 lakh

On this being pointed out (October 1999 February and March 2000) the departments stated (March 2000) in one case of Panchkula that the notice could not be issued/served (September 1998) due to closure of business of dealer and service was effected upon his counsel on 28 January 2000 However the fact remains that delay in issuing demands notices resulted in non recovery Deputy Excise and Taxation Commissioner Ambala stated (September 2000) that in 4 cases of 4 dealers an additional demand of Rs 0 51 lakh has been raised Reply in respect of remaining 29 cases of 16 dealers has not been received (October 2000)

The cases were reported (March 2000) to Government their reply has not been received (October 2000)

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

- 3 M/s Saraswati Rice and Gen Mills Mullana (Ambala) R C No 24332 Assessment Year 1993 94

In this case the Assessing Authority levied interest of Rs 18 625/ and the recovery is underway

- 8 M/s Kuka Rice & General Mills Jiwan Nagar Sirsa R C No 2883 Assessment Year 1992 93 and 1993 94

[In this case the Assessing Authority *vide* his order dated 18 7 2001 levied interest worth Rs 28 685/ and the recovery proceeding is under progress ]

- 15 M/s Pashupati Woolen Mills Panipat R C No 5457 A Y 1994 95

In this case proceeding regarding levy of interest under section 59 of H G S T Act 1973 is in progress

- 20 M/s Krishna Bricks Panipat R C No 2952 A Y 1991 92 to 1996 97

In these cases the proceedings for levy of interest are underway

- 3 M/s Saraswati Rice and General Mills Mullana Ambala R C No 24332 Assessment Year 1993 94

After hearing the departmental representatives the Committee has desired that the intimation be sent to the Committee after effecting the recovery from the firm

- 8 M/s Kuka Rice and General Mills, Jiwan Nagar, Sirsa, R C No 2883 Assessment Years 1992 93 and 1993 94

During the course of oral examination, the Committee was informed that in this case, the firm in question defaulted the payment of voluntary payment of tax to the tune of Rs 4 77,000/ and Rs 7 94,712/ respectively for the years 1994 95 and 1997 98 The business premises including machinery was auctioned by the Haryana Financial Corporation Efforts are being made by the Department to arrest the partners S/Shri Rattan Singh Harbhajan Singh and Param Singh but could not succeed as they managed their escape every time Now the necessary formalities have been completed to effect the recovery of tax by way of attachment of agriculture land owned by these partners As far recovery to be made from the sureties of the two, one has deposited Rs 5 000/ and another surety Shri Shamsher Singh is said to be settled in New Zealand The recovery shall be expedited by attachment of land owned by the partners Necessary formalities regarding attachment of agriculture land have been completed

After hearing the departmental representatives the Committee recommends that the intimation be sent to the Committee after effecting the recoveries from the partner

- 15 M/s Pashupati Wollen Mills Panipat, R C No 5457 Assessment Year 1994 95

The Committee was informed that in this case the interest of Rs 22 809/ on account of late payment of additional demand for the year 1994 95 has been levied and recovery proceedings are in progress

The Committee has desired that the intimation be sent to the Committee after effecting the recovery of interest from the firm

- 20 M/s Krishna Bricks, Panipat R C No 2952 Assessment Years 1991 92 to 1996 97

The Committee was informed that in this case the interest of Rs 41 369/ for late payments made by dealer has been levied and recovery proceedings are in progress

The Committee has desired that the intimation be sent to the Committee after effecting the recovery of interest from the firm

[112] 2 11 Under assessment due to excess rebate

Under the Haryana Gneral Sales Tax Act 1973 and the Rules framed thereunder an industrial unit (registered dealer) holding exemption certificate under the provisions of 28 A is exempt from payment of tax on the sale of finished products of the unit Tax levied on the sale of *atta maida* and *suji* by a dealer manufactured by him shall be reduced by the amount

of tax paid in the State on the purchase of wheat at the first point and used in their manufacture and when no tax is payable on *atta maida* and *suji* full amount of tax already paid on wheat used in manufacture of these goods is refundable. However rebate is not admissible on tax paid goods used in the manufacture of tax free goods

(i) During test check of records of Deputy Excise and Taxation Commissioner Panchkula it was noticed (January 1997 and March 1998) that in four cases three dealers who were granted exemption from payment of tax on the sale of manufactured goods (*atta maida* and *suji*) made tax paid purchases of wheat weighing 8 64 103 14 quintals during the years 1994 95 and 1995 96 and used the same in the manufacturing of *atta maida* and *suji*. The Government procurement price of wheat for the years 1994 95 and 1995 96 was Rs 350 and Rs 360 per quintal respectively and purchase tax paid on entire quantity of wheat works out to Rs 122 83 lakh. Assessing authority while finalising (May 1995 and May 1996) the assessments however allowed rebate of Rs 133 67 lakh instead of Rs 122 83 lakh on tax paid wheat used in the manufacturing. This mistake resulted in excess of Rs 10 83 lakh.

On this being pointed out in audit (January/February 1997 and March 1998) the department stated (February 2000) that revisional authority has created (December 1999) additional demands of Rs 1 94 lakh in two cases. Remaining two cases were remanded (December 1999 and January 2000) by the revisional authority for recalculation of rebate. Further report on action taken has not been received (October 2000).

The cases were reported to Government between June 1997 and August 1998 their reply has not been received (October 2000).

(ii) During test check of records of five\* offices it was noticed that 8 dealers (2 each of Ambala Cantt, Ambala City and Bahadurgarh and one each of Jagadhari and Kaithal) in eleven cases consumed tax paid wheat valued at Rs 19 43 crore during the years 1994 95 to 1997 98 in the manufacture of taxable goods (*atta maida suji*) and tax free goods (chokkar). Assessing authorities while finalising (between May 1997 and March 1999) assessments allowed rebate of Rs 77 39 lakh on whole of the tax paid wheat consumed in the manufacture for taxable and tax free goods instead of rebate of Rs 66 51 lakh on wheat consumed in the manufacture of taxable goods (*atta maida* and *suji*). The omission resulted in excess rebate of Rs 10 88 lakh.

On this being pointed out (between September 1999 and February 2000) assessing authorities Jagadhari, Ambala Cantt and Kaithal stated (October December 1999 and February 2000) that 3 cases (one of Jagadhari and two of Ambala Cantt) have been referred to the revisional authorities. 4 cases (2 each of ETOs Bahadurgarh and Ambala City) were referred (August and September 2000) to revisional authority for taking *suo mottu* action. Replies in remaining three cases have not been received (October 2000).

The cases were reported (between January and March 2000) to Government their replies have not been received (October 2000).

(iii) During test check of records of six offices it was noticed (between June 1997 and December 1999) that 14 dealers (1 each of Ambala City, Jagadhari and Sirsa, 2 each of Hisar and Narwana and 7 of Kaithal) in 23 cases used tax paid cotton seeds valued at Rs 23 57 crore in the manufacturing of taxable cotton seed oil and tax free cotton seed

deoled cakes during the years 1993 94 to 1997 98 Assessing authorities while finalising (between January 1996 and March 1999) assessments allowed rebate of Rs 82 36 lakh on full value of cotton seeds used in the manufacturing instead of allowing rebate on cotton seeds used in the manufacturing of taxable cotton seed oil This mistake resulted in excess rebate of Rs 48 25 lakh

On this being pointed out (between June 1997 and December 1999) in audit assessing authority Hisar intimated (January 2000) that a demand of Rs 1 73 lakh has been created (January and May 1998) in two cases assessing authorities Narwana Kaithal and Jagadhari referred (December 1999 and September 2000) 17 cases (8 cases of six dealers of Kaithal 5 cases of two dealers of Narwana and 4 cases of one dealer of Jagadhari) to revisional authorities for taking *suo motu* action assessing authorities Sirsa and Kaithal stated (October 1996 and 1999) that 10 cases of 7 dealers (2 cases of one dealer of Sirsa and 8 cases of six dealers of Kaithal) were being sent for *suo motu* action No reply was received (June 2000) in respect of remaining 2 cases of two dealers (one each of Ambala City and Kaithal)

The cases were reported to Government between February 1997 and March 2000 their replies have not been received (October 2000)

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

**1 M/s Kapoor Bros Flour Mills Panchkula R C No 20192, Assessment Year 1994 95**

In this case the Revisional Authority created an additional demand of Rs 5 79 lacs and the same has been recovered by way of adjustment against the refund adjustment order *vide* book No 215/RAO voucher No 78 at 17 1 2001 Aggrieved with the order of Revisional Authority the dealer preferred an appeal before Sales Tax Tribunal Haryana which is still pending

**2 M/s Panchkula Roller Flour Mills, Panchkula R C No 27079 Assessment Year 1994 95 & 1995 96**

[In this case the Revisional Authority remanded the case to the Assessing Authority with the directions to calculate the amount on F C I rates and to disallow the excess rebate The remand case is still pending ]

**5 M/s Sanjay Agro Indus Mohra R C No 25669 Assessment Year 1997 98**

[All the above cases have been sent to the Deputy Excise & Taxation Commissioner (10 cum Revisional Authority Ambala for taking *suo moto* action The Action in all the cases is underway ]

**7 M/s Seth Ram Narain Flour Mills Bahadurgarh R C No 6966 Assessment Year 1996 97 and 1997 98**

The above cases were sent to the Deputy Excise & Taxation Commissioner cum Revisional Authority for taking *suo moto* action who *vide* his order dated 16 10 2000 decided all the cases and notices were vacated However it was advised by the Appellate Authority that the revision order dated 16 10 2000 be taken in review Accordingly the matter was reviewed and judgement in this case was reserved

**8 M/s Shankar Flour Mills, Bahadurgarh, R C No 17880 A Y 1994 95 & 1995 96**

The cases were sent to the Deputy Excise & Taxation Commissioner cum Revisional Authority Jhajjar for taking *suo moto* action who *vide* his order dt 30 10 2000 decided the cases and vacated the notices In the case of Assessment year 1994 95 the demand amounting to Rs 37 540/ was created However it was advised by the Appellate Authority that the revision order dated 30 10 2000 be taken in review Accordingly the cases were reviewed and the judgement in this case has been reserved

**9 M/s Durga Oil Mills, Kaithal, R C No 1517, A.Y 1996 97**

In this case the Revisional Authority created an additional demand of Rs 58 702/ *vide* his order dated 13 3 2000 The dealer aggrieved with the order of the Revisional Authority preferred an appeal before the Sales Tax Tribunal haryana The dealer deposited Rs 18 000/ on the direction of the Tribunal and the case is pending with Sales Tax Tribunal Haryana

**12 M/s Puran Chand Sarwan Kumar Kaithal, R C No 31, A Y 1995 96**

The case was sent to Deputy Excise & Taxation Commissioner cum Revisional Authority for taking *suo moto* action The Revisional Authority decided the case

**1 M/s Kapoor Brothers Flour Mills Panchkula R C No 20192 A Y 1994 95**

After hearing the departmental representatives, the Committee has desired that the intimation be sent to the Committee after the appeal is decided by the Sales Tax Tribunal, Haryana

**2 M/s Panchkula Roller Flour Mills, Industrial Area, Phase I Panchkula, R C No 27079, Assessment Year 1994 95 & 1995 96**

During the oral examination, the Committee was informed that previously, the file of this dealer was being handled in the Office of DETC, Ambala The case has since been transferred from DETC, Ambala during 11/2005 to DETC, Panchkula in compliance of the orders of the JETC (Range) Ambala conveyed *vide* endorsement No 2352/A I dated 11 10 2005 On perusal of the record it reveals that the case of the dealer for the year 1994 95 and 1995 96 were remanded on 17 10 1999 and 20 10 2000 respectively by the then DETC-cum Revisional Authority Panchkula

After hearing the departmental representatives the Committee has desired that the intimation be sent to the Committee after the final decision is taken in this instant case

**5 M/s Sanjay Agro Industries, Mohra, Ambala, R C No 25669, A Y 1997 98**

During the oral examination the Committee was informed that the case was moved for *suo moto* action on the basis of audit objection received on 13 1 2000 The case was remanded by the DETC cum Revisional Authority Ambala *vide* order dated 13 1 2004, which is still pending The unit availed exemption

under Rule 28A of the HGST Rules, 1975 and further failed to maintain average level of production for the next five years. Hence, the exemption availed has been called back by the DETC vide order dated 18.2.2005.

After hearing the departmental representatives, the Committee recommends that the Revisional Authority, Ambala be directed to recover the Government dues from the firm under the intimation to the Committee.

7 M/s Seth Ram Narain Flour Mills, Bahadurgarh R C No 6966 A.Y 1996-97 & 1997-98

8 M/s Shankar Flour Mills, Bahadurgarh R C No 17880 A.Y 1994-95 and 1995-96

The Committee was informed that the judgements in these cases have been reserved with the appellate authority and its final outcome will be intimated as soon as these are released.

The Committee, therefore, desired that the final outcome of these cases after pronouncement of decision by the appellate authority may be sent to the Committee and further action taken in this regard may also be sent to the Committee for information.

9 M/s Durga Oil Mills, Kaithal R C No 1517 A.Y 1996-97

12 M/s Puran Chand Sarwan Kumar, Kaithal R C No 31 A.Y 1995-96

After hearing the departmental representatives, the committee has desired that the information be sent to the Committee after the cases are decided by the Sales Tax Tribunal, Haryana.

[113] 4.1 Results of Audit

Test check of records in departmental offices relating to revenues of Taxes on Motor Vehicles, Passengers and Goods Tax, State Excise Duty and Agriculture revealed under assessments of taxes and duties and loss of revenue amounting to Rs. 1490.47 lakh in 3962 cases as depicted below:

	Heads of revenue	Number of cases	Amount (Rupees in lakh)
A	Transport Department		
	(i) Review on Taxes on Motor Vehicles	1	549.19
	(ii) Other irregularities	2655	70.71
B	Passengers and Goods Tax	1043	239.64
C	State Excise Duty	116	319.07
D	Agriculture	147	311.86
	<b>Total</b>	<b>3962</b>	<b>1490.47</b>

In the cases of Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty and Agriculture the departments accepted under assessments etc of Rs 170 06 lakh involved in 1046 cases which were pointed out during the year 1999 2000 An amount of Rs 5 61 lakh had been recovered in 31 cases during the year 1999 2000 of which Rs 5 52 lakh recovered in 29 cases related to earlier years

A few illustrative cases involving Rs 505 53 lakh and a review on Taxes on Motor Vehicles involving Rs 549 19 lakh highlighting important cases are mentioned in the following paragraphs

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

#### **Passengers and Goods Tax**

All the 1043 cases involving an amount of Rs 239 64 lacs have been reviewed with the following results —

- (i) 593 cases involving an amount of Rs 113 58 lacs have been settled with demand
- (ii) 450 cases involving an amount of Rs 126 06 lacs are still under active consideration

#### **State Excise Duty**

All the 116 cases involving an amount of Rs 319 07 lacs have been reviewed with the following results —

- (i) 25 cases involving an amount of Rs 24 56 lacs have been settled with demand
- (ii) 91 cases involving an amount of Rs 294 51 lacs are still under active consideration

#### **(i) Passengers and Goods Tax**

**The Committee recommends that 450 cases which are under active consideration of the Department be decided within a period of three months under intimation to the Committee**

#### **(ii) State Excise Duty**

**The Committee recommends that 91 cases which are under active consideration of the Department be settled within a period of three months under intimation to the Committee**

#### **[114] 4.3 Short realisation of passengers tax**

As per notifications issued (July 1996) under the Punjab Passengers and Goods Taxation Act 1952 as applicable to Haryana permit holders for plying buses on link routes of the State under the scheme of privatisation of Passengers Road Transport are required to pay lump sum passengers tax based on the seating capacity of the bus on monthly basis at the rates of Rs 16 000 for 52/54 seater and Rs 10 000 for 30 seater buses Failure to pay the tax renders the owner liable to pay penalty of a sum not exceeding five times the amount of tax so assessed by the prescribed authority



During test check of records of 13\* Deputy Excise and Taxation Commissioners for the years 1997 98 and 1998 99 it was noticed (between May 1998 and October 1999) that 155 Transport Co operative Societies which were granted permits for playing buses on link routes did not pay the passengers tax in full during the years 1997 98 and 1998 99. The department neither recovered nor demanded the balance amount of Rs 101 34 lakh from the defaulting transport co operative societies. This resulted in short realisation of passengers tax of Rs 101 34 lakh besides penalty leviable thereon.

On this being pointed out (between May 1998 on October 1999) in audit the department made part recovery of Rs 14 62 lakh in 51 cases between December 1998 and December 1999. Further report on recovery has not been received (October 2000).

The cases were reported to Government between July 1998 and November 1999 their reply has not been received (October 2000).

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

Out of Rs 101 34 lacs on account of short realisation of passenger tax an amount of Rs 53 68 lacs has been recovered leaving a balance of Rs 47 66 lacs. Efforts are being made to recover the balance amount.

**After hearing the departmental representatives the Committee recommends that the latest position of recovery of balance amount of Rs 47 66 lakhs be intimated to the Committee within a period of three months**

[115] 4 4 *Non recovery of licence fee*

Under the Haryana Liquor Licence Rules 1970 read with clause 6 (i) and (ii) of Excise Policy 1999 2000 licences for Country Liquor and Indian Made Foreign Liquor Vends are granted by auction. The successful bidder is required to deposit by way of security an amount equivalent to 16<sup>2/3</sup> per cent of annual licence fee of which 5 per cent is payable at the fall of hammer and the remaining 11<sup>2/3</sup> per cent within a period of ten days of the of auction. For non payment of security the licence is liable to be cancelled and the vend reauctoned at the risk and cost of the original licensee.

In Karnal licence for an Indian Made Foreign Liquor Vend was auctioned (March 1999) for the year 1999 2000 for Rs 5 01 crore. The successful bidder paid an amount of Rs 25 05 lakh i.e. five per cent of the bid at the fall of hammer on 4 March 1999 but failed to deposit the balance amount of 11<sup>2/3</sup> per cent of security within the stipulated period. The licence was cancelled and vend reauctoned (April 1999) at the risk and cost of the original licensee for Rs 3 50 crore. The department could not recover the loss as addresses of two of three partners of the firm were found to be fictitious and the third partner was avoiding service of notice. The failure of the department in verification of genuineness of the firm at the time of action resulted in non recovery of Rs 125 95 lakh. Besides expenses incurred on resale of vend were also recoverable.

On this being pointed out (May 1999) in audit the department intimated (September 1999) that the notice was served upon one of the partners and notices to remaining partners

will be served on ascertaining their correct addresses Further report has not been received (October 2000)

The matter was reported to Government in August 1999 their reply has not been received (October 2000)

The departments in their written reply explained the position as under —

In view of the objection the recovery proceedings were initiated against the original two bidders after locating their addresses through DETC Jind The said licencess have filed a civil suit in the Hon ble Court at Narwana and the case is fixed for 10 12 2001

**During the course of oral examination, the Committee was informed that the Court case of M/s Baru Ram versus State of Haryana is now pending in the Hon ble Court of Shri A K Raghva, Additional District and Sessions Judge, Jind and next date of hearing is fixed at 13-4 2006 for arguments**

**The Committee is, therefore desired that the final outcome of the case be intimated to the Committee**

## REVENUE DEPARTMENT

### STAMP DUTY AND REGISTRATION FEE

[116] 3.1 Results of Audit

Test check of records of various registration offices conducted in audit during the year 1999-2000 revealed non/short levy of stamp duty and registration fee amounting to Rs. 348.84 lakh in 1661 cases which broadly fall under the following categories

Sr No	Nature of irregularities	Number of cases	Amount (Rs. in lakhs)
1	Loss of stamp duty due to under valuation of properties	341	83.08
2	Evasion of stamp duty and registration fee	207	60.57
3	Irregular exemption of stamp duty and registration fee	680	62.79
4	Non/short levy of stamp duty and registration fee	350	118.19
5	Loss of stamp duty due to misclassification of deeds	47	16.46
6	Other irregularities	36	7.75
<b>Total</b>		<b>1661</b>	<b>348.84</b>

The department accepted under assessments of Rs. 16.57 lakhs in 23 cases pointed out during the year 1999-2000 against which no recovery was effected. The department however recovered Rs. 2.90 lakh in 40 cases related to earlier years.

A few illustrative cases involving Rs. 85.49 lakh are mentioned in the following paragraphs

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

	Cases	Amount (in lacs)
1	Amount Recovered by the department	318
2	Amount dropped by A.G.	152
3	Amount dropped by D.Cs	260
4	Recovery already mentioned in CAG	55
5	Excess shown by A.G.	60
6	Pending in various courts	233
7	Balance cases/Amount	583
<b>Total</b>		<b>1661</b>
		<b>348.84</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

The latest position of para No 3 1 (i) is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	60	4 11
2 Amount dropped by A G	37	10 33
3 Amount dropped by D Cs	39	9 54
4 Recovery already mentioned in CAG	14	1 73
5 Excess shown by A G	24	5 18
6 Pending in various courts	47	16 67
7 Balance cases/Amount	120	35 52
<b>Total</b>	<b>341</b>	<b>83 08</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

The latest position of para No 3 1 (ii) is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	21	3 62
2 Amount dropped by A G	16	5 72
3 Amount dropped by D Cs	11	0 88
4 Recovery already mentioned in CAG	1	0 23
5 Excess shown by A G	12	1 61
6 Pending in various courts	52	20 21
7 Balance cases/Amount	94	28 30
<b>Total</b>	<b>207</b>	<b>60 57</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

The latest position of para No 3 1 (iii) is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	181	3 08
2 Amount dropped by A G	65	14 27
3 Amount dropped by D Cs	189	7 97
4 Recovery already mentioned in CAG	35	0 81
5 Pending in various courts	22	2 02
6 Balance cases/Amount	188	34 64
<b>Total</b>	<b>680</b>	<b>62 79</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

The latest position of para No 3 1 (iv) is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	5	3 08
2 Amount dropped by A G	34	2 40
3 Amount dropped by D Cs	15	4 40
4 Recovery already mentioned in CAG	50	1 25
5 Pending in various courts	107	83 95
6 Balance cases/Amount	115	18 23
7 Excess shown by the A G	24	4 88
<b>Total</b>	<b>350</b>	<b>118 19</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

The latest position of para No 3 1 (v) is as under —

	Cases	Amount (in lacs)
1 Amount dropped by D Cs	5	4 72
2 Recovered by the department	6	2 35
3 Pending in various courts	3	2 70
4 Balance cases/Amount	33	6 69
<b>Total</b>	<b>47</b>	<b>16 46</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down number of cases pending in various courts and get the decision expedited

The reply of the para No 3 1 (vi) is as under —

	Cases	Amount (in lacs)
1 Amount dropped by D Cs	1	1 61
2 Pending in various courts	2	0 19
3 Balance cases/Amount	33	5 95
<b>Total</b>	<b>36</b>	<b>7 75</b>

Efforts are being made to recover the balance amount Concerned Deputy Commissioners have been directed to bring down number of cases pending in various courts and get the decision expedited

During the course of oral examination of the departmental representative the Committee was informed that out of total 1661 cases 706 cases (Involving recovery of Rs 255 17 lacs) are still pending. The Committee, recommends that sincere efforts be made to recover the heavy balance amount and the cases pending in the courts be pursued vigorously for early settlement. The progress report in this regard be sent to the Committee within a stipulated period.

*[117] 3.2 Short levy of stamp duty on exchange of property*

As per Indian Stamp Act 1899 as applicable to Haryana (hereinafter referred to as the Act) stamp duty on exchange of property is chargeable as a conveyance deed. Government of Haryana further clarified (September 1996) that the compromise decrees which create for the first time right title or interest in the said immovable property in favour of any party to the suit the compromise decree or order would require registration and is chargeable with stamp duty as an instrument or conveyance deed for a consideration equal to the value of the property or the value set forth in such instrument whichever is higher.

During test check of records in 12\* offices of Sub Registrars it noticed (between July and September 1999) that 63 compromise decrees of the property valued at Rs 468 34 lakh were registered for the exchange of property levying stamp duty of Rs 0 03 lakh instead of Rs 58 54 lakh. This resulted in short realisation of stamp duty amounting to Rs 58 51 lakh.

On this being pointed out (between July and September 1999) in audit the Government directed the concerned Registrars to recover the amount of stamp duty. Report on recovery has not been received (October 2000).

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

**Latest position of 63 cases involving an amount of Rs 58 51 lakh is as under —**

	Cases	Amount (in lacs)
1 Amount Recovered by the department	2	0 26
2 Amount dropped by D Cs	6	3 29
3 Cases/amount Pending in various courts	51	50 26
4 Balance cases/Amount	4	4 70
<b>Total</b>	<b>63</b>	<b>58 51</b>

\* Sub Registrars Adampur Barwala Bhattu Kalan Dabwali Ferozabad Fatehabad Hisar Narnaul Rania Sinsu and Johana

\* Sub Registrars Bhadia Chhachhrauli Ferozabad Kaithal Nangal Choudhry Narnaul and Jisham Joint Sub Registrar Pundri

Efforts are being made to recover the balance amount Deputy Commissioners Hisar Fatehabad and Sirsa have been directed to bring down number of cases pending in various courts and get the decision expedited

During the course of oral examination of the departmental representatives the Committee was not satisfied with the pace of recovery as the department could recover only Rs 0 26 lakh The Committee, therefore recommends that sincere efforts be made to effect the balance recovery It also desired that 51 cases pending in the courts be pursued vigorously for early settlement Further progress report be sent to the Committee for its information within a stipulated period

*[118] 3 3 Evasion of stamp duty due to under valuation of immovable property*

The Act provides that the consideration if any and all other facts and circumstances affecting the chargeability of an instrument with duty or the amount of duty with which it is chargeable should be fully and truly set forth therein The Act further provides that any person who with intent to defraud the Government executes any instrument in which all the facts and circumstances are not fully and truly set forth is punishable with a fine which may extend to five thousand rupees

During test check of records of 9 registering offices it was noticed (between April and December 1999) that 24 conveyance deeds were registered (between May 1998 and July 1999) on account of sale of immovable properties The total value of properties set forth in all conveyance deeds was Rs 78 01 lakh whereas as per agreements executed between the affected parties during the period from November 1997 to March 1999 and found recorded with the various document writers the total sale value as per agreements worked out to Rs 184 97 lakh The conveyance deeds were thus got executed and registered at a consideration less than that agreed upon between the parties Under valuation of properties in conveyance deeds resulted in evasion of stamp duty of Rs 13 37 lakh Besides penalty not exceeding Rs 1 20 lakh for under valuation done with intent to defraud the Government was also leviable in these 24 cases

On this pointed out (between April and December 1999) in audit the Government directed (between July and March 2000) the concerned Registrars/Deputy Commissioner Kaithal to recover the amount Report on recovery has not been received (October 2000)

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

Latest position of 24 cases relating to evasion of stamp duty due to under valuation of immovable property involving an amount of Rs 13 37 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	2	0 55
2 Cases/amount Pending in various courts	7	2 00
3 Balance cases/Amount	15	10 82
<b>Total</b>	<b>24</b>	<b>13 37</b>

Efforts are being made to recover the balance amount. And concerned Deputy Commissioners have been directed to bring down number of cases pending in various courts and get the decision expedited.

**During the course of oral examination of the Revenue department, the Committee observed that pace of recovery is very slow as the department has recovered Rs 0 55 lakh out of total recovery of Rs 13 37 lakh** -

**The Committee therefore recommends that recovery in the balance cases be effected within a stipulated period and the cases pending in the courts be pursued enabling early settlement of these cases. The progress report be sent to the Committee**

*[119] 3 4 Evasion of stamp duty*

- As per the Act separate rate of duty have been prescribed for different types of instruments. The classification of an instrument depends upon the nature of the transaction therein recorded. In case the possession of the property is handed over after receipt of full amount of consideration the instrument becomes a conveyance deed and stamp duty becomes leviable under Article 23 of Schedule 1 A of the Act.

