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HARYANA VIDHAN SABHA

PUBLIC ACCOUNTS COMMITTEE

(2006 -2007)

(SIXTIETH REPORT)

REPORT

ON THE
REPORT OF THE

Comptroller and Auditor General
of India for the year ended
31st March 2001

(Civil and Revenue Receipts)



(Presented to the House on 22nd March 2007)

HARYANA VIDHAN SABHA SECRETARIAT
CHANDIGARH
2007

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE
(2006 2007)**

CHAIRPERSON

- *1 Shri Mahender Partap Singh
- **2 Smt Parsanni Devi

MEMBERS

- 3 Shri Uday Bhan
- 4 Prof Chhattar Pal Singh
- 5 Shri Tejender Pal Singh
- 6 Shri Sita Ram
- 7 Maj Nirpender Singh Sangwan
- 8 Smt Sumita Singh
- 9 Rao Yadvender Singh
- 10 Shri Sukhbir Singh Jaunpuria

SECRETARIAT

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

Tendered resignation from the Membership and Chairmanship of the Committee which was accepted by the Hon ble Speaker with effect from 11th October 2006

Nominated as a Member and Chairperson of the Committee with effect from 13th October 2006

INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Sixtieth Report on the Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (Civil and Revenue Receipts)

2 The Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (Civil and Revenue Receipts) were laid on the Table of the House on 15th March 2002

3 The Committee during its tenure examined the Report of the Comptroller and Auditor General of India for the year ended 31st March 2001 (Civil and 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 Education Irrigation and Environment Departments

The Public Accounts Committee in its meeting held on 12th May 2006 under rule 231 (9) has appointed its two Sub Committees from amongst its Members to identify/scrutinize all the paras of remaining Reports of the C&A G of India which involve huge financial irregularities and requires to be discussed by the whole Committee. However the Sub Committee (A) has partly scrutinized/identified important paras of the C&A G Report for the year 2000 2001 (Civil and Revenue Receipts) and for the year 2001 2002 (Civil)

4 The Committee considered and approved this Report at their sitting held on 9th March 2007

5 A brief record of the proceedings of the meetings of the Committee and the annexure attached with replies of the department as mentioned at some places has been kept in the Haryana Vidhan Sabha Secretariat

6 The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit) Haryana and his officers. The Committee would like to express their thanks to the 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

7 The Committee is also thankful to the Secretary Joint Secretary and officials of the Haryana Vidhan Sabha for the whole hearted co operation and assistance given by them to the Committee

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REPORT

GENERAL

1 The Committee for the year 2006 2007 was nominated on 24th April 2006 by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 17th March 2006 authorizing him to nominate the Members of the Committee on Public Accounts for the year 2006 2007

2 The Committee held 84 meetings in all at Chandigarh and other places upto 9th March 2007



Part-I (Civil)



MEDICAL AND HEALTH DEPARTMENT

[3] 3 1 Prevention and Control of Diseases

3 1 1 National AIDS Control Programme

National AIDS Control Programme was launched by Government of India in 1987 with objective to reduce the spread of HIV infection in India and to strengthen India's capacity to respond to the HIV/AIDS on a long term basis. For this purpose activities like priority targeted intervention for groups at high risks, condom delivery system, preventive intervention through IEC awareness campaigns, establishments of low cost AIDS Care Centres, training and increasing India's capacity for research on HIV/AIDS etc. were required to be undertaken by National AIDS Control Organisation (NACO) and Haryana AIDS Control Society (Society). Review revealed significant weaknesses in the management of the programme. Results of test check of records are discussed below.

3 1 1 1 Introduction

AIDS (Acquired Immuno Deficiency Syndrome) is a fatal disease caused by HIV (Human Immune Deficiency Virus) which is transmitted through sexual contact, sharing blood contaminated needles and syringes, multiple blood transfusion of infected person's blood, transmission from infected mother to child before, during or shortly after the birth. No effective vaccine/medicine had been developed so far to cure AIDS.

The National AIDS Control Programme (NACP) was initiated by the Government of India (GOI) in 1985 in the country in collaboration with Indian Council of Medical Research followed by formulation of programme by the Director General of Health Services (DGHS) GOI in 1987.

Subsequently in order to contain the spread of HIV/AIDS and to gear up the mobilisation against HIV/AIDS, the GOI launched a five year National AIDS Control Project (NACP I) from September 1992 to September 1997 in all the States/UTs with the assistance from World Bank. The project was later extended upto March 1999.

The objectives of the project were (i) to slow down the spread of HIV, (ii) to decrease morbidity and mortality associated with HIV infection and (iii) to minimise socio economic impact resulting from HIV infection.

The GOI launched (November 1999) NACP phase II with the assistance from World Bank for a period ending October 2004 with two key objectives (i) to reduce the spread of HIV infection in India and (ii) to strengthen India's capacity to respond to HIV/AIDS on a long term basis.

In Haryana, first case of HIV positive was detected in Rohtak district in 1989. Since then 162 cases were detected in Haryana and 19 deaths occurred due to AIDS upto March 2001.

3 1 1 2 Organisational set up

The Programme is being implemented in the State through Haryana AIDS Cell headed by a Deputy Director under the control of the Director General of Health Services, Haryana.

(DGHS) with Civil Surgeons as nodal officers at district level since September 1992. In February 1998 the Haryana AIDS Control Society (Society) was registered under the Societies Act 1860. This Society became operational from November 1999 with Financial Commissioner (Health Department) as the President of the governing body assisted by the Project Director. At district level Civil Surgeons managed the implementation of the programme with the assistance of District AIDS Programme coordinators.

3.1.1.3 Audit coverage

Implementation of the Programme during 1996-97 to 2000-2001 was reviewed (November 2000 to April 2001) in the Directorate of Health Services, Haryana AIDS Control Society and 8 out of 19 districts.

Accounts of the Haryana AIDS Control Society were audited by Chartered Accountants appointed by the Comptroller and Auditor General of India (CAG). Audit of the Society was also conducted by the CAG under section 20(1) of the CAG's (Duties, Powers and Conditions of Service) Act, 1971.

Scope of the programme

Activities to be carried out under NACP were as under:

- (i) Priority targeted intervention for groups at high risk
- (ii) Condom delivery system
- (iii) Prevention through IEC, awareness campaigns, voluntary testing and counseling, reducing transmission of disease by blood transfusion and occupational exposure
- (iv) Establishment of low cost AIDS care centres
- (v) Sexually transmitted infection (STI)/HIV/AIDS Sentinel surveillance
- (vi) Training
- (vii) Increasing India's capacity for research on HIV/AIDS
- (viii) Building capacity for monitoring and evaluating programme activities

3.1.1.5 Components/activities covered under the programme

(a) Priority targeted intervention for groups at high risks

The Project aims to reduce the spread of HIV in groups at high risk by identifying target population and providing peer counselling, condom promotion, treatment of sexually transmitted infections (STIs) and client programmes.

Scrutiny revealed that high risk groups were covered in NACP II only from 2000-2001. During 2000-2001, the target of covering 500 commercial sex workers and 20,000 truck drivers was achieved. However, drug users and homosexuals had not been covered as yet. Rs 10.74 lakh were spent by 2 NGOs for covering commercial sex workers and truck drivers against the budget provisions of Rs 21.48 lakh.

(b) *Condom delivery system non functional*

The programme stressed the necessity for condom promotion as protection against the spread of the disease due to unprotected and multi partner sexual activity

The DGHS Haryana purchased 34 indigenous condom vending machines at a cost of Rs 3 33 lakh during 1996 97 after inviting tenders. Inspection of these machines carried out in February 1997 found them to be satisfactory. These machines were then supplied by the firm direct to 17 Civil Surgeons and were installed in March 1997 at public places of importance like bus stands civil hospitals PHC/CHCs etc for commercial sale of condoms. Of the 8 districts test checked 7 Civil Surgeons informed that all the 14 machines installed were not working since their installation. Neither any steps were taken by the State Government/Society to get these replaced/repared despite availability of warranty period of one year nor any investigations were conducted. Thus this part of the programme remained unimplemented.

The department in their written reply stated as under —

(a) *Priority targeted intervention for group high risks*

National AIDS Control Phase II was started in Nov 1999 in which High Risk groups are to be targeted. Before that during NACP I emphasis was on general population. Haryana AIDS Control Society started intervention among high risk group of Truckers/CSW/Migrant labours/Bus drivers/Conductors/Jail inmates since as early as March 2000. As there are no identified groups of intravenous drug users and homosexual in our State these groups can't be targeted in our State as mentioned that only 2 projects of high risk was started in the year 2000 2001 which is not correct. Rather 9 intervention projects were started for covering high risk group and Rs 26 42 312/- was disbursed to these projects and UCs also received for this amount.

(b) *Condom delivery system non functional*

In this regard it is submitted that 34 Condom Vending Machines were purchased by AIDS Control Cell O/o DGHS Haryana during the year 1996 97 and two machines were supplied to each 17 districts and were to be maintained by Civil Surgeons office. These machines were installed at public places of importance like bus stand civil hospitals railway stations truck unions etc. These machines were misused/mishandled by the users and others and repeatedly remained out of order. Letters were communicated by AIDS Cell to the Project Director IPP VII World Bank Project. However all the Civil Surgeons have been repeatedly communicated by the Society to set right these condom vending machines. We are trying to get these machines in working order at the earliest. Condom Delivery System Function is also being promoted to STD clinic VCTC TIs and condom vending machines through TI both social marketing and free delivery of condom being promoted.

During the course of oral examination the Committee desired that responsibility of the official incharge of those machines and the inspecting team should be fixed. The responsibility of the concerned official who is delaying the settlement of this issue with the Company or in the Court should also be fixed within a period of two months under intimation to the Committee and the Financial Commissioner and Principal Secretary promised to do so.

The department vide letter dated 27 10 2006 explained the position but no responsibility as desired by the Committee was fixed. The department may again look into the matter and inform the Committee accordingly.

[4] 3 1 1 6 Preventive intervention for the general community

(a) Information, education and communication and awareness campaigns

No targets were fixed for carrying out information, education and communication (IEC) activities and awareness campaign during 1996-2001 by the State Government as well as by NACO.

Under NACP I, the activities were confined to erecting hoardings on highways/important public places and bus panels.

Under NACP II, IEC activities were taken up by the Society through posters, pamphlets, handbills, stickers, broadcast through All India Radio, ten puppet shows and one mobile show about AIDS Control Programme. Three rounds of family health awareness campaign were also held. As a result of this, awareness level increased upto 60 to 80 per cent in urban areas and 13 to 64 per cent in rural areas during 1996-2001.

It was seen that of Rs. 1.85 crore were spent on IEC activities by the Society during February 1998 to March 2001. Examination of records revealed the following facts:

- (ii) In the case of Civil Surgeon, Faridabad, it was noticed (November 1999) that against the reported supply of 2.50 lakh contact cards (IEC Material) by the Project Director, the Civil Surgeon confirmed the receipt of only 2.10 lakh cards. After getting the matter enquired through Civil Surgeon, Gurgaon, the case was referred to DGHS for disciplinary action (March 2000) but no action had been taken against defaulters (March 2001).

The department in their written reply stated as under —

This irregularity was being inquired by the inquiring committee of Civil Surgeon, Gurgaon and the proceeding is with DGHS for taking action against the erring officials. The case is being followed by reminder No. HACs/Accts / 2001/968 dated 04.05.2001 to DGHS. The case is still pending in DGHS office for enquiry.

During the course of oral examination, it was informed that the enquiry has been completed and it has been decided to charge sheet the concerned officer. The Committee desired that final decision taken in the matter may be informed to the Committee within a period of three months.