During test check of records of Sub Registrar Bahadurgarh (Jhajjar) it was noticed (May 1999) that two partners of M/s A K Industries Delhi entered into (13 November 1998) and agreement to sell a factory alongwith part of the land measuring 46x4 square yards situated at Bahadurgarh (Haryana) in favour of Shri Satish Chhabra S/o Shri Nuthan Chhabra and Shri Vinod Kumar Khettar S/o Shri Ganpat Ram Khettar both directors of M/s V K Syntex Private Limited Delhi for a consideration of Rs 39 lakh and it was registered (13 November 1998) with Sub Registrar Bahadurgarh without payment of any stamp duty treating the deed as an agreement to sell. The possession of the land was handed over (12 November 1998) to the purchasers after receiving (between 5 January and 5 November 1998) full consideration of Rs 39 lakh. Thus the deed being a conveyance deed was chargeable with a stamp duty of Rs 6 05 lakh which was neither levied nor demanded by the department. This resulted in evasion of stamp duty of Rs 6 05 lakh.

On this being pointed out (May 1999) in audit the Government instructed (August 1999) the department to recover the amount of stamp duty and registration fee. Further report on recovery has not been received (October 2000).

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

**Latest position of the para 3 4 Evasion of stamp duty involving an amount of Rs 6 05 lakh in 1 case is as under —**

There is an amount of Rs 604985/ i.e. 6 05 lakh relates to Tehsil Bahadurgarh Distt Jhajjar which is pending in the Court of SDM as intimated by Deputy Commissioner Jhajjar.

Deputy Commissioner Jhajjar have been directed to take action immediately in the matter.



During the course of oral examination the department informed the Committee that the case was pending in the court of concerned SDM. The Committee viewed its seriously as the case is quite old and desired that efforts be made to decide the case at the earliest and recovery be effected as pointed out in the audit para under intimation to the Committee.

*[129] 3.5 Short levy of stamp duty*

As per the act conveyance includes conveyance on sale and every instrument by which property whether movable or immovable is transferred. Further the Indian Registration Act 1908 provides that immovable property includes land, building and things attached to the earth. Government clarified (July 1994) that plant and machinery installed in the factory for permanent use when sold along with the factory land and building would constitute a part of immovable property.

During test check of records of Sub Registrar Faridabad it was noticed (November and December 1999) that a vendor purchased a factory for a consideration of Rs 76 lakh (Rs 35 lakh for land and building and Rs 41 lakh for plant and machinery) in auction conducted by the official liquidator attached to Delhi High Court. While executing (April 1998) the sale deed stamp duty was paid on the cost of land and building valued at Rs 35 lakh only. The registering authority did not levy stamp duty on the cost of plant and machinery valued at Rs 41 lakh. The omission resulted in short levy of stamp duty of Rs 636 lakh on the cost of plant and machinery.

On this being pointed out (December 1999) in audit Government directed (March 2000) the concerned Registrar to recover the amount of stamp duty. Further report on recovery has not received (October 2000).

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

**Latest position of the para 3.5 (Short levy of stamp duty) is as under —**

In this para an amount of Rs 6.35 lakh in one case is involved which is pending for recovery. Deputy Commissioner Faridabad has been directed to recover the balance amount at the earliest.

During the course of oral examination the revenue department informed the Committee that the case of recovery of short levy of stamp duty had been pending with the Deputy Commissioner Faridabad. The Committee viewed it seriously as already six years have elapsed and no recovery has been made so far. The Committee therefore recommends that action be taken against the erring Officials who failed to make the recovery well in time and desired that special attention be paid for effecting the recovery. A progress report in this case be sent to the Committee for its information.

## TRANSPORT DEPARTMENT

[121] 4 2 Taxes on Motor Vehicles

### 4 2 1 Introductory

Registration of motor vehicles collection of fees on account of issue of permits and countersignatures of permits are regulated under Motor Vehicles Act 1988 Central Motor Vehicles Rules 1989 Punjab Motor Vehicles Act 1924 and Punjab Motor Vehicles Rules 1940 as applicable to Haryana All the Motor Vehicles with certain exceptions are required to be registered in the State in which the owner of the vehicle has residence or place of business where the vehicle is normally kept

The levy and collection of road tax is governed by the Punjab Motor Vehicles Taxation Act 1924 and the Rules framed thereunder The tax is leviable on every motor vehicle except certain vehicles or class of vehicles specially exempted under the Act/ Rules and is recoverable in equal instalments for the quarterly periods commencing on the 1st day of April July October and January of each year at such rates as the State Government may by notification prescribe from time to time

A rebate of five *per cent* is admissible if the vehicle owner pays all the four quarterly instalments in advance A token in acknowledgment of tax paid or exemption granted is required to be issued by the department and displayed on the motor vehicle by the owner

### 4 2 2 Organisational Set up

The overall charge of the Transport Department vests with the State Transport Commissioner Six Regional Transport Authority (10 with effect from 24 March 1999) have been set up in the State for regulating use of transport vehicles and collection of fees Regional Transport Authority maintains the records of registration of transport motor vehicles and also ensures observance of rules regarding payment of taxes/fees of transport motor vehicles

The Sub Divisional Officer (Civil) who functions under administrative control of the Revenue Department is the Registering Authority for non transport and personal vehicles and ensures that the classification is done as per instructions of Transport Commissioner

The Deputy Excise and Taxation Commissioner (DETC) is to assess and collect the passengers tax in respect of transport vehicles The Regional Transport Authorities are to ensure the registration and payment of passengers tax with the DETC before issue of permits to transport vehicles

Enforcement of the regulatory provisions of the Acts/Rules and checking of the tax is carried out by the Transport and Police Departments of the State

### 4 2 3 Scope of audit

A test check of records for the year 1996 97 to 1998 99 was conducted in audit between July 1999 and March 2000 in 23 (out of 46) offices of Registering Authorities and 6 Regional Transport Authorities with a view to see the compliance of various provisions of the Acts/Rules orders on the subject and maintenance of records

#### **4 2 5 Incorrect registration of non transport motor vehicles**

Road tax is to be collect by the Registering Authorities/Regional Transport Authorities in accordance with the classification/purpose of the vehicle prescribed under the Act

During the course of audit of Sub Divisional Officers i.e Registering Authorities it was noticed that non transport vehicles had been misclassified and charged lower rates of road tax as detailed below —

##### **(a) Private Service Vehicles**

As per Section 2 (33) of Motor Vehicles Act 1988 motor vehicles having seating capacity from six to twelve (excluding driver) registered in the name of firms/companies are to be treated as Private Service Vehicles and token tax at the rate of Rs 400/ per seat per annum is chargeable

During test check of records of 22 Registering Authorities (out of 46) it was noticed (between April 1997 and March 2000) that even in respect of private service vehicles registered in the names of firms/companies only one time token tax instead of Rs 400/ per seat per annum was charged. This resulted in short realisation of token tax amounting of Rs 2665 lakh in 1046 cases (calculated upto June 1999) registered between April 1996 and March 1999. Since vehicles are registered for fifteen year as per Motor Vehicles Act charging of one time token tax has further deprived the Government of annual revenue of Rs 34.49 lakh

The matter was brought to the notice of Transport Commissioner/concerned Registering Authorities. The Registering Authority Sonapat intimated (March 2000) that notices for recovery in 60 cases have been issued while the other Registering Authorities stated (between July 1999 and March 2000) that notices were being issued for recovery.

Report on further action taken has not been received (October 2000)

##### **(b) Taxis**

Under the scheme of Haryana Harijan Kalyan Nigam for financing scheduled castes for purchase of Maruti Van (Taxis) the Transport Commissioner Haryana issued (June 1997) instructions for registration of such vehicles as taxis instead of personal vehicles. Road tax and permit fees were chargeable at the rate of Rs 200/ per seat per annum and Rs 1770/ per vehicle respectively. Further passengers tax was also chargeable at the rate of Rs 150/ per seat per annum upto September 1998 and Rs 100/ per seat per annum thereafter.

During test check of records of 15 Registering Authorities it was noticed (July 1999 to March 2000) that 40 Maruti Vans were financed by Haryana Harijan Kalyan Nigam for its use as taxis by the persons belonging to scheduled castes during the year 1996-97 to 1998-99 but these were registered as personal vehicles after charging one time token tax instead of charging road tax, passengers tax and permit fee leviable on taxis. The omission resulted in short levy of tax of Rs 7.43 lakh up to June 1999.

The mistake was pointed out (between November 1999 and March 2000) to the department Three Registering Authorities Kurukshetra Hissar and Sonapat intimated (April/ May 2000) that notices for recovery in six cases have been issued Report on action taken in the remaining cases has not been received (October 2000)

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

**4 2 5 (a)**

An amount of Rs 26 65 lacs out of which Rs 1 19 350/ have been recovered and further efforts are being made for early recovery of token tax from the concerned vehicles owners Further progress will be intimated in due course

**4 2 5 (B)**

The direction had already been issued to the concerned offices to recover the said amount Strenuous efforts are being made to recover the amount and will be intimated the progress report in this regard from time to time

**After hearing the departmental representatives, the Committee desired that strenuous efforts be made to recover the balance amount in respect of Private Service Vehicles which were financed by the Harijan Kalyan Nigam for its use as taxis The Committee further desired that responsibility be fixed on the erring Officials and recovery be made within as stipulated period under intimation to the Committee**

*[122] 4 2 6 Embezzlement of token tax and registration fees*

Punjab Financial Rules as applicable to Haryana require that Revenue Collecting Authorities are to see that the dues of the government are properly collected and paid into the treasury and reconciliation of deposits is done with the treasury every month Further Haryana Transport Commissioner issued (April 1994) instructions that a receipt under the head 0041 Taxes on Motor Vehicles was to be issued to the applicant and daily cash collection was to be deposited in the Bank/Treasury through a single challan Receipt books for the purpose were to be obtained from the Transport Commissioner

During test check or records of Sub Divisional Officer (Civil) (Registering Authority (MV)) Faridabad for the period from January 1997 to March 1999 it was noticed (between February and April 2000) on cross check of entries of token tax/fees in the registration register and original receipts kept in the registration files with cash book that carbon copies of the original receipts of token tax/registration fees of 1576 vehicles were prepared fraudulently for lesser amounts than received from the vehicle owners and the cash book was maintained accordingly The fraud committed by the official escaped notice of the internal audit of the department also This was a system failure of the department and resulted in embezzlement of token tax and registration fees of Rs 25 38 lakh

On this being pointed out (11 February and 27 April 2000) in audit the department recovered and deposited a sum of Rs 22 89 lakh in February and May 2000 Report on recovery of remaining amount of Rs 2 49 lakh has not been received (October 2000) It was intimated (May 2000) by the department that four increments of the official involved have been stopped

The department in their written reply explained the position as under

In this regard it is submitted that R A (MV) Faridabad had informed that out of the total embezzled amount of Rs 25 38 lakh an amount of Rs 22 89 lakh had been recovered in February and May 2000 deposited into treasury Four increments of the delinquent official had been stopped with commulative effect The official Sh Dharam Singh has filed a suit against the Deputy Commissioner Sub Divisional Magistrate/Accountant General Haryana in the Court of Sh Jagdeep Jain Senior Division Faridabad

**During the course of oral examination the departmental representatives informed the Committee that four increments of the erring official have been stopped and recovery of an amount of Rs 22 89 lakh out of total recovery of Rs 25 38 lakh has also been effected from him The Committee is not satisfied with the reply of the department as this embezzlement occurred due to failure of system of the department The Committee therefore, desired that this case be looked into afresh from all aspects and a detailed report be sent to the Committee within a stipulated period**

*[123] 4 2 8 Short realisation of permit/countersignature fee*

**(b) Non/short realisation of penalty on late renewal of permits**

Under Section 81 (2) of Motor Vehicles Act 1988 and the instructions issued (June 1997) by State Transport Authority an application for renewal of permits must be made not less than fifteen days before the expiry of permits failing which a lumpsum penalty of Rs 1 000 was leviable In addition Rule 62 (b) (2) of Haryana Motor Vehicle Rules 1993 provides that if the application for renewal of permit a composition fee at the rate of Rs 200 for the first week and Rs 150 per week thereafter shall be charged

During test check of records of 6\* Regional Transport Authorities it was noticed (between July 1997 and March 2000) that in 586 cases applications for renewal of permits had not been received within the prescribed period but the permits were renewed without/ short recovery of penalty/composition fee This resulted in non/short recovery of penalty/ composition fee of Rs 9 21 lakh

The omission was pointed out (between July 1999 and March 2000) in audit but no reply has been received (October 2000)

The department in their written reply explained the position as under

Strenuous efforts are being made to recover the amount and will be intimated the progress report in due course

**During the course of oral examination the department informed the Committee that Rs 8 66 Lakh are to be recovered and not Rs 9 21 lakh as pointed out in the para The Committee desired that the figures of recovery be reconciled with A G office and efforts be made to effect the recovery within a stipulated time as already a considerable time has elapsed The Committee be informed about the action taken within a period of three months**

*[124] 4 2 9 Lack of co ordination between Transport and Excise and Taxation Departments*

Under the Punjab Motor Vehicles Act 1924 Regional Transport Authority is required to ensure before issue of maxi cab permits that the vehicle has been got registered with the Excise and Taxation Department and passengers and goods tax at the prescribed rates has been paid by the owner

During test check of records of Regional Transport Authority Rohtak it was noticed (between December 1999 and February 2000) during cross verification with records of Deputy Excise and Taxation Commissioners Rohtak and Sonipat that 446 vehicles were not registered (between October 1996 and March 1999) with Deputy Excise and Taxation Commissioners as maxi cab and no passengers tax was paid by the operators Further 61 vehicles were registered with Excise and Taxation Department as maxi cab on payment of passengers tax but were not issued maxi cab permits by the Regional Transport Authority

Non observance of codal provisions and instructions of the Transport Commissioner Haryana as well as lack of co ordination between the two departments of Government resulted in evasion of tax amounting to Rs 58 38 lakh (Passengers and Goods Tax Rs 55 97 lakh plus Road Tax Rs 2 41 lakh)

The matter was brought (between December 1999 and February 2000) to the notice of Regional Transport Authority Rohtak and Transport Commissioner Haryana One Registering Authority Sonipat intimated (March 2000) that notices for recovery in 48 cases have been issued Report on action taken in the remaining cases has not been received (October 2000) However possibility of loss of revenue in other Regional Transport Authorities due to lack of co ordination cannot be ruled out and calls for a department wide action

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

Under provisions of motor vehicle Act 1988 The Maxi Cab permits can only be renewed after getting clearance of passenger tax from Excise & Taxation Deptt Hence there is no lack of coordination between DTO office and Excise Deptt

**During the course of oral examination the departmental representatives informed the Committee that recovery has been made in 48 cases The Committee desired that recovery in balance cases be effected under intimation to the Committee It is also desired by the Committee that position about the registration of max cabs in respect of remaining RTAS in the State be sent for the information of the Committee**

*[125] 4 2 10 Non recovery of token tax in respect of Stage Carriage buses*

Under the Motor Vehicle Act 1988 Regional Transport Authorities register the Stage Carriage Co operative buses issue route permits and collect road tax

The tax on stage carriage buses plying for hire and used for transport of passengers excluding the driver and conductor is leviable at the rate of Rs 550 per seat per annum subject to maximum of Rs 35000 payable in equal instalments for the quarter commencing from first day of April July October and January for which token tax registers are to be maintained

During test check (between May 1997 and March 2000) of token tax registers of 6 Regional Transport Authorities and 6 Registering Authority cum Regional Transport Authorities it was noticed that token tax for the period 1996 97 to 1998 99 in respect of 589 buses plied as stage carriages by the Co operative Transport Societies was neither demanded nor recovered from the owners of the vehicles. This resulted in non realisation of token tax to the tune of Rs 247 85 lakh

The omission was pointed out (between May 1997 and March 2000) but no reply has been received (October 2000)

The department in their written reply explained the position as under

It is submitted that the token tax for the period 1996 97 to 1998 99 in respect of Coop Society buses plied on the stage carriages by the coop Transport Societies had been worked out to the tune of Rs 247 85 lakh out of this amount Rs 218 49 had already been recovered from the Coop Transport Societies plied under the reason. Necessary efforts are being taken unto recover the ballance amount

**During the course of oral examination, the departmental representatives informed the Committee that an amount of Rs 218 49 lakh have already been recovered out of total recovery of Rs 247 85 lakh**

**The Committee desired that balance recovery be effected within a stipulated period under intimation to the Committee**

## FINANCE DEPARTMENT (LOTTERIES)

### [126] 5 1 Results of Audit

Test check of recods in departmental offices relating to revenues of State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) and Co operation conducted in audit during the year 1999 2000 revealed under assessments and losses of revenue amounting to Rs 2279 22 lakh in 2529 cases as depicted below

Sr No	Heads of revenue	Number of cases	Amount (Rupees in lakh)
A	(i) Finance (State Lottenes)	256	265 64
B	Forest	443	330 81
C	Home (Police)	51	580 80
D	Public Works (Irrigation Buildings and Roads )	1401	146 02
E	Co operation	378	955 95
<b>Total</b>		<b>2529</b>	<b>2279 22</b>

The departments accepted under assessments/loss of revenue etc of Rs 215 33 lakh in 264 cases which were pointed out during the year 1999 2000 An amount of Rs 19 90 lakh had been recovered in 48 cases during the year 1999 2000 of which Rs 16 51 lakh recovered in 45 cases related to earlier years

A few illustrative cases involving Rs 861 41 lakh highlighting important observations are mentioned in the following paragraphs

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

Efforts were made to settle these paras in review Latest para wise position is as under

- (i) Audit para number 2 for 1998 99 involving 135 cases amounting to Rs 4 56 lacs was settled vide A G Haryana Letter No RAW/S/OR/2000 2001/72 74 dated 17 4 2001
- (ii) Audit para No 3 of 1998 99 involving 5 cases amounting to Rs 232 56 lac was settled by A G Haryana vide their letter No RAW/S/OR/2002 03/45 48 dated 8 5 2002
- (iii) Out of an amount of Rs 197939/ shown in para 4 for 5 No of cases Rs 1 56 662/ has been settled leaving a balance of Rs 41277 00 only
- (iv) Out of an amount of Rs 728412/ involving 24 cases shown in para 5 A Rs 6 78 897/ has been settled leaving a balance of Rs 49 515/ only



- (v) Out of the total amount of Rs 17.59 lacs in 22 cases as shown in para 5B Rs 9.64 lacs has been settled leaving a balance of Rs 7.95 lacs which is still to be settled
- (vi) Para 5 C involving 65 cases amounting to Rs 166890/- has been settled vide A G Letter No RAW/S/OR/2000 2001/72 74 dated 17.4.2001

Thus only a sum of Rs 8.85 lacs out of total of Rs 265.64 lacs has been left to be settled for which efforts are being made

**After hearing the department representatives, the Committee observed that Rs 8.85 lakh are still to be recovered from the departmental Officials and desired that recovery of this amount be made within the stipulated period under intimation to the Committee**

*[127] 5.2 Printing of lottery tickets Non realisation of penalty from printer*

Printing of lottery tickets is arranged by the department through open tenders. The terms and conditions are determined through an agreement. For printing of lottery tickets for the period from 1 April 1996 to 31 March 1999, agreements were executed between Director Haryana State Lotteries and M/S Capital Business System Private Limited, New Delhi, on year to year basis. As per clause 15 of the agreement, the printer was responsible for shortage, misprinting, duplicate printing of tickets, short supply of tickets, etc. In case of non/short supply of tickets of any particular draw, the penalty equal to the face value of the tickets was to be imposed and recovered from the printer.

- (i) During test check of records of lottery schemes for the year 1996-97 to 1998-99, it was noticed that tickets of the face value of Rs 5.95 lakh were supplied short for which penalty of Rs 5.95 lakh was leviable but the same was neither levied nor recovered by the department from the pending bills of the printer.

On this being pointed out (April 2000) in audit, the department recovered (20 April 2000) an amount of Rs 2.04 lakh. Report on recovery of balance amount of Rs 3.91 lakh has not been received (October 2000).

- (ii) Two crore tickets were got printed for the schemes of Jai Durga and Mahalaxmi International game scheme and the draws were to be held on 21 July 1997 and 1 September 1997 respectively. Out of 2 crore tickets, 86,979 tickets for the face value of Rs 7,17,290 were shown as wastage by the Sales Officer in charge posted at godown at Faridabad. Amount of Rs 7.17 lakh was recovered neither from the printer nor from the Sales Officer at fault.

Non-adherence to the terms and conditions of the agreements resulted in non-recovery of Rs 13.12 lakh (Rs 5.95 lakh + Rs 7.17 lakh).

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

Out of recovery of Rs 5,95,843/- pointed out by the audit, an amount of Rs 5,77,075/- has been recovered. Efforts are being made to recover the balance of Rs 18,768/-.

The printer M/s Capital Business Systems P Ltd New Delhi was required to print and supply the lottery tickets of Mahalakshmi and Jai Durga International Instant/ Game schemes as per agreement executed with them. In clause 14 of the agreement it was provided that

The printers shall deliver plus or minus 2% of ordered quantity for each games. The Government will be billed only for the actual number of confirming tickets delivered.

The printer supplied the tickets as under —

Sr No	Name of scheme	Draw No	Print order	Qty of tickets supplied	Qty of wastage
1	M L International	1st	50 00 000	49 81 374	18 626
2	do	2nd	1 00 00 000	99 62 147	37 853
3	Jai Durga International	1st	50 00 000	49 69 500	30 500
<b>Total</b>			<b>2 00 00 000</b>	<b>1 99 13 021</b>	<b>86 979</b>

The payment to the printers was made for the tickets supplied and not for the quantity of tickets shown above as wastage. The wastage is within limits of 2% and therefore no recovery was to be made. As such recovery as pointed out by the audit is not tenable in view of the conditions of agreement. Keeping in view the facts, the para may please be dropped.

**After hearing the departmental representatives, the Committee observed that Rs 18,768 are still to be recovered and desired that balance recovery be effected within a stipulated period. The Committee recommends that position of wastage of tickets as pointed out by A G. (Audit) Haryana be also reconciled and latest position be intimated to the Committee within three months.**

*[128] 5.3 Loss of interest due to delayed transfer of money to Government account*

The Sales Officer incharge of a camp located outside the State is required to deposit the sale proceeds of lottery tickets in a local bank account opened in the name of the Director Haryana State Lotteries on the same day or at the latest on the next working day for its subsequent transfer to Headquarters office at Chandigarh and thereafter money is transferred by the department to Government account in the State Bank of India (Treasury Branch) through cheques. Any delay in remittances results in loss of interest to the State Government.

(i) During test check of master scheme register and cash book maintained by 4 Sales Officers (two each of Faridabad and Panchkula) for the years 1996-97 to 1997-98, it was noticed (April 2000) that the money collected on account of sale of lottery tickets by the Sales Officers was not being remitted into bank or treasury as heavy balances of sale proceeds accumulated from Rs 48 lakh to Rs 2.50 crore were lying unremitted with the Sales Officers and the delay in remittances ranged from 1 to 60 days. Delay in remittances of sale proceeds resulted in loss of interest of Rs 17.86 lakh calculated at the rate of 14 per cent per annum.

The omission was pointed out (April 2000) to the department their reply has not been received (October 2000)

(ii) During test check of records of the Director Haryana State Lotteries Chandigarh for the period 1997 98 to 1998 99 it was noticed that cash collected by the Sales Officers Faridabad and Panchkula on account of sale proceeds of lottery tickets and transmitted through a bank to Chandigarh had not been transferred to Government account within prescribed period and delay ranged from 1 to 188 days

Had there been close monitoring by Director on transfer by Chandigarh Bank to Government account in time the department could have saved interest of Rs 16 18 lakh calculated at the rate of 14 per cent per annum

On this being pointed out (June 1998 October 1999 and April 2000) the department stated (October 1999) that the matter was under correspondence with the bank Further report on action taken has not been received (October 2000)

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

The audit party has raised objection that the sales officers have retained heavy cash balances in their cash books during the year 1996 97 to 1999 2000

In this regard it is submitted that the agents had been depositing heavy cash in small denomination from the very beginning at the time of submitting their accounts for the purchase of new fresh tickets The sales officers had to accept the cash given by the agents and to ensure the sales of the department in all circumstances All efforts were made by the sales officers to deposit the cash receipts of the department well in time but the bank had expressed difficulties to accept cash of small denomination every day The Reserve Bank of India New Delhi have allowed two days only in a week for acceptance of cash from our Sales Officers subject to the condition that hundred packets of cash irrespective of the denomination of the value of the notes are delivered to them at one time Therefore the sales officers with their own efforts had to exchange the cash of small denomination with higher denomination and it took at least one week time on account of refusal of bank in case of small denomination and exchange of cash of small denomination with cash of higher denomination Therefore at a later stage the bank confirmed their plea in writing also

Thus the heavy cash was retained in cash book due to unavoidable circumstances and not with any malafide intention Therefore the amount of interest as worked out as recoverable from the sales officers may be dropped

The audit party has also raised objection that sales officers in Faridabad Camp retained heavy cash balances in their cash books during the month of April 2000 In this regard it is submitted that the agents had been depositing heavy cash in small denomination from the very beginning at the time submitted their accounts for purchase of new fresh tickets The sales officers had to accept the cash in whatever denomination to ensure the sale of tickets of the department in all circumstances

Besides the notes in packets given by the agents were found short and the same had to be kept by the sales officers for exchanging from the agents with the required number of notes. The matter was taken up vigorously with Reserve Bank of India authorities to accept the cash daily or at least three days in a week. Another account was also opened with Central Bank of India, Delhi for depositing cash in remaining days.

Similar Para No. 10 of 50th Report of PAC titled delayed transfer of receipts to Govt. account has been dropped by PAC in its meeting held on 25/2/2002.

However this para was for Rs. 4.56 lacs as para No. 2 of the report of A.G. Audit for the year 1998-99 and was dropped by the A.G. Haryana vide their letter memo No. RAW/S/other receipts/2000-2001/72-74 dated 17/4/2001.

Keeping in view the position explained above this para may be dropped.