[5] 3 1 1 8 Role of voluntary organisations

Thirteen Non Government Organizations (NGOs) were involved in NACP II and Rs. 45.13 lakh (1999-2000), Rs. 16.41 lakh (2000-2001), Rs. 28.72 lakh were paid to these NGOs in the State for taking up various activities like truckers interventions, assessment survey, creating awareness among workers, migrant workers and jail inmates. The work done by NGOs was to be monitored by the Civil Surgeons of the concerned districts, but out of eight districts, test checked four Civil Surgeons informed (January-March 2001) that

they were not aware of any NGOs working in the district. Reports of the working of NGOs were sent to the Society only and not to the Civil Surgeons though an expenditure of Rs 40.16 lakh was incurred by the NGOs during 1999-2001. Thus the work done by NGOs was not being monitored by Civil Surgeons. Emphasis was also laid on the training of NGOs involved. Scrutiny of records revealed that no targets were fixed for training of persons. During 1999-2001 against the target of 31 training programmes, only 2 training programmes were held during this period in which 73 persons were trained.

The department in their written reply stated as under —

In this regard it is to mention that all the Civil Surgeons on whose districts Targeted Interventions were sanctioned it was endorsed with a copy of sanctioned letter. All the Nodal officers during their meeting at Panchkula on 22nd March 2001 were also briefed about the progress made by the NGOs in the Targeted Interventions. Letters were also issued to all the Civil Surgeons to provide bleaching powder, Iron tablets and folic acid tablets or any general medicines if so required by the respective NGOs who are running their Targeted Intervention Projects in concerned districts during FHAC. There was no Targeted Intervention running in Bhiwani district.

Targeted Intervention was started on 1st April 2001. Provision of training was made in the Training component of the budget sanctioned to NGOs. Field induction training to the project staff was to be conducted by the NGOs themselves. One Technical Capacity Building Workshop of all the NGOs was held at Panchkula for a duration of 5 days which was organized by HACS.

The Committee desired that the accounts of the amount given to various NGOs may be got checked and after reconciliation with A.G. (Audit), a detailed report in this regard may be submitted to the Committee.

[6] 3.1.1.9 Training

The DGHS/Society did not fix any targets for persons to be trained during 1996-2001 (except 2000-2001) under the programme. However the Society organised 10 training programmes of 1 to 3 days duration during 2000-2001 in which 1,161 persons (5 per cent) were trained against the target of 22,181 persons after spending Rs. 29 lakh.

The department in their written reply stated as under —

The training could not be completed by March 2001 due to frequent transfers of the District Health Officers/District Nodal Officers. In Jhajar district no programme officer has been posted yet. As per the 4th Executive Committee Meeting of HACS the training action plan is extended from March 2001 to March 2002. The funds were already distributed to all the Civil Surgeons and were asked to complete the training by the time.

During the course of oral examination it was informed that no targets for imparting training was fixed. The Committee desired to know how the target of imparting training to 22,181 persons was fixed and after checking it may be informed to the Committee.

[7] 3 1 2 National Programme for Control of Blindness

The National Programme for Control of Blindness aimed at reducing blindness from 1.4 per cent to 0.3 per cent by 2000 AD. The incidence of blindness was 1.13 per cent at the end of 1999-2000. There was shortfall in achievement of targets by 49 per cent in 8 districts tested. The State Government did not make any efforts for providing Intra ocular lens operations (IOL), setting up of new eye banks, modernisation of operation theatres, establishment of Regional Institute of Ophthalmology and upgradation of medical colleges, district hospitals and to identify unserved areas. Important points noticed during audit were as under:

3 1 2 1 Introduction

National Programme for Control of Blindness (NPCB) a cent per cent Centrally Sponsored Programme was launched in 1976 with the aim to reduce blindness from 1.4 to 0.3 per cent by 2000 AD. The activities in the programme included the establishment of Regional Institutes of Ophthalmology, upgradation of medical colleges and district hospitals, development of mobile eye units, recruitment of required manpower and provision of various ophthalmic services.

To ensure smooth flow of funds and decentralization in implementation of the programme, a District Blindness Control Society (DBCS) in each district of the country was set up from 1994-95. Of the 19 districts in the Haryana State, DBCS had been formed in 17 districts (barring Jhajjar and Fatehabad districts which were being covered by Rohtak and Hisar districts from which these were carved out).

3 1 2 2 Organisational set up

The Commissioner and Secretary to the Government of Haryana, Medical and Health Department is responsible for the overall administrative control, financial management and implementation of the programme. The Deputy Director (Ophthalmic) in the office of DGHS, Haryana was the Controlling Officer and responsible for implementation, monitoring and evaluation of the programme.

At district level, the Deputy Commissioner of the district was the Chairman cum President of the Society, assisted by Civil Surgeon (Vice President), District Programme Manager and other medical para medical staff.

3 1 2 3 Audit coverage

The implementation of the programme during 1996-2001 was reviewed in an audit in 8 out of 19 districts of the State (November 2000 to April 2001).

3 1 2 4 Financial arrangements

The GOI released funds to the State Government for providing infrastructure in the Government hospitals and to the DBCSs for implementation of the programme at district level. The position of funds released to the State Government and to DBCSs

during 1996 2001 was as under —

Year	Funds released by GOI to		Funds released by State Government	Expenditure against the releases by State Government
	Societies	State Government		
(Rupees in lakh)				
1996-97	12 00	—	16 18	9 99
1997 98	55 00	31 75	—	—
1998 99	63 50	32 00	16 00	8 03
1999 2000	55 00	98 52	—	—
2000 2001	N A	112 00	143 79	128 25
Total	185 50	274 27	175 97	146 27

Out of Rs 2 74 crore released by the GOI during 1996 2001 the State Government spent Rs 1 46 crore and retained the balance amount of Rs 1 28 crore (47 per cent) for which reasons were not intimated to audit (March 2001)

The DGHS was unable to supply the details of allocation of funds to the DBCSs and expenditure thereagainst in the State during 1996 2001. The figures supplied by the GOI when compared to the balance sheets of the Societies in the districts test checked showed a difference of Rs 32 lakh in receipt of funds as per details in Appendix XI

- (a) Out of funds of Rs 1 61 crore available with 8 DBCS test checked during 1996 2001 funds to the extent of Rs 17 61 lakh i.e. 11 per cent remained unutilized as on 31st March 2001. Of the funds utilised Grants in aid to voluntary organizations constituted 49 per cent salaries 14 per cent medicines and spectacles 25 per cent contingencies POL etc 7 per cent IEC activities 4 per cent and on training it was only 1 per cent
- (b) The State Government released funds under Plan and Non Plan during 1996 2001 to the tune of Rs 3 19 crore against which expenditure figures had not been intimated by department

The department in their written reply stated as under —

Government of India has sanctioned Rs 273 23 lacs under this programme during the last five years. Out of which Rs 161 82 lacs have been spent after getting the approval of State Govt. and action has been taken for utilisation or remaining unspent amount

During the course of oral examination, the Committee asked for full details of the expenditure and the reasons for non utilization of the amount as stated in the audit para which were not supplied till the finalization of the report

[8] 3 1 2 7 Misutilisation of grants received for mega eye camps

The GOI released Rs 63 50 lakh to Haryana State (13 DBCS and Headquarter) for

organizing mega eye camps on the occasion of 50th Anniversary of India's Independence October 1997 (1st Phase) January to February 1998 (IInd Phase) and February 1999 (IIIrd Phase)

Test check of records revealed that out of Headquarter's share of Rs 3 50 lakh Rs 1 69 lakh were spent out of which records of Rs 0 70 lakh were not available with the department and balance amount of Rs 1 81 lakh was lying unutilized with DBCS Ambala in the shape of FDRs (Rs 1 50 lakh) and cash (Rs 0 31 lakh)

The DGHS did not fix any targets for holding mega eye camps for the 13 districts to which the grant was allocated. However 5 493 cataract operations were performed in 6 out of 8 districts test checked. In the remaining two districts (Kurukshetra and Ambala) funds of Rs 10 lakh allocated for holding mega eye camps were diverted by the Civil Surgeons

The department in their written reply stated as under —

Grant in aid Rs 31 00 000 of Central Assistance under NPCB for DBCS for organising mega eye camps in connection with celebration of 50th Anniversary of India's Independence during the year 1997 98 was utilised following activities —

- a Mass publicity through multimedia at the State Level through Regional DD/AIR/ State publicity units printing advertisement etc
- b Monitoring and supervision of mega eye camps through deputation of Senior Officers to various districts as observers
- c Organising meeting at State HQ where CMOs IPMs NGOs etc would be called to discuss strategies & activities to be undertake during the Mega Camps

During the course of oral examination the Financial Commissioner and Principal Secretary assured the Committee to reconcile the matter with A.G. after showing the complete record

The Committee recommends that the latest position in this regard may be intimated within a period of three months

[9] 3 1 2 10 Purchase of equipment

The GOI released funds of Rs 98 52 lakh (September 1999) to the State Government for purchase of 30 000 intra ocular lenses (IOL) and other equipment. Against this the State Government released Rs 72 29 lakh during December 2000 to February 2001. A scrutiny of records revealed that instead of lowering the quantities in ratio to the budget released the DGHS spent Rs 80 28 lakh resulting into excess expenditure of Rs 7 99 lakh. The excess was met out of funds of Rs 71 50 lakh sanctioned for strengthening and development of ophthalmic cell

Equipment like operating microscope and IOL single pieces were not purchased at all with the result that the facility of IOL operations in the Government hospitals could not be started in the State and the purpose of sanctioning grant by the GOI was defeated

The department in their written reply stated as under —

Out of Rs 72 29 lakh (for the purchase of eye equipments) Rs 68 84 566/ has been spent for the purchase of ophthalmic equipments

During the course of oral examination the Committee desired that the matter of excess expenditure may be reconciled with the A G. office as there seems to be difference in the figures The latest position in this regard may be intimated to the Committee within a period of three months

[10] 3 1 2 11 Renovation and furnishing

The DBCSs did not spend any amount for renovation and furnishing of operation theatres and eye wards particularly on minor repair white washing air conditioning repair of lights and operation theatre furniture etc in any of the districts test checked despite the release of Rs 10 lakh by the GOI during 2000 2001 for the purpose The State Government also did not allot any budget for these purposes

The department in their written reply stated as under —

Rs 70 00 lakh for renovation of eye ward/OT has been distributed to all Civil Surgeons equally

The Committee desired that the responsibility of the persons who did not withdraw the amount and allowed it to lapse be fixed within a period of three months under intimation to the Committee

[11] 3 1 2 13 Training

National Programme Management Cell under the DGHS (GOI) was responsible for imparting training to Doctors/Para Medical Staff at State level The State Programme Manager intimated that out of the 17 persons deputed for training with DGHS only 5 persons actually attended the training Trainings in the districts were to be arranged by the State Programme Manager in association with the DBCSs for health workers para medical staff medical officers nurses operation theatre assistants and school teachers Only one training programme each in 4 districts (Ambala Bhiwani Hisar and Rohtak) for school teachers in 2000 2001 was organised A sum of Rs 4 lakh was provided by the GOI for the purpose but no training was provided by the DGHS during 2000 2001 and the entire amount remained unspent Thus adequate training was not provided to the staff involved in the programme

The department in their written reply stated as under —

Action Plan has been prepared by the State Blindness Control Society for grant in aid to voluntary organisation Training and Monitoring & Evaluation and sent to all Civil Surgeons they are directed to act according to Action Plan

During the course of oral examination the Committee desired to have a copy of guidelines issued by Govt of India in this regard and the departmental representatives promised to supply the same but these were not supplied till the drafting of the report The Committee recommends that the information may be supplied to the Committee within a period of three months

[12] 3 1 3 National Tuberculosis Control Programme

National Tuberculosis Control Programme was launched by Government of India in 1962. The Revised National Tuberculosis Control Programme (RNTCP) was started in October 1993. In Haryana RNTCP was introduced in March 2000 in three districts (Faridabad Gurgaon Sonapat). The department failed to control the increase of TB cases due mainly to absence of survey and lack of supply of medicines as per requirement. Implementation of the programme was unsatisfactory as discussed hereunder.

3 1 3 1 Introduction

To control Tuberculosis (TB) the National Tuberculosis Control Programme (NTCP) was launched by the Government of India (GOI) in 1962. The programme was Centrally sponsored on 50:50 sharing basis and funds were released by the GOI in the shape of both cash and medicine. In 1993 Revised Strategy for National Tuberculosis Control Programme (RNTCP) was evolved with emphasis on cure of infectious cases through administration of short course of chemotherapy to achieve a cure rate of over 85 per cent. In Haryana RNTCP was introduced (March 2000) in three districts viz Faridabad Gurgaon and Sonapat.

Objectives

The long term objective of the programme was to reduce tuberculosis in the community quickly and sufficiently to the levels where it ceased to be a public problem. Under RNTCP the main objectives were (i) to achieve more than 85 per cent cure rate among the new sputum smear positive TB cases registered and (ii) to detect at least 75 per cent of the estimated new sputum smear positive cases.

3 1 3 2 Organisational set up

At the State level the over all responsibility for administration, coordination, monitoring and implementation of the programme rested with the Deputy Director (TB). At the district level District TB Officer was responsible for the organisation of TB activities. The District Tuberculosis Centres (DTCs) were the nodal points for TB control activities in the districts and also functioned as specialized referral centres. Societies were formed and registered in 3 districts (Faridabad Gurgaon and Sonapat) and at State level from 1999-2000 under Societies Registration Act 1860.

3 1 3 3 Audit coverage

Records relating to implementation of the programme covering the period 1996-2001 were reviewed in the office of DGHS, Haryana Panchkula. State level Society and in 8 districts including two Societies at Faridabad and Sonapat out of 19 districts in the State from November 2000 to April 2001. In the districts test checked there were 7 TB Centres out of 12 in the State whose records were test checked during this period.

3 1 3 4 Financial arrangement

Budget allocations/funds released by the GOI/State Government and expenditure thereagainst during last 5 years were as under:

Year	Allocation and release of funds by GOI	Allocation and release of funds by State Government	Expenditure		Total	Savings
			Out of Central share	Out of State share		
1996 97	1 00	1 00	0 38	0 38	0 76	1 24
1997 98	1 25	0 55	Nil	0 63	0 63	1 17
1998 99	0 80	0 10	0 21	0 21	0 42	0 48
1999 2000	0 80	Nil	0 80	Nil	0 80	Nil
2000 2001	0 80	0 80	0 76	Nil	0 76	0 84
Total	4 65	2 45	2 15	1 22	3 37	3 73

In addition to above Anti TB drugs (under hundred *per cent* Centrally sponsored scheme) were also supplied by the GOI directly to District TB Officers from 1997 98. Details of cost of such medicines from 1997 98 to 1999 2000 were not available with the DGHS Haryana. However during 2000 2001 medicines worth Rs 1 21 crore were received in kind from the GOI.

- (a) Against total release of funds of Rs 4 65 crore by the Central Government Rs 2 45 crore (53 *per cent*) only were released by the State Government as their matching share during 1996 2001 i.e. short by 47 *per cent*.
- (b) Against total release of funds of Rs 7 10 crore during 1996-2001 by the Central and the State Governments only Rs 3 37 crore (47 *per cent*) were spent. Balance of Rs 3 73 crore were lying unspent with the State Government.

During 1996 2001 Rs 15 32 crore were also spent under non plan on operation of TB Sanatoria and administering BCG on infants.

Out of total expenditure of Rs 11 19 crore expenditure of Rs 8 60 crore was on salary component which constituted 77 *per cent* of total expenditure during 1996 2001 in 8 districts test checked. It was seen that no expenditure was incurred on training and IEC activities during 1996 2001 though these were important activities in the implementation of NTCP.

The department in their written reply stated as under —

The total amount yearwise received from GOI and State Govt during the year 1996 2001 is given below —

Year	Amt Received from GOI	Amt received from State Govt	Exp GOI	State
1996 97	—	1 Crore	—	7664010
1997 98	44 86 lacs	90 00	—	6320754
1998 99	51 80	44 86	51 80	4102265
1999 2000	74 24	51 80	74 24	7998206
2000 2001	47 23	80 00	47 23	76 00 lac

This is salary amount which has been spent for giving salary to the employee working under the TB programme as State & District level

The Budget resistance only for the purpose for which it has been granted since this is a salary amount so the funds can't be utilized for any other purpose. The funds for training a IEC activities are being released by EOI under RNTCP now these funds are also being utilised for this purpose

It was noticed by the Committee that there was some difference in the amount of saving as pointed out by A.G. and supplied by department. There was also difference in the amount released by the State Govt as its share. The Committee desired that the matter may be reconciled with the A.G. Office, under intimation to the Committee

[13] 3 1 3 8 Training

Position of training imparted by the State TB Officer at National Institute Bangalore and at district centres in the districts test checked was as under

- (a) Targets for imparting training to Medical Officers and para medical staff were not fixed. However training was imparted to 12 Medical Officers and 33 para medical staff from NTI Bangalore during 1996-2001
- (b) Position of training imparted at district centres revealed that against the target of 137 training programmes only 98 training programmes were arranged during 1996-2001 in six districts test checked. In other two districts (Ambala and Kurukshetra) no training was imparted during 1996-2001

The department in their written reply stated as under —

The officers are nominated for under going training at NTI Bangalore. Training is also reported to the staff at State/District level. Refresher course and seminar are also being held at district level

During the course of oral examination, it was informed that there are Associations under the chairmanship of Deputy Commissioner for imparting the training in this regard and the targets are fixed by these Associations. After discussion the Committee desired that a survey to know the number of meetings held under the chairmanship of Deputy Commissioner and the decisions taken in these meetings may be conducted within a period of three months. The departmental representatives promised to do so. No information in this regard was received till the drafting of the report

ARCHITECTURE DEPARTMENT

[14] 3.2 Fraudulent drawals and embezzlement of Government money by a cashier

Failure of the DDO to perform necessary checks provided in financial rules led to embezzlement of Rs 8.25 lakh in the office of the Chief Architect Haryana Chandigarh by the cashier during 1996-2001.

In the Architecture Department the Chief Architect being head of office/department is the Controlling Officer. Under him an Administrative Officer was delegated (during 1985) the powers of Drawing and Disbursing Officer (DDO) upto 1997-98. From 1998-99 onwards an Architect was given the powers of the DDO (as the Administrative Officer was to retire on 31 August 1998 and the post was lying vacant since September 1998). An establishment of 10 officials (superintendent 1, assistants 4, clerks 4 and steno 1) was under the charge of the DDO. No post of Section Officer/Accounts Officer was sanctioned in the department by the Government as of July 2001.

Under the Punjab Financial Rules (PFR) as applicable to Haryana a DDO is authorised to draw bills for payment from a specified treasury on the basis of funds allotted to him by the Controlling Officer as per budget provisions. The drawals are to be made through approved bill forms and amounts disbursed against acquittance after proper accounting in the Cash Book of the DDO recording voucher/sub voucher number and date against each disbursement. Further disbursement was to be made by the person other than the bill clerk so as to ensure internal check through separation of duties which is the basic principle of financial control. The rules *ibid* also provide that all paid vouchers must be stamped 'paid' or 'so cancelled' by the DDO that they cannot be re-used for presenting duplicate claims and that every voucher must bear a pay order signed or initialled in ink with date by the DDO.

During audit of records (April-June 2001) in the office of Chief Architect for the period 1995-2001 it was noticed that in contravention of above provisions one bill clerk cum cashier was assigned dual charge of preparing bills, obtaining signatures of the DDO, getting payment from the treasury/bank and making disbursements. Disbursements were made by the Cashier under attestation by the DDO without cancelling the sub-vouchers/cash memos and verifying the Actual Payees Receipts (APRs) by the DDO as required by rules *ibid*. Failure of the DDO to apply prescribed checks resulted in embezzlement and misappropriation of Rs 8.25 lakh during 1996-2001 as discussed below.

- (i) Payments to the same claimants/firms re-appeared in the Cash Book on different dates/months, one supported with original cash memo and other with photocopy thereof. The cashier continued with this irregular practice undeterred till May 2001. The *modus operandi* adopted by the cashier was that while presenting bills in the prescribed form to the DDO for his signatures he would attach original cash memo of firm/claimant but before presenting into treasury he would detach original bill/cash memo and replace it with photocopy thereof and obtain payment from treasury/bank. Later on when he prepared another bill in the prescribed form of the same amount and same firm/claimant re-used the sub-vouchers/cash memos passed and paid earlier on 535 occasions by tampering with them by making cutting/overwriting to change the number and date of such bills and fraudulently drew Rs 2.69 lakh through 143 contingent bills during 1996-2001.

The amounts so drawn were shown as paid in Cash Book and entries attested by the DDO

When the discrepancy was pointed out in audit (April 2001) the Cashier deposited (April 2001) Rs 0.98 lakh into the treasury. Balance amount of misappropriated funds (Rs 1.71 lakh) was not deposited as of July 2001

- (ii) As laid down in Treasury Rules while drawing funds for contingent expenses the head of office/DDO was required to carefully scrutinise the entries in the contingent register with the sub vouchers, initial them with date and sign the contingent bills after numbering them before presenting at the treasury. Besides as a general rule every departmental payment for whatever purpose must be supported by a voucher setting forth full and clear particulars of the claim. Contrary to these requirements the cashier drew Rs 1.89 lakh through 59 contingent bills (each bill/sub voucher being less than Rs 1,000) during 1996-2001 without attaching supporting sub vouchers/claims of the suppliers including cash memos with the contingent bills. The amounts so drawn were shown as disbursed in the cash book but no APRs in support of payments made were produced to audit. The sub vouchers/claims of suppliers which were of less than Rs 1,000 and therefore to be retained by the DDO with office copies of the contingent bills in terms of Rule 8.2 of PFR Vol. I read with Rule 4.51 of the Punjab Treasury Rules and Subsidiary Treasury Rules were not found attached with the contingent bills and thus the cashier embezzled the amount.
- (iii) As laid down in the PFR Vol. I (Rule 15.2(a) and 2(b) for the purchase of stores an indent duly signed by a responsible officer is required to be issued to the Store Officer/Storekeeper who would obtain orders of the competent authority to purchase the same after following purchase procedure. In total disregard of above system the cashier drew Rs 0.48 lakh against purchase of building material, electrical goods from private firms during 1996-98 on 33 contingent bills though these items were neither indented by the purchase/store branch nor were accounted for in the stock register. This amount too was embezzled.
- (iv) Scrutiny of cash book in audit revealed that Rs 3.00 lakh were shown in the cash book as disbursements by the cashier to claimants/supplier on account of GPF advances (Rs 0.83 lakh), advance for purchase of plot (Rs 1.45 lakh), insurance payment (Rs 0.15 lakh), ex gratia payment (Rs 0.25 lakh) and purchase of ammonia paper (Rs 0.32 lakh) between 9 December 1999 and 31 March 2001. The entries in the cash book were also attested by the DDO though there was no proof to support the disbursement of money having been made to the actual payees. Thus this amount was also embezzled.
- (v) On physical verification of cash conducted by the DDO in the presence of Inspecting Officer of Accountant General (Audit) Haryana on 21 June 2001 against closing balance of Rs 38,120 as per cash book, actual cash (including revenue stamps) of Rs 18,868 only was found in the cash chest. Thus Rs 19,252 were found short in the cash chest. The Chief Architect stated that short cash amounts had been recovered from the cashier (under suspension) on 22 June 2001 and accounted for in the Cash Book.