**During the course of oral examination, the Committee observed that departmental officials have not deposited sale proceeds in the government account and kept heavy cash balances with them. The Committee recommends that department should examine all the aspects of this case and decision taken in this regard be intimated to the committee within three months.**

## FORESTS DEPARTMENT

### 5.1 Results of Audit

[129] Test check of records in departmental offices relating to revenues of State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) and Co operation, conducted in audit during the year 1999 2000 revealed under assessments and losses of revenue amounting to Rs 2279 22 lakh in 2529 cases as depicted below

Sl No	Heads of revenue	Number of cases	Amount (Rupees in lakh)
A	(i) Finance (State Lotteries	256	265 64
B	Forest	443	330 81
C	Home (Police)	51	580 80
D	Public Works (Irrigation Buildings and Roads)	1401	146 02
E	Co operation	378	955 95
<b>Total</b>		<b>2529</b>	<b>2279 22</b>

The departments accepted under assessments/loss of revenue etc of Rs 215 33 lakh in 264 cases which were pointed out during the year 1999 2000 An amount of Rs 19 90 lakh had been recovered in 48 cases during the year 1999 2000 of which Rs 16 51 lakh recovered in 45 cases related to earlier years

A few illustrative cases involving Rs 861 41 lakh highlighting important observations are mentioned in the following paragraphs

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

This para contains 443 outstanding audit paras against various Divisions of this department during 1999 2000 Reply of all the audit para have already been submitted by the concerned DFOs directly to the A G Hr A joint meeting was held with the representatives of the A G Hr in the month of August 2005 to finalize the audit paras Till date 372 audit paras have been settled and efforts are being made to settle the remaining 71 paras also

**During the course of oral examination of departmental representatives the Committee was informed that only 71 paras are outstanding out of a total of 443 outstanding audit paras The Committee desired that sincere efforts be made to settle the balance audit paras by effecting recovery in these cases under intimation to the Committee**

### [130] 5.5 Loss due to delay in harvesting of poplar trees

Poplar trees mature for felling between 8 and 10 years The delay in cutting of poplar trees causes deterioration in quality of the timber as it becomes hard and hollow and creates

difficulty in veneering In case of poplar trees the royalty is paid by the Haryana Forest Development Corporation (HFDC) at the purchase price of trees The Deputy Conservator of Forest (Territorial Division) Yamunanagar fixed the rate of royalty at the rate of Rs 3 000 per cum on the bases of trees sold in open auction in February 1996

During test check of records of Divisional Forest Officer (DFO T) Yamunanagar it was noticed (August 1999) that the standing volume of 4 145 851 cubic metre of poplar trees (aged between 11 and 20 years) was handed over to HFDC during the year 1995 96 to 1998 99 on payment of royalty of Rs 53 32 lakh at purchase price The trees if sold well in time in open auction would have at least fetched a price of Rs 124 38 lakh The corporation stated (January 1997) that the low price received on account of auction of logs of poplar trees was due to its over maturity which created hollowness hardness and knots in the timber Thus delay caused in cutting the trees resulted in loss of Rs 71 06 lakh to the Government

The case was reported to Government in May 2000 their reply has not been received (October 2000)

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

This audit para has been dropped by A G Hr vide their letter No RAW/S T/2003 04/2094 dated 12 2 2004 Hence this CAG para may please be deleted from the CAG Report

**After hearing the departmental representatives and going through the written reply the Committee was not satisfied with the departmental reply as the department failed to explain the reasons for the delay caused in cutting the popular trees resulting into a loss of Rs 71 06 lakh**

**The Committee recommends that responsibility be fixed for this loss and a detailed report on the action taken in this regard be sent for the information of the Committee**

*[131] 5 6 Non realisation of sales tax*

Under Haryana General Sales Tax Act 1973 sales tax is leviable on the sale of trees as per rates prescribed from time to time

During test check of records of 11 forest divisions it was noticed (between June 1997 and March 2000) that trees valued at Rs 577 94 lakh were sold to HFDC during the years 1995 96 to 1998 99 on which sales tax amounting to Rs 37 49 lakh was not realised This resulted in non recovery of Rs 37 49 lakh to the Government

On being pointed out (between June 1997 and March 2000) Divisional Forest Officer Yamunanagar stated (December 1999) that out of sales of timber valued at Rs 32 43 lakh made during 1997 98 and 1998 99 declaration forms (ST 15) for Rs 19 39 lakh in respect of sales made to registered dealers have been obtained and action for recovery of tax on the remaining sales of Rs 13 04 lakh was being taken The reply of the department was not tenable as sales of trees (timber) were taxable at first stage of sale from 18 July 1997 No reply from the remaining 10 divisions has been received (October 2000)

The case was reported to Government in May 2000 their reply has not been received (October 2000)

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

Managing Director Haryana Forest Development Corporation Limited was asked to look into the matter and call for the records from the Regional Managers as also the concerned Divisional Forest Officers (T) The Managing Director called the meeting of all concerned and the figures of royalty paid by the Regional Managers Haryana Forest Development Corporation Ltd to respective Divisional Forest Officer (T) Sales tax leviable at the so presumed first stage and sale tax realized/ deposited at the second stage by the Corporation were compiled Sales tax paid in excess as compared with the so presumed first stage has also been indicated

The details Regional Manager wise and Divisional Forest Officer (T) wise for various years is also enclosed By and large the figures compiled by the office of Managing Director Haryana Forest Development Corporation Limited reconcile with the report of the audit party cited above as for as the sale amount of standing trees and sales tax leviable at the so presumed first stage is concerned It is also mentioned that the sales tax realized by the Haryana Forest Development Corporation Ltd and deposited with the Haryana Sales Tax Department is substantially higher than the Sales Tax leviable at the first stage

This is also to bring to your notice the fact that during a meeting on 12 10 1999 under Chairmanship of the then Financial Commissioner and Secretary to Government Haryana Forest Department it had been decided that in view of the facts of the case and higher revenue to the State Government the Corporation should be allowed to furnish ST 15 Form to the respective Divisional Forest Officer (T) Accordingly the Divisional Forest Officers (T) have been accepted ST 15 Form from various Regional Managers Haryana Forest Development Corporation Limited

This position had also been brought to the notice of the State Government vide this office letter No 1789 dated 11 9 2003 and the Accountant General (Audit) had been requested not to include tentative draft para stated above in the report of the Comptroller & Auditor General of India But the draft para has been included in the CAG Report 2002 03 (Revenue Receipt)

Excise and Taxation Commissioner Haryana vide his D O No 40/ST 5 dated 7 1 2004 has clarified that sale of timber by the Corporation w e f 28 7 1997 whether made to a registered dealer or otherwise was taxable at the hands of the Corporation and has also approved the proceedings of the meeting held on 12 10 1999 under the Chairmanship of Sh B D Dhalia I A S the then Financial Commissioner & Secretary in which furnishing of Sales Tax Form F 15 was allowed for all registered dealers including the Haryana Forest Development Corporation in lieu of Sales Tax realization from the Haryana Forest Development Corporation The same condition has been complied with by the Haryana Forest Development Corporation

As per the notification of Haryana Government dated 28 7 1997 (Entry 78) timber is taxable at the first stage. Timber has been defined in the Indian Forest Act 1927 as under

Timber includes trees when they have fallen or have been felled and all wood whether cut up or fashioned or hollowed out for any purpose or not

Whereas Haryana Forest Department transfers standing trees (not fallen) to Haryana Forest Development Corporation Limited on royalty basis. The same is revised for time to time. Thus timber becomes taxable only after the trees have been felled by Haryana Forest Development Corporation Limited and the sales tax is being realized/deposited by Haryana Forest Development Corporation Limited in the right manner

Excise & Taxation Department is satisfied with the system followed by Haryana Forest Development Corporation i.e. charging tax at second stage in view of the definition of the TIMBER in the Sale Tax Act. Attention is also invited to para 4 (i) of the D.O. Letter No. 40 ST V dated 7 1 2004 of Excise & Taxation Commissioner in which he had expressed his consent to the HFDC system of levying Sale Tax and issue of ST 15 Form

In view of the facts and circumstances mentioned above and the facts explained that Haryana Government has received substantially higher of sales tax (had the sales tax been charged at the so presumed first stage no sales tax would have been realized at the second stage and State Government's revenue would have been much less)

It is therefore requested to drop the said CAG para

**During the course of oral examination of the departmental representatives the Committee was informed that sales tax is leviable on timber i.e. fallen trees and not standing trees. The Committee therefore recommends that legal opinion be obtained in this case and necessary notification be issued after obtaining legal opinion. The Committee also recommends that progress made in this regard be intimated to the Committee within a stipulated period**

*[132] 5.7 Absence of physical verification of timber*

Rules provide that the stock (forest produce) should be physically verified by the Divisional Forest Officer once in a year to ensure the accuracy of the stock in hand and to ensure safety from any pilferage/shortage

In 5 Production Divisions it was noticed (between August 1999 and February 2000) that no physical verification was conducted by the Divisional Forest Officers despite heavy balances of timber lying in sale depots. Out of these a test check of records of DFOs (Production) Fatehabad Gurgaon and Kurukshetra revealed (July 1997 November 1999 and February 2000) that timber valued at Rs. 38.72 lakh was found short in stock registers of timber (Form 7) against 33 officials (DFO(P) Fatehabad 7 Gurgaon 17 and Kurukshetra 9) during July 1997 November 1999 and February 2000. Neither any reasons for this shortage nor any action to fix the responsibility for the same was found on record



On being pointed out (March 2000) the DFO (Production) Fatehabad intimated (May 2000) that the action was being initiated against the officials. Reply from DFO (Production) Gurgaon and Kurukshetra was awaited (July 2000). The Chief Conservator of Forests (Production) directed (March 2000) the DFOs to conduct the physical verification every year in the month of April.

The case was reported to Government in May 2000. Their reply has not been received (October 2000).

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

Routine physical verification of timber is done by RFOs, DFOs, CCF every month after it was pointed out that a cent per cent verification was to be done once in a year that was complied with during a period of April to June 2000. As the load of work was more consequent to emergency felling of dead and dry trees is spilled over to more than a month. The reports have been sent to A.G. by letter No. 678 dated 14.7.2000 and sent to P.C.C.F. Haryana by letter No. 312 dated 4.7.2002. Physical verification is invariably done by the concerned officers/officials now as reported by the DFOs.

#### **Kurukshetra (P) Division**

On the perusal of the audit para s it was found that the audit party has clubbed pulp/fuelwood with timber and the shortage has been included again and again. Therefore after the compilation of rates with the audit party's observation the following shortages is observed

Species	Quantity	Rate	Amount
Kikar	113 935	1800/	205083/
Safeda	146 652	2300/	337300/
Shisham	6 093	8000/	48744/
Misce	17 261	1000/	17261/
Fuelwood	320 29	120/	38434/
			<b>646822/</b>

The above rates mentioned by the audit party is higher than the prevailing rates at that time. The concerned officials have been served show cause notice on the basis of average rates and grades. Out of which the action has been completed against some employees whereas enquiry officers have been appointed against the others and action is being taken. For the shortage the action taken report against the employees is given below —

Details of recovery which has been completed against the following employees

1. The recovery order of Rs. 22216.91 has been passed by CF West vide his office orders No. 10 dated 30.4.92 against Sh. Inder Singh Forester and of Rs. 14634/ vide his office order No. 150 dated 13.11.98 has already been passed.

2 DFO SFP Ambala has passed recovery orders worth Rs 48800/ against Sh Onkar Singh Fg vide his office order No 133 dated 5 3 99 and RO SFP Ambala has started the recovery from the concerned officials @ Rs 1000/ p m vide Cr Vr 4 of 3/2000

3 The recovery orders worth Rs 977/ against Sh Soma Ram Fg has been passed by DFO (P) Kurukshetra vide his office order No 22 dated 3 9 97

4 Regarding the shortage of Kikar timber 0 400 m<sup>3</sup> and ballan 11 85 m<sup>3</sup> worth Rs 1902/ & miscellaneous ballan 18 meter worth Rs 2160/ RO (P) Pehowa has informed vide his letter No 178 dated 14 8 2002 that this forest produce has been auctioned to the contractors which is verified and this is not the shortage The details is as under

Sr No	Detail of Forest Produce	Voucher No	Contractor s Name
1	Misc G II ballan 18 meter	83 of 2/97	M/s Bhazan Singh & Son Kurukshetra
2	Kikar ballan 11 85 meter	83 of 2/97	M/s Bhazan Singh & Son Kurukshetra
3	Round wood 0 400	17 of 9/97	M/s Sethi Timber Store Shahbad

5 The recovery of Safeda fuel wood 1 25 m<sup>3</sup> worth Rs 347/ has been recovered from Sh Amar Nath Dy Ranger vide Dr Item No 23 Pehowa of 10/99

6 The shortage against Sh Inder Singh Forester has been indicated twice moreover this is one person After receiving the enquiry report appropriate action will be taken

Employees whom against action is being taken

7 Sh Gurpal Singh Fg was chargesheeted for the shortages and Sh Ramesh Kumar Dy Ranger was appointed enquiry officer on 29 10 2002 The enquiry report has been received and recovery orders have been issued

8 Action is being taken against Sh Kulbhushan Kumar Forester

9 The show cause notice has been issued for the shortage against Sh Mehtab Singh Fg and Sh Mohan Lal Verma RO (P) Ambala has been appointed enquiry officer vide office order No 48 dated 13 12 2002 Enquiry report is awaited After receiving the enquiry report action will be taken

#### **Karnal (P) Division**

1 The recovery of round timber 0 998 cubic meter worth Rs 600/ has been recovered from Sh Sharwan Kumar Fg vide letter No 2449 dated 31 7 2000 and deposited in the treasury by challan no 6 of 7 8 2000 which has been adjusted in the account by Dr item no 8 D of 8/2000

2 The recovery orders of forest produce ballan worth Rs 7247/ has been passed vide office order No 256 dated 26 7 2000 and the same has been adjusted in the account vide Dr item No 7 D of 8/2000 3 D of 11/2000 & 5D of 11/2000

3 The shortage of Kikar round timber 18 2 495 cubic meter which has been shown against Sh Suresh Kumar Fg this has been supplied to District Jail Rohtak This has been verified as per record by the RO (P) Rohtak Thus the office order No 41 dated 20 1 98 has been cancelled vide office order No 56 dated 23 3 2000

4 The shortage of standing Shisham 7 08 cubic meter shown against Sh Mahabir Singh Fg it has been supplied to PWD B&R Department and has been verified by RO(P) Rohtak vide his letter No 578 dated 31 7 2001

5 The recovery orders of worth Rs 14218/ has been issued vide office order No 26 dated 1 1 98 against Sh Kuldeep Singh Fg the same has been registered by DFO(T) Rohtak in his office recovery register page No 60 61

6 The charge of standing forest produce against Sh Dharampal Singh Fg has been handed over to Sh Raje Ram Fg (T) Range Rohtak The charge report has been received in the office on 10 9 97

7 The charge of forest produce has been given back by Sh Ram Kumar Fg to Sh Rajender Fg & Sh Satbir Singh Fg and the same has been verified by DFO (T) Rohtak vide his letter No 186 dated 24 5 99

8 The recovery order of Rs 1035857/ has been passed against Sh Sri Chand Fg (Retired) vide office order No 17 dated 29 11 2002 against which a Court case has been filed by the concerned official in Palwal The enquiry is being conducted against Sh Shri Chand FG and Sh Ved Parkash FR The dates i.e 28 6 2004 16 7 2004 and 23 7 2004 were fixed for enquiry but the officials did not attend the enquiry Now the further date of enquiry is fixed for 27 8 2004

9 A final notice has been given to Sh Dharam Chand Fg for the shortage of forest produce by DFO (P) Karnal vide his letter No 1710 dated 19 5 2003

10 Police action is being taken against Sh Ramphal Fg Due to this a Court case has been filled by the Police After decision of the Court the recovery from Sh Ramphal Fg will be recovered

11 Due to death of Sh Om Prakash Fg case is in process for writing off

12 Recovery order of worth Rs 8707 75 against Sh Ishwar Singh Fg has been issued by the DFO (T) Rohtak vide his office order No 76 dated 15 9 98 and fully amount has been recovered by the DFO (T) Rohtak

13 Shortage of tree which was pending against Sh Ramdhari Fg has been handed over the trees to DFO (T) Rohtak and verified by the RFO (P) Rohtak vide his letter No 572 dated 26 3 2001

14 The recovery order of worth Rs 38622/ has been issued against Jai Singh II Fg vide DFO (P) Karnal office order No 26 dated 25 11 97 and recovered the same by Regional Manager (HFDC) Rohtak

15 The charges levelled against Sh Tara Chand Fg has not been approved and DFO (P) Karnal filed the case vide his office order No 52 dated 28 2 2002 because the official had auctioned the forest produce as per record

16 The recovery order has been issued by DFO (T) Gurgaon worth Rs 9093/ vide his office order No 27 dated 22 12 1997 against S/Sh Ram Kishan Fg and Ram Chander Fg The recovery levelled against Sh Ram Kishan Fg has been recovered and the same has been verified by the DFO (T) Faridabad vide his letter No 516 dated 16 5 2000 The recovery levelled against Sh Ram Chander Fg is still pending

17 Regarding shortage of Forest Produce against Sh Mahender Singh Fg the case is in process with DFO (T) Rohtak decision is pending

#### **DFO (P) Fatehabad**

DFO (P) Fatehabad has informed that the following action is being taken against the defaulting Employees —

1 On the Jui Feeder the volume which was short against Sh Ram Sarup Fg due to his death the recovery worth Rs 54659/ has been write off by Haryana Government letter no 15119 dated 9 8 99

2 The volume pending against Sh Ratti Ram Fg on Nigana Feeder the case is in the Court

3 Due to shortage of forest produce worth Rs 76280/ recovery order has been issued by the DFO (P) Fatehabad and fully amount has been recovered

4 The shortage of forest produce worth Rs 9750/ found against Sh Jage Ram Fg was enquired and at the present the concerned employee working under DFO (T) Bhiwani The recovery order has been issued by the DFO (T) Bhiwani vide his office order no 15 date 23 4 2003

Besides above after the checking of record the shortage of forest produce which was shown against S/Sh Mahabir Singh Fg Rajinder Singh Fg & Umed Singh Forester that is not shortage of forest produce The same has been disposed off earlier and the record has been corrected

**After hearing the departmental representatives and going through the written reply the Committee was not satisfied with the reply of department and desired to know the reasons for non conducting annual physical verification earlier The Committee therefore recommends that responsibility be fixed for violation of mandatory provisions of verification once a year to ensure the accuracy of the stock in hand under intimation to the Committee**

*[133] 5 10 Loss due to excess unit\* cost*

Rules provide that Divisional Forest Officer (Production) will prepare profit and loss account for every year and submit the same to the concerned Conservator in order to work out the average cost per cubic metre for timber and fuel wood separately The department fixed (February 1999) the rate of unit cost as Rs 425 per cum

Test check of records revealed (September November 1999 and January 2000) that 3 Production Divisions (Yamunanagar Karnal and Gurgaon) incurred expenditure of Rs 200 50 lakh on the conversion of standing volume into round timber fuel wood its carriage and stacking in sale depots during 1998 99 against the admissible expenditure of

Rs 176.06 lakh. The excess expenditure incurred on conversion of timber and its transportation to sale depots resulted in loss of Rs 24.44 lakh to the Government.

The case was reported to Government in May 2000. Their reply has not been received (October 2000).

The department in their written reply explained the position as under

**DFO (P) Yamuna Nagar**

The meeting has been taken by A.G. Haryana on 15.11.2000. 17.11.2000 and decided to drop para no. 4a vide his letter No. 1835/36 dated 24.1.2001 and the same has been informed to PCCF Haryana. This para should be dropped from CAG Report.

**DFO (P) Karnal**

DFO (P) Karnal has informed to this office that no norms are to be fixed in expenditure work i.e. felling, carriage and drainage. Every work is to be done according to the SOR. Therefore, the reason for increasing the excess expenditure incurred due to increase in labour rate, pole, machine tools and forms from time to time. The budget is to be allotted only in the works head and it is used for all these items.

During the course of oral examination, the departmental representatives informed the Committee that work of conversion of standing volume into round timber, fuel wood etc. were undertaken as per schedule of rates where as Audit has calculated the loss by taking unit cost rate of Rs 425/ per cubic metre as provided in PCCF letter of February 1999. The Committee was not satisfied with the reply submitted by the department and desired to know that at whose instance the rate of Rs 425/ per cubic metre was fixed by PCCF. A detailed report in this regard be supplied for the information of the Committee.

## HOME DEPARTMENT (POLICE)

[134] 5 11 *Non/short recovery of cost of police*

Under the provisions of Punjab Police Rules 1934 as applicable to Haryana Superintendent(s) of Police or any other head of office is required to raise bills on account of cost incurred on deployment of police (Guards) against parties and corporate bodies every month in advance. Cost includes pay and allowances other expenses leave salary and pension contribution of the force so deployed etc. If the period is less than a month cost for the actual period for which police is deployed shall be recovered. Additional police shall not be supplied until the advance payment required under the rules has been received.

During test check of records of 13 offices (four of Commandants of Haryana Armed Police Battalions and nine of Superintendents of Police) it was noticed (between April 1998 and October 1999) that police guards were deployed with various institutions/corporate bodies during the period between July 1983 and May 1999 but bills on this account were either raised short or were not raised at all. This resulted in non/short recovery of cost of police charges amounting to Rs 286 09 lakh.

The case were reported to the Government (between October 1998 and November 1999) their reply has not been received (October 2000).

The department in their written reply explained the position as under

Though the cost of deployment is required to be demanded in advance but the State Govts /Corporate bodies do not make advance payment. However the bills are being raised on actual basis including pay allowances contingencies leave salary and pension contributions etc. The bills for the cost of deployment of Police Force have been raised to the concerned parties/corporate bodies by the concerned units. Out of total amount of Rs 286 09 lacs an amount of Rs 175 26 lacs has since been recovered leaving a balance of Rs 110 83 lacs from Indian Oil Corporation Ambala Punjab Kesri Ambala Rajasthan and Uttar Pradesh Governments. The reimbursement of deployment charges from Indian Oil Corporation Ambala and Punjab Kesri Ambala are awaited. The organizations are reluctant to reimburse the charges with the pretexts that it is the responsibility of the State to provide security cover keeping in view State Security Scenario whenever there is a threat perception. Regarding recovery from other States the State Govt has requested to the Govt of India Ministry of Home Affairs New Delhi to get the amount adjusted against the grants of concerned States and credit the amount to the State of Haryana vide letter No 10/16/2003 2H(C) dated 3 7 2003.

The Govt of India Ministry of Home Affairs New Delhi has been requested vide DGP letter No 13627/Accts 3 dated 9 11 05 to reimburse the amount of deployment charges on account of election duty The Govt of India Ministry of Home Affairs New Delhi has not reimbursed the amount due to non supply of Audit Certificates as intimated vide letter dated 20 12 2005

After hearing the departmental representatives the Committee found that Rs 110 83 lakh is still to be recovered from IOC Ambala Depot Punjab Keshri Ambala and States of Rajasthan and Uttar Pardesh The Committee is of the view that cost of deployment of police force is required to be demanded in advance but the State Governments/Corporate Bodies do not make advance payment The Committee recommends that advance payment be obtained for deployment of police force in future and strenuous efforts be made to recover the balance amount from the concerned States/Corporate Bodies under intimation to the Committee

## IRRIGATION DEPARTMENT

[135]    5 1    *Result of Audit*

Test check of records in departmental offices relating to revenues of State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) and Co operation conducted in audit during the year 1999 2000 revealed under assessments and losses of revenue amounting to Rs 2279 22 lakh in 2529 cases as depicted below –

Sr No	Heads of revenue	Number of cases	Amount
			(Rupees in lakh)
A	(i) Finance (State Lotteries)	256	265 64
B	Forest	443	330 81
C	Home (Police)	51	580 80
D	Public Works (Irrigation Buildings and Roads)	1401	146 02
E	Co operation	378	955 95
<b>Total</b>		<b>2529</b>	<b>2279 22</b>

The departments accepted under assessments/loss of revenue etc of Rs 251 33 lakh in 264 cases which were pointed out during the year 1999 2000 An amount of Rs 19 90 lakh had been recovered in 48 cases during the year 1999 2000 of which Rs 16 51 lakh recovered in 45 cases related to earlier years

A few illustrative cases involving Rs 861 41 lakh highlighting important observations are mentioned in the following paragraphs

The department in their written reply explained the position as under

### 5 1    **Audit Report (Revenue Receipts) of 1999 2000**

Department reply could not be given due to non receipt of complete reply from the field offices

Test check of records in departmental offices relating to Revenues of State Lotteries Forest Home (Police) Public works (Irrigation Building & Roads) and Co operation conducted in Audit during the year 1999 2000 revealed under



assessment and losses of Revenue amounting to Rs 2279 22 lakh in 2529 cases as depicted below

Sr No	Head of Revenue	Number of cases	Amount
(Rupees in lac )			
A			
B	*		
C	*	*	
D	Public works (Irrigation)	1401	146 02
E&F	*	*	*
<b>Total</b>		<b>2529</b>	<b>2279 22</b>

The department accepted under assessment/loss of Revenue etc of Rs 251 33 lakhs in 264 cases which were pointed out during the year 1999 2000. An amount of Rs 19 90 lakh had been recovered in 48 cases during the year 1999 2000 of which Rs 16 51 lakh recovered in 45 cases related to earlier years.

Yes. However, the department has got settled 1350 cases amounting to Rs 94 52 lacs leaving a balance of 42 cases amounting to Rs 51 40 lacs as under —

Sr No	Nature of Irregularities	No of cases outstanding	Amount	No of cases cleared	Amount	No of cases balance	Amount
			(in lacs)				(in lacs)
1	Under assessment of water charges	181	12 12	178	11 98	03	0 14
2	Mis utilisation of Govt receipt	11	70 25	5	36 32	06	33 93
4	Non recovery of water charges	12	24 04	7	7 19	5	16 85
5	Other irregularities	1197	39 61	1169	39 13	28	0 48
<b>Total</b>		<b>1401</b>	<b>146 02</b>	<b>1359</b>	<b>94 62</b>	<b>42</b>	<b>51 40</b>

Field offices have been instructed to monitor progress in settlement of outstanding paras through monthly meetings & even Chief Engineers are also monitoring clearance through Accounts arrears meeting.

During the course of oral examination the departmental representatives informed the Committee that Rs 146 02 lakh was involved in 1401 cases. Out of Rs 146 02 lakh Rs 94 64 lakh have been recovered and remaining Rs 50 68 lakh are still to be recovered in 37 cases.

The Committee desired that recovery of this amount be made within three months and latest position in this regard be intimated to the Committee as well as AG (Audit) Haryana also.

## P W D ( B & R ) DEPARTMENT

[136] 5 13 *Utilization of departmental receipts towards expenditure*

Under the State Financial Rules utilization of departmental receipts towards expenditure is strictly prohibited. All moneys received by or tendered to a Government servant on account of the revenue of the State Government shall be paid fully into treasury or bank on the same day or on the next day at the latest.

During test check of records of Executive Engineer Provincial Division Fatehabad it was noticed (December 1998) that departmental receipts amounting to Rs. 2.21 lakh collected during 1996-97 and 1997-98 were not deposited into the treasury/bank but were utilised to meet the departmental expenditure.

On this being pointed out (December 1998) in audit the department intimated (August 2000) that outstanding revenue has been deposited.

The case was reported to Government in December 1998. Their reply has not been received (October 2000).

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

In this connection it is submitted that the Departmental receipts were utilised towards emergent payments i.e. telephone bills, Electric Bills, Service stamps and P.O.L. etc. to avoid extra expenditure by way of penalty/surcharge due to non receipt of funds.

Now all the outstanding P.I.T. has been deposited into the Treasury.

The para has also been got reviewed from the A.G. (Audit Party) during the inspection of this Division conducted from 22/23.10—2001 (Revenue Receipt Audit Party) and the same has been settled.

While examining the departmental reply it was observed by the Committee that departmental receipts were not deposited into treasury/bank and were utilized to meet departmental expenditure. The Committee viewed it seriously and recommends that responsibility be fixed for the lapse and safeguards taken to avoid such lapse in future be intimated to the Committee.

## CO OPERATIVE DEPARTMENT

[137] 5 4 *Non charging of interest and penal interest*

Interest on loans and advances is chargeable from the date of disbursement of loans to the loanees at the rates and on the terms and conditions mentioned in the sanctions. Further on all overdue installments of principal and interest penal interest as stipulated in the sanctions/orders is also leviable over and above the normal rates of interest. Penal interest where not provided would be charged at the rate of two *per cent* as per instructions issued by the Government in March 1999. In case of non payment of installment on due dates compound interest is leviable on loans and advances to Local Government Department.

(i) A test check of records of loans and advances in Local Government Department revealed (October 1999) that due dates for repayment of installments of loans amounting to Rs 3 90 cores granted to 50 Municipal Councils/Committees during 1996 97 and 1997 98 were not adhered to by the loanees. Compound interest leviable at the rate of 12 *per cent* per annum on overdue installments worked out to Rs 108 36 lakh for the period from 1996 97 to 1999 2000 which was neither assessed nor charged.

On this being pointed out (October 1999) in audit the department intimated (February 2000) that due to weak financial positions of Municipal Committees they were not in a position to pay the amount of installments of loans. Report on recovery has not been received (October 2000).

The matter was reported to the Government in October 1999 their reply has not been received (October 2000).

(ii) A test check of records of loans and advances in Cooperation Department revealed (October 1999) that interest of Rs 76 06 lakh (Interest Rs 67 12 lakh and penal interest Rs 8 94 lakh) on the outstanding amount of loan of Rs 1 42 crore advanced between 1994 95 and 1996 97 to various Labour and Construction Societies and Sugar Mills was neither assessed nor charged for the period April 1995 to March 2000.

On this being pointed out (September 1999) in audit the department stated (February 2000) that the report would be submitted after its receipt from the concerned units. No report has been received (October 2000).

The matter was reported to Government in October 1999 their reply has not been received (October 2000).