The embezzlement of Rs 8 251akh during 1996 2001 was facilitated due to

- (i) Non segregation of duties of preparation of bills drawing cash and disbursement of the cash which facilitated manipulation of records and non detection of the fraud for a long period
- (ii) Failure in conducting periodical review of the cash accounts by the DDO/ Controlling Officer and thus not detecting the manipulation of records and fraud by the cashier
- (iii) Non observing the prescribed control by the DDO against fraudulent drawals viz not cancelling the sub vouchers approving bills without necessary details attesting cash book entries without payment details and repeatedly signing bills without proper verification
- (iv) Subverting the prescribed procedure by the clerk and to indulge in preparation of fraudulent bills presenting in the treasury and collecting their amounts etc
- (v) Failure in conducting proper check by the Treasury Officer while passing bills for payment even exceeding Rs 1 000 on photocopies and without complete details on the contingent bill form recorded by the DDO
- (vi) Absence of overall financial control of the Controlling Officer

The Chief Architect admitted (July 2001) the facts and stated that the Cashier had been suspended (May 2001) while action against the DDOs was to be taken by the Government First Information Report (FIR) was lodged with the Police in August 2001 Further developments were awaited

The matter was rererred to the Commissioner and Secretary to the Government of Haryana Architecture Department and Finance Department in July 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

As suggested by Audit party effective steps have been taken for periodical checks of the cases by D D O in cancellation of the vouchers by the D D O attesting cash book entries by verifying the APR/relevant documents periodical checking of cash accounts CTR s being verified from treasury officer & collection of the treasury vouchers regularly from Treasury officer

As pointed out by Audit the recovery in respect of washing allowance paid to Mrs Jeewanti Devi Rakesh Kumar & Sunil Singh Peons amounting to Rs 485/- 1020/ 978/ respectively during the period from Oct 1998 to March 2001 has been deducted/recovered from the salary of the Employees from the March of May 2001 to Feb 2002

The drivers have also deposited the amount on account of short accountal of petrol as brought out in interim Audit report

During the course of oral examination, it was informed that the matter of embezzlement was investigated by Police and the same is now in the Court and the case is now listed in March 2007. The department is in the process of reconciliation of figures of the embezzled amount so that they can present the case before the court in a proper manner and the Department may be given time upto middle of March, 2007. The Committee agreed to the same. The Committee further observed that official who was involved in these embezzlements during the period was working prior to this period. Therefore from the day of his appointment his accounts should be checked. The Committee also directed the A.G. office that they should check the records of the official who was involved in this embezzlement relating to the period prior to 1996 from the date of his appointment.

The Committee desired that the Department should complete the whole process at the earliest and thereafter a compliance report be sent to the Committee for its information within a period of three months.

ANIMAL HUSBANDRY DEPARTMENT

[15] 3.3 Avoidable expenditure

Non disposal of unproductive cattle led to unnecessary expenditure of Rs 44.60 lakh on their feed and maintenance during 1996-2001

The Stock Cattle Breeding Project, Sector II, Hisar was engaged in cross breeding indigenous Haryana Sahiwal and Tharparkar Cattle breeds with exotic foreign Jersey and Holstein Friesian breeds for supplying crossbred heifers and bulls to the cattle owners in the State.

To avoid unnecessary expenditure on the maintenance of unproductive cattle, the Sector Superintendent asked (May 1996) the Director Animal Husbandry, Haryana for sanction for mass culling of 198 unproductive cattle at the Sector. The Director did not accord sanction and in August 1998, the Sector Superintendent again forwarded a revised list of 187 such cattle for disposal through mass culling. However, no decision was taken even then. In February 2000, Haryana Livestock Development Board (Board) was formed and a committee was constituted in March 2000 for culling of unproductive cattle. Of the 187 cattle declared unproductive in August 1998, 16 cattle died, 95 cattle of defective animal category were culled and auctioned and 76 cattle were still at the farm (December 2001).

Thus, due to non disposal of unproductive cattle in time, the department had to unnecessarily spend Rs 44.60 lakh on the feed and maintenance of these cattle during June 1996 to July 2001. The average monthly expenditure on this account for 76 cattle was Rs 0.32 lakh¹⁴ or approximately Rs 5.115 per cattle per year.

The Director Animal Husbandry stated (June 2001) that the Government constituted (May 2001) a mass culling/auction committee which had full powers to cull and auction such animals to avoid unnecessary expenditure being incurred upon their feed and maintenance etc. Further developments were awaited (July 2001).

The matter was referred to the Government in July 2001; their reply had not been received (August 2001).

The department in their written reply stated as under —

In this regard, it is submitted that looking after the cows remains the socio-religious duty as well as responsibility of the Department vis-à-vis Government. Thus, no expenditure incurred for looking after the cows in a welfare state like Haryana is avoidable. It may be pertinent to mention that the department is meeting expenditure for looking after 150-200 sterile unproductive, diseased cows in Gosadan and similarly the Govt. has been kind enough to release grants regularly for the Registered Gaushala in the state. As per cow slaughter act, no cow can be put to sleep. These cows have to be fed whatsoever disease, ailments or production status these may have.

Classifying the cows maintained at Sector 2 as unproductive may not be correct. At the most, these animals can be said to be not very high producing. The daily milk yield of these animals ranged from 4 kg to 11.5 kg. The milk produced at Sector 2 during the period 1996 to 2001 was sold for a sum of Rs 87.39 lakhs (annexure 1) and receipts deposited in Government Head. Similarly, these animals

had normal reproductive performance i.e. giving birth to healthy viable calves. Thus there has been no wasteful/avoidable expenditure.

It is further added that these cows were fed according to their actual production level and as per approved feeding schedule. For example, a cow yielding 11.5 kg milk was fed 4 kg concentrate mixture daily while a cow yielding 4 kg milk got one kg of concentrate mixture in addition to the maintenance requirement. It is evident that there has been no wasteful expenditure. The main reason for disposing off these cows from Sector II was to establish Murrah Buffalo Bull Motner Farm at this Sector. In the recent past there has been a downward trend in cattle population and a decrease in the preference for crossbred cattle by the breeders in the State. It was felt that crossbred herd maintained at Sector-III would be able to meet the decreasing (small) demand of crossbred bulls in the State. Thus the Cows at Sector II even of normal production level were disposed off to use the land and resources at Sector-II for buffalo breeding. There has been no loss or negligence on the part of any officials or officer. All the required procedures regarding (i) to get the animals declared surplus (ii) fixing of their reserve price (iii) sale through public auction were strictly followed. No Buffaloes were purchased until 2001. Hence there has been no loss on this account as well. Presently all the cows at Sector II have been disposed off and a Murrah Buffalo Bull Farm is already functional at Sector II to meet the demand of highly meritorious male germplasm. The details of animals auctioned is included in Annexure I.

During the course of oral examination the Committee desired the department to supply the following information —

- (i) Area of land in Govt. Livestock Farm, Hisar
- (ii) Area of land earmarked for keeping the animal/cows
- (iii) Aim of maintaining the herds
- (iv) Total expenditure incurred on them
- (v) Strength of manpower being used there
- (vi) Results achieved
- (vii) Bulls produced therein
- (viii) No. of bulls sold and the place of selling together with the amount so received

The above information was to be supplied but no such information was supplied till the drafting of the report. The Committee desired that the same may be supplied within a period of three months.

[16] 3.4 Non-recovery of cost of land

Rs 21.96 lakh could not be recovered from unauthorised occupants.

In July 1995 the Government decided to provide proprietary rights for 61 acre 5 kanal and 14 marla of land at Government Live Stock Farm (GLF) Hisar at the rate of Rs 40,000 per acre to 11 tenants who were actually in possession of the leased land. The amount was to be recovered in four equal six monthly instalments and the first instalment was to be paid

within one month of the offer. Since one tenant was holding land exceeding 50 kanal a case for eviction was pending in court against him. Thus only 10 tenants were to be given proprietary rights.

Before conferring proprietary rights and effecting recovery from the occupants the records of said land was required to be transferred to the Deputy Commissioner (DC) Hisar by GLF/Government. Scrutiny of records of the Chief Superintendent GLF at Hisar revealed that no action was taken by the GLF/Government to transfer the records of the land to DC Hisar. In September 1998 the Director Animal Husbandry Department requested the Government for according sanction to transfer the records of land. The sanction was still awaited (June 2001).

The Director Animal Husbandry again requested (June 2001) the Government to transfer the records of land and also to revise the rates of land for recovery at the prevailing market trend as almost six years had elapsed. Further developments were awaited (July 2001).

Thus transfer of records of land was not effected for 6 years and the cost of land for Rs 21.96 lakh was not recovered from the unauthorised occupants.

The matter was referred to the Government in April 2001. Their reply had not been received (August 2001).

The department in their written reply stated as under —

An reply to the observations raised by the Committee it is submitted that the Bhakhra Canal was commissioned in Hisar district during 1952-53. At that time Government livestock Farm Hisar had 39822 Acres of land most of which was laying as barren or uncultivated. To utilize the land as well as the canal water the Government decided to lease out plots of 12.5 Acres size to each tenant for one year on the basis one third share of the produce. The lease was later extended year to year up to 1964.

In the year 1965 the Government decided to extend the lease for one year but the size of plot was reduced (Halved) to 6.25 Acres (from 12.5 acres) including the and (if any) owned by the tenant. This agreement continued until 1969.

In the year 1970 the State Government decided to discontinue the above scheme of leasing land on sharing of produce and decided to dispossess all the tenants from the land of Government Livestock Farm. At that time there were 410 such tenants.

These tenants appealed in the courts of Collector/Commissioner/High Court etc. against the decision of the Government but without any success. In spite of all our efforts by the authorities the possession of land could not be taken back except from 15 tenants. However the tenants continued their efforts to get proprietary rights of the land in their possession. The Government decided to give proprietary rights to 373 tenants who filed an affidavit with the Deputy Commissioner and fulfilled certain other stipulated conditions.

The Government decided to give proprietary rights of land to eleven out of the remaining 22 tenants in the year 1995 vide its order No. 8498 dated 5.7.1995 addressed to Deputy Commissioner Hisar who was required to recover cost @ Rs. 40,000 (per acre) of land and give proprietary rights to the tenants as per Government orders as

that office has done previously in the case of 373 tenants in the year 1982. Thus the responsibility of recovering cost of land lied with the office of Deputy Commissioner and not the Animal husbandry Department. Any information desired by Deputy Commissioner is always promptly supplied.

The list of above 11 tenants is enclosed at Annexure II. Among these tenants Sh. Puran Singh and Sh. Karam Singh a Sr. No 9 had already been given the rights under the 1982 scheme. The Deputy Commissioner, Hisar has taken up the matter to get back the possession of excess land from the above tenants through legal means. In addition to Sh. Puran Singh (Sr. No 9) who has 50 Kanals of excess land Smt. Shanti Devi w/o Sh. Gobind Singh (Sr. No 5) possesses 19 Marlas of land in excess of 50 Kanals.