The department in their written reply explained the position as under

Total advancement as Shown by A G Party	Principal Rs 142 00	Figures in lacs	
		Intt	Penal Intt
		67 12	8 94
Recovery of loan intt & penal intt as on 8/2004	32 97	21 80	0 23
Balance as on 8/2004	109 03	45 32	8 71

Regular recovery of principal and interest is being received from Labour & Construction Society every year Whereas the present position of the recovery of sugar mills i.e Panipat Sonipat Meham and Bhuna A committee has been constituted under the chairmanship of Finance Minister of Haryana for rehabilitation of all Coop Sugar Mills in the State The decision of the committee is yet awaited

**During the course of oral examination of the departmental representatives, it was informed that regular recoveries are being received from the Societies The Committee is not satisfied with the departmental reply and desired that effective steps be taken to recover the outstanding amounts from Municipal Committees, Labour & Construction Societies and Sugar Mills under intimation to the Committee**

**[138] 5 14 Short recovery of audit fee**

Under the Haryana Co operative Societies Rules 1989 every Co operative society is liable to pay audit fee for audit of its annual accounts by the auditors of Co operative department for each Co operative year in accordance with the scales and rates fixed by the Registrar The Central Co operative Banks Co operative House Building Societies and Sugar mills are liable to pay audit fee at the rate of 5 *per cent* of the net profit arrived at before appropriation for income tax

(i) During test check of records of Assistant Registrars Co operative Societies Faridabad Gurgaon and Rewari it was noticed (November and December 1999) that audit fee amounting to Rs 1 20 lakh was recovered from three Central Co operative Banks and one House Building Society on the basis of net profits reflected in their unaudited accounts for the Co operative years from 1995 96 to 1998 99 Later on completion of audit of accounts of these societies additional audit fee amounting to Rs 33 67 lakh became recoverable on the basis of audited figures of profit which was neither paid by the societies nor demanded by the department

On this being pointed out (November and December 1999) in audit Assistant Registrars Co operative Societies Gurgaon and Faridabad stated in respect of three banks that notices for recovery would be issued In respect of remaining one case no reply from Assistant Registrar Co operative Societies Rewari has been received (October 2000)

The cases were reported to the Government in December 1999 and January 2000 their reply has not been received (October 2000)

(ii) During test check of records of the Assistant Registrar Co operative Societies Karnal it was noticed (December 1999) that in the case of a Sugar Mill of Karnal the audit fee for the year 1997 98 was charged on the net profits calculated after adjusting

the provisions for income tax amounting to Rs 217 46 lakh This resulted in short recovery of audit fee amounting to Rs 10 87 lakh

On this being pointed out (December 1999) in audit the department stated that action would be taken to recover the audit fee

The case was reported to Government in January 2000 their reply has not been received (October 2000)

The department in their written reply explained the position as under

**5 14 (c)**

The audit fee is initially assessed on the basis of profit & loss account prepared by the society at the time of annual statement Later on audit fee is re assessed on the basis of audited profit & loss accounts Therefore there is difference in the initial and final assessment But now this method of assessment has been changed

Full amount of Rs 33 67 lacs of this para had already been recovered from societies Hence it is requested that this para may please be dropped

**5 14 (ii)**

Full amount of this para of Rs 10 87 lacs had already been recovered Hence it is requested that this para may please be dropped

**After hearing the departmental representatives and going through the written reply, the Committee observed that Audit fee was not demanded after completion of profit and loss account of Co operative Societies The Committee therefore, recommends that the department should start amended method of assessment and recover the audit fee accordingly after completion of Profit and Loss Account of the Co operative Societies Action taken in this regard be intimated to the Committee**

**[139] 5 15 Non-deposit of dividend on share capital of State Government**

As per terms and conditions laid down in the sanction orders issued by the Registrar Co operative Societies Haryana Chandigarh from time to time every Co operative Society shall give a suitable return in the form of dividend on contribution of Haryana Government's share capital on the basis of resolutions passed by the Board of Directors Under the provisions of Haryana Co operative Societies Rules 1989 the dividend shall not exceed 10 per cent per annum of the paid up share capital of a Co operative Society

During test check of records of Registrar Co operative Societies Haryana and four Assistant Registrars Co operative Societies it was noticed (September November and December 1999) that five societies (Banks) had been running in profit and their Board of Directors had passed (between April 1997 and August 1999) resolutions for payment of dividends ranging between one per cent and five per cent for the years 1993 94 to 1997 98 A dividend of Rs 64 79 lakh was payable to Government for this period but the same was neither deposited by any of the societies in Government account nor demanded by the department

On this being pointed out (September November and December 1999) Registrar Co operative Societies Haryana directed (December 1999) one bank to deposit the amount of dividend in Government account and in respect of remaining four Societies the Assistant Registrars stated (November and December 1999) that the notices for recovery would be issued Further report on action taken has not been received (October 2000)

The cases were reported (between October 1999 and January 2000) to Government their reply has not been received (October 2000)

The department in their written reply explained the position as under --

Name of Bank	Year	Rate of dividend declared by instt	Amount (in Rs )	Deposited	At the rate of	Balance (in Rs )	Remarks
Rewari	1995-96	2 %	200200	200200	2 /	Nil	Nil
	1996-97	2%	300200	300200	2%	Nil	Nil
	1997-98	2%	525300	350200	2%	Nil	The Accountant General Haryana calculated @3% while Bank has deposited @ 2% because the share capital amount of Rs 50 00 lacs was actually received in the bank on 31 3 1996 while A G Haryana calculated for the whole period of one year
			1025700	850600			
F/bad	1996-97	2 %	571265	380843 00	2 /	Nil	The dividend deposited in the bank 2% for the year 1996-97 and 3% for the year 1997-98 the Govt of India instruction issued vide letter No PN/KL11/24/ Cred /Ministry of Agriculture & Coop Krishi Bhawan New Delhi dated 15 7 1972 that the CB will not deposited over and above 3% on paid up share capital holding of the State Govt
	1997-98	3%	952108	571264 50	3%	Nil	
			1523373	952107 50			
Gurgaon	1993-94	1%	84465	88465	1 %	Nil	The difference shown in this report is due to the calculation made on this amount for 10 months but the A G Haryana calculated a dividend @ 2 % for the whole period i.e 12 months instead of 10 months
	1994-95	2 /	208930	205597	2 /	Nil	
	1995-96	2%	308930	283931	2 %	Nil	
			602325	573993			
Karnal	1995-96	3 /	999985	319461	3 /	Nil	As per CB Karnal the opening balance was Rs 10648700/ and not Rs 19999700/ for the year 1995-96 hence the
	1996-97	3 %	999985	599991	3 /	Nil	
			1999970	919452			

dividend to be calculated  
@ 3% which comes to  
Rs 319461/ whereas the  
A G Haryana calculated  
the dividend on closing  
balance

Harco Bank	1997 98	3%	1327271	1350220	3%	Nil	No-
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During the course of oral examination, the departmental representatives informed the Committee that department has recovered the amount due from the institute and difference in figure was due to calculating the Audit fee for the whole year instead of lesser period. The Committee recommends that the matter of discrepancy in figures be settled in liason with the A G (Audit) Haryana at the earliest and the Committee be informed accordingly.

## GENERAL

### [140] 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) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1999 and which were pending settlement by the departments as on 30 June 1998 1999 and 2000 are given below —

Particulars	At the end of June		
	1998	1999	2000
Number of inspection reports pending settlement	2229	2301	2517
Number of outstanding audit observations	5718	6092	6176
Amount of revenue involved (Rupees in crore)	721 67	279 93	650 03

(iii) Department wise break up of the inspection reports and audit observations upto December 1999 and outstanding as on 30 June 2000 is as follows —

Department	Number of outstanding		Amount of receipts involved (Rupees in crore)	Number of inspection reports to which even first replies had not been received
	Inspection reports	Audit observations		
Revenue Department	700	1182	15 66	11
Excise and Taxation	544	2796	182 64	41
Transport	285	409	3 88	8
Forest	62	115	8 81	19
Others	926	1674	439 67	75
<b>Total</b>	<b>2517</b>	<b>6176</b>	<b>650 03</b>	<b>154</b>

The mater was brought to the notice of Government in June/July 2000 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 2000)



After going through the above statement and the latest position sent by the departments concerned the Committee observed that huge number of inspection reports and Audit observations are still pending for settlement by the departments concerned and the Committee is not satisfied with the pace of settlement and clearance of out standing paras

The Committee recommends that the Finance Department may issue fresh instructions to the concerned authorities to dispose off/settle all these pending audit objections/paras concerning them after arranging meetings with A.G (Audit) within three months and latest position in this regard be intimated to the Committee accordingly

## APPENDIX-XII

(Refer paragraph 3 1A.4 (iii), page 41)

## Details of expenditure incurred on 9 plan schemes in March during 1997 2000

Sr No	Scheme	Expenditure			Total
		1997 98	1998-99	1999-2000	
		(Rs in Lakh)			
1	General education (i) expansion of facilities class I-V provision of infra structure (dan patti)	—	50	—	50 00
2	Innovation/incentive and publicity enrolment drive	1	13 60	11 20	25 80
3	Free stationary to SCs/WSs children	40	40	28	108 00
4	Free unifrom to girls students	160	160	140	460 00
5	Attendance prize to SC girls students	160	160	140	460 00
6	Attendance allowance to nomadic tribes students	30	30	11 75	71 75
7	Construction of primary school buildings	—	200	100	300 00
8	Socially useful productive work	4	3 20	2	9 20
9	State share 15 per cent DPEP	166 59	150	509 87	826 46
Total		561 59	806 80	942 82	2,311 21

**APPENDIX-XIII****(Refer paragraph 3 1B 8 (a), page 59)****Statement Regarding enrolment of students (gender wise)**

Year	Total population of children between 6-11 years of age	Total number of children enrolled	Number of boys eligible for enrolment	Number of boys enrolled	Percent age of boys enrolled	Number of girls eligible for enrolment	Number of girls enrolled	Percent age of girls enrolled
1995-96	4 49 364	3 57 608	2 43 002	1 93 975	79.82	2 06 362	1 63 633	79.29
1996-97	4 80 239	4 09 054	2 58 931	2 20 187	85.04	2 21 308	1 88 867	85.34
1997-98	6 23 244	5 41 279	3 32 427	2 86 574	86.21	2 90 817	2 54 705	87.58
1998-99	6 27 644	5 52 622	3 36 243	2 90 691	86.45	2 91 401	2 61 931	89.89
1999-2000	6 83 974	5 55 104	3 68 081	2 92 829	79.55	3 15 893	2 62 275	83.03

\* Figures for 1995-96 are for 3 districts and for 1997-2000 for 4 districts

## APPENDIX XIV

(Refer paragraph 3 1B 8 (a), page 59)

## Statement Regarding enrolment of students (social wise)

Year	Number of SC students eligible for enrolment	Number of SC student enrolled	Percent age of SC students enrolled	Number of other students eligible for enrolment	Number of other students enrolled	Percent age of other students enrolled	Reasons if difference is more than 5percent between social groups(SC-others)
1995-96	1 49 942	1 12 130	74 78	2 99 422	2 45 478	81 98	(-) 7 21 Due to educationally backwardness of parents
1996-97	1 60 435	1 26 664	78 95	3 19 804	2 82 390	88 30	(-) 9 5 Due to educationally backwardness of parents
1997-98	1 85 594	1 63 172	87 92	4 37 650	3 78 107	86 39	(+) 1 53 Due to more awareness of SC parents
1998-99	1 81 078	1 69 136	93 40	4 46 566	3 83 486	85 87	(+) 7 53 Due to more awareness of SC parents
1999-2000	1 97 156	1 69 892	86 17	4 86 818	3 85 212	79 13	(-) 7 04 Due to more awareness of SC parents

Figures for 1995-96 are for 3 districts and for 1997-2000 for 4 districts

## APPENDIX-XV

(Refer paragraph 3 2 9 (c), page 81)

## Staff Position at PHCs/CHCs of selected districts

Number of CHCs/ PHCs	Senior Medical Officer				Medical Officer				Staff Nurse				Laboratory Technicians			
	1995-96		1999-2000		1995-96		1999-2000		1995-96		1999-2000		1995-96		1999-2000	
	S	F	S	F	S	F	S	F	S	F	S	F	S	F	S	F
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CHCs 23	22	12	22	14	90	66	99	59	152	107	156	107	32	28	32	27
PHCs 105	3	1	3	1	180	101	198	120	91	47	94	46	88	40	98	49

Number of CHCs/ PHCs	LHV/MPHS (Female)				MPHW (Female)				MPHW (Male)			
	1995-96		1999 2000		1995-96		1999-2000		1995-96		1999 2000	
	S	F	S	F	S	F	S	F	S	F	S	F
1	18	19	20	21	22	23	24	25	26	27	28	29
CHCs 23	108	60	110	50	-	-	-	-	-	-	-	-
PHCs 105	-	-	-	-	725	685	727	696	706	585	715	560

S Sanctioned F Filled

## APPENDIX-XVI

(Refer paragraph 3 3 4 (ii), page 87)

## Statement showing entire original budget provision surrendered/re appropriated under Plan schemes during 1995 96 to 1998 99

Sr No	Major/Minor/Sub heads and Name of Scheme	1995-96		1996-97		1997-98		1998 99		1999-2000	
(Rupees in lakh)											
105-Allopathy		Original	Surrendered	Original	Surrendered	Original	Surrendered	Original	Surrendered	Original	Surrendered
1	Upgradation of Medical College Rohtak to PGI	27 35	27 35	33 92	33 92	66 36	66 36	74 70	74 70	84 30	84 30
2	Establishment of Medical College at Panchkula/ Dabwali	1 00	1 00	1 00	1 00	1 00	1 00	-	-	-	-
3	Upliftment of medical care at Medical College Rohtak	1 00	1 00	1 00	1 00	1 00	1 00	1 00	1 00	1 00	1 00
4	To upgrade the School of Nursing to a College of Nursing at Medical College Rohtak	8 00	8 00	8 94	8 94	9 36	9 36	10 86	10 86	11 51	11 51
5	Setting up Training Centre in Psychiatric Department and Rehabilitation of Psychiatric Patients at Medical College Rohtak	2 00	2 00	2 17	2 17	2 34	2 34	2 92	2 92	3 02	3 02
6	Establishment of Computer System at PGIMS Rohtak	-	-	10 00	10 00	80 00	80 00	80 00	80 00	80 00	80 00
7	Grants-In-Aid to Advance Institute of Traumatology and Super Specialites Society Rohtak	-	-	-	-	-	-	20 00	20 00	-	-
8	Grant in-aid									547 08	547 08
Total		39 35	39 35	57 03	57 03	160 06	160 06	169 48	169 48	706 89	706 89

## Re-appropriated from Plan to Non plan

Year	Dearness allowance	Interim Relief	Machinery and equipment	Arrears on a/c of salary revision of pay scale	Stipend
(Rupees in lakh)					
1995-96	9 07	-	-	-	-
1996-97	42 00	73 00	71 00	-	-
1997 98	-	-	-	27 00	-
1999-2000	435 00	-	-	-	120 00
Total	486 07	73 00	71 00	27 00	120 00

Rs 7 77 crore reappropriated &amp; Rs 3 65 crore surrendered

## APPENDIX XVII

(Refer paragraph 3 3 5, page 87)

## Details of X ray films used and charges realised

Year	Number of X-ray films used	Value	Number of films issued free of cost	Value	Number of films issued on payments	Value
	(Number in lakh)	(Rupees in lakh)	(Number in lakh)	(Rupees in lakh)	(Number in lakh)	(Rupees in lakh)
1995-96	1 32	24 00	1 30	23 45	0 02	0 55
1996-97	1 62	30 31	1 59	29 71	0 03	0 60
1997-98	1 63	27 41	1 61	26 81	0 02	0 60
1998-99	1 75	32 26	1 73	31 66	0 02	0 60
1999-2000	1 63	29 62	1 61	29 12	0 02	0 50
<b>Total</b>	<b>7 95</b>	<b>143 60</b>	<b>7 84</b>	<b>140 75</b>	<b>0 11</b>	<b>2 85</b>

**APPENDIX-XVIII****(Refer paragraph 3 3 5, page 87)****Details of laboratory tests conducted by Microbiology Department**

<b>Year</b>	<b>Total number of tests conducted</b>	<b>Amount chargeable at prescribed rates</b>	<b>Number of free tests</b>	<b>Amount chargeable at prescribed rates</b>	<b>Number of tests on payments</b>	<b>Amount charged</b>
	<b>(Number in lakh)</b>	<b>(Rupees in lakh)</b>	<b>(Number in lakh)</b>	<b>(Rupees in lakh)</b>	<b>(Number in lakh)</b>	<b>(Rupees in lakh)</b>
1995-96	0 71	31 84	0 70	31 49	0 01	0 35
1996-97	0 88	35 92	0 87	35 56	0 01	0 37
1997-98	0 90	46 11	0 89	45 54	0 01	0 57
1998-99	0 89	50 02	0 88	49 26	0 01	0 77
1999-2000	1 09	60 16	1 08	59 35	0 01	0 81
<b>Total</b>	<b>4 47</b>	<b>224 05</b>	<b>4 42</b>	<b>221 20</b>	<b>0 05</b>	<b>2 87</b>



# **APPENDIX – XIX**

( Refer paragraph 3 3 22 page 95 )

## **Statement showing sanctioned strength and men in position during 1995 96 to 1999 2000**

	1995 96				1996 97				1997 98				1998 99				1999 2000			
	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled
Director	1	1		1	1			1	1		1	1	1	1		1	1		1	1
Dean								1	1		1	1	1	1		1	1		1	1
Professors	41	27	14	41	27	14	41	28	13	43	28	15	44	24	20	44	24	20	44	24
Professor Dental	5		5	5		5	5		5	5		5	5		4	5	1	4	5	1
Teachers	184	163	21	184	147	37	185	129	56	185	128	56	187	158	29	187	158	29	187	158
Teachers Dental	16	13	3	16	13	3	16	13	3	16	13	3	16	11	5	16	11	5	16	11
Registrars/Sr Residents	184	123	61	184	118	66	188	122	64	188	128	60	189	148	41	189	148	41	189	148
Junior Residents 1 <sup>st</sup> ind and 11rd year	278	248	30	278	270	8	278	259	19	278	254	24	307	255	52	307	255	52	307	255
Lecturers in Pharmacy	11	9	2	11	9	2	11	9	2	11	9	2	11	9	2	11	9	2	11	9
Pharmacists Nurses	28	22	6	28	22	6	28	22	6	28	22	6	28	21	7	28	21	7	28	21
Staff Nurses	477	474	3	477	476	1	478	469	9	479	460	19	481	445	36	481	445	36	481	445
Lab Technicians	143	133	10	143	133	10	143	131	12	143	129	14	144	129	15	144	129	15	144	129
Drivers	32	25	7	32	25	7	32	25	7	32	32		32	31	1	32	31	1	32	31
Other Para Medical Staff	535	411	124	533	417	116	536	413	123	535	402	133	532	413	119	532	413	119	532	413
Ministenal Staff	308	253	55	310	255	55	313	262	51	315	268	47	316	267	49	316	267	49	316	267
Class IV	1 409	1 234	175	1 409	1 235	174	1 409	1 220	189	1 409	1 185	224	1 409	1 185	224	1 409	1 185	224	1 409	1 185
<b>Total</b>	<b>3 652</b>	<b>3 136</b>	<b>516</b>	<b>3 652</b>	<b>3 148</b>	<b>504</b>	<b>3 683</b>	<b>3 104</b>	<b>559</b>	<b>3 669</b>	<b>3 061</b>	<b>608</b>	<b>3 703</b>	<b>3 099</b>	<b>604</b>	<b>3 703</b>	<b>3 099</b>	<b>604</b>	<b>3 703</b>	<b>3 099</b>

**APPENDIX – XX**

( Refer paragraph 3 8 page 114 )

**Statement showing the details of PLAs operated with/without consultation with Accountant General**

<b>Sr No</b>	<b>Name of District/Treasury</b>	<b>Total number of PLAs</b>	<b>Number of PLAs opened with consultation of AG</b>	<b>Number of PLAs opened without consultation with AG</b>
1	Ambala	29	3	26
2	Bhiwani	14	2	12
3	Chandigarh	7	4	3
4	Delhi	1		1
5	Fardabad	28	3	25
6	Fatehabad	6	2	4
7	Gurgaon	25	3	22
8	Hisar	27	2	25
9	Jagadhari	10	3	7
10	Jind	14	5	9
11	Jhajjar	9		9
12	Kaithal	7	6	1
13	Kamal	8	2	6
14	Kurukshetra	12	2	10
15	Narnaul	8	1	7
16	Panipat	5	2	3
17	Panchkula	7	2	5
18	Rewari	9	2	7
19	Rohtak	22	3	19
20	Sirsa	12	5	7
21	Sonapat	23	3	20
22	<b>Total</b>	<b>283</b>	<b>55</b>	<b>228</b>

**APPENDIX – XXI**

( Refer paragraph 3 8 page 114 )

**Statement showing the names of DDO's whose PLAs were test checked**

Sr No	Name of treasury	Name of DDO s	Closing balance as on 31 <sup>st</sup> March 2000 (Rupees in lakh)
1	Gurgaon	(i) Cattle Fair Officer Gurgaon at Rewan	11 09
		(ii) Executive Engineer Panchayati Raj Gurgaon	7 83
		(iii) General Manager Haryana Roadways Gurgaon	1 18
		(iv) District Social Welfare Officer Gurgaon	Nil
		(v) Distnct Food and Supply Controller Gurgaon	Nil
2	Jind	(i) General Manager Haryana Roadways Jind	9 87
		(ii) District Food and Supply Controller Jind	7 30
		(iii) District Social Welfare Officer Jind (old age pension)	Nil
		(iv) District Social Welfare Officer Jind (Handicapped pension)	Nil
		(v) District Social Welfare Officer Jind (widow pension)	Nil
3	Rohtak	(i) Cattle Fair Officer Rohtak	109 27
		(ii) P G I M S Rohtak	23 81
		(iii) Pnnicipal Industrial Training Institute Rohtak	4 94
		(iv) Pnnicipal Government Vocational Education Institute Rohtak	1 47
		(v) General Manager Haryana Roadways Rohtak	0 82
		(vi) Distnct Social Welfare Officer Rohtak	0 49
4	Rewan	(i) General Manager Haryana Roadways Rewan	20 83
		(ii) Cattle Fair Officer Rewan	4 80
		(iii) Distnct Social Welfare Officer Rewan	Nil
Total			203 70

**APPENDIX – XXII**

( Refer paragraph 3.8 page 114 )

**List of PLAs funded from the Consolidated Fund of State not closed at the end of financial year**

<b>Sr No</b>	<b>Name of DDOs</b>	<b>Amount (Rupees in lakh)</b>
1	General Manager Haryana Roadways Gurgaon	1.18
2	General Manager Haryana Roadways Jind	9.87
3	District Social Welfare Officer Rohtak	0.49
4	General Manager Haryana Roadways Rohtak	0.82
5	General Manager Haryana Roadways Rewari	20.83

**APPENDIX – XXIII**

( Refer paragraph 3.8 page 114 )

**Non reconciliation of differences with treasury**

<b>Sr No</b>	<b>Name of DDO s</b>	<b>Treasury Balances</b>	<b>Departmental Balances</b>	<b>Differences</b>
(Rupees in lakh)				
1	Cattle Fair Officer Gurgaon at Rewari	11.09	19.15	8.06
2	General Manager Haryana Roadways Gurgaon	1.18	2.47	1.29
3	General Manager Haryana Roadways Jind	9.87	9.86	0.01
4	Cattle Fair Officer Rohtak	109.27	231.75	122.48
5	Industrial Training Institute Rohtak	4.94	6.11	1.17
6	General Manager Haryana Roadways Rohtak	0.82	3.55	2.73
7	District Social Welfare Officer Rohtak	0.49		0.49
8	General Manager Haryana Roadways Rewari	20.83	20.88	0.05
9	Cattle Fair Officer Rewari	4.80	3.65	1.15
10	Executive Engineer Panchayati Raj (JRY) Gurgaon	7.83	6.67	1.16
11	District Food and Supply Controller Gurgaon	Nil	0.19	0.19

**APPENDIX – XXIV**

( Refer paragraph 3 10 page 118 )

**Year wise position of outstanding Inspection Reports and Paragraphs  
as of June 2000**

<b>Year</b>	<b>Number of Inspection Reports</b>	<b>Number of paragraphs</b>	<b>Amount (Rupees in crore)</b>
Upto 1989 90	41	54	1 31
1990-91	15	34	0 67
1991 92	18	29	0 35
1992 93	17	26	0 27
1993 94	20	46	0 66
1994 95	19	68	0 72
1995-96	23	60	10 68
1996-97	30	85	4 19
1997 98	27	78	3 41
1998 99	32	109	23 64
1999 2000	30	184	17 42
2000 2001 upto June 2000	8	51	8 85
<b>Total</b>	<b>280</b>	<b>824</b>	<b>72 15</b>

**APPENDIX – XXV**

( Refer paragraph 3 12 page 121 )

**Statement showing the details of misappropriation/defalcation etc cases test checked**

Sr No	Number of Department	Number of cases	When noticed	Amount (In Rupees)	Remarks
1	2	3	4	5	6
1	Animal Husbandry	2	April 1990	68 340 00	Theft of 420 sheep Police reported untraceable in September 1994 In February 1997 department referred the matter to Government to write off the amount Further developments were awaited (June 2000)
			August 1994	2 91 100 00	Looting of Government money in transit In preliminary inquiry two officials were held responsible for the loss (August 1994) No further action had been taken as of June 2000
2	Education	2	March 1984	1 54 543 00	Court convicted (July 1993) the clerk who embezzled the Government money No further action had been taken by the department to made good the loss
			March 1995	33 500 00	Theft of Government money in Bank premises Police reported untraceable in (May 1997) No action had been taken to write off the amount
3	Forest	1	July 1988	96 836 00	Theft of Tractor in January 1987 Police reported (July 1987) untraceable Department in its enquiry report (28 March 1990) did not find involvement of any official No action had been taken to write off the amount
4	Food and Supplies	1	June 1988	2 00 168 00	Loss due to fire in godown Department intimated (September 1999) that final action on the inquiry report had not been taken as of June 2000
5	Labour and Employment	1	February 1991	22 000 00	Looting of Government money in transit Police reported untraceable (2 May 1991) The case had been sent to Government (August 1996) to write off the loss but no sanction had been accorded as of June 2000
6	Medical	2	February 1986	29 650 00	(i) Embezzlement of Government money in January 1982 Police s untraceable report (17 October 1984) accepted (30 January 1989) by the Court (ii) Though the accused had deposited the embezzled amount with interest yet the findings of the enquiry report had not been intimated

1	2	3	4	5	6
			September 1989	33 385 00	Theft of cash from chest Police reported (April 1990) untraceable As per preliminary enquiry report two officials were held responsible Chargesheet was served upon one accused on 12 January 1993 Further developments and action against other official were awaited
7	Police	1	January 1991	72 400 00	Government Jeep was burnt (September 1990) in the anti reservation agitation The case to write off the amount incurred on its repair was sent to Government in November 1998 No approved had been accorded as of June 2000
8	Transport	4	February 1975	4 482 00	Loss of spare parts in transit Department issued recovery order in July 1981 The accused went into the court and the court held (February 1986) the orders as illegal The official had also retired on 30 November 1983 Department referred (March 1993) the matter to the Government for write off the loss but the sanction had not been accorded as of June 2000
			February 1979	21 785 00	Shortage of store articles was brought to the notice of the Government in August 1981 Even asked by the Transport Commissioner and the Government the General Manager Haryana Roadways Hisar had not submitted the latest information of the case
			April 1977	15 242	Theft of Government money Court convicted Sh Mohinder Kumar conductor and the case had not been sent to the Government to write off the loss
			March 1982	1 25 657 00	Court acquitted (2 December 1988) all the accused for theft of Government money The case had not been taken up with the Government to write off the loss by the department so far
9	Public Works Department Irrigation Branch	6	September 1998	32 291 00	Theft of store Even after receipt of non traceable report from Police and submission of proposal for action against defaulter and write off loss to the Superintending Engineer in May 1993 sanction was awaited ( May 2000)
			November 1984	16 566 00	Misappropriation of store Case submitted to Chief Engineer in December 1990 Further developments were awaited (June 2000)



1	2	3	4	5	6
			August 1989	24 850 00	Theft of aluminum pipe On receipt of non traceable report from Police in September 1990 estimate for write off the loss was sent to higher authorities Further developments were awaited (June 2000)
			June 1989	24 761 00	Theft of aluminium pipe On receipt of non traceable report (October 1989) from the police case for write off the loss was submitted (May 1990) Sanction from the competent authority was awaited (May 2000)
			December 1992	25 000 00	Theft of one OCB fitted on pump house Though material declared as untraceable by police in June 1995 yet sanction for write off was still awaited (June 2000)
			June 1995	16 308	Theft of aluminum pipe Police investigation report was still awaited (May 2000)
10	Public Health Branch	5	January 1981	27 998 00	Theft of Government material of Rs 27 998 from store Material worth Rs 7 895 97 traced (December 1983) by police and accounted for For the balance material further investigation by police were pending
			March 1981	71 777 00	The of CI pipe Superntending Engineer held JE/SDO responsible for the loss Disciplinary action against the defaulters was still pending and were under process
			September 1982	30 000 00	Theft of PVC pipe Non traceable report was submitted (Apnl 1987) by the police in departmental enquiry no official was found responsible (September 1988) Sanction to write off the loss was awaited
			November 1986	33 460 00	Theft of Government material from store of water works Despite receipt of non traceable report from police in April 1988 Sanction for write off the loss was awaited from the competent authority
			September 1986	4 635 00	Theft of electric Motor Non traceable report was received from Police in September 1987 and amount was placed in PW Misc advance against the J E Final action was still awaited

1	2	3	4	5	6
11	Public Works Department Buildings and Roads Branch	4	September 1978	10 217 70	Misappropriation of Government material worth Rs 10 217 70 Recovery case was decided (February 1982) by the Government from J E and S D O The amount was recovered from S D O and the J E had expired Case for write off the amount submitted to higher authority Final decision was still awaited
			1976 77	99 440 00	Shortage of material against J E store The Court inflicted punishment to the J E for two years rigorous imprisonment and fine of Rs 3 000 Department dismissed him from service The concerned J E had expired and sanction for write off the loss was awaited
			May 1989	24 753 50	Embezzlement of store articles (foodgrains) Final decision on the charge sheet served upon the J E was awaited as of June 2000
			1989 90	4 155 00	Theft of material On receipt of non traceable report (September 1989) from police amount was kept in Misc PW advance against the J E in May 1990 Recovery and final action was still awaited
Total				16 15 300 20	

**APPENDIX – XXVI**

( Refer paragraph 3 12 page 122 )

**Statement showing the names of departments where Action Taken Notes were awaited**

<b>Sr No</b>	<b>Name of the Administrative Department</b>	<b>Year of Audit Report</b>	<b>Number of Paragraphs</b>
1	Revenue	1995 96	1
		1996 97	1
		1997 98	3
2	Building and Roads	1995-96	1
		1996 97	8
		1997 98	4
3	Irrigation	1996 97	8
		1997 98	6
4	Education	1996-97	1
		1997 98	1
5	Housing	1996 97	6
6	Forest	1996-97	1
7	Town and Country Planning (HUDA)	1996-97	4
		1997 98	2
8	Haryana State Agricultural Marketing Board	1996 97	1
		1997 98	3
9	Training	1996-97	1
10	Food and Supplies	1996-97	1
11	Transport	1997 98	2
12	Printing & Stationery	1997 98	1
13	Rural Development	1997 98	2
14	Industrial Training and Vocational Education	1997 98	1
15	Medical and Health	1997 98	2
16	Finance	1997 98	1
17	Civil Aviation	1997 98	1
18	Animal Husbandry	1997 98	1
19	Public Health	1997 98	1
<b>Total</b>			<b>65</b>

## APPENDIX XXVII

(Refer paragraph 4.1.5 page 127)

**A Statement showing component wise budget provision and expenditure incurred there against during 1994-2000****Irrigation Department (HID)**

Year	Budget Provision	Funds Released	Actual Expenditure
(Rupees in crore)			
<b>Rehabilitation of Canals/drainage system</b>			
1994-95	9.85	9.57	5.83
1995-96	20.27	20.21	20.53
1996-97	24.91	24.91	27.23
1997-98	41.48	38.52	41.59
1998-99	19.45	19.55	19.04
1999-2000	39.41	38.75	41.25
<b>Total</b>	<b>155.37</b>	<b>151.51</b>	<b>155.47</b>
<b>Modernisation of existing channels</b>			
1994-95	9.10	6.46	8.55
1995-96	6.55	5.68	7.24
1996-97	8.18	8.19	10.71
1997-98	8.75	8.37	7.56
1998-99	13.00	13.00	13.88
1999-2000	24.91	25.08	23.98
<b>Total</b>	<b>70.49</b>	<b>66.78</b>	<b>71.92</b>
<b>Construction of Hathnikund Barrage</b>			
1994-95	—	—	—
1995-96	1.73	1.45	1.51
1996-97	31.83	31.80	32.47
1997-98	49.24	49.90	56.07
1998-99	54.16	54.67	59.55
1999-2000	56.15	56.15	58.59
<b>Total</b>	<b>193.11</b>	<b>193.97</b>	<b>208.19</b>

**Improved Upgraded Operation and maintenance**

1994-95	24 18	51 44	24 09
1995-96	45 75	85 16	46 00
1996-97	57 10	92 95	53 28
1997-98	38 68	61 30	39 60
1998-99	41 93	56 91	42 68
1999-2000	42 25	37 33	43 88
<b>Total</b>	<b>249 89</b>	<b>385 09</b>	<b>249 53</b>

**Institutional Strengthening**

1994-95	—	—	—
1995-96	0 40	0 28	0 51
1996-97	1 79	1 79	1 63
1997-98	3 58	3 56	3 19
1998-99	4 74	3 47	4 12
1999-2000	4 74	4 51	4 88
<b>Total</b>	<b>15 25</b>	<b>13 61</b>	<b>14 33</b>

**Research and Development**

1994-95	0 24	—	0 05
1995-96	1 68	1 37	1 36
1996-97	0 09	0 09	0 08
1997-98	0 04	0 03	0 04
1998-99	2 08	0 29	0 20
1999-2000	—	—	—
<b>Total</b>	<b>4 13</b>	<b>1 78</b>	<b>1 73</b>
<b>Grand Total</b>	<b>688 24</b>	<b>812 74</b>	<b>701 17</b>

**(HSMITC) Haryana State Minor Irrigation and Tubewell Corporation**

<b>Year</b>	<b>Budget Provision</b>	<b>Actual Expenditure</b>
<b>(Rupees in crore)</b>		
<b>Rehabilitation of Canals/drainage system</b>		
1994-95	—	—
1995-96	2 10	—
1996-97	3 20	0 07
1997-98	5 40	0 09
1998-99	4 10	0 22
1999-2000	3 00	2 00
<b>Total</b>	<b>17 80</b>	<b>2 38</b>
<b>Modernisation of existing channels</b>		
1994-95	21 00	11 12
1995-96	28 50	29 20
1996-97	33 00	10 46
1997-98	33 50	3 39
1998-99	27 60	10 30
1999-2000	27 00	16 00
<b>Total</b>	<b>170 60</b>	<b>80 47</b>
<b>Operation and Maintenance</b>		
1994-95	7 17	6 84
1995-96	10 77	9 12
1996-97	15 60	8 66
1997-98	15 59	3 98
1998-99	17 13	5 29
1999-2000	15 26	3 14
<b>Total</b>	<b>81 52</b>	<b>37 03</b>
<b>Grand Total</b>	<b>369 92</b>	<b>119 88</b>
	<b>Abstract</b>	
	<b>Budget</b>	<b>Expenditure</b>
<b>A</b> HID	<b>688 24</b>	<b>701 17</b>
<b>B</b> HSMITC	<b>269 92</b>	<b>119 88</b>
<b>Total</b>	<b>958 16</b>	<b>821 05</b>



## APPENDIX XXVIII

(Refer to Paragraph 4 1 9 134)

## Haryana Water Resources Consolidation Project

## Details of New Works (Modernisation)

## Modernisation of Canal System

S No	Name of Canal	Length of Canal in Km	Area proposed for lining Lakh sqft
<b>A</b>	<b>Bhakra Canal</b>		
1	Kaithal Distributary	15 98	14 5
2	Saraswati Distributary	28 96	41 0
3	Shudkan Distributary	46 33	2 0
4	Dhamtan Sub Branch	26 43	0 3
5	Sirsa Branch RD 189980 205646	4 78	6 00
6	Sirsa Branch RD 328200 342000	4 21	13 60
7	Pabra Distributary	40 37	15 52
8	Barwala Branch	42 55	93.34
9	Pabra Sub Branch	11 18	5 92
10	Balsamand Sub Branch (Raising)	21 01	1 2
11	Smrbara Distributary	16 61	4 60
12	Udaypur Minor	8 40	0.02
13	Lakkarwali Minor	8 40	1 38
14	Kewal Distributary	11 08	1 62
15	Phaggu Distributary	8 17	2 25
16	Bani Distributary	38 48	0 23
17	Rori Branch	33 38	12 3
18	Ratia Sub Branch	20 20	24 00
19	Gudha Distributary	23 78	0 10
20	Mammen Khera Distributary	6 98	6 55
21	Baruwali Distributary	27 13	15 10
22	Jandwal Distributary	17 01	27 47
23	Kaluwan Distributary	55 10	19 83
24	Sukhchain Distributary	46 10	55 20
25	Ottu Feeder	32 05	54 0
26	Rattangarh Distributary	24 97	1 66
27	Badalgarh Distributary	24 84	0 75
28	Mallekan Minor	3 01	1 91
29	Mangala Sub Minor	5 49	0 81
30	Rania Minor	7 71	2 7
31	Kishanpura Minor	5 33	1 26
32	Amntsar Minor	4 57	1 75
33	Surera Minor	3 06	1 00
34	Chuchal Minor	3 71	1 48
35	Ellenabad Distributary	16 62	10 12
36	Salarpur Minor	2 44	0 61
37	Warni Minor	2 29	0 39
38	Nakor Minor	2 90	0 61
<b>Total</b>			<b>443 08 lakh sft</b>



S No	Name of Canal	Lenght of Canal in Km	Area proposed for lining Lakh sqft
<b>B</b>	<b>WYC</b>		
39	Markanda Distributary	1 488	4 00
40	Sirsa Branch	304 80	50 00
41	Morkhi Minor	11 80	4 52
42	Butana Branch 83200 89000	2 68	3 40
43	Hansi Branch 60000 238326	54 35	66 03
44	Zahidpur Minor	14 02	1 50
45	Kasni Minor	11 06	0 75
46	Jhaggar Sub Minor	45 08	75 70
47	Jhaggar Distributary (0 172000)	5 25	4 46
48	Rampur Minor	8 00	4 95
49	Salhawas Lift Channel (16000 54595	11 76	9 91
50	Subana Minor	4 51	1 20
51	Rewari Khera Minor	8 99	1 45
52	Jui Feeder (88000 146000)	17 68	30 25
53	Khen Kalan Minor	10 82	6 79
54	Mujher Sub Minor	2 22	1 07
55	Fandpur Sub Minor	2 13	0 93
56	Rampur Distributary	30 55	21 75
57	Bullabgarh Distributary	10 11	5 09
58	Sikri Distributary	8 15	4 15
59	Haphala Minor	1 52	0 66
60	Sikrana Distributary	2 59	1 20
61	Marchandpu Distributary	17 07	14 20
62	Nekpur Minor	4 95	2 51
63	Fatehpur Minor	5 49	2 50
<b>Total</b>			<b>318 97</b>
<b>Grand Total</b>			<b>762 05</b>
<b>Add 5 per cent for contingent areas</b>			<b>38 10</b>
<b>Grand Total</b>			<b>800 15</b>

## APPENDIX XXIX

(Refer paragraph 4 1 9, Page 134)

**Statement showing details of New Channels under WYC system  
not provided in project but executed**

Sr No	Name of Canal	Lenght of Canal in Km	Area proposed or lining Lakh sqft	Estimated cost (Rupees in lakh)	Area lined (sqft)	Expenditure incurred up to 31 March 2000	Works completed upto 31 March 2000
1	Jindran Sub Minor	—	0 73	12 92	73 168	14 53	Completed
2	Jhajjar Sub Branch	18 00	26 79	594 11	22 07 952	417 22	-do-
3	Khen Kumar Minor	2 00	0 54	9 57	52 875	8 65	-do-
4	Karsola Minor	10 98	—	22 24	14 053	22 00	-do-
	37000 72800						
5	Uleta Distributary		0 25	49 94	24 500	39 53	-do-
6	Ujina Distributary	—	0 15	25 80	12 051	21 41	-do-
7	Julana Sub Minor	—	—	—	46 268	—	—
8	Chhampa Distributary	22 84	1 49	239 82	61 250	48 10	In progress
	0 75000						
9	Indn Distributary	—	0 38	69 80	19 500	35 35	In progress
	RD 0—tail						
<b>Total</b>			<b>30 33</b>	<b>1 024 20</b>	<b>25 12</b>	<b>608 79</b>	
					<b>lakh sft</b>		

**APPENDIX XXX****(Refer paragraph 4.1.9 Page 134)****Statement showing the details of New Channels under Bhakra Canal  
System not provided in project but executed**

<b>S No</b>	<b>Name of Channel</b>	<b>Area to be lined (lakh sft)</b>	<b>Estimated cost</b>	<b>Total area lined (lakh sft)</b>	<b>Total expenditure (Rupees in lakh)</b>
1	Fatehabad Branch RD 0 103881	0.03	63.2	0.03	45.67
2	Chaushai Minor RD 0 22380	1.41 (13.129 Sqm)	9.66	3.26	50.13
3	Mattaaur Minor RD 30800-47000	0.37	5.34	0.37	5.34
4	New Mohammad Minor RD 0 1700	0.18 (1.672)	4.20	0.18	4.64
5	Sadeva Distributary	0.01 (593 sqm)	2.50	0.06	3.35
<b>Total</b>		<b>2.00</b>	<b>84.82</b>	<b>3.90</b>	<b>109.13</b>

**APPENDIX XXXI****(Refer paragraph 4.8 page 149)****Year wise details of outstanding Inspection Reports (IRs) and Paragraphs**

<b>Year</b>	<b>Number of Inspection Report</b>	<b>Number of Paragraphs</b>
1977-78 to 1989-90	58	72
1990-91	16	19
1991-92	06	05
1992-93	20	25
1993-94	24	26
1994-95	19	36
1995-96	21	32
1996-97	23	42
1997-98	34	95
1998-99	40	151
1999-2000	43	281
<b>Total</b>	<b>304</b>	<b>784</b>

the provisions for income tax amounting to Rs 217 46 lakh This resulted in short recovery of audit fee amounting to Rs 10 87 lakh

On this being pointed out (December 1999) in audit the department stated that action would be taken to recover the audit fee

The case was reported to Government in January 2000 their reply has not been received (October 2000)

The department in their written reply explained the position as under

5 14 (c)

The audit fee is initially assessed on the basis of profit & loss account prepared by the society at the time of annual statement Later on audit fee is re assessed on the basis of audited profit & loss accounts Therefore there is difference in the initial and final assessment But now this method of assessment has been changed

Full amount of Rs 33 67 lacs of this para had already been recovered from societies Hence it is requested that this para may please be dropped

5 14 (ii)

Full amount of this para of Rs 10 87 lacs had already been recovered Hence it is requested that this para may please be dropped

**After hearing the departmental representatives and going through the written reply, the Committee observed that Audit fee was not demanded after completion of profit and loss account of Co operative Societies The Committee, therefore, recommends that the department should start amended method of assessment and recover the audit fee accordingly after completion of Profit and Loss Account of the Co operative Societies Action taken in this regard be intimated to the Committee**

*[139] 5 15 Non-deposit of dividend on share capital of State Government*

As per terms and conditions laid down in the sanction orders issued by the Registrar Co operative Societies Haryana Chandigarh from time to time every Co operative Society shall give a suitable return in the form of dividend on contribution of Haryana Government's share capital on the basis of resolutions passed by the Board of Directors Under the provisions of Haryana Co operative Societies Rules 1989 the dividend shall not exceed 10 per cent per annum of the paid up share capital of a Co operative Society

During test check of records of Registrar Co operative Societies Haryana and four Assistant Registrars Co operative Societies it was noticed (September November and December 1999) that five societies (Banks) had been running in profit and their Board of Directors had passed (between April 1997 and August 1999) resolutions for payment of dividends ranging between one per cent and five per cent for the years 1993 94 to 1997 98 A dividend of Rs 64 79 lakh was payable to Government for this period but the same was neither deposited by any of the societies in Government account nor demanded by the department

On this being pointed out (September November and December 1999) Registrar Co operative Societies Haryana directed (December 1999) one bank to deposit the amount of dividend in Government account and in respect of remaining four Societies the Assistant Registrars stated (November and December 1999) that the notices for recovery would be issued Further report on action taken has not been received (October 2000)

The cases were reported (between October 1999 and January 2000) to Government their reply has not been received (October 2000)

The department in their written reply explained the position as under -

Name of Bank	Year	Rate of dividend declared by instt	Amount (in Rs )	Deposited	At the rate of	Balance (in Rs )	Remarks
Rewari	1995-96	2%	200200	200200	2%	Nil	Nil
	1996-97	2%	300200	300200	2%	Nil	Nil
	1997-98	2%	525300	350200	2%	Nil	The Accountant General Haryana calculated @3% while Bank has deposited @ 2% because the share capital amount of Rs 50 00 lacs was actually received in the bank on 31 3 1996 while A G Haryana calculated for the whole period of one year
			1025700	850600			
F/bad	1996-97	2%	571265	380843 00	2%	Nil	The dividend deposited in the bank 2% for the year 1996-97 and 3% for the year 1997-98 the Govt of India instruction issued vide letter No PN/KL11/24/ Credit/Ministry of Agriculture & Coop Krishi Bhawan New Delhi dated 15 7 1972 that the CB will not deposited over and above 3% on paid up share capital holding of the State Govt
	1997-98	3%	952108	571264 50	3%	Nil	
			1523373	952107 50			
Gurgaon	1993-94	1%	84465	88465	1%	Nil	The difference shown in this report is due to the calculation made on this amount for 10 months but the A G Haryana calculated a dividend @ 2% for the whole period i.e 12 months instead of 10 months
	1994-95	2%	208930	205597	2%	Nil	
	1995-96	2%	308930	283931	2%	Nil	
			602325	573993			
Karnal	1995-96	3%	999985	319461	3%	Nil	As per CB Karnal the opening balance was Rs 10648700/ and not Rs 19999700/ for the year 1995-96 hence the
	1996-97	3%	999985	599991	3%	Nil	
			1999970	919452			

dividend to be calculated  
@ 3% which comes to  
Rs 319461/ whereas the  
A G Haryana calculated  
the dividend on closing  
balance

Harco Bank	1997 98	3%	1327221	1350220	3 /	Nil	No
---------------	---------	----	---------	---------	-----	-----	----

During the course of oral examination, the departmental representatives informed the Committee that department has recovered the amount due from the institute and difference in figure was due to calculating the Audit fee for the whole year instead of lesser period. The Committee recommends that the matter of discrepancy in figures be settled in liason with the A G (Audit) Haryana at the earliest and the Committee be informed accordingly.

## GENERAL

### [140] 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) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 1999 and which were pending settlement by the departments as on 30 June 1998 1999 and 2000 are given below —

Particulars	At the end of June		
	1998	1999	2000
Number of inspection reports pending settlement	2229	2301	2517
Number of outstanding audit observations	5718	6092	6176
Amount of revenue involved (Rupees in crore)	721 67	279 93	650 03

(iii) Department wise break up of the inspection reports and audit observations upto December 1999 and outstanding as on 30 June 2000 is as follows —

Department	Number of outstanding		Amount of receipts involved (Rupees in crore)	Number of inspection reports to which even first replies had not been received
	Inspection reports	Audit observations		
Revenue Department	700	1182	15 66	11
Excise and Taxation	544	2796	182 64	41
Transport	285	409	3 88	8
Forest	62	115	8 81	19
Others	926	1674	439 67	75
<b>Total</b>	<b>2517</b>	<b>6176</b>	<b>650 03</b>	<b>154</b>

The mater was brought to the notice of Government in June/July 2000 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 2000)



After going through the above statement and the latest position sent by the departments concerned the Committee observed that huge number of inspection reports and Audit observations are still pending for settlement by the departments concerned and the Committee is not satisfied with the pace of settlement and clearance of out standing paras

The Committee recommends that the Finance Department may issue fresh instructions to the concerned authorities to dispose off/settle all these pending audit objections/paras concerning them after arranging meetings with A.G (Audit) within three months and latest position in this regard be intimated to the Committee accordingly

## APPENDIX-XII

(Refer paragraph 3 1A.4 (iii) page 41)

## Details of expenditure incurred on 9 plan schemes in March during 1997 2000

Sr No	Scheme	Expenditure			Total
		1997 98	1998 99	1999-2000	
		(Rs in Lakh)			
1	General education (i) expansion of facilities class I-V provision of infra-structure (dari patti)	—	50	—	50 00
2	Innovation/incentive and publicity enrolment drive	1	13 60	11 20	25 80
3	Free stationary to SCs/WSs children	40	40	28	108 00
4	Free unifrom to girls students	160	160	140	460 00
5	Attendance prize to SC girls students	160	160	140	460 00
6	Attendance allowance to nomadic tribes students	30	30	11 75	71 75
7	Construction of primary school buildings	—	200	100	300 00
8	Socially useful productive work	4	3 20	2	9 20
9	State share 15 per cent DPEP	166 59	150	509 87	826 46
<b>Total</b>		<b>561 59</b>	<b>806 80</b>	<b>942 82</b>	<b>2,311 21</b>

**APPENDIX XIII****(Refer paragraph 3 1B 8 (a) page 59)****Statement Regarding enrolment of students (gender wise)**

Year	Total population of children between 6-11 years of age	Total number of children enrolled	Number of boys eligible for enrolment	Number of boys enrolled	Percent age of boys enrolled	Number of girls eligible for enrolment	Number of girls enrolled	Percent age of girls enrolled
1995-96	4 49 364	3 57 608	2 43 002	1 93 975	79 82	2 06 362	1 63 633	79 29
1996-97	4 80 239	4 09 054	2 58 931	2 20 187	85 04	2 21 308	1 88 867	85 34
1997-98	6 23 244	5 41 279	3 32 427	2 86 574	86 21	2 90 817	2 54 705	87 58
1998-99	6 27 644	5 52 622	3 36 243	2 90 691	86 45	2 91 401	2 61 931	89 89
1999-2000	6 83 974	5 55 104	3 68 081	2 92 829	79 55	3 15 893	2 62 275	83 03

Figures for 1995-96 are for 3 districts and for 1997-2000 for 4 districts

## APPENDIX-XIV

(Refer paragraph 3 1B 8 (a), page 59)

## Statement Regarding enrolment of students (social wise)

Year	Number of SC students eligible for enrolment	Number of SC student enrolled	Percent age of SC students enrolled	Number of other students eligible for enrolment	Number of other students enrolled	Percent age of other students enrolled	Reasons if difference is more than 5percent between social groups(SC-others)
1995-96	1 49 942	1 12 130	74 78	2 99 422	2 45 478	81 98	(-) 7 2 Due to educational backwash of parents
1996-97	1 60 435	1 26 664	78 95	3 19 804	2 82 390	88 30	(-) 9 5 Due to educational backwash of parents
1997-98	1 85 594	1 63 172	87 92	4 37 650	3 78 107	86 39	(+) 1 53 Due to more awareness of SC parents
1998-99	1 81 078	1 69 136	93 40	4 46 566	3 83 486	85 87	(+) 7 53 Due to more awareness of SC parents
1999-2000	1 97 156	1 69 892	86 17	4 86 818	3 85 212	79 13	( ) 7 04 Due to more awareness of SC parents

Figures for 1995-96 are for 3 districts and for 1997-2000 for 4 districts

## APPENDIX-XV

(Refer paragraph 3 2 9 (c), page 81)

## Staff Position at PHCs/CHCs of selected districts

Number of CHCs/ PHCs	Senior Medical Officer				Medical Officer				Staff Nurse				Laboratory Technicians			
	1995-96		1999-2000		1995-96		1999-2000		1995-96		1999-2000		1995-96		1999-2000	
	S	F	S	F	S	F	S	F	S	F	S	F	S	F	S	F
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
CHCs 23	22	12	22	14	90	66	99	59	152	107	156	107	32	28	32	27
PHCs 105	3	1	3	1	180	101	198	120	91	47	94	46	88	40	98	49

Number of CHCs/ PHCs	LHV/MPHS (Female)				MPHW (Female)				MPHW (Male)			
	1995-96		1999 2000		1995-96		1999-2000		1995 96		1999 2000	
	S	F	S	F	S	F	S	F	S	F	S	F
1	18	19	20	21	22	23	24	25	26	27	28	29
CHCs 23	108	60	110	50	-	-	-	-	-	-	-	-
PHCs 105	-	-	-	-	725	685	727	696	706	585	715	560

S Sanctioned F Filled

## APPENDIX XVI

(Refer paragraph 3 3 4 (ii), page 87)

**Statement showing entire original budget provision surrendered/re-appropriated under Plan schemes during 1995 96 to 1998 99**

Sr No	Major/Minor/Sub heads and Name of Scheme	1995-96		1996-97		1997-98		1998 99		1999-2000	
(Rupees in lakh)											
105-Allopathy		Original	Surrendered	Original	Surrendered	Original	Surrendered	Original	Surrendered	Original	Surrendered
1	Upgradation of Medical College Rohtak to PGI	27 35	27 35	33 92	33 92	66 36	66 36	74 70	74 70	84 30	84 30
2	Establishment of Medical College at Panchkula/ Dabwali	1 00	1 00	1 00	1 00	1 00	1 00	-	-	-	-
3	Upliftment of medical care at Medical College Rohtak	1 00	1 00	1 00	1 00	1 00	1 00	1 00	1 00	1 00	1 00
4	To upgrade the School of Nursing to a College of Nursing at Medical College Rohtak	8 00	8 00	8 94	8 94	9 38	9 38	10 86	10 86	11 51	11 51
5	Setting up Training Centre in Psychiatric Department and Rehabilitation of Psychiatric Patients at Medical College Rohtak	2 00	2 00	2 17	2 17	2 34	2 34	2 92	2 92	3 02	3 02
6	Establishment of Computer System at PGIMS Rohtak	-	-	10 00	10 00	80 00	80 00	60 00	60 00	60 00	60 00
7	Grants-in-Aid to Advance Institute of Traumatology and Super Specialites Society Rohtak	-	-	-	-	-	-	20 00	20 00	-	-
8	Grant in-aid									547 06	547 06
Total		39 35	39 35	57 03	57 03	160 06	160 06	169 48	169 48	708 89	708 89

**Re-appropriated from Plan to Non plan**

Year	Dearness allowance	Interim Relief	Machinery and equipment	Arrears on a/c of salary revision of pay scale	Stipend
(Rupees in lakh)					
1995-96	9 07	-	-	-	-
1996-97	42 00	73 00	71 00	-	-
1997 98	-	-	-	27 00	-
1999-2000	435 00	-	-	-	120 00
<b>Total</b>	<b>486 07</b>	<b>73 00</b>	<b>71 00</b>	<b>27 00</b>	<b>120 00</b>

Rs 7 77 crore re-appropriated &amp; Rs 3 65 crore surrendered

## APPENDIX XVII

(Refer paragraph 3.3.5, page 87)

## Details of X ray films used and charges realised

Year	Number of X-ray films used	Value	Number of films issued free of cost	Value	Number of films issued on payments	Value
	(Number in lakh)	(Rupees in lakh)	(Number in lakh)	(Rupees in lakh)	(Number in lakh)	(Rupees in lakh)
1995-96	1.32	24.00	1.30	23.45	0.02	0.55
1996-97	1.62	30.31	1.59	29.71	0.03	0.60
1997-98	1.63	27.41	1.61	26.81	0.02	0.60
1998-99	1.75	32.26	1.73	31.66	0.02	0.60
1999-2000	1.63	29.62	1.61	29.12	0.02	0.50
<b>Total</b>	<b>7.95</b>	<b>143.60</b>	<b>7.84</b>	<b>140.75</b>	<b>0.11</b>	<b>2.85</b>

## APPENDIX-XVIII

(Refer paragraph 3 3 5, page 87)

## Details of laboratory tests conducted by Microbiology Department

Year	Total number of tests conducted	Amount chargeable at prescribed rates	Number of free tests	Amount chargeable at prescribed rates	Number of tests on payments	Amount charged
	(Number in lakh)	(Rupees in lakh)	(Number in lakh)	(Rupees in lakh)	(Number in lakh)	(Rupees in lakh)
1995-96	0 71	31 84	0 70	31 49	0 01	0 35
1996-97	0 88	35 92	0 87	35 56	0 01	0 37
1997-98	0 90	46 11	0 89	45 54	0 01	0 57
1998-99	0 89	50 02	0 88	49 26	0 01	0 77
1999-2000	1 09	60 16	1 08	59 35	0 01	0 81
<b>Total</b>	<b>4 47</b>	<b>224 05</b>	<b>4 42</b>	<b>221 20</b>	<b>0 05</b>	<b>2 87</b>