The Director General, Animal Husbandry & Dairying, Haryana has proposed vide letter No. 14591 dated 30.8.2006 to increase the rate of land to Rs. 4.00 lacs per acre as fixed by the Collector, Hisar. Hence by recovering the cost of land at revised rate of Rs. 4.00 lacs instead of Rs. 40,000 (per acre) the earlier rate there would be no loss to the Government.

No land has been allotted to any tenant during the last 15-20 years. The list of parties/institutions/societies etc. who have been given land belonging to Government livestock Farm during the last 15-20 years is enclosed at Annexure-III.

The case for sanction to transfer land and records to the Deputy Commissioner, Hisar is presently under the active consideration of the Government.

After scrutinizing the reply received from the department the Committee desired that the case for sanction to transfer land and records to the Deputy Commissioner Hisar may be got decided /settled within a period of three months, under intimation to the Committee.

CO-OPERATIVE DEPARTMENT

[17] 3 5 Non responsiveness to Audit findings and observations resulting in erosion of accountability

Accountant General (Audit) AG (Audit) conducts 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. Following these inspections Inspection Reports (IRs) are issued to the Heads of offices inspected with a copy to the next higher authorities. The Government rules etc. provide for prompt response by the executive to the IRs issued by the AG to ensure corrective action and accountability for the deficiencies lapses etc. noticed during his inspection. The Heads of offices and next higher authorities are required to rectify the defects and omissions promptly and report their compliance to the AG.

Serious irregularities are also brought to the notice of the Heads of the Department by the office of the AG (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.

Out of Inspection Reports issued upto June 2001 to 45 offices of Co operative Department 239 paragraphs relating to 88 IRs remained outstanding at the end of June 2001. Of these 10 IRs containing 17 paragraphs had not been settled for more than 10 years. Year wise position of the outstanding IRs and paragraphs are detailed in the Appendix XIII. A review of the IRs revealed that the response of the department for submitting the replies was very poor and wherever submitted these were incomplete as a result of which these could not be settled. 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 21 IRs issued between September 1997 and July 2000. As a result the following serious irregularities commented upon in these IRs had not been settled as of June 2001.

Sr	Nature of irregularities	Number of paragraphs	Amount (Rupees in crore)
1	2	3	4
1	Non retirement of invested money	3	7.57
2	Non obtaining/non production of utilisation certificate in respect of loan share capital and subsidy sanctioned to the various co-operative institution and wanting APR s/share value certificate	18	173.15
3	Non recovery/short recovery of principal/loan and interest and non refund of money/audit fee/avoidable liability of loan interest	52	186.42
4	Misutilisation/non utilisation of scooter advance/subsidy	8	3.09
5	Non production of records/irregularity in TA register 13		
6	Excess/irregular/wasteful expenditure on salaries/LTC/T A/ Daily wages interim relief?small family norm	35	1.12

1	2	3	4
7	Non recovery/non retirement of share capital of the investment made in various co operative institutions and irregular investment in share capital	28	234 23
8	Non disposal of condemned surplus store/ molasses/unserviceable articles	8	13 02
9	Misutilisation of telephone/Government money and uneconomical expenditure on hiring of electric fan and excess payment of electricity	8	0 02
10	Irregular retention of Government money/ loan/release of fund/blockade of fund and excess expenditure over budget	19	57 59
11	Miscellaneous expenditure/cash book	47	58 04
Total		239	734 25

A review of the pending IRs relating to Co operative Department revealed that concerned Heads of offices whose records were inspected and the Registrar Co operative Societies 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. The Secretary Co operative 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 the Government though these were pointed out in audit.

It is recommended that the 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 the Government in June 2001 their reply had not been received (August 2001).

The department in their written reply stated as under —

The office has reconciled the pending audit paras with Accountant General Haryana. The year wise break up is as under —

Year wise position of settled & balance Inspection Report & Paragraphs as on 31 8 2003

Year	As per C A G Report		Settled as on 31 8 2003		Balance as on 31 8-2003	
	IRS	Para	IRS	Para	IRs	Para
1	2	3	4	5	6	7
Upto 1999	7	8	3	4	4	4
90 91	3	9	1	3	2	6
91 92	6	8	4	4	2	4

1	2	3	4	5	6	7
92 93	3	5	-	1	3	4
93 94	3	7			3	7
94 95	2	9		1	2	8
95 96	14	26	7	15	7	11
96 97	3	9		4	3	5
97 98	16	44	4	16	12	28
98 99	4	19		7	4	12
99 2000	13	55		22	13	33
2000 01	13	37	6	24	7	13
2001 02	1	3			1	3
Total	88	239	25	101	63	138

The recommendation made by the A G in the (a) (b) & (c) has been perused and field officials have been asked to send their replies of IRs/paras as per time schedule & promptly in future direct to the A G with information to this office NO case as mentioned in (b) exists in our offices So for the (c) is concerned the audit committee meeting to review the old audit paras were held at Karnal & Rohtak in the month of Feb 2003 along with A G party In the meeting 140 outstanding paras were reviewed out of which 66 paras have been settled

After hearing the departmental representatives, the Committee observed that there was laxity on the part of the department in the matter of re conciliation and the system of re-conciliation needed to be streamlined Therefore the Committee recommends that an effective re-conciliatory system be evolved so that large number of paras should not come before the Committee As regards the outstanding inspection reports and paragraphs shown in this para exercise to settle these paras may be undertaken at the earliest and a compliance report in this regard be sent to the Committee within a period of three months

EDUCATION DEPARTMENT

[18] 3 6 Unutilised girls hostel

Rs 60 19 lakh spent on the construction of girls hostel and principal's residence remained unoccupied by girls and the principals for 5 years due to their remote location

The Government of India (GOI) sanctioned a *cent per cent* Centrally sponsored scheme for setting up of six District Institutes of Education and Training (DIET) in the rural areas of Haryana to improve elementary education. As part of this scheme six girls hostels and Principals' residences at Birhikalan and Mohindergarh were constructed at a cost of Rs 1 72¹⁵ crore and handed over to the Education Department during 1994 96.

Records of the Principals of these DIET's institutes revealed that girls hostels at Birhikalan Iccus and principal's residence at Birhikalan constructed at a cost of Rs 60 19 lakh remained unoccupied as of July 2001 since their construction. Though there was a provision for construction of boundary wall for girls hostel, no such boundary wall was constructed except at Ding and Mohra. Instead Rs 1 40 lakh were spent at Birhikalan on the construction of internal roads for which there was no provision. The girls hostels at other four institutions were occupied by the boys with the permission of the Director Secondary Education and Principal's residence at Mohindergarh was occupied by a lecturer.

The Principals of these DIET's stated (February June 2001) that as the location of the hostels/residences was in remote locality and lady wardens were not available, no girl student was interested in staying in the hostel. The Principal's residence also remained unoccupied due to same reasons. The Director Secondary Education Haryana also admitted (August 2001) the facts and stated that the girls hostels and principal's residences could not be utilised due to non-availability of basic amenities. Evidently the hostels etc. were constructed without assessing their viability and thus no girls or the principals stayed there.

Consequently Rs 60 19 lakh spent on their construction were rendered unfruitful.

The matter was referred to the Government in April 2001. Their reply had not been received (August 2001).

The department in their written reply stated as under —

This amount was placed at the disposal of P W D (B&R) Haryana for construction of building on the basis of design prepared by Govt. of India. The main reason of remaining unoccupied of Principal's residence at DIET Birhikalan up to July 2001 and Girls Hostel at Birhi Kalan and Iccus was that Principal and Girls Students were not ready to live there as these are situated at far off places and the Girls students were mainly resident of nearby Villages/Places. Neither there is Women Hostel Warden. Efforts are being made to utilize these hostel/buildings. So far as incurring of expenditure of Rs 1 40 lakh on the construction of internal road in Birhikalan is concerned, the relevant information is still wanted from PWD (B&R) Haryana.

The information regarding construction of boundary walls in DIET's except Ding and Mohra has been sought from PWD (B&R) which is still awaited.

The Committee was not satisfied with the reply given by the Department and therefore, the Committee conducted on the spot study of the DIET Birhi Kalan District

Bhiwani, where the Girls Hostel was lying unutilized. The Committee discussed the matter with the Principal of the said institute and found that in addition to the Girls Hostel, other science materials/lab equipments were also lying unutilized since long. The condition of the rooms of the Girls Hostel was also not satisfactory at all. Thereafter, the Committee also discussed this matter with the Financial Commissioner and Principal Secretary to Government, Haryana Education Department in detail. After hearing the departmental representatives, the Committee is of the view that the whole matter needs thorough investigation. Therefore, the Committee recommends that the Financial Commissioner and Principal Secretary to Government, Haryana, Education Department should look into the whole matter at his personal level and a report in this regard be submitted to the Committee within a period of three months.

TECHNICAL EDUCATION DEPARTMENT

STORES AND STOCK

[19] 5 1 Technical Education Department

1 Records relating to procurement utilisation and management of stores for the period 1996-2001 in the office of Director of Technical Education (DTE) and 9¹ out of 17 Government Polytechnics/Institutes (GP) in the State were test checked between February and April 2001. During 1996-2001 purchases worth Rs 44.82 crore were made by the department of which purchases of Rs 20.73 crore (made during 1999-2000) consisting of machinery and equipment (M&E) computers, photocopiers, furniture, fixtures, vehicles, books, etc. were test checked in audit. Important points noticed are discussed below.

2 *Store accounts and its procurement*

Stores and stock items were procured mainly under World Bank Project during 1991-2000 by the State Project Implementation Unit (SPIU) through State Level Purchase Committee (SLPC). The requirement of stores was assessed on the basis of students available for respective trades/courses.

3 *Excess/unnecessary purchases from World Bank aided Project funds*

(i) *Photocopiers*

Norms for Polytechnics prescribed (August 1990) by All India Council for Technical Education, New Delhi, provide for one photocopier in each Polytechnic/Institute. It was noticed that the DTE purchased 51 photocopiers (34 in March 1999 and 17 in June 1999) for Rs 62.82 lakh though only 17 photocopiers were needed, one for each Polytechnic. Of these 7 photocopiers were retained in DTE office, 3 each were sent to 12 GPs and 2 each in four Government aided Polytechnics against the prescribed norms of one each. In 9 GPs test checked these photocopiers were found to be lying unused in the stores.

Thus, 34 photocopiers were unnecessarily purchased without actual requirement at an avoidable expenditure of Rs 45.18 lakh. The matter calls for investigation.

(ii) *Computers*

(a) To improve the efficiency and quality of Technical Education, DTE purchased 749 computers (during 1992-2000) against the requirement of 851². Of these only 684 computers were issued to various polytechnics whereas 65 computers were retained in DTE office against the requirement of only 10. Of 65 computers, 20 computers valuing Rs 15.88 lakh were unauthorisely transferred to (i) National Information Centre, 15 (ii) the then Administrative Secretaries of the department, 3 (iii) Principal Secretary to the Chief Minister, 1 and (iv) Haryana State Electronics Development Corporation Limited, 1 by DTE on the orders of the Secretary to the Government of Haryana, Technical Education Department without realising any cost.