# APPENDIX – XIX

( Refer paragraph 3 3 22 page 95 )

## Statement showing sanctioned strength and men in position during 1995 96 to 1999 2000

	1995 96				1998 97				1997 98				1998 99				1999 2000			
	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled
Director	1	1		1	1	1	1	1	1	1	1	1	1	1	1	1	1		1	1
Dean								1	1		1		1	1		1	1		1	1
Professors	41	27	14	41	27	14	41	28	13	43	28	15	44	24	20					
Professor Dental	5		5	5		5	5		5	5		5	5	1	4					
Teachers	184	163	21	184	147	37	185	129	56	185	129	56	187	158	29					
Teachers Dental	16	13	3	16	13	3	16	13	3	16	13	3	16	11	5					
Registrars/Sr Residents	184	123	61	184	118	66	186	122	64	188	128	60	189	148	41					
Junior Residents 1 <sup>st</sup> and 2 <sup>nd</sup> year	278	248	30	278	270	8	278	259	19	278	254	24	307	255	52					
Lecturers in Pharmacy	11	9	2	11	9	2	11	9	2	11	9	2	11	9	2					
Pharmacists Nurses	28	22	6	28	22	6	28	22	6	28	22	6	28	21	7					
Staff Nurses	477	474	3	477	476	1	478	469	9	479	460	19	481	445	36					
Lab Technicians	143	133	10	143	133	10	143	131	12	143	129	14	144	129	15					
Drivers	32	25	7	32	25	7	32	25	7	32	32		32	31	1					
Other Para Medical Staff	535	411	124	533	417	116	536	413	123	535	402	133	532	413	119					
Ministral Staff	308	253	55	310	255	55	313	262	51	315	268	47	316	267	49					
Class IV	1 409	1 234	176	1 409	1 235	174	1 409	1 220	189	1 409	1 185	224	1 409	1 185	224					
<b>Total</b>	<b>3 652</b>	<b>3 136</b>	<b>516</b>	<b>3 652</b>	<b>3 148</b>	<b>504</b>	<b>3 663</b>	<b>3 104</b>	<b>559</b>	<b>3 669</b>	<b>3 061</b>	<b>608</b>	<b>3 703</b>	<b>3 099</b>	<b>604</b>					

**APPENDIX – XX**

( Refer paragraph 3 8 page 114 )

**Statement showing the details of PLAs operated with/without consultation with Accountant General**

<b>Sr No</b>	<b>Name of District/Treasury</b>	<b>Total number of PLAs</b>	<b>Number of PLAs opened with consultation of AG</b>	<b>Number of PLAs opened without consultation with AG</b>
1	Ambala	29	3	26
2	Bhiwani	14	2	12
3	Chandigarh	7	4	3
4	Delhi	1		1
5	Fardabad	28	3	25
6	Fatehabad	6	2	4
7	Gurgaon	25	3	22
8	Hisar	27	2	25
9	Jagadhari	10	3	7
10	Jind	14	5	9
11	Jhajjar	9		9
2	Kaithal	7	6	1
13	Karnal	8	2	6
14	Kurukshetra	12	2	10
15	Narnaul	8	1	7
16	Panipat	5	2	3
17	Panchkula	7	2	5
18	Rewari	9	2	7
19	Rohtak	22	3	19
20	Sirsa	12	5	7
21	Sonapat	23	3	20
22	<b>Total</b>	<b>283</b>	<b>55</b>	<b>228</b>

**APPENDIX – XXI**

( Refer paragraph 3 8 page 114 )

**Statement showing the names of DDO s whose PLAs were test checked**

Sr No	Name of treasury	Name of DDO s	Closing balance as on 31 <sup>st</sup> March 2000 (Rupees in lakh)
1	Gurgaon	(i) Cattle Fair Officer Gurgaon at Rewari	11 09
		(ii) Executive Engineer Panchayati Raj Gurgaon	7 83
		(iii) General Manager Haryana Roadways Gurgaon	1 18
		(iv) District Social Welfare Officer Gurgaon	Nil
		(v) District Food and Supply Controller Gurgaon	Nil
2	Jind	(i) General Manager Haryana Roadways Jind	9 87
		(ii) District Food and Supply Controller Jind	7 30
		(iii) District Social Welfare Officer Jind (old age pension)	Nil
		(iv) District Social Welfare Officer Jind (Handicapped pension)	Nil
		(v) District Social Welfare Officer Jind (widow pension)	Nil
3	Rohtak	(i) Cattle Fair Officer Rohtak	109 27
		(ii) P G I M S Rohtak	23 81
		(iii) Principal Industrial Training Institute Rohtak	4 94
		(iv) Principal Government Vocational Education Institute Rohtak	1 47
		(v) General Manager Haryana Roadways Rohtak	0 82
		(vi) District Social Welfare Officer Rohtak	0 49
4	Rewari	(i) General Manager Haryana Roadways Rewari	20 83
		(ii) Cattle Fair Officer Rewari	4 80
		(iii) District Social Welfare Officer Rewari	Nil
Total			203 70

**APPENDIX – XXII**

( Refer paragraph 3.8 page 114 )

**List of PLAs funded from the Consolidated Fund of State not closed at the end of financial year**

<b>Sr No</b>	<b>Name of DDOs</b>	<b>Amount (Rupees in lakh)</b>
1	General Manager Haryana Roadways Gurgaon	1.18
2	General Manager Haryana Roadways Jind	9.87
3	District Social Welfare Officer Rohtak	0.49
4	General Manager Haryana Roadways Rohtak	0.82
5	General Manager Haryana Roadways Rewari	20.83

**APPENDIX – XXIII**

( Refer paragraph 3.8 page 114 )

**Non reconciliation of differences with treasury**

<b>Sr No</b>	<b>Name of DDO s</b>	<b>Treasury Balances</b>	<b>Departmental Balances</b>	<b>Differences</b>
(Rupees in lakh)				
1	Cattle Fair Officer Gurgaon at Rewari	11.09	19.15	8.06
2	General Manager Haryana Roadways Gurgaon	1.18	2.47	1.29
3	General Manager Haryana Roadways Jind	9.87	9.86	0.01
4	Cattle Fair Officer Rohtak	109.27	231.75	122.48
5	Industrial Training Institute Rohtak	4.94	6.11	1.17
6	General Manager Haryana Roadways Rohtak	0.82	3.55	2.73
7	District Social Welfare Officer Rohtak	0.49		0.49
8	General Manager Haryana Roadways Rewari	20.83	20.88	0.05
9	Cattle Fair Officer Rewari	4.80	3.65	1.15
10	Executive Engineer Panchayati Raj (JRY) Gurgaon	7.83	6.67	1.16
11	District Food and Supply Controller Gurgaon	Nil	0.19	0.19

**APPENDIX – XXIV**

( Refer paragraph 3 10 page 118 )

**Year wise position of outstanding Inspection Reports and Paragraphs  
as of June 2000**

<b>Year</b>	<b>Number of Inspection Reports</b>	<b>Number of paragraphs</b>	<b>Amount (Rupees in crore)</b>
Upto 1989 90	41	54	1 31
1990 91	15	34	0 67
1991 92	18	29	0 35
1992 93	17	26	0 27
1993 94	20	46	0 66
1994 95	19	68	0 72
1995-96	23	60	10 68
1996-97	30	85	4 19
1997 98	27	78	3 41
998 99	32	109	23 64
1999 2000	30	184	17 42
2000 2001 upto June 2000	8	51	8 85
<b>Total</b>	<b>280</b>	<b>824</b>	<b>72 15</b>

**APPENDIX – XXV**

( Refer paragraph 3 12 page 121 )

**Statement showing the details of misappropriation/defalcation etc cases test checked**

Sr No	Number of Department	Number of cases	When noticed	Amount (In Rupees)	Remarks
1	2	3	4	5	6
1	Animal Husbandry	2	April 1990	68 340 00	Theft of 420 sheep Police reported untraceable in September 1994 In February 1997 department referred the matter to Government to write off the amount Further developments were awaited (June 2000)
			August 1994	2 91 100 00	Looting of Government money in transit In preliminary inquiry two officials were held responsible for the loss (August 1994) No further action had been taken as of June 2000
2	Education	2	March 1984	1 54 543 00	Court convicted (July 1993) the clerk who embezzled the Government money No further action had been taken by the department to made good the loss
			March 1995	33 500 00	Theft of Government money in Bank premises Police reported untraceable in (May 1997) No action had been taken to write off the amount
3	Forest	1	July 1988	96 836 00	Theft of Tractor in January 1987 Police reported (July 1987) untraceable Department in its enquiry report (28 March 1990) did not find involvement of any official No action had been taken to write off the amount
4	Food and Supplies	1	June 1988	2 00 168 00	Loss due to fire in godown Department intimated (September 1999) that final action on the inquiry report had not been taken as of June 2000
5	Labour and Employment	1	February 1991	22 000 00	Looting of Government money in transit Police reported untraceable (2 May 1991) The case had been sent to Government (August 1996) to write off the loss but no sanction had been accorded as of June 2000
6	Medical	2	February 1986	29 650 00	(i) Embezzlement of Government money in January 1982 Police's untraceable report (17 October 1984) accepted (30 January 1989) by the Court (ii) Though the accused had deposited the embezzled amount with interest yet the findings of the enquiry report had not been intimated

1	2	3	4	5	6
			September 1989	33 385 00	Theft of cash from chest Police reported (April 1990) untraceable As per preliminary enquiry report two officials were held responsible Chargesheet was served upon one accused on 12 January 1993 Further developments and action against other official were awaited
7	Police	1	January 1991	72 400 00	Government Jeep was burnt (September 1990) in the anti reservation agitation The case to write off the amount incurred on its repair was sent to Government in November 1998 No approved had been accorded as of June 2000
8	Transport	4	February 1975	4 482 00	Loss of spare parts in transit Department issued recovery order in July 1981 The accused went into the court and the court held (February 1986) the orders as illegal The official had also retired on 30 November 1983 Department referred (March 1993) the matter to the Government for write off the loss but the sanction had not been accorded as of June 2000
			February 1979	21 785 00	Shortage of store articles was brought to the notice of the Government in August 1981 Even asked by the Transport Commissioner and the Government the General Manager Haryana Roadways Hisar had not submitted the latest information of the case
			April 1977	15 242	Theft of Government money Court convicted Sh Mohinder Kumar conductor and the case had not been sent to the Government to write off the loss
			March 1982	1 25 657 00	Court acquitted (2 December 1988) all the accused for theft of Government money The case had not been taken up with the Government to write off the loss by the department so far
9	Public Works Department Irrigation Branch	6	September 1998	32 291 00	Theft of store Even after receipt of non traceable report from Police and submission of proposal for action against defaulter and write off loss to the Superintending Engineer in May 1993 sanction was awaited ( May 2000)
			November 1984	16 566 00	Misappropriation of store Case submitted to Chief Engineer in December 1990 Further developments were awaited (June 2000)



1	2	3	4	5	6
			August 1989	24 850 00	Theft of aluminum pipe On receipt of non traceable report from Police in September 1990 estimate for write off the loss was sent to higher authorities Further developments were awaited (June 2000)
			June 1989	24 761 00	Theft of aluminium pipe On receipt of non traceable report (October 1989) from the police case for write off the loss was submitted (May 1990) Sanction from the competent authority was awaited (May 2000)
			December 1992	25 000 00	Theft of one OCB fitted on pump house Though material declared as untraceable by police in June 1995 yet sanction for write off was still awaited (June 2000)
			June 1995	16 308	Theft of aluminum pipe Police investigation report was still awaited (May 2000)
10	Public Health Branch	5	January 1981	27 998 00	Theft of Government material of Rs 27 998 from store Material worth Rs 7 895 97 traced (December 1983) by police and accounted for For the balance material further investigation by police were pending
			March 1981	71 777 00	The of CI pipe Superntending Engineer held JE/SDO responsible for the loss Disciplinary action against the defaulters was still pending and were under process
			September 1982	30 000 00	Theft of PVC pipe Non traceable report was submitted (Apnl 1987) by the police In departmental enquiry no official was found responsible (September 1988) Sanction to write off the loss was awaited
			November 1986	33 460 00	Theft of Government material from store of water works Despite receipt of non traceable report from police in Apnl 1988 Sanction for write off the loss was awaited from the competent authority
			September 1986	4 635 00	Theft of electric Motor Non traceable report was received from Police in September 1987 and amount was placed in P W Misc advance against the J E Final action was still awaited

1	2	3	4	5	6
11	Public Works Department Buildings and Roads Branch	4	September 1978	10 217 70	Misappropriation of Government material worth Rs 10 217 70 Recovery case was decided (February 1982) by the Government from J E and S D O The amount was recovered from S D O and the J E had expired Case for write off the amount submitted to higher authority Final decision was still awaited
			1976 77	99 440 00	Shortage of material against J E store The Court inflicted punishment to the J E for two years rigorous imprisonment and fine of Rs 3 000 Department dismissed him from service The concerned J E had expired and sanction for write off the loss was awaited
			May 1989	24 753 50	Embezzlement of store articles (foodgrains) Final decision on the charge sheet served upon the J E was awaited as of June 2000
			1989 90	4 155 00	Theft of material On receipt of non traceable report (September 1989) from police amount was kept in Misc PW advance against the J E in May 1990 Recovery and final action was still awaited
<b>Total</b>				<b>16 15 300 20</b>	

**APPENDIX – XXVI**

( Refer paragraph 3 12 page 122 )

**Statement showing the names of departments where Action Taken Notes were awaited**

<b>Sr No</b>	<b>Name of the Administrative Department</b>	<b>Year of Audit Report</b>	<b>Number of Paragraphs</b>
1	Revenue	1995 96	1
		1996 97	1
		1997 98	3
2	Building and Roads	1995-96	1
		1996-97	8
		1997 98	4
3	Irrigation	1996 97	8
		1997 98	6
4	Education	1996 97	1
		1997 98	1
5	Housing	1996 97	6
6	Forest	1996 97	1
7	Town and Country Planning (HUDA)	1996-97	4
		1997 98	2
8	Haryana State Agricultural Marketing Board	1996 97	1
		1997 98	3
9	Training	996-97	1
10	Food and Supplies	1996-97	1
11	Transport	1997 98	2
12	Printing & Stationery	1997 98	1
13	Rural Development	1997 98	2
14	Industrial Training and Vocational Education	1997 98	1
15	Medical and Health	1997 98	2
16	Finance	1997 98	1
17	Civil Aviation	1997 98	1
18	Animal Husbandry	1997 98	1
19	Public Health	1997 98	1
		<b>Total</b>	<b>65</b>

## APPENDIX XXVII

(Refer paragraph 4.1.5 page 127)

**A Statement showing component wise budget provision and expenditure incurred there against during 1994-2000****Irrigation Department (HID)**

<b>Year</b>	<b>Budget Provision</b>	<b>Funds Released</b>	<b>Actual Expenditure</b>
<b>(Rupees in crore)</b>			
<b>Rehabilitation of Canals/drainage system</b>			
1994-95	9.85	9.57	5.83
1995-96	20.27	20.21	20.53
1996-97	24.91	24.91	27.23
1997-98	41.48	38.52	41.59
1998-99	19.45	19.55	19.04
1999-2000	39.41	38.75	41.25
<b>Total</b>	<b>155.37</b>	<b>151.51</b>	<b>155.47</b>
<b>Modernisation of existing channels</b>			
1994-95	9.10	6.46	8.55
1995-96	6.55	5.68	7.24
1996-97	8.18	8.19	10.71
1997-98	8.75	8.37	7.56
1998-99	13.00	13.00	13.88
1999-2000	24.91	25.08	23.98
<b>Total</b>	<b>70.49</b>	<b>66.78</b>	<b>71.92</b>
<b>Construction of Hathnikund Barrage</b>			
1994-95	—	—	—
1995-96	1.73	1.45	1.51
1996-97	31.83	31.80	32.47
1997-98	49.24	49.90	56.07
1998-99	54.16	54.67	59.55
1999-2000	56.15	56.15	58.59
<b>Total</b>	<b>193.11</b>	<b>193.97</b>	<b>208.19</b>

**Improved Upgraded Operation and maintenance**

1994 95	24 18	51 44	24 09
1995-96	45 75	85 16	46 00
1996-97	57 10	92 95	53 28
1997 98	38 68	61 30	39 60
1998 99	41 93	56 91	42 68
1999 2000	42 25	37 33	43 88
<b>Total</b>	<b>249 89</b>	<b>385 09</b>	<b>249 53</b>

**Institutional Strengthening**

1994 95	—	—	—
1995-96	0 40	0 28	0 51
1996 97	1 79	1 79	1 63
1997-98	3 58	3 56	3 19
1998 99	4 74	3 47	4 12
1999 2000	4 74	4 51	4 88
<b>Total</b>	<b>15 25</b>	<b>13 61</b>	<b>14 33</b>

**Research and Development**

1994-95	0 24	—	0 05
1995-96	1 68	1 37	1 36
1996 97	0 09	0 09	0 08
1997 98	0 04	0 03	0 04
1998 99	2 08	0 29	0 20
1999 2000	—	—	—
<b>Total</b>	<b>4 13</b>	<b>1 78</b>	<b>1 73</b>
<b>Grand Total</b>	<b>688 24</b>	<b>812 74</b>	<b>701 17</b>

**(HSMITC) Haryana State Minor Irrigation and Tubewell Corporation**

<b>Year</b>	<b>Budget Provision</b>	<b>Actual Expenditure</b>
<b>(Rupees in crore)</b>		
<b>Rehabilitation of Canals/drainage system</b>		
1994-95	—	—
1995-96	2 10	—
1996-97	3 20	0 07
1997-98	5 40	0 09
1998-99	4 10	0 22
1999-2000	3 00	2 00
<b>Total</b>	<b>17 80</b>	<b>2 38</b>
<b>Modernisation of existing channels</b>		
1994-95	21 00	11 12
1995-96	28 50	29 20
1996-97	33 00	10 46
1997-98	33 50	3 39
1998-99	27 60	10 30
1999-2000	27 00	16 00
<b>Total</b>	<b>170 60</b>	<b>80 47</b>
<b>Operation and Maintenance</b>		
1994-95	7 17	6 84
1995-96	10 77	9 12
1996-97	15 60	8 66
1997-98	15 59	3 98
1998-99	17 13	5 29
1999-2000	15 26	3 14
<b>Total</b>	<b>81 52</b>	<b>37 03</b>
<b>Grand Total</b>	<b>369 92</b>	<b>119 88</b>
	<b>Abstract Budget</b>	<b>Expenditure</b>
<b>A HID</b>	<b>688 24</b>	<b>701 17</b>
<b>B HSMITC</b>	<b>269 92</b>	<b>119 88</b>
<b>Total</b>	<b>958 16</b>	<b>821 05</b>

**B Statement showing budget provision and expenditure figures under Bhakra Yamuna Canal system**

Component	Bhakra System		Yamuna Canal System		HSMITC		Total	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
	(Rupees in crore)		(Rupees in crore)		(Rupees in crore)		(Rupees in crore)	
Rehabilitation	49 37	50 44	105 69 (+)0 31 106 00	104 38 (+)0 65 105 03	17 80	2 38	173 17	157 85
Modernisation	44 13	42 28	23 54 (+)2 82 26 36	25 66 (+)3 98 29 64	170 60	80 47	241 09	152 39
Hathnikund Barrage	—	—	193 11	208 19	—	—	193 11	208 19
Research and Development	1 60 (+)2 53 1 13	1 23 (+)0 50 1 73	—	—	—	—	4 13	1 73
Institutional Strengthening	0 44	0 25	1 11 (+)13 70 14 81	1 52 (+)12 56 14 08	—	—	15 25	14 33
Operation and Maintenance	111 35	114 16	101 88 (+)36 66 138 54	100 11 (+)35 26 135 37	81 52	37 03	331 41	286 56
<b>Grand Total</b>	<b>209 42</b>	<b>208 86</b>	<b>478 82</b>	<b>492 31</b>	<b>269 92</b>	<b>119 88</b>	<b>958 16</b>	<b>821 05</b>

Others

## APPENDIX XXVIII

(Refer to Paragraph 4 1 9 134)

## Haryana Water Resources Consolidation Project

## Details of New Works (Modernisation)

## Modernisation of Canal System

S No	Name of Canal	Length of Canal in Km	Area proposed for lining Lakh sqft
<b>A</b>	<b>Bhakra Canal</b>		
1	Kaithal Distributary	15 98	14 5
2	Saraswati Distributary	28 96	41 0
3	Shudkan Distributary	46 33	2 0
4	Dhamtan Sub Branch	26 43	0 2
5	Sirsa Branch RD 189980 205646	4 78	6 00
6	Sirsa Branch RD 328200 342000	4 21	13 60
7	Pabra Distributary	40 37	15 52
8	Barwala Branch	42 55	93.34
9	Pabra Sub Branch	11 18	5 92
10	Balsamand Sub Branch (Raising)	21 01	1 2
11	Smrbara Distributary	16 61	4 60
12	Udaypur Minor	8 40	0 02
13	Lakkarwali Minor	8 40	1 38
14	Kewal Distributary	11 08	1 62
15	Phaggu Distributary	8 17	2 25
16	Bani Distributary	38 48	0 23
17	Rori Branch	33 38	12 3
18	Ratra Sub Branch	20 20	24 00
19	Gudha Distributary	23 78	0 10
20	Mammen Khera Distributary	61 98	6 55
21	Baruwali Distributary	27 13	15 10
22	Jandwal Distributary	17 01	27 47
23	Kaluwan Distributary	55 10	19 83
24	Sukhchain Distributary	46 10	55 20
25	Ottu Feeder	32 05	54 0
26	Rattangarh Distributary	24 97	1 66
27	Badalgarh Distributary	24 84	0 75
28	Mallekan Minor	3 01	1 91
29	Mangala Sub Minor	5 49	0 81
30	Rania Minor	7 71	2 7
31	Kishanpura Minor	5 33	1 26
32	Amritsar Minor	4 57	1 75
33	Surera Minor	3 06	1 00
34	Chuchal Minor	3 71	1 48
35	Ellenabad Distributary	16 62	10 12
36	Salarpur Minor	2 44	0 61
37	Warni Minor	2 29	0 39
38	Nakor Minor	2 90	0 61
<b>Total</b>			<b>443 08</b> lakh sft



S No	Name of Canal	Lenght of Canal in Km	Area proposed for lining Lakh sqft
<b>B</b>	<b>WYC</b>		
39	Markanda Distnbutary	1 488	4 00
40	Sirsa Branch	304 80	50 00
41	Morkhi Minor	11 80	4 52
42	Butana Branch 83200 89000	2 68	3 40
43	Hansi Branch 60000 238326	54 35	66 03
44	Zahidpur Minor	14 02	1 50
45	Kasni Minor	11 06	0 75
46	Jhaggar Sub Minor	45 08	75 70
47	Jhaggar Distnbutary (0 172000)	5 25	4 46
48	Rampur Minor	8 00	4 95
49	Salhawas Lift Channel (16000 54595)	11 76	9 91
50	Subana Minor	4 51	1 20
51	Rewan Khera Minor	8 99	1 45
52	Jui Feeder (88000 146000)	17 68	30 25
53	Khen Kalan Minor	10 82	6 79
54	Mujher Sub Minor	2 22	1 07
55	Fandpur Sub Minor	2 13	0 93
56	Rampur Distnbutary	30 55	24 75
57	Bullabgarh Distnbutary	10 11	5 09
58	Sikri Distnbutary	8 15	4 15
59	Haphala Minor	1 52	0 66
60	Sikrana Distnbutary	2 59	1 20
61	Marchandpur Distnbutary	17 07	14 20
62	Nekpur Minor	4 95	2 51
63	Fetehpur Minor	5 49	2 50
<b>Total</b>			<b>318 97</b>
<b>Grand Total</b>			<b>762 05</b>
<b>Add 5 per cent for contingent areas</b>			<b>38 10</b>
<b>Grand Total</b>			<b>800 15</b>

## APPENDIX XXIX

(Refer paragraph 4 1 9 Page 134)

**Statement showing details of New Channels under WYC system  
not provided in project but executed**

Sr No	Name of Canal	Lenght of Canal in Km	Area proposed for lining Lakh sqft	Estimated cost (Rupees in lakh)	Area lined (sqft)	Expenditure incurred up to 31 March 2000	Works completed upto 31 March 2000
1	Jindran Sub Minor	--	0 73	12 92	73 168	14 53	Completed
2	Jhajar Sub Branch	18 00	26 79	594 11	22 07 952	417 22	-do-
3	Khen Kumar Minor	2 00	0 54	9 57	52 875	8 65	-do-
4	Karsola Minor	10 98	--	22 24	14 053	22 00	-do-
	37000 72800						
5	Uleta Distributary	--	0 25	49 94	24 500	39 53	-do-
6	Ujina Distributary	--	0 15	25 80	12 051	21 41	-do-
7	Julana Sub Minor	--	--	--	46 268	--	--
8	Chhampa Distributary	22 84	1 49	239 82	61 250	48 10	In progress
	0-75000						
9	Indn Distributary	--	0 38	69 80	19 500	35 35	In progress
	RD 0-tail						
<b>Total</b>			<b>30 33</b>	<b>1 024.20</b>	<b>25 12</b>	<b>606 79</b>	
					<b>lakh sft</b>		

**APPENDIX XXX**

(Refer paragraph 4.1.9 Page 134)

**Statement showing the details of New Channels under Bhakra Canal System not provided in project but executed**

S No	Name of Channel	Area to be lined (lakh sft)	Estimated cost	Total area lined (lakh sft)	Total expenditure (Rupees in lakh)
1	Fatehabad Branch RD 0-103881	0.03	63.12	0.03	45.67
2	Chaushal Minor RD 0 22380	1.41 (13.129 Sq.m)	9.66	3.26	50.13
3	Mattaur Minor RD 30800-47000	0.37	5.34	0.37	5.34
4	New Mohammad Minor RD 0 1700	0.18 (1.672)	4.20	0.18	4.64
5	Sadeva Distributary	0.01 (593 sqm)	2.50	0.06	3.35
<b>Total</b>		<b>2.00</b>	<b>84.82</b>	<b>3.90</b>	<b>109.13</b>

**APPENDIX XXXI****(Refer paragraph 4 8, page 149)****Year wise details of outstanding Inspection Reports (IRs) and Paragraphs**

<b>Year</b>	<b>Number of Inspection Report</b>	<b>Number of Paragraphs</b>
1977 78 to 1989-90	58	72
1990 91	16	19
1991 92	06	05
1992 93	20	25
1993 94	24	26
1994 95	19	36
1995 96	21	32
1996 97	23	42
1997 98	34	95
1998-99	40	151
1999-2000	43	281
<b>Total</b>	<b>304</b>	<b>784</b>

## APPENDIX XXXII

(Refer paragraph 6 1 (d) page 161)

## Statement showing names of bodies and authorities the accounts of which had not been received

Sr	Name of the body/authority	Year for which accounts had not been received	Grants and loans received (Rupees in lakh)
1	Municipal Committee Bahdurgarh	1986 87	35 93
		1993 94	34 08
		1996 97	50 00
		1997 98	25 95
		1999 2000	49 50
2	Municipal Committee Bhiwani	1987 88	36 40
		1988-89	33 25
		1989 90	36 00
		1995-96	50 00
		1997 98	27 56
		1998 99	72 00
		1999 2000	1156 87
3	Municipal Committee Karnal	1982 83	7 00
		1988 89	32 61
		1992 93	45 50
		1997 98	52 53
		1998 99	482 25
		1999 2000	299 73
4	Municipal Committee Narnaul	1988 89	25 30
		1989 90	28 63
		1997 98	36 12
		1998 99	26 25
5	Municipal Committee Rohtak	1987 88	34 00
		1988 89	37 61
		1989 90	32 35
		1996 97	25 08
		1997 98	78 44
		1999 2000	266 56
6	Municipal Committee Fardabad	1995 96	39 38
		1996 97	50 00
		1997 98	30 00
		1998 99	669 00
		1999 2000	394 40
7	Municipal Committee Palwal	1995-96	50 00
		1998 99	30 00
		1999 2000	105 00
8	Municipal Committee Sonapat	1997 98	69 93
		1998 99	326 25
		1999 2000	263 23
9	Municipal Committee Charkhi Dadri	1995 96	33 33
		1999 2000	50 00
10	Municipal Committee Rewari	1996 97	50 00
		1997 98	38 82
		1999 2000	229 73

Sr	Name of the body/authority	Year for which accounts had not been received	Grants and loans received (Rupees in lakh)
11	Municipal Committee Jagadhri	1996-97	50.00
		1997-98	26.25
		1999-2000	28.15
12	Municipal Committee Panipat	1996-97	65.00
		1998-99	528.00
		1999-2000	306.30
13	Municipal Committee Hisar	1996-97	50.00
		1997-98	48.31
		1998-99	58.25
		1999-2000	61.81
14	Municipal Committee Barwalal	1996-97	33.33
		1999-2000	50.00
15	Municipal Committee Gurgaon	1996-97	31.69
		1997-98	42.78
		1998-99	471.25
		1999-2000	235.76
16	Municipal Committee Thanesar	1997-98	31.81
		1999-2000	26.76
17	Municipal Committee Ambala City	1998-99	70.25
		1999-2000	51.04
18	Municipal Committee Ambala Cantt	1999-2000	460.97
19	Municipal Committee Kurukshetra	1998-99	33.75
20	Municipal Committee Kaithal	1998-99	62.25
		1999-2000	638.42
21	Municipal Committee Gharonda	1999-2000	25.00
22	Municipal Committee Yamunanagar	1998-99	350.00
		1999-2000	578.66
23	Municipal Committee Gohana	1999-2000	70.00
24	Municipal Committee Bhiwani Khera	1998-99	32.03
		1999-2000	40.00
25	Municipal Committee Kharkhoda	1998-99	50.00
26	Municipal Committee Pehowa	1999-2000	36.16
27	Municipal Committee Jhajjar	1999-2000	180.00
28	Municipal Committee Safidon	1999-2000	42.34
29	Municipal Committee Sirsa	1999-2000	105.35
30	Municipal Committee Mandi Dabwali	1999-2000	98.83
31	Municipal Committee Taoru	1999-2000	40.00
32	Municipal Committee Uchana	1999-2000	30.00
33	Municipal Committee Assandh	1999-2000	120.00
34	Municipal Committee Naraingarh	1999-2000	34.79
35	Municipal Committee Kalanaur	1999-2000	40.00
36	Municipal Committee Tosharn	1999-2000	28.40
37	Municipal Committee Rata	1999-2000	30.00
38	Sanik School Kunjpura Karnal	1998-99	140.00
		1999-2000	810.70
39	Shri Bhuteshwar Temple Tirath Jind	1994-95	25.29

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants and loans received (Rupees in lakh)
40	Haryana Sahitya Academy Chandigarh	1994 95 1995 96 1997 98 1998 99 1999-2000	26 00 30 00 30 21 28 31 36 75
41	Aravali Vikas Santhan Gurgaon	1995 96	100 00
42	Haryana Irrigation Research and Management Institute Kurukshetra	1998-99 1999-2000	100 00 120 00
43	Haryana Sium Clearance Board Chandigarh	1998 99	700 48
44	Rajay Samik Vocal Training Centre Panchkula	1998-99	46 25
45	District Council for Child Welfare Rewari	1999 2000	38 75
46	Integrated Womens Employment Development Project Haryana Chandigarh	1996 97 1997 98 1998 99 1999 2000	330 03 152 00 86 50 169 39
<b>Private Aided Colleges</b>			
47	DAV College Ambala City	1998-99 1999 2000	85 25 146 00
48	S L DAV College of Education Ambala City	1999 2000	53 00
49	M P N College Mullana (Ambala)	1999-2000	35 50
50	SM Lubana Khalsa Girls College Barara (Ambala)	1998 99 1999-2000	25 35 34 60
51	Guru Nanak Khalsa Girls College Yamunanagar	1998 99 1999 2000	61 15 102 40
52	Maharaja Aggersain College Jagadhri	1999 2000	48 60
53	Hindu Girls College Jagadhri	1999 2000	67 50
54	MLN College Yamunanagar	1998 99	110 90
55	DAV College Sadhaura (Yamunanagar)	1999 2000	44 30
56	MLN College Radaur (Ambala)	1999 2000	41 00
57	KM College of Education Bhiwani	1999 2000	31 60
58	AP Saraswati KMV Charkhi Dadri	1999 2000	31 80
59	RLS College of Education Sidhrawali (Gurgaon)	1999 2000	33 00
60	GGDSD College Palwal (Gurgaon)	1999 2000	100 50
61	DN College for Women Faridabad	1999 2000	86 00
62	DAV Centary College Faridabad	1998 99 1999 2000	25 00 43 60
63	Saraswati Girls College Palwal	1999 2000	34 80
64	DN College Hisar	1998 99 1999 2000	121 90 185 00
65	FC College for Women Hisar	1999 2000	68 00
66	SD Mahila MV Hansi	1999 2000	40 50
67	CR College of Education Hisar	1999 2000	26 40

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants and loans received (Rupees in lakh)
68	Hindu Kanya MV Jind	1996 97	32 20
		1997 98	35 20
		1998 99	31 60
		1999-2000	58 00
69	SD Mahila MV Narwana Jind	1999-2000	26 60
70	DAV College Karnal	1996 97	29 20
		1997 98	33 80
		1998 99	37 25
		1999-2000	66 00
71	Guru Nanak Khalsa College Karnal	1999-2000	75 00
72	Dayal Singh College Karnal	1999 2000	154 00
73	KVA DAV College for Women Karnal	1996 97	48 35
		1997 98	59 80
		1998 99	46 35
		1999-2000	76 40
74	Arya College Panipat	1999 2000	94 00
75	I B College Panipat	1999 2000	104 50
76	Gandhi Adarsh College Samalkha (Panipat)	1996 97	25 40
		1997 98	27 79
		1998 99	25 50
		1999 2000	46 50
77	DAV College Pundri Kaithal	1999-2000	30 00
78	Kanya MV Fatehpur Pundri (Kaithal)	1999-2000	39 40
79	RKSD College Kaithal	1999 2000	133 00
80	IG Mahila MV Kaithal	1997 98	32 10
		1998 99	25 10
		1999 2000	47 60
81	BAR Janta College Kaul (Kaithal)	1996 97	31 30
		1999 2000	55 80
82	DAV College Cheeka (Kaithal)	1999 2000	42 70
83	Kanya MV Dhand (Kaithal)	1999 2000	31 40
84	DAV College Pehowa (Kurukshetra)	1996 97	32 60
		1997 98	31 90
		1998 99	36 70
		1999-2000	59 20
85	IG National College Ladwa (Kurukshetra)	1996 97	34 40
		1997 98	41 80
		1998 99	39 60
		1999 2000	62 90
86	DN Mahila MV Kurukshetra	1999 2000	75 50
87	MN College Shahbad	1999 2000	57 50
88	Arya Kanya MV Shahbad	1999 2000	48 20
89	Bhagwan Parsu Ram College Kurukshetra	1999 2000	37 30
90	KLP College Rewari	1999 2000	138 00
91	Ahri College Rewari	1999 2000	56 70
92	RDS Public Girls College Rewari	1998 99	39 30
		1999 2000	30 40



Sr No	Name of the body/authority	Year for which accounts had not been received	Grants and loans received (Rupees in lakhs)
93	GB Degree College Rewan	1996 97 1997 98 1998 99	29 90 31 70 31 30
94	GB Degree College Rohtak	1999-2000	47 60
95	Sh L N Hindu College Rohtak	1996-97 1997 98 1998 99 1999 2000	44 70 51 10 48 90 78 00
96	Vaish College Rohtak	1999 2000	106 00
97	Vaish Girls College Rohtak	1999-2000	65 80
98	SJK College Kalanaur Rohtak	1999-2000	67 50
99	C R College of Education Rohtak	1999 2000	31 00
100	MK Jat Kanya MV Rohtak	1999-2000	50 50
101	Guru Hari Singh MV Jeevan Nagar Sirsa	1999-2000	32 10
102	CMK National Girls College Sirsa	1999-2000	56 80
103	MP College for Girls Dabwali Sirsa	1996 97 1999 2000	26 80 45 70
104	Vaish Arya Kanya MV Bahadurgarh Jhajjar	1999 2000	27 00
105	MA College for Women Jhajjar	1999-2000	34 90
106	MM College Fatehabad	1999-2000	56 30
107	CRA College Sonapat	1999 2000	117 00
108	Hindu College Sonapat	1999 2000	187 41
109	Hindu College of Education Sonapat	1999 2000	28 00
110	Hindu Mahila MV Sonapat	1996 97 1997 98 1998 99 1999 2000	96 10 105 30 97 55 142 00
111	Gita Vidya Mandir KMV Sonapat	1996 97 1997 98 1998 99 1999 2000	46 90 56 10 47 00 81 50
112	TR Girls College Sonapat	1999 2000	33 10
113	Viveka Nand MV Nangal Choudhry (Mohindergarh)	1996 97	26 29
114	MAIMRE Agroha	1999 2000	150 00

## APPENDIX - XXXIII

(Refer to paragraph 6 2 4 (b) page 165)

## Statement showing the details of receipts and expenditure

Particulars	Years						Total
	1994 95	1995 96	1996 97	1997 98	1998 99	1999 2000	
(Rupees in lakh)							
Opening Balance	255 53	319 11	391 37	547 12	795 24	1236 00	
Receipts							
(a) Board s share of water cess	57 90	51 18	112 32	167 04	167 05	129 80	685 29
(b) Water consent fees	56 56	60 38	106 39	99 28	176 93	145 49	645 03
(c) Inte est on deposits	48 74	53 75	59 00	56 59	115 73	77 82	411 63
(d) Other miscellaneous receipts i.e. Air consent/sample testing/appeal fees etc	60 60	64 55	73 19	122 30	273 27	319 23	913 14
(e) Grant received from							
(i) State Government	10 00	18 40	15 50	10 00	3 50	0 80	58 20
(ii) Central Government		0 25		13 10			13 35
(iii) Central Pollution Control Board	0 71	1 55		2 56	1 03	4 36	10 21
Total Receipts	234 51	250 06	366 40	470 87	737 51	677 50	2736 85
Expenditure							
(a) Salanes and allowances	88 73	117 80	133 68	141 73	225 70	191 32	898 96
(b) Office expenses	61 78	41 57	47 62	51 57	45 41	47 38	295 33
(c) Other misc expenses	20 42	18 43	29 35	29 45	25 64	47 49	170 78
Total expenditure	170 93	177 80	210 65	222 75	296 75	286 19	1365 07
Closing balance	319 11	391 37	547 12	795 24	1236 00	1627 31	

## APPENDIX XXXIV

(Refer to paragraph 6.2.6(a), page 168)

**List of large and medium highly polluting industrial units which did not apply for consent during 1999-2000**

Sr No	Name of the industrial unit	Category	Status as of August 2000
1	Cebon India Ltd 2 HSIDC Industrial Estate Rewan	Drug and Pharmaceuticals	Temporarily Closed
2	Cepharm Lab Ltd Kundlu Sonapat	Drug and Pharmaceuticals	Closed
3	Cepharm Organics Ltd Sonapat	Drug and Pharmaceuticals	Closed
4	Pnm Remedies Ltd Karnal	Drug and Pharmaceuticals	Closed
5	Swet Chim Antibiotics GT Road Rai Sonapat	Drug and Pharmaceuticals	Closed
6	Sandeep Paper Ltd Vill Dhatir Teh Palwal Fardabad	Paper unit	Closed
7	Rollatainers Ltd Dharuhera Rewan	Paper unit	Closed
8	PSB Paper Mills Ltd Fardabad	Paper unit	Closed
9	Subhan Paper Ltd Mank Manki Ambala	Paper unit	Closed
10	Kurukshetra Paper Mill Kurukshetra	Paper unit	Closure orders suspended after security and affidavit
11	Risab Cement Pvt Ltd Gurgaon	Cement	Closed
12	Nikita Cement (P) Ltd Panchkula	Cement	Closed
13	B R. Cement Saha Ambala	Cement	Temporarily Closed
14	Lloyd Cement Barade Ambala	Cement	Temporarily Closed
15	Mamta Cement Khera Ambala		
16	Ratan Cement Saha Ambala	Cement	Temporarily Closed
17	Aravali Alloys Ltd VPO Ratera Bhiwani	Cement	Closed
18	Hisar Cement Ltd Vill Chikanwas Hisar	Cement	Closed
19	Zodiac Cement Pvt Ltd Bhiwani	Cement	Closed
20	Dev Paper Jind	Paper unit	Closed

## APPENDIX XXXV

(Refer paragraph 6 3 5 (i) page 179)

**Details of funds recieved and expenditure incurred scheme wise  
during 1995 96 to 1999 2000**

Name of scheme	year	Opening balance	Fund received during the year			Total	Expenditure	Unspent Balance at the end
			Central share	State share	Interest receipts			
(Rupees in lakh)								
NRY	1995 96	194 16 <sup>1</sup>	103 99	69 33	4 39	371 87	230 26	141 61
	1996 97		84 75	56 50	3 64	144 89	158 73	127 77
	1997 98		59 99	39 99	3 09	103 07	129 51	101 33
	(upto November (1997)							
Total			248 73	165 82	11 12	619 83	518 50	
PMUPEP	1995-96		183 03	98 78	1 22	283 03	Nil	283 03
	1996-97		103 68	43 62	1 78	149 08	143 68	288 43
	1997 98		69 57	49 87	6 36	125 80	148 22	266 01
	(upto November (1997)							
Total			356 28	192 27	9 36	557 91	291 90	
SJSRY	1998 99		221 66	73 88	20 10	315 64	173 81	141 83
	1999-2000		30 69	10 23	5 81	46 73	273 32	( ) 84 76
Total			252 35	84 11	25 91	362 37	447 13	
PMRY	1995 96		66 42			66 42	38 70	27 72
	1996 97		57 00			57 00	36 35	48 37
	1997 98		42 04			42 04	28 78	61 63
	1998 99		30 59			30 59	24 49	67 73
	1999 2000		Nil			Nil	26 34	41 39
Total			196 05			196 05	154 66	
Grand Total		194 16	1 053 41	442 20	46 39	1 736 16	1 412 19	323 97

<sup>1</sup> As per Bank Pass Book Opening balance carried over earlier years  
Figures are unaudited

## APPENDIX XXXVI

(Refer paragraph 6 3 9 (b) page 182)

Details of madays employment generated as per muster rolls during 1998 99

Sr No	District	Name of Municipal Committee	Number of Mandays as per attendance of labourers mentioned in muster rolls	Number of Mandays reported by DUDAs
1	Bhiwani	Bhiwani Siwani Charkhi Dadri Loharu Bawani Khera	815 150 704 204 262	3 353
2	Jind	Jind	843	6 782
3	Faridabad	Palwal Hasanpur Hodel Hathin	195 156 242 224	2 500
4	Sonapat	Sonapat Ganaur Gohana	372 316 256	908
5	Kurukshetra	Thanesar Pehowa Shahbad Ladwa	395 370 222 157	1 144
Total			5 883	14 687

## APPENDIX

**Statement showing the outstanding observations/recommendations of the Public Accounts Committee of the Haryana Vidhan Sabha on which the Government say to take final decisions**

Sr No	Name of Department	Paragraph	Brief Subject
1	2	3	4
<b>7th Report</b>			
1	PWD (B&P)	33	Payment of work done
<b>9th Report</b>			
2	Industries	5(2)	Credit facilities for development of small industries
<b>11th Report</b>			
3	Welfare of SC & BC	26	Loan for Social Welfare
<b>14th Report</b>			
4	Industries	16	Purchase of Cotton Yarn
<b>15th Report</b>			
5	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers
<b>16th Report</b>			
6	Industries	2(a) and 2 (d)	Subsidy of setting up industries 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>			
7	Co-operation	39	Co-operative Consumer Stores
<b>19th Report</b>			
8	Public Relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra)
9	Co-operation	25(i)	Co-operative Consume Store
10	Agriculture	26	Social conservation and waste management works
11	Excise and Taxation	40	Loss of duty on excess wastage
<b>21st Report</b>			
12	PWD (Public Health)	12	Outstanding Recoveries against contractor

1	2	3	4
<b>22nd Report</b>			
13	Industries	10(ii)	Industrial Estate
14	Co-operation	16	Co-operative Consumer Stores
15	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
16	Revenue	39(c) (c)	Land holding tax.
17	Revenue	40	Non-levy of registration fee
18	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation
19	Excise and Taxation	53	Loss of duty on excess storage wastage
20	Excise and Taxation	54	Shortfall in duty
21	Excise and Taxation	56	Recovery due from contractor
<b>23rd Report</b>			
22	Co-operation	34	Co-operative Consumer Stores
23	Food and Supplies	35	Haryana State Federation of Consumer Co-operative Wholesale Stores Limited Chandigarh
24	Excise and Taxation	47	Uncollected Revenue
25	Excise and Taxation	55	Penalty or interest in general
26	Excise and Taxation	57	Failure to initiate action to recover the licence fee
27	Excise and Taxation	58	Loss of duty on excess storage wastage
28	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
<b>25th Report</b>			
29	Co-operation	5	Co-operative consumer Stores
30	Colonization	9	Encroachment of Land
31	Colonization	11	Recoveries from plot holders
32	Food and Supplies	15	Abnormal shortage/Quality cuts on damaged wheat stocks
33	Education	30	Embezzlement.
34	Fisheries	31	Development of Fisheries
35	Excise and Taxation	54	Un-collected revenue

1	2	3	4
36	Excise and Taxation	58	Incorrect computation of tax on interstate sales
37	Excise and Taxation	67	Irregular allowance for wastage
38	Excise and Taxation	69	Failure to enforce licence conditions
<b>26th Report</b>			
39	Revenue	10	Gratuitous relief for crops/houses damaged
40	Irrigation	22	Faulty measurement of work resulting in over payment
41	Excise and Taxation	49	Uncollected revenue
42	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
43	Excise and Taxation	63	Non recovery of licence fee and interest
<b>28th Report</b>			
44	Education	5	Irregularities on release/utilisation of grant
45	Irrigation	10	Masani Barrage Project.
46	PW D (B&R)	14	Shortage of Steel
47	Printing and Stationery	22	Stationery Branch
48	Police	26	Over payment of daily allowance
49	Development	30	Selection of works
50	Excise and Taxation	41	Registration of dealers under Sale Tax Act.
51	Excise and Taxation	44	Non recovery of licence fee and interest
<b>29th Report</b>			
52	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry
53	Irrigation	17	Excess issue of coal
54	Irrigation	21	Misappropriation
55	Irrigation	22	Miscellaneous Public Works Advances
56	Development	32	Forestry sector
57	Excise and Taxation	47	Non-levy of penalty



1	2	3	4
58	Excise and Taxation	50	Non-levy of penalty
59	Excise and Taxation	51	Non levy of penalty
60	Excise and Taxation	53	Interest not charged
61	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
62	Transport	58	Results of Audit
63	Revenue	62	Results of Audit
64	Revenue	63	Under valuation of immovable property
65	Mines and Geology	71	Results of Audit
<b>32nd Report</b>			
66	Industries	4	Development of small Industries
67	Industries	6	Outstanding recoveries of loan
68	Irrigation	10	Excess measurement
69	Irrigation	12	Misappropriation
70	Irrigation	20	Shortage of Stores
71	Revenue	25	Inadmissible payment
72	Town and Country Planning (HUDA)	35	Alleged embezzlement
73	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
74	Public Health	41	Urban water supply and sewerage scheme
75	Public Health	42	Commencement of work without sanction
76	Mines and Geology	47	Uncollected revenue
77	Mines and Geology	48	Results of Audit
78	Mines and Geology	49	Short recovery or non recovery of royalty on bricks
79	Agriculture	56	Embezzlement of licence fee money
80	Excise and Taxation	61	Uncollected revenue
81	Excise and Taxation	69	Irregular levy of tax at concessional rate
82	Excise and Taxation	71	Interest penalty not charged

1	2	3	4
<b>34th Report</b>			
83	Development and Panchayats	8	Irregular and wasteful expenditure on books
84	Industries	12	Review of the functioning of a few industries
85	Revenue	29	Land reforms
86	Revenue	30	Compensation to landowner
87	Revenue	31	Consolidation of holdings
88	Food and Supplies	47	Under Storage or wastage
89	Mines and Geology	55	Uncollected revenue
90	Mines and Geology	56	Non recovery short recovery of royalty
91	Excise and Taxation	63	Uncollected revenue
92	Excise and Taxation	66	Short levy/non levy of purchase tax
93	Excise and Taxation	69	Non-levy of penalty
94	Excise and Taxation	70	Non filing the quarterly returns
95	Irrigation	72	Arrears of revenue
96	Irrigation	73	Short recovery of water charges
97	Irrigation	74	Non raising of demand
98	Chief Electrical Inspector	78	Uncollected revenue
99	Chief Electrical Inspector	80	Arrears of electricity duty
100	Chief Electrical Inspector	81	Reconciliation of treasury receipts
101	Public Health	82	Results of Audit
102	Revenue	83	Results of Audit
103	Revenue	84	Undervaluation of immovable property
104	Revenue	86	Short recovery of stamp duty on exchange
<b>36th Report</b>			
105	Local Self Government	3	Non recovery of Government dues
106	Food and supplies	7	Loss due to storage of wheat
107	Transport	9	Irregular payment of overtime allowance
108	Industries	13	Non utilization of loan
109	Town and Country Planning	16	Loss on auction of a shop-cum flat

1	2	3	4
110	Revenue	18	Inadmissible gratuitous relief
111	Civil Aviation	19	Procurement operation and maintenance of aircraft
112	Public Health	20	Acceptance of sub-standard material
113	Public Health	21	Recovery due from a contractor
114	Public Health	23	Construction of a water tank
115	Haryana State Lotteries	25	Suspended misappropriation of Government money
116	PWD (B&R)	29	Excess measurement
117	PWD (B&R)	31	Misappropriation of sums
118	Irrigation	37	Shortage of stores
119	Revenue	43	Results of Audit
120	Revenue	45	Irregular grant of exemption
121	Revenue	46	Misclassification of instruments
122	Revenue	48	Uncollected Revenue
123	Mines and Geology	50	Non recovery/Short recovery of royalty
124	PWD (B&R)	51	Results of Audit
125	Excise and Taxation	53	Uncollected Revenue (PGT)
126	Excise and Taxation	54	Uncollected Revenue (State Excise)
127	Excise and Taxation	58	Results of Audit (Sales Tax)
128	Excise and Taxation	59	Short levy/Non levy of purchase
129	Excise and Taxation	65	Exemption allowed in assessment
<b>32<sup>nd</sup> Report</b>			
130	Science and Technology	16	Evaluation and monitoring
131	Medical and Health	18	Stores and Stock
132	Irrigation	28	Excess payment of Earth Work
133	Irrigation	32	Surplus material
134	Irrigation	34	Other point of interest
135	Irrigation	35	Shortage/Misappropriation of material
136	Irrigation	36	Shortage of tiles
137	Public Health	41	Excess payment to the contractor

1	2	3	4
138	Public Health	42	Excess Payment
139	Public Health	43	Shortage of material
140	Mines and Geology	49	Outstanding inspection reports
141	Mines and Geology	50	Results of Audit
142	Mines and Geology	51	Receipts from Mines and Minerals
143	Agriculture	56	Interest not charged on belated payments
144	PWD (B&R)	61	Arrears of rent
145	PWD (B&R)	62	Sale of empty bitumens drum
146	Revenue	63	Outstanding inspection reports
147	Revenue	64	Results of Audit
148	Revenue	68	Misclassification of Instrument.
149	Excise and Taxation	70	Assessments in arrears
150	Excise and Taxation	71	Uncollected revenue
151	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/ Supreme Court.
152	Excise and Taxation	77	Non levy/Short levy of purchase tax
153	Excise and Taxation	79	Suppression of purchases
154	Excise and Taxation	80	Incorrect deduction from turnover
155	Excise and Taxation	81	Irregular stay of tax and interest
156	Excise and Taxation	85	Non recovery of loss on re-auction of Vend
157	Excise and Taxation	86	Loss of Excise Duty due to issue of permit
158	Excise and Taxation	87	Recovery at the instance of Audit
<b>40th Report</b>			
159	Home	15	Non recovery of telephone calls
160	Home	16	Outstanding Inspection Reports
161	Town and Country Planning	18	Non realization of service charges
162	Town and Country Planning	19	Delay in land acquisition cases
163	Town and Country Planning	20	Extra contractual payment
164	Immigration	25	Injudicious purchases
165	Public Health	32	Irregular expenditure

1	2	3	4
166	Public Health	33	Stores and stock
167	Public Health	34	Injudicious purchases
168	Public Health	35	Shortage of material
169	PW D (B&R)	37	Extra payment due to incorrect entries in Measurement Books
170	PW D (B&R)	38	Avoidable extra expenditure due to retendering
171	Co-operation	41	Embezzlement
172	Food and Supplies	47	Damage caused to wheat in Storage
173	Supplies and Disposals	49	Extra expenditure due to retendering
174	Excise and Taxation	50	Assessment in arrears
175	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
176	Excise and Taxation	52	Uncollected Revenue (State Excise)
178	Excise and Taxation	54	Results of Audit
179	Excise and Taxation	55	Delay in re assessment of remand cases
180	Excise and Taxation	57	Appeals entertained without deposit of tax.
181	Excise and Taxation	59	Other interesting cases
182	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
183	Excise and Taxation	61	Application of incorrect rate to tax
184	Excise and Taxation	62	Non levy of tax
185	Excise and Taxation	64	Irregular grant of exemption
186	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
187	Excise and Taxation	68	Non levy of penalty
188	Excise and Taxation	69	Interest not charged
189	Excise and Taxation	71	Results of Audit (Entertainment duty of show tax)
190	Excise and Taxation	74	Non-recovery of duty on wastage in excess norms
191	Excise and Taxation	75	Interest not charged
192	Revenue	79	Outstanding Inspection Reports
193	Revenue	80	Results of Audit

1	2	3	4
194	Revenue	81	Under valuation of immovable property
195	Revenue	82	Misclassifications of instruments
196	Revenue	83	Irregular grant of exemption
197	Revenue	84	Non/Short levy of stamp duty
198	Revenue	85	Irregular registration of sub-emanating deeds
199	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
200	Revenue	89	Embezzlement of Government revenue
201	Mines and Geology	93	Outstanding Inspection Reports
202	Mines and Geology	94	Results of Audit.
203	Co-operation	95	Results of Audit.
<b>42nd Report</b>			
204	Irrigation	11	Excess payment due to inflated/fictitious measurements
205	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
206	Irrigation	16	Unnecessary expenditure due to non-energisation of pumps
207	Irrigation	17	Defective execution of work
208	Irrigation	18	Avoidable payment of interest
209	Transport	26	Performance of minibuses
210	Local Bodies	31	Bodies and Authorities substantially financed by Government grants and loans
211	Agriculture	38	Unfruitful expenditure on idle equipment
212	Food and Supplies	42	Loss due to negligence
213	Public Health	52	Funding Pattern
214	Public Health	53	Targets and achievements
215	Public Health	54	Arrears due from municipalities
216	Public Health	55	Others points
217	Public Health	60	Inflated/Fictitious measurement
218	Public Health	61	Outstanding Inspection Reports and Paragraphs

1	2	3	4
219	Public Health	63	Infructuous expenditure on abandoned work
220	P.W.D (B&R)	71	Shortage of Tools and Plant
221	P.W.D (B&R)	74	Sub-standard execution of work
222	Education	82	Fraudulent drawal of Leave Travel Concession
223	Education	84	Operation Blackboard
224	Social Welfare	88	Outstanding Inspection Reports
225	Co-operation	95	Outstanding Inspection Reports/ Paragraphs
226	Co-operation	99	Results of Audit
227	Revenue	101	Outstanding inspection Reports
229	Revenue	102	Land Revenue
229	Revenue	103	Results of Audit
230	Revenue	104	Irregular exemption of stamp duty
231	Revenue	106	Recovery at the instance of Audit
232	Excise and Taxation	108	Uncollected Revenue
233	Excise and Taxation	109	Frauds and evasion of taxes
234	Excise and Taxation	110	Outstanding Inspection Reports
235	Excise and Taxation	111	Results of Audit
236	Excise and Taxation	112	Details of appeals pending on 31.3.90
237	Excise and Taxation	113	Delay in taking up of appeal cases
238	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
239	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
240	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment.
241	Excise and Taxation	119	Failure to verify the genuineness of dealers' returns
242	Excise and Taxation	120	Irregular grant of exemption certificate
243	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings
244	Excise and Taxation	122	Other interesting cases
245	Excise and Taxation	123	Evasion of tax