(b) Out of 749 computers, 631 were purchased during 1999-2000 at a cost of Rs 3.41 crore. Of these, 246 computers were of Pentium III with latest technology available at that time and balance 385 costing Rs 1.96 crore were of Pentium II.

and multimedia PC of outdated technology There was nothing on records to show as to why the DTE purchased outdated models when the models with new technology were available

(iii) Furniture

In 3 Polytechnics (GP Sirsa GPW Sirsa and Ambala) 403 items of furniture valuing Rs 2 99 lakh purchased between September 1998 and October 1999 were lying unutilised in the stores/stocks as of April 2001 resulting in blockade of funds of Rs 2 99 lakh since 1998-99

(iv) Eight Bench Drilling machines meant for practical training in Mechanical Engineering Trade purchased for Rs 0 97 lakh in June 1999 and issued to GPW Sirsa were lying unused in Sirsa as there was no such trade in GPW Sirsa No action to transfer these machines elsewhere was taken (April 2001)

(v) Purchase of sub standard machinery

- (i) One Co ordinate Measuring machine was purchased (October 1999) from firm A at a cost of Rs 10 78 lakh The machine was temporarily installed in GP Jhajjar with the help of old compressor of the Institute When the machine was put to use with the help of new compressor unit attached to the machine it did not work properly as the compressor could not generate a constant pressure The final payment was released (May 2000) to the supplier without removal of defects in the machine Incharge Metrology Laboratory GP Jhajjar intimated (April 2001) that the matter was under correspondence with the firm
- (ii) An All Geared Centre Lathe Machine costing Rs 2 95 lakh was purchased and received in GP Nilokheri in January 1999 When opened (February 1999) for demonstration and commissioning it was found sub-standard defective and short of accessories As a result the machine could not be installed and remained unused (April 2001) Principal GP Nilokheri intimated (April 2001) that sub-standard/broken accessories had not been replaced by the firm and 10 per cent payment (Rs 0 28 lakh) was not released

4 Non use of stores due to lack of monitoring

(i) 120 items such as weighing machines laboratory compressors generating sets computers milling coordination lathe grinding machines angle dekkor etc valuing Rs 1 48 crore (purchased between October 1997 and October 2000) were lying idle due to non availability of operators/trainers (7 Rs 0 35 crore) for want of minor repairs (97 Rs 1 06 crore) and due to non installation (16 Rs 0 07 crore) for the period ranging from 6 months to 40 months from the dates of purchase of these machines No steps had been taken to make use of these items resulting in blocking of Rs 1 48 crore due to lack of monitoring at DTE level

(ii) Though the practical exercises and demonstrations in Chemistry and Physics subjects in first and second semesters were abolished (July 1999) in 7³ out of 9 Polytechnics test checked 2 859 surplus equipment/instruments valuing Rs 6 45 lakh were neither transferred nor disposed of (April 2001)

(iii) 1 343 items of M&E furniture and books etc valuing Rs 12 46 lakh were rendered unserviceable between July 1961 and May 1996 No action either to make them serviceable

by repairs or get them condemned and their disposal was taken (April 2001)

5 Losses/thefts

In four Institutions (GP Adampur Nilokheri GPW Sirsa and GIET Hisar) 20 store/ machinery items such as computer system air conditioner photographic enlarger etc valuing Rs 3 39 lakh were found stolen from stores/offices wing March 1981 to May 2000

The theft/loss cases were either pending in the courts or awaiting final reports from the Police In GPW Sirsa for theft of Cassette Disc Writer costing Rs 0 33 lakh even FIR was not lodged with the Police (April 2001) The thefts were also not reported to the Accountant General (April 2001) as required under the rules and no departmental enquiry was initiated in any case

6 Non conducting of Physical verification and non maintenance of proper record

(a) There is no proper inventory of stores and stock and physical verification of these items was not carried out regularly as required under the rules In some cases partial verification of respective stores was conducted As a result the correctness of the items in the store could not be vouched safed and the variation between book balances and actual availability of store items could not be ascertained

The matter was referred (June 2001) to the Government their reply had not been received (August 2001)

The department in their written reply stated as under —

Cases of purchase of consumable and non consumable stores of value of Rs 5 00 lacs or more worth Rs 16 25 crore have been submitted to the Accountant General Haryana by the concerned DDOs in the prescribed proforma No further comments thereon have been received from that office

NPIU vide letter No CR/MOD Lib/98/9655 dated 23 2 98 provided Rs 1 0 million for each polytechnic exclusively for modernization of Libraries enclosing a list of equipments to be procured for this purpose (Annexure I) in addition to 17 No of photocopiers for administrative purpose in the institutes The matter was placed before the State Level Purchase Committee and Empowered Committee for approval where it was decided to float the tenders after reviewing the matter with Hartron (annexure II) Hartron prepared the specification and also revised the list whereby the total equipment to be purchased was upgraded/increased which was finally approved by the then FCTE (Annexure-III) The revised list is placed as Annexure IV as per which 2 No of photocopiers for each polytechnic were recommended for the modernization of libraries as large volume of reference material is to be photocopied for the use of students as well as faculty members Thus there was no excess purchase of photocopier as observed by audit in the para The purchase was made as per actual requirement under directions of Govt of India/NPIU The criteria cannot be fixed so far as use of computers in the directorate is concerned as mentioned by the audit because needs and workings of the directorate office are entirely different from an education institute and rather it is need based which is decided as per actual requirement from time to time for the smooth functioning of the directorate However as already clarified vide this office memo no 330/CT dated 3 5 2001 to AG office the total requirement of all the branches/offices was more than 75 computers (list enclosed at Annexure V) but in the State Level purchase committee it was decided to manage for the time being with the computers available

It is intimated that 385 No of Pentium II computers were purchased in Tender No LCB 12 35 & 38 Tender Notices were issued on 20 7 98 for Tender LCB-12 & 16 11 98 for tender LCB-35 & 38 Pentium III computer were purchased under tender No LCB 67 & 71 for which tender notification were issued on 17 2 99 and 26 8 99 respectively It is clarified that computer technology is changing rapidly Pentium III computers came in the market in 1999 and accordingly purchase of Pentium III computers were initiated whereas purchase of Pentium II was initiated in the year 1998 Hence it is wrong to state that Pentium II computers were purchased when Pentium III were available Moreover Pentium-II cannot be branded as outdated technology as intended purpose for which they were purchased is still being served and are in use even now The difference between Pentium-II & III lies in the clock speed only which does not materialistically affects large No of application except graphics As per market trends the clock speed of the computer processor change within two-three months normally The position in respect of Furniture Articles stated to be lying unutilized in the store is explained as under in respect of three concerned Polytechnics mentioned in the audit para

(a) G.P Sirsa

- (i) 74 Armless Chairs are being used in the Examination Hall
- (ii) 40 Computer Chairs are being used in the Conference Hall
- (iii) 9 Tables are being used in the different labs

No furniture article is lying unutilized The entire articles were purchased as per actual requirement and the same are being fully utilized

(b) GPW Sirsa

- (i) Out of 73 Chairs with/without arms 45 are being used in the girls common room and for examination purpose The remaining 28 are being used in various offices of the concerned departments/labs of the institute
- (ii) Out of 26 D Chairs 18 are being used in the 3 computer centers for training of the students 4 are being used in conference hall 2 are being used in IIC 1 in Principal Office and 1 is being used in head of the department office of the institute
- (iii) Out of 11 Executive/ Cushion Chairs 9 are being used in the offices of HOD and 2 are being used in conference hall of the institute
- (iv) 60 nos Dual Drawing Board were purchased against GPW Fbd Now although the classes of GPW Fbd have been shifted to their own campus but the Dual Drawing Board so purchased are still required at GPW Sirsa due to introduction of new diploma course in IT and increase in the intake of existing diploma courses in computer electronics and architecture from 30 to 40 The total increase intake now is 70 seats therefore these boards are actually required for the training of the students of GPW Sirsa and have been got formally transferred to the stock of GPW Sirsa from GPW Faridabad
- (v) 60 No Drawing Stand are being used in the institute alongwith drawing board shown at Sr No 4 above and the same have also been formally transferred to the stock record of the institute from GPW Faridabad

(vi) 1 No Filling Cabinet is already being used in the main office of the institute

In this regard it is submitted that the test check of this institute was conducted in April 2001 when no class goes for practical training in the workshop. As per the revised curriculum practical classes in the workshop are held only in the first semester. The students of first semester classes are given practical training in various shops such as fitting shop, welding shop, sheet-metal shop, machine shop and wiring shop. The drilling machines are used for giving training to the students in these shops.

Besides this these machines are also used for project work of the students & maintenance work of this institution as and when required. As such these machines are being used for imparting practical training to the students and maintenance work of this institution.

During the visit of the engineer of the said firm in April 2001 it was found that there was fault in the 3 D coordinate machine only the compressor unit was faulty which was procured by the institute locally and the same has been got repaired within the warranty period without making any extra payment. So the contention of the audit is not true that the payment to the firm was made without removal of the faults.

It is intimated that when the representative of the supplier visited this institute on 24.1.2000 for the installation/commissioning of the machine then it was noticed that the accessories were sub standard, some parts found broken but the machine was got installed/commissioned after minor repairs of the broken parts with the accessories supplied. The cost of the sub-standard accessories was calculated by the committee of the staff members which worked out to be Rs. 30,000/- which has been adjusted against the 10% balance payment of the firm. As such this payment was not made to the firm and there was no loss to the Government because no extra parts were purchased. The machine is in working condition and being used for the training of the students.

Actually the machine was installed and commissioned on 24.1.2000 as such the observation of the audit that it remained unused upto April 2001 is not tenable and there is neither any financial loss nor loss of students training as the machine is perfectly in working order.

Most of the M&E articles pointed out in audit para have been put to use after carrying out minor repairs and get installed by the concerned institutions. The machinery purchased are already being used by the teaching personnels after being trained for running of these machines. Separate operators/trainers were not required for operation of such machines. The Institution wise position of each item is given in the enclosed Annexure A.

In view of position explained above this para may kindly be dropped. According to revised curriculum the structure of three years Diploma Courses in various Engg. trades, the practical exercises and demonstrations in Chemistry and Physics subject in first and second semester were abolished in the session starting from 1999-2000. The audit has observed that 2859 equipments/instruments etc. have become surplus. In this regard it is submitted that out of 2859 items most of the items have become redundant due to wear and tear in the passage of time and the remaining items are of no use for the department as per revised curriculum. There are no takers of these items at present. However matter has been taken up with the Education Department for taking over of any useful items out of the balance items.

After completion of required formalities the balance items will be disposed off

All the Principals were directed to take immediate action for disposal of unserviceable items lying in the store in their institutions. In compliance of this most of the items of M&E furniture, books etc. as detailed in para have been disposed off and the remaining are under the process of writing off.

The institution wise position of losses/thefts cases is given as under —

(a) G.P. Adampur

One computer was found stolen from the institution alongwith accessories valuing Rs 65000/- for which FIR was lodged with the police authorities on 11.1.2000 and its intimation was also sent to the Head Office and Accountant General Haryana. However the police authorities reported on 20.8.2000 after investigation that the item is untraceable. The departmental officers committee was also constituted by the Principal to investigate the facts which concluded that four chowkidars detailed on duty were responsible for negligence of duty hence the amount of Rs. 65000/- may be recovered from them proportionately. Further action in the matter is being taken accordingly.

(b) G. P. Nilokheri

Position of theft/loss cases is given as under —

(i) Theft of computer and loss of Rs 112341

One computer from the old computer lab of the old workshop block was stolen by the culprits in the month of April 2000. The matter was reported to the Police Station vide office memo no M-4/3238 dated 17.4.2000 for further investigation and recovery of the stolen material. The culprits have already been nabbed and the part material has been recovered and taken on superdani. The matter is under correspondence with the local police for the recovery of the balance part of the computer. However the case is now pending in Hon ble Court awaiting decision.

(ii) Theft of A.C.

Theft of A.C. of 1.5 ton capacity from the old computer center had occurred in the month of August 1997 and the matter was reported to the police. As a result of police investigation the stolen item has been recovered from the culprit and taken on superdani. However the case is pending in Hon ble Court for final decision.

(iii) Theft of Brass handles

The investigation have been completed and matter stands decided vide this office order No 504 dated 6.11.2000. As per decision the cost of the material amounting to Rs 3650/- has been recovered beside stoppage of two increments of the delinquent official as a departmental action.

(iv) Theft of Camera, Photographic enlarger etc relating to audio visual unit

The matter was investigated by the institute but no clue was made out. There were two chowkidars on duty during that period but both have since been retired from Government service. Necessary action for writing off the amount of Rs 2505/- is under consideration with the directorate.

(v) Theft of Audio Visual Aid Cell amount to Rs 3434/-

A theft in the audio visual aid cell of this institute took place on 30 9 84. An FIR was lodged with the police and matter was investigated by the Police. Ultimately the Superintendent of police Karnal vide his memo No 1040-P-II dated 26 9 85 declared the stolen material as untraceable. For departmental action a committee was constituted to find out and to fix up the responsibility of the staff member if any but no official was found at fault by the committee for the theft. The amount in question is being written off.

(c) GPW Sirsa

Regarding the CD writer which was reported missing a departmental inquiry committee was constituted and as per the report of the committee the missing CD writer has been found hidden in the cabinet of one PC XT in computer maintenance lab. The CD writer has been physically verified by the HOD computer. The concerned officer has been advised to be careful in future. No further action is required in this matter hence this para may please be dropped.

(d) GIET Hisar

Report of theft items was lodged with the police vide FIR No 297 dated 13 5 2000. The directorate as well as Accountant General Haryana was also informed about this theft. The culprit had been nabbed by the police and the entire stolen items were recovered and taken back by the institution on superdani. No official was involved in the theft case. However case is pending in the court awaiting final decision.

All the concerned Principals of the institutes were advised to conduct physical verification of the stores and stocks regularly as required under the rules.

As reported by them the physical verification of all stores has been conducted by them and they have also promised that in future the same will be got conducted regularly.

During the course of oral examination, the Committee desired that an enquiry into the matter of excess/un-necessary purchases of photocopier, computer, furniture and other sub standard machinery may be got conducted by deputing a senior officer of the department who should visit all these polytechnics and prepare his report on the usage and placement of all these items and whether these were required there or not, within a period of two months and a compliance report in this regard may be submitted to the Committee within a period of three months after examining the said report and taking the required action by the department.

[20] 6 11 Guru Jambheshwar University

6 11 1 Introduction

Guru Jambheshwar University (GJU) Hisar was established by Haryana State Legislature Act 17 of 1995 (Act) to establish and incorporate a teaching-cum affiliating University to facilitate and promote studies and research in new frontiers of technology pharmacy environmental studies non conventional energy sources and management studies Besides a religious study chair to undertake comparative study of Hinduism Budhism Islam Jainism and Sikhism was established GJU has seven faculues with eighteen departments offering 20 regular courses In addition it has a Department of Distance Education Academic and non academic affairs of the University are managed by the Academic and Executive Councils The Court of the University (court) monitored the broad policies and programmes and pass resolutions on Annual Report Budget and Accounts of the University

The records of the University for the period 1995 2001 were test checked during November 2000 to March 2001 Following points emerged

6 11 2 Financial arrangements

The University had a total receipt of Rs 58 73 crore durng 1995-2001 (Rs 35 62 crore as grant in aid from the Haryana Government and Rs 23 11 crore as internal receipts) of which Rs 49 15 crore (salary 34 per cent works 38 per cent and other expenditure 28 per cent) were spent leaving an unspent balance of Rs 9 58 crore

Test-check of records revealed

- (i) The University received Rs 7 84 crore (Rs 9 58 crore less Rs 1 74 crore arrears of salary) as grant in aid from the State Government in excess of deficit on the basis of inflated estimates of expenditure and lower estimates of receipts in their annua^l budgets

The Deputy Registrar (Accounts) of the University stated (July 2001) that for timely/ regular payment of salary and other liabilities it was necessary to keep some balance funds The reply of the Deputy Registrar of the University was not tenable in view of heavy savings each year

- (ii) Grant-in-aid amounting to Rs 1 18 crore sanctioned/drawn by the State Government/Director of Higher Education in March 1997 and remitted to the University (April 1997) included Rs 1 crore for construction of library building This was not constructed til March 1998 when the Government allowed the grant to be utilised on other works Thus unnecessary drawal of Rs 1 crore caused loss of Rs 12 30 lakh to the Government by way of interest
- (iii) University gave temporary advances to the staff of the University Principals of de affiliated colleges Head of Departments etc for purchase of store conducting examinations etc These advances were required to be adjusted promptly As this was not done temporary advances of Rs 60 45 lakh involving 151 cases were outstanding from 1995 96 to 2000 2001 against the de affiliated colleges

(Rs 8 18 lakh) and other officials (Rs 52 27 lakh) of the University. No steps were taken to adjust the old outstanding advances. Non adjustment of the advances for long years provided opportunity for misappropriation and misuse of University funds and ultimately loss of funds.

- (iv) The receipt and payment accounts of the University were audited up to March 2001 by the Examiner Local Fund Accounts. Haryana University did not prepare Balance Sheets indicating the position of assets and liabilities though required as per the provisions of the Act. The Government took no action to ensure that the University prepared its accounts in the prescribed format.

The department in their written reply stated as under -

The University received Rs 35 62 crore as grant in aid from the State Govt. during the period 1995 2001 as indicated by the Audit.

University never submitted inflated estimates of expenditure and lower estimates of receipt. Infact the figures of Income and expenditure in the Budget Estimates have been balanced one and on the basis of estimates of the previous years but the unspent balance is due to the reason given below and also it is necessary to have some balance even on 31st of March each year.

The figures given in the para also include the income/ expenditure of self financing courses/ PGRC Sirsa in addition to the figures of State Plan. So far as the query of the audit regarding excess grant from State Government is concerned it is submitted that grant in aid is provided by the State Govt. as per Section 26(4) of the Guru Jambheshwar University Hisar Act 1995 which provides as under -

26(4) The Government may every year provide grant-in aid to facilitate and promote studies and research in emerging areas of higher education including new frontiers of technology pharmacy environmental studies and also to achieve excellence in these and connected fields in the manner prescribed by the Government from time to time.

The above provision of the Act contains that the Govt. may provide grant in aid to promote the objectives as mentioned above. The requirements of the University are supported to the extent possible by the Govt. Rest of the expenditure is met from internal receipts. Budget Estimates of income and expenditure are passed in the month of March for the next year and expenditure is regulated according to rules. Of course subject to availability of funds and restrictions imposed by the authorities/Govt.

In case the internal resources of the University are exhausted first as proposed in the audit objection and the Govt. grant is also not received the University may be left with no finances leading to stoppage of salaries of the staff disconnection of telephones & electricity and teaching activities coming to a stand still. Therefore it is absolutely necessary to utilize time bound Govt. grants and also keep funds for timely regular payment of salaries and meeting other committed liabilities so that University functions are carried on unhampered.

The closing balance were left with the University because a major part out of unspent balance of 31 3 96 amounting to Rs 302 00 lac was received in April 96. Even in the succeeding

years the last instalment of grant is released by the Govt at the fag end of the last quarter i e in the last week of March The utilization of this grant has been regularized vide Govt letter No 4/8/97 Edu I(6) dated 27 4 99 Rest of the closing balances were available because there was ban on construction activities and recruitment of staff from 1996 onwards Had the University been allowed to start construction of buildings from 1996 onwards it would have developed much better than its present state and the position of balance would have been different Despite passage of a period of more than five years vital facilities of teaching blocks Hospital & Library building are yet to be constructed

Besides above the funds available with the University are reflected in the budget and accounts of the University

The unspent balance of grants received from the University Grants Commission and Other Agencies are being utilized with the permission of concerned funding agencies

In view of the position explained above it would be seen that keeping some balances at the close of the year is absolutely necessary and hence the reply given by the University in July 2001 is correct

So far as the sanction of grant of Rs 1 00 crore for Library Building in March 1997 is concerned Audit para No 5 of the Report of A G Haryana from 11/95 to 3/98 in this regard has already been settled by A G Haryana vide letter No AD/SPL/ 2000 01/ GJU HSR/ 2078 dated 25 10 2000 on the replies submitted by the University *Therefore this matter already stands settled*

Out of the advances of Rs 60 45 lac the advances to the expenditure of Rs 14 58 lac only are outstanding numbering 86 We have also taken following concrete steps to check the rising number of unadjusted advances

- (i) No third advance is being issued unless the previous advances are got settled by the departments/branches
- (ii) The departments/branches have been instructed to make payment on bill basis as far as possible

As per latest decision of the authorities of the University anybody drawing temporary advances is required to settled the same within a period of one month failing which the amount can be recovered from him along with penal interest of 12%

The University prepare only accounts of income and expenditure and submits the same to the Local Audit who issues utilization certificate So far as preparat on of balance sheet indicaung position of its assets and liabilities is concerned all the Universities of the State have been exempted from this provision by the State Govt The letter of Govt states that the practice in vogue in the University for preparing annual accounts of income and expenditure should continue These accounts are also published in the Haryana Govt Gazette every year

During the course of oral examination the Committee desired the department to make the adjustment of the accounts as stated in such para (iii) within a period of six months Thereafter the compliance report in this regard may be sent to the Committee

The Committee also observed that in the light of the letter placed before the Committee, Commissioner, Technical Education Department may have the concerned file and entire proceedings from the concerned Directorate/Commissioner and the same should be put up to the Committee for inspection within a week only and again the GJU was advised to complete its balance sheet as provided in the University Act within a period of 6 months time under intimation to the Committee. The Committee feels that there has been lapse on the part of University administration and department should fix up the responsibility upon the officer concerned under intimation to the Committee within a period of one month.

[21] 6 11 3 Academic activities

(a) Unfruitful expenditure on religious study chair

Kurukshetra University established Guru Jambheshwar Institute of Religious Study Chair in May 1994 at Post Graduate Centre Hisar. This centre was merged with Guru Jambheshwar University on its formation (November 1995). It was to undertake comparative study of various religions in addition to preachings of Guru Jambheshwar. For housing Guru Jambheshwar Ji Institute of Religious Studies, the University constructed a building at a cost of Rs 1.15 crore (June 1996).

Scrutiny of records revealed that but for an ongoing study of Guru Jambheshwar Jambhawanī vis-à-vis teachings in Guru Granth Sahib, no comparative study of various religions was undertaken upto March 2001 while a lecturer engaged for this purpose was paid Rs 5.06 lakh during 1995-2001. The building was now being utilized temporarily as a library.

The department in their written reply stated as under:

The building constructed for the Religious Study Chair is being fully utilized all along. Immediately after construction, all administrative offices were housed in the building. Thereafter, the building is being utilized as Library.

The Religious Studies Chair has published the following books based on research works done by the Chair:

- (i) Jambhavanī Moolsanjivani Vyakhya
- (ii) Jambhavanī Kavya Kosha
- (iii) Guru Jambheshwar Vividha Ayama
- (iv) Dadu Dayal Sidhanta Aur Kavita
- (v) Dharam Aur Paryavaran (I&II)

For details of other research works being carried out by the chair, the Annexure C may be perused.