1	2	3	4
246	Excise and Taxation	125	Application of incorrect rate of tax
247	Excise and Taxation	126	Non/Short levy of interest
248	Excise and Taxation	127	Results of Audit.
249	Excise and Taxation	128	State Excise Duty
250	Excise and Taxation	129	Loss of revenue due to re-auction vends
251	Excise and Taxation	130	Short recovery of composite fee
252	Excise and Taxation	131	Non recovery of license fee and interest
253	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
254	Excise and Taxation	133	Interest not recovered
255	Excise and Taxation	134	Non recovery of penalties
256	Excise and Taxation	135	Assessments in arrears
257	Excise and Taxation	136	Uncollected Revenue
258	Excise and Taxation	138	Results of Audit.
259	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
260	Excise and Taxation	140	Under assessments due to short/ non levy of purchase tax
261	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
262	Excise and Taxation	144	Short levy of penalty
263	Excise and Taxation	145	Results of Audit
<b>44th Report</b>			
264	Public Health	3	Sub-Standard execution of work
265	Public Health	4	Recovery due from contractor
266	Public Health	6	Surplus materials
267	Public Health	8	Excess issue of materials
268	Irrigation	12	Surplus materials
269	Irrigation	17	Shortage of T&P articles
270	Labour and Employment	20	Cost of sub-standard medicines not recovered



1	2	3	4
271	Social Welfare	21	Old Age Pension
272	Social Welfare	23	Payment of pension to ineligible persons
273	Social Welfare	26	Liberation of scavengers
274	Medical and Health	27	Family Welfare programme including India Population Project
275	Local Government and Housing	32	Financial outlay and expenditure
276	Local Government and Housing	33	Scheme of Employment through Housing and Shelter Upgradation (SHASU)
277	Rural Development	35	Non recovery of subsidy misutilised
278	Rural Development	36	Integrated Rural Development Programme
279	Town and Country Planning	38	Unfruitful Expenditure
280	Town and Country Planning	41	Functioning of State Planning Cell
281	Town and Country Planning	42	Idle investment
282	Town and Country Planning	43	Avoidable payment of interest
283	Printing and Stationery	44	Avoidable extra expenditure of bus tickets
284	Revenue	46	Mewat Development Board
285	Sports and Youth Welfare	47	Embezzlement of funds
286	Mines and Geology	48	Uncollected Revenue
287	Mines and Geology	49	Outstanding inspection Reports
288	Mines and Geology	50	Results of Audit
289	Mines and Geology	51	Short recovery of royalty and interest.
290	Mines and Geology	52	Loss of revenue due to defective execution of lease deed
291	Mines and Geology	53	Short Calculation of interest
292	Mines and Geology	54	Uncollected Revenue
293	Mines and Geology	55	Outstanding Inspection Reports
294	Mines and Geology	56	Results of Audit
295	Mines and Geology	57	Non realisation of contract money and interest
296	Mines and Geology	58	Non recovery of dead rent and interest thereon

1	2	3	4
297	Mines and Geology	59	Interest not charged on delayed payments
298	Mines and Geology	60	Uncollected revenue
299	Mines and Geology	61	Results of Audit
300	Mines and Geology	62	Non recovery of contract money and interest
301	Mines and Geology	63	Non recovery/Short recovery of royalty
302	Mines and Geology	64	Interest not charged
303	Revenue	65	Uncollected Revenue
304	Revenue	66	Uncollected Revenue (Land Revenue)
305	Revenue	67	Result of Audit
306	Revenue	68	Short levy of Stamp duty
307	Revenue	69	Under valuation of immovable property
308	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
309	Revenue	71	Irregular exemption of Stamp duty and registration fee
310	Revenue	72	Misclassification of instruments
311	Revenue	73	Uncollected Revenue
312	Revenue	74	Uncollected Revenue (Land Revenue)
313	Revenue	76	Results of Audit
314	Revenue	77	Short recovery of stamp duty on mortgage deed
315	Revenue	78	Irregular exemption of stamp duty
316	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
317	Revenue	80	Misclassification of instruments
318	Transport	81	Outstanding Inspection Reports
319	Transport	83	Review on taxes on motor vehicles
320	Transport	87	Short realisation of registration fee/transfer of ownership fee/hire purchase agreement fee

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321	Transport	88	Short realisation of permit/counter signature fee
322	Transport	89	Results of Audit Permit/Counter signature fee
323	Transport	90	Short realisation of permit/ Counter signature fee
324	Prohibition Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
325	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
326	Prohibition Excise and Taxation	94	Results of Audit.
327	Prohibition Excise and Taxation	95	Non-registration of dealers liable to registration
328	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
329	Prohibition Excise and Taxation	97	Non observance of departmental instructions regarding crossverifications
330	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
331	Prohibition Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
332	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
333	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
334	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
335	Prohibition, Excise and Taxation	103	Other points of interest.
336	Prohibition Excise and Taxation	104	Non/short levy of purchase tax.
337	Prohibition Excise and Taxation	106	Results of Audit
338	Prohibition Excise and Taxation	107	Interest not charged
339	Agriculture	108	Non-recovery of purchases tax and interest
340	Agriculture	109	Non-recovery of purchase tax and interest
341	Power	111	Uncollected Revenue
342	Power	113	Shortfall in statutory inspection of electrical installations

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343	Power	114	Non Reconciliation of treasury receipts
344	Irrigation	116	Under assessment of water charges
<b>46th Report</b>			
345	Home	4	Non-recovery of charges in advance for deployment of police personnel
346	Housing	5	Infructuous expenditure
347	Housing	6	Loss owing to construction of houses on unapproved layout plan
348	Agriculture	7	Purchase of reverse rotary rig machine
349	PW D (B & R)	18	Extra-expenditure
350	PW D (B & R)	23	Surplus materials
351	PW D (B & R)	25	Short receipt of material
352	PW D (B & R)	27	Procurement of sub standard cement
353	Public Health	29	Unfruitful expenditure
354	Public Health	30	Outstanding Inspection Reports
355	Irrigation	34	Procurement of sub standard cement
356	Animal Husbandry	35	Outstanding Inspection Reports/ Paragraphs
357	Haryana State Lotteries	36	Appointment of main stockists
358	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
359	Haryana State Lotteries	39	Outstandings against Sales Officers
360	Haryana State Lotteries	40	Other points of interest
361	Prohibition and Excise	41	Arrears in revenue
362	Prohibition and Excise	42	Results of Audit
363	Commercial Taxes	43	Arrears in revenue
364	Commercial Taxes	44	Arrears in assessment
365	-Commercial Taxes	46	Outstanding inspection reports and audit observations
366	Commercial Taxes	47	Results of Audit.
367	Commercial Taxes	48	Sales Tax Check Barriers

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368	Commercial Taxes	50	Short levy of Purchases Tax
369	Commercial Taxes	51	Non/Short levy of interest and penalty
370	Commercial Taxes	52	Results of Audit
<b>48th Report</b>			
371	Rural Development	3	Implementation and Achievement
322	Agriculture	4	Arrears in revenue
373	Animal Husbandry	8	Frauds and evasion of taxes/duties
374	Co operation	11	Arrears in revenue
375	Mines and Geology	14	Arrears in revenue
376	Mines and Geology	15	Outstanding inspection reports and audit observations
377	Industries	18	Outstanding inspection reports and audit observations
378	Transport	19	Outstanding inspection reports and audit observations
379	Transport	20 (192)	Outstanding audit objections in Internal Audit
380	Transport	21	Results of Audit
381	Agriculture	23	Outstanding inspection reports/ paragraphs
382	Food and Supplies	25	Extra expenditure
383	Housing	27	Avoidable liability of interest
384	Animal Husbandry	28	Uneconomical working of Liquid Nitrogen Gas Plants
385	Education	29	Purchases without assessment of requirement
386	PWD (B&R)	31	Irregular/Excess expenditure on execution of works
387	Excise and Taxation	33	Arrears in revenue
388	Excise and Taxation	34	Arrears in assessment
389	Excise and Taxation	35	Frauds and evasion of taxes/duties
390	Excise and Taxation	36	Outstanding inspection reports and audit observations
391	Excise and Taxation	37	Results of Audit
392	Excise and Taxation	39	Non/Short levy of tax
393	Excise and Taxation	43	Irregular deduction allowed against

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			invalid declaration forms
394	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
395	Excise and Taxation	45	Non levy of interest and penalty
396	Excise and Taxation	46	Results of Audit
397	Excise and Taxation	47	Non observance of internal control mechanism
398	Excise and Taxation	50	Short recovery of entertainments duty
<b>50th Report</b>			
399	Finance (Lottaries)	3	Printing of lottery tickets
400	Industries	5	Capital investment subsidy
401	Industries	6	Irregular release/nonrecovery of assistance
402	Social Welfare	8	Panjun Plants
403	Home (Jail)	9	Injudicious purchase
404	Public Health	11	Rural water supply schemes
405	Public Health	12	Other points
406	Public Health	13	Recovery due from contractor
407	Irrigation	18	Stores and Stock
408	Irrigation	20	Tools and plants returns
409	Irrigation	21	Physical verification
410	Irrigation	22	Surplus materials
411	Town and Country Planning	24	Construction of Building and Roads by HUDA
412	Town and Country Planning	25	Construction of Building
413	Town and Country Planning	26	Test check of records relating to construction of roads
414	Town and Country Planning	27	Other points of interest.
415	Town and Country Planning	28	Non-recovery of compounding fee
416	Town and Country Planning	29	Avoidable payment of interest
417	Transport	30	Material Management and Inventory control
418	Transport	31	Loss on wreckers
419	Transport	32	Purchase of Sub-standard tubes of butyl rubber
420	Transport	35	Avoidable payment of compen

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			sation and interest thereon
421	Forest	36	Generation of employment
422	Forest	38	Alkali/saline land plantation
423	Medical and Health	45	Unfruitful expenditure on TB ward
424	Social Welfare	46	Outstanding inspection reports
425	PW D (B&R)	47	Construction of Major Building including Staff Quarters
426	PW D (B&R)	48	Time overrun
427	PW D (B&R)	49	Execution of works without technical sanction of cost estimates
428	PW D (B&R)	52	Undue financial favour to the contractors
429	PW D (B&R)	53	Other points of interest
430	PW D (B&R)	55	Fictitious debit to work
431	PW D (B&R)	56	Monitoring
432	PW D (B&R)	57	Reimbursement claims
433	PW D (B&R)	58	World Bank and Asian Development bank loan
434	PW D (B&R)	59	Physical targets and achievements
435	PW D (B&R)	60	Execution
436	PW D (B&R)	61	Release of advances not covered by agreement.
437	PW D (B&R)	62	Non deduction of un conditional rebate and irregular payment to compensate income tax/sales tax deductions at source
438	PW D (B&R)	63	Excess payment of price increase on diesel
439	PW D (B&R)	64	Under utilisation/idle machinery
440	PW D (B&R)	65	Irregular adjustment of expenditure
441	PW D (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road
442	PW D (B&R)	67	Infructuous expenditure on construction of swimming pool
443	PW D (B&R)	68	Avoidable expenditure due to non observance of codal provisions

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44	PW D (B&R)	69	Loss due to defect in enforcement of the agreement.
45	Irrigation	70	Loss and avoidable extra expenditure due to non fulfilment of contractual obligations
46	Irrigation	71	Outstanding inspection reports
47	Public Health	72	Stores and Stock
48	Rural Development	75	Payment of wages
49	Rural Development	76	Quality Controls
50	Rural Development	77	Other points
51	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
52	Rural Development	79	Non recovery of misutilised subsidy
53	Town and Country Planning	80	Non levy of Penalty
54	Town and Country Planning	81	Non recovery of auction money
55	Town and Country Planning	82	Non transfer of developed sectors
56	Transport	83	Infructuous expenditure on printing of tickets
57	Transport	86	Avoidable payment of compensation due to delay in renewal of insurance policy
58	Transport	87	Avoidable payment of compensation due to incorrect filing to affidavit before the tribunal
59	Food and Supplies	88	Loss due to wrong charging of cost of gunny bags
60	General	89	Misappropriation defalcations etc
61	General	90	Write off of losses etc
62	General	91	Final assistance to local bodies and others
63	Revenue	92	Arrears in revenue
64	Revenue	93	Frauds and evasion of taxes/duties
65	Revenue	94	Results of Audit
66	Revenue	95	Internal Audit.
67	Revenue	96	Results of Audit
68	Revenue	97	Stamp duty and Registration Fees



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469	Revenue	98	High Pendency of cases of undervaluation with Collectors
470	Revenue	99	Misclassification of instruments
471	Revenue	100	Short levy of stamp duty
472	Revenue	101	Pre-audit of registrable documents
473	Revenue	102	Arrears in Revenue
474	Revenue	103	Frauds and evasion of taxes/duties
475	Revenue	104	Results of Audit
476	Revenue	105	Outstanding audit objections in Internal Audit
477	Revenue	106	Results of Audit
478	Revenue	107	Short recovery of stamp duty on mortgage deed
479	Revenue	108	Evasion of stamp and registration fees through power of attorney
480	Revenue	109	Evasion of Stamp Duty
481	Chief Electrical Inspector	110	Arrears in revenue
482	Transport	111	Results of Audit
483	Mines and Geology	112	Results of Audit
484	Mines and Geology	113	Non recovery of interest for late deposit of contract money
485	Co-operation	114	Arrears in revenue
486	Animal Husbandry	115	Frauds and evasion of taxes/duties
487	Excise and Taxation	116	Arrears in revenue
488	Excise and Taxation	117	Arrears in assessment
489	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
490	Excise and Taxation	119	Under assessment
491	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
492	Excise and Taxation	121	Under assessment
493	Excise and Taxation	122	Under assessment
494	Excise and Taxation	123	Under assessment

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195	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
196	Excise and Taxation	125	Non short levy of purchase tax
197	Excise and Taxation	126	Results of Audit
198	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
199	Excise and Taxation	128	Low yield of spirit
200	Excise and Taxation	129	Loss of spirit due to re-distillation
201	Excise and Taxation	130	Non recovery of excise duty where verification reports are not received
202	Excise and Taxation	131	Non recovery of cost of supervisory excise staff
203	Excise and Taxation	132	Other points of interest
204	Excise and Taxation	133	Interest short charged
205	Excise and Taxation	134	Short realisation of composite fee
206	Revenue	135	Results of Audit
207	Revenue	136	Short levy of stamp duty due to misclassification of instruments
208	Revenue	137	Arrears in revenue
209	Transport	138	Results of Audit
210	Mines and Geology	139	Arrears in revenue
211	Mines and Geology	140	Results of Audit.
212	Agriculture	141	Arrears in revenue
213	Agriculture	142	Results of Audit
214	Agriculture	143	Non recovery of purchase tax and Interest
215	Irrigation	144	Results of Audit
216	Finance (Lottenes)	146	Results of Audit
217	General	147	Outstanding inspection reports and audit observations
218	General	148	Recoveries of interest of Loans and Advances
<b>52nd Report</b>			
219	Rural Development	3	MP Local Area Development Scheme
220	Education	4	Total Literacy Campaign

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521	Education	5	Colour television under Education Technology Scheme lying unused
522	Education	6	Extra expenditure on purchase of paper
523	Agriculture	9	Loans to Companies/Corporations
524	Agriculture	10	Outstanding Inspection Reports/ paragraphs
525	Agriculture	11	Production and Distribution of Seeds and Development Schemes for Major Crops
526	Agriculture	12	Chaudhary Charan Singh Haryana Agriculture University Hisar
527	Agriculture	13	Other points of interest
528	Agriculture	14	Irregular Adhoc appointments
529	Agriculture	15	Non-recovery of principal and interest from Sugar Mills
530	Revenue	16	Withdrawal of funds twice against one sanction and keeping of the funds outside the Government accounts
531	Revenue	17	Misutilisation of funds meant for flood relief
532	Technical Education	18	Central grant for establishment of Community Polytechnics lying unused for 10 years
533	Technical Education	19	Incomplete and defective supply of machinery to Polytechnics
534	Forest	20	Payment of Rs 12 74 lakh for fictitious earth work for plantation
535	Industries	21	Outstanding Inspection Reports
536	Transport	22	Sanction Procurement and Utilisation of Government vehicles
537	Transport	23	Maintenance and repairs of vehicles
538	Transport	24	Inventory of stores
539	Transport	25	Miscellaneous irregularities and avoidable expenditure
540	Irrigation	30	Other points of interest
541	Irrigation	35	Unfruitful expenditure due to non

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			commissioning of an irrigation channel
542	Irrigation	38	Outstanding audit observations
543	Irrigation	39	Miscellaneous Public Works Advances
544	PWD (B&R)	40	Infructuous expenditure on construction of a road
545	PWD (B&R)	41	Blocking of funds due to non utilisation of a road constructed without railway level crossing
546	PWD (B&R)	43	Miscellaneous Public Works Advances
547	PWD (B&R)	44	Stores and Stock
548	PWD (B&R)	45	Purchase without sanctions
549	PWD (B&R)	46	Short receipt of material
550	Public Health	47	Construction of unusable bathing ghats in Yamunanagar
551	Public Health	48	Outstanding audit observations
552	Public Health	49	Miscellaneous Public Works Advances
553	Town & Country Planning	50	Loss due to delayed implementation of Government order regarding revised rates of water and sewerage charges
554	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgement
555	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
556	Town & Country Planning	53	Non recovery of rent from the lessees due to non-observance of conditions of lease deed
557	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis appropriation of material
558	Housing	55	Irregular retention of funds outside the Government Accounts
559	Housing	56	Delayed disbursement of loan to the

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			beneficiaries led to avoidable liability of interest.
560	Housing	57	Over payment to contractors due to manipulation of Schedule of Rates items
561	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
562	Housing	59	Blocking of funds due to improper planning in construction of shops and amenities
563	Social Welfare	60	Embezzlement of Rs 3 99 lakh
564	Printing and Stationery	62	Loss due to return of waste paper against unused good quality paper
565	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
566	General	64	Misappropriations defalcations etc
567	General	65	Write off of losses etc
568	General	66	Financial Assistance to Local Bodies and others
569	Animal Husbandry	67	Arrears in revenue
570	Revenue	68	Arrears in revenue
571	Revenue	69	Results of Audit
572	Revenue	70	Short levy of Stamp Duty due to misclassification of instruments
573	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
574	Power (Chief Electrical Inspector)	72	Arrears in revenue
575	Power (Chief Electrical Inspector)	73	Results of Audit
576	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
577	Power (Chief Electrical Inspector)	76	Non-charging of electricity duty on extended load
578	Power (Chief Electrical Inspector)	77	Short realisation of electricity duty due to application of incorrect rates
579	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
580	Transport	79	Results of Audit
581	Transport	80	Non recovery of token tax

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582	Co operation	81	Arrears in revenue
583	Co operation	82	Results of Audit
584	Co operation	83	Revenue receipts (other than interest) from Co operative Societies
585	Co operation	84	Arrears in realisation of audit fee.
586	Co-operation	85	Non-deposit of dividend on Share Capital of State Government.
587	Haryana State Lotteries	86	Results of Audit
588	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
589	Agriculture	88	Arrears in revenue
590	Agriculture	89	Results of Audit
591	Agriculture	90	Non recovery of purchase tax and interest
592	Irrigation	91	Results of Audit
593	Mines and Geology	92	Results of Audit
594	Public Health	93	Results of Audit
595	Excise and Taxation	94	Arrears in revenue
596	Excise and Taxation	95	Arrears in assessment
597	Excise and Taxation	96	Frauds and evasions of taxes/ duties
598	Excise and Taxation	97	Results of Audit
599	Excise and Taxation	98	Exemption/deferment from payment of tax to new industries
600	Excise and Taxation	99	Non recovery of tax
601	Excise and Taxation	100	Under assessment due to irregular exemption
602	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/ consignment sale
603	Excise and Taxation	102	Under assessment due to non submission of declaration forms
604	Excise and Taxation	103	Under assessment due to application of incorrect rates of tax.
605	Excise and Taxation	104	Arrears in assessments
606	Excise and Taxation	105	Evasion of tax due to suppression of purchases
607	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
608	Excise and Taxation	107	Incorrect levy of concessional rate of tax

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609	Excise and Taxation	108	Inadmissible deduction from turnover
610	Excise and Taxation	109	Non levy of purchase tax
611	Excise and Taxation	110	Irregular stay of tax
612	Excise and Taxation	111	Application of incorrect rate of tax
613	Excise and Taxation	112	Non levy of tax.
614	Excise and Taxation	113	Short levy of tax
615	Excise and Taxation	114	Under assessment due to excess rebate
616	Excise and Taxation	115	Non levy of penalty
617	Excise and Taxation	116	Non reconciliation of revenue deposits into treasury
618	Excise and Taxation	117	Results of Audit
619	Excise and Taxation	118	Short/non recovery of passenger tax
620	General	119	Outstanding Inspection Report and audit observations
		<b>54th Report</b>	
621	Animal Husbandry	3	Working of Animal Husbandry Department
622	Animal Husbandry	6	Poultry Development Programme
623	Animal Husbandry	7	Implementation of Centrally sponsored schemes
624	Animal Husbandry	9	Outstanding Inspection reports/ paragraphs
625	Home	11	Manpower Management
626	Home	12	Recoverable outstanding amounts against additional police supplied
627	Finance (Development and Panchayat)	14	Non submission of utilisation certificates of discretionary grants
628	Medical and Health	15	National Malaria Eradication Programme
629	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
630	Revenue	18	Fictitious payment of gratuitous relief
631	Revenue	19	Drawal of funds without requirement
632	Technical Education	20	Outstanding Inspection Reports
633	Public Health	21	Urban Water Supply and Sewerage Schemes
634	PWD (B&R)	22	Avoidable payment of interest.

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635	PWD (B&R)	23	Outstanding audit observations
636	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
637	Irrigation	25	Unfruitful expenditure on silt clearance
638	Industrial Training and Vocational Education	27	Stores and Stock
639	Agriculture	29	Unfruitful expenditure due to non acquisition of land and execution of work without transfer of land
640	Agriculture	30	General
641	Education	31	Nagatory expenditure due to payment of idle wages
642	Town and Country Planning	32	Land Acquisition transfer of land and utility thereof
643	Town and Country Planning	33	Non allotment and non handing over of land
644	Town and Country Planning	34	Non utilisation of land
645	Town and Country Planning	35	Loss due to non recovery of rebate
646	Printing and Stationery	36	Pilferage of Paper
647	Transport	37	Accidents in Haryana Roadways
648	Transport	38	Accidents
649	Transport	39	Payment of Compensation
650	Transport	40	Loss of operational revenue due to accidents
651	Transport	41	Training of drivers in safe driving
652	Transport	42	Motor accident claim pending cases
653	Transport	43	Purchase of sub-standard engine oil
654	General	44	Misappropriations defalcations etc
655	General (Financial Assistance to Local Bodies and Others)	45	General
656	Animal Husbandry	46	Arrears in revenue
657	Animal Husbandry	47	Frauds and evasions of taxes/ duties
658	Chief Electrical Inspector	48	Arrears in revenue
659	Revenue	49	Arrears in revenue
660	Revenue	50	Results of Audit
661	Revenue	51	Results of Audit.
662	Revenue	52	Non/Short recovery of stamp duty



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663	Revenue	53	Incorrect exemption of stamp duty
664	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
665	Revenue	55	Short levy of stamp duty due to misclassification of instruments
666	Revenue	56	Incorrect refund of stamp duty
667	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
668	Revenue	58	Short recovery of stamp duty on exchange deeds
669	Revenue	59	Results of Audit
670	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
671	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
672	Revenue	62	Return of RRCs
673	Excise and Taxation	63	Impact of prohibition on Revenue of the State
674	Excise and Taxation	64	Arrears in revenue
675	Excise and Taxation	65	Arrears in assessment.
676	Excise and Taxation	66	Frauds and evasions of taxes/ duties
677	Excise and Taxation	67	Results of Audit
678	Excise and Taxation	68	Disposal of appeal cases
679	Excise and Taxation	69	Delay in finalising assessments
680	Excise and Taxation	70	Delay in finalisation of remand cases
681	Excise and Taxation	71	Collection of sales tax demands in arrears
682	Excise and Taxation	72	Recovery certification cases
683	Excise and Taxation	73	Incorrect levy of concessional rate of tax.
684	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
685	Excise and Taxation	75	In admissible deduction from turnover
686	Excise and Taxation	76	Short levy of tax on sales to Non government bodies
687	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax

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689	Excise and Taxation	78	Under assessment due to excess rebate
690	Excise and Taxation	79	Results of Audit
691	Excise and Taxation	80	Incorrect levy of entertainments duty
692	Transport	81	Results of Audit
693	Transport	82	Non-deposit of token tax
694	Irrigation	83	Results of Audit
695	Irrigation	84	Recovery of Water rates from canal water
695	Irrigation	85	Arrears of revenue
696	Irrigation	86	Less measurement of area irrigated
697	irrigation	87	Non imposition of penalty for unauthorised supply of water
698	Irrigation	88	Excess credit to an industrial unit
699	Irrigation	90	Short recovery of lease rent
700	Agriculture	91	Arrears in revenue
701	Agriculture	92	Results of Audit
702	Agriculture	93	Non recovery of purchase tax and interest
703	Public Health	94	Results of Audit
704	Public Health	95	Non recovery of penalty charges
705	Home	96	Results of Audit
706	Mines and Geology	97	Arrears in revenue
707	Mines and Geology	98	Results of Audit
708	Mines and Geology	99	Short recovery of contract money and interest
709	Cooperation	100	Arrears in revenue
710	Cooperation	101	Results of Audit (Non Tax Receipts)
711	General	102	Outstanding Inspection Reports and Audit Observations
<b>56th Report</b>			
712	Education	3	Introduction of 10+2 pattern of education
713	Education	4	Nutritional Support to Primary Education
714	Forest	5	Rehabilitation of common lands in Aravalli Hills
715	Medical and Health	6	Working of Medical and Health Department including Manpower Management

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716	Medical and Health	7	Hospitals and dispensaries
717	Medical and Health	8	Community Health Centres (CHCs)
718	Medical and Health	9	Hospital Waste Management
719	Medical and Health	10	Drug Control Programme
720	Medical and Health	11	Outstanding Inspection Reports
721	Social Welfare	12	Integrated Child Development Service
722	Social Welfare	13	Training and orientation of ICDS personnel
723	Finance	14	Overpayment of pensionary benefits
724	Finance	15	Personal Ledger Accounts
725	Home	16	Non realisation of cost of police force supplied to other states/ parties
726	Home	18	Stores and Stock
727	Prohibition Excise and Taxation	20	Fraudulent drawals and embezzlement of Government money
728	Revenue	21	Loss of interest due to delayed refund of unspent amount
729	Revenue	22	Excess payment of Gratuitous Relief
730	Sports and Youth Welfare	23	Non responsiveness to Audit findings and observations resulting in erosion of account ability
731	Public Health	24	Unfruitful expenditure on incomplete work
732	Public Health	25	Deficiencies in procedure for handling of funds
733	Public Health	26	Defects in procedure-treasury and financial rules
734	Public Health	27	Non-observance of prescribed checks
735	Irrigation	28	Wasteful expenditure
736	Irrigation	30	Non responsiveness to Audit findings and observations resulting in erosion of account ability
737	Irrigation	32	Defects in procedure-treasury and financial rules
738	Irrigation	34	Undue retention of heavy Cash Balances

1	2	3	4
739	P W D (B&R)	35	Defects in procedure-treasury and financial rules
740	Agriculture	36	Wasteful expenditure on construction of road
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742	Town and Country Planning (HUDA)	38	Payment of loan to Sugar Mill from the funds of H U D A
743	Town and Country Planning	39	Avoidable loss due to delay in allotment of plots
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745	Printing and Stationery	41	Diversion and loss of funds
746	Supplies and Disposals	42	Extra expenditure due to finalisation of tenders after validity period
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