During the course of oral examination, the Committee desired the department to send the following information —

- (i) the time from which the building was lying unutilized,
- (ii) which department used this building during which year,

- (iii) what was the project of the State Chair,
- (iv) the names of the course,
- (v) the seminars or conferences got conducted by this chair,
- (vi) research papers published at the International level
- (vii) seminars participated at the International level, and
- (viii) how Research Fellows namely Dr Rattan Lal Jain, Sh Nihal Singh, Sh Mani Ram Bishnoi, Sr Ram Jidanand were competent persons to be involved for research on various religions

Information at Sr Nos (ii), (iii), (vi) to (viii) have been supplied by the department

The Committee desired that the remaining information may be sent within a period of two months

[22] 6 11 3 (f) Poor library facilities

As per recommendations of the UGC Library Committee (1957) the University library should have one lakh to 3 lakh volumes with 20 to 100 library staff members. It was observed in audit that there were only 15 482 volumes in library with 20 staff members. Thus the University was providing inadequate facilities to students and faculty with an ill equipped but over staffed library.

The department in their written reply stated as under:—

The University library is at a developmental stage. Till now the library has been able to develop a basic and important collection of books (22 830) to meet the essential book requirements for educational programme keeping in view the limited funding made available for collection development. The accounts department will be again requested to project the budgetary requirements for development of library collection as proposed by the University Library from time to time in annual schedules for new expenditure.

However collection development in libraries is a continuous and time consuming process and is in response to the prevailing educational and research requirements. It has been thus to be undertaken gradually keeping pace with the academic and research priorities set from time to time. Building a collection of say 1 to 3 lac books in a couple of years is also not very productive and fruitful.

Inadequate number of library staff is an acute problem especially when the library offers services in 2 shifts from 9 30 a.m. to 8 30/ 10 00 p.m. and is also open on Saturdays and Sundays. Moreover our limited collection is heavily used. However we will have to bear this till appropriate staff can be provided for the library services.

To start with library was initially housed in the teaching block 2 the present Computer Centre. It was shifted and housed in the Bhawan of the Religious Study Centre which is presently one of the best buildings in the campus and more spacious than the earlier premises.

The construction of the library building costing Rs 3.6 crores has commenced from 2000-01. It is hoped that the building will be completed in 2 years time.

Presently the library provides about 150 reader seats at a time. Since the library works in 2 shifts the facility is availed by the most of the students. However with the completion of new building this problem will be solved.

After hearing the departmental representatives, the Committee observed that since G.J.U. has to compete with the private institutions, it requires better library facilities. The Committee desired to know whether the library facilities are as per the norms of the U.G.C., if not, who is responsible for the same and responsibility in this regard may be fixed under intimation to the Committee within a period of 15 days but no such information was received till the drafting of the report. Therefore the Committee desired that the said information may be supplied at the earliest.

[23] 6 11 4 Miscellaneous activities

(a) Extra avoidable expenditure

As per applicable rules no work should be allotted on a single tender.

The construction works of Extension of Administrative Block for branch offices and Construction of building for faculty house were allotted by Vice Chancellor (30/31 January 1996) to a contractor on single tender at 14.5 per cent above the Haryana Schedule of Rates (HSR) plus prevailing premium.

A test check of records revealed that the tenders of another similar work i.e. construction of boys hostel II were opened on 30 January 1996 and lowest rate received was 5 per cent above HSR plus prevailing premium. The first work was allotted on higher rates even on single tender basis contrary to the instructions of the University though lower rates were received for similar nature of work on 30 January 1996. The allotment of work on higher rates resulted in avoidable expenditure of Rs 8.37 lakh in comparison to lower rates.

The Registrar of the University stated (March 2001) that the rates for different works can vary if the tenders are opened on the same day depending upon the nature of construction and that once the allotment had been approved it became a legal document and could not be revoked. The reply was not tenable as these works were of similar nature to be done on the same premises and the fact was known to the management on the day of allotment of work.

(b) Excess payment to contractor for non scheduled items

Item Providing/fixing jali was got executed by the University in respect of six works during the period 1995-98 and contractor was paid at the rate of Rs 502 per sqm (3 works) and at the rate of Rs 467 per sqm (3 works) as non scheduled items.

Similarly providing/fixing aluminium glazing for door and window for fixed and openable etc. was got executed during 1995-96 in respect of two works and paid to contractor at the rate of Rs 370 per sqm as non scheduled item.

Scrutiny of records revealed that rates of Rs 302 per sqm and Rs 220 per sqm respectively were approved (December 2000) in respect of the similar items of work by the Superintending Engineer of the University. Execution of non scheduled items at higher rates had resulted in excess payment of Rs 9.77 lakh to the contractor.

(c) Extra expenditure

The work of construction of building for Guru Jambheshwar Religious Chair was allotted (February 1995) to a contractor. During the execution of work fixing 20 to 25 mm thick machine cut and rubbed Dhoolpur stone walls and flooring etc. (2242.07 square metre) was got done.

from the contractor and paid to him as non schedule item at the rate of Rs 540 per square metre though this item of work falls under item no 14 60 of HSR 1988 at the rate of Rs 216 per square metre plus 45 per cent ceiling premium plus 5 per cent contractor's margin This involved extra expenditure of Rs 4 73 lakh

(d) Idle machinery and equipment

- (i) Two Printing Presses valuing Rs 8 lakh were lying idle in the Department of Printing Technology since their purchase in October 1998 and March 1999 as no technical staff for operating these machines was available (March 2001) Thus students were deprived of the latest techniques and practical knowledge
- (ii) In the office of Superintending Engineer GJU Hisar material viz Electrical/ Steel items GI/SV pipe worth Rs 4 88 lakh purchased in excess of requirement was lying unused for the last 4 years No steps were taken to dispose of the same

(e) Excess payment

The Government of India Ministry of I & B fixed rates for display of advertisement in various papers which were also adopted by the Director Public Relations Department Haryana for all the Government/semi Government organisations

Scrutiny of records of University revealed that advertisement on account of admission notices work tenders and entrance tests etc were published in various newspapers through the private agencies at the rates higher than the rates adopted by the State Government which resulted in excess payment of Rs 9 79 lakh during 1998 99 to 2000 2001

The department in their written reply stated as under —

The para also marked by the previous audit report and reply given at the time hold good and copy of the old para and reply are attached So this para may kindly be dropped

The non scheduled item rates are prepared on the basis of prevailing rates of the material and labour at the time of execution Sometimes rates of some items increase and decrease with the passage of time The rate of concrete jali during 1995 98 was prepared on the basis of rates prevailing at that time and S E is competent to approve the rates Similar is the case of aluminium glazing Moreover the item of aluminium glazing was new to the market at that time and rates may be higher at that time The rates have been approved by the competent authority

The following points are submitted for consideration

- 1 Size of the Dholpur stone used at site is different from the size given in the HSR The wastage for size used at site work out to be around 20% as compared to 10% provided in the confidential schedule of rates
- 2 The layer of cement mortar described in HSR is of 12 mm 1 3 whereas cement mortar of 20 mm thickness is 1 3 has been used at site
- 3 Labour involved in fixing the Dholpur stone at site is more due to slope of the wall outward

Due to above reasons the then S E allowed NS item and approved the same

The students of department are receiving on-the hand training in the workshops of the department which is further reinforced when they go for the training programmes in printing organizations. The students of the department are competing with an advantage in the market. Recently in The Tribune four students were recruited though there were applications from the students from various Printing Technology Deptt or the Universities all the four students selected were from this University. Similarly in Hindustan Times Dainik Bhaskar and many other organizations our students have competed with success from the students of other departments. All the machines are being used by the students as and when required and absence of manpower has not seriously affected the training. Though due to shortage of permanent technical staff the training is suffering. However the teachers are operating these machines regularly for imparting practical training to the students. So study of the students are not affected adversely.

(ii) Material worth Rs 488 lakhs was purchased as per requirement at that time but due to some unavoidable circumstances this material could not be used. This material is being utilized and will be consumed with the maximum extent within two years. However every care will be taken in future to avoid such purchases.

From the information received from the various newspapers and other Universities it was gathered that the other Universities of the State also get their advertisements published through private agencies on commercial rates.

As regards DAVP rates applicable to the advertisement issued by the Universities a copy of fax received from Director Public Relations Haryana Chandigarh is at Annexure G.

After going through the written reply of the department, the Committee desired to know

- (a) Whether any construction work was allotted on single tender basis after the construction work in question, if so the details thereof be supplied to the Committee**
 - (b & c) In case of non scheduled items, whether the University has consulted the PWD (B&R) to know about the rates of fixing jalis/ aluminum glazing at the relevant time if not, the reasons thereof**
 - (d) The names of the persons responsible for purchasing the machinery and equipment in question and the persons who kept the same idle**
 - (e) The reasons for not adhering to the rates fixed by the Govt of India and adopted by the D P R in this regard**
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REVENUE DEPARTMENT

[24] 3 12 *Fraudulent drawals and embezzlement of Government money*

Due to non observance of the codal provision by SDO (C) Ganaur Rs 8 77 lakh were fraudulently drawn and embezzled by the bill clerk

Examination of vouchers received from Treasury Officer Sonipat by the office of the Accountant General (Accounts and Entitlement) AG (A&E) Haryana disclosed fraudulent drawals of pây and arrears through bills for an amount of Rs 4 15 lakh in the office of Sub Divisional Officer (Civil) SDO (C) Ganaur Detailed audit of the records and accounts of the SDO (C) for the period April 1997 to September 2000 was conducted in October 2000 which revealed embezzlement and misappropriation of a total amount of Rs 8 77 lakh as detailed below

- (i) For the establishment of Tehsildar Ganaur SDO (C) as the DDO was preparing the salary bills and presenting them to the treasury On passing the bills the Tehsildar would collect them from the SDO (C) for encashment from the bank and disburse the amounts to his staff The SDO (C) was to ensure that the bill amount was entered in his cash book before disbursement For the months of April June and July 2000 3 bills were drawn for a total amount of Rs 4 66 lakh (net payable Ps 4 15 lakh) and were disbursed by the Tehsildar The bills were prepared by the Bill clerk of SDO (C)

The bill clerk of SDO (C) however fraudulently prepared 3 more salary bills again for the same months for a total amount of Rs 4 66 lakh for the establishment of Tehsildar Ganaur and after getting them passed by the SDO (C) presented them to the treasury and collected the amounts The proceeds of these bills were not entered in the SDO(C)'s cash book Scrutiny revealed that the Bill clerk prepared two sets of same bills and got them passed by the SDO (C) on the same day or at different dates *vide* table below The amounts so drawn were embezzled by the Bill clerk

Bill number and date	Voucher number and month	Gross amount of the bill (Amount in rupees)	Net amount payable	Particulars of the pay bill	Date of passing by SDO (C)	Date of presentation into treasury/ Passing by treasury	Remarks
47/4 4 2000	5/4 2000	1 57 727	1 40 661	3/2000	4 4 2000	4 4 2000/ 7 4 2000(O)	Disbursed
6/4 4 2000	10/4 2000	1 57 727	1 40 661	3/2000	Not mentioned	11 4 2000/ 17 4 2000(D)	Not disbursed
59/30 5 2000	8/6 2000	1 53 401	1 36 065	5/2000	31 5 2000	31 5 2000/ 2 6 2000(O)	Not disbursed
59/30 5 2000	10/6 2000	1 53 401	1 36 065	5/2000	30 5 2000	12 6 2000/ 13 6 2000(D)	Disbursed
74/4 7 2000	7/7 2000	1 55 296	1 37 960	6/2000	4 7 2000	4 7 2000/ 5 7 2000(O)	Disbursed
74/4 7 2000	8/7 2000	1 55 296	1 37 960	6/2000	4 7 2000	10 7 2000/ 11 7 2000(D)	Not disbursed
Total		9 32 848	8 29 372				
Amount disbursed			4 14 686				
Amount double drawn and embezzled			4 14 686				

- (ii) Similarly the payment of arrears (for the period January 1996 to July 1998) due to revision of pay of 15 officials of the establishment of Tehsildar Ganaur were initially drawn during June 1999 by SDO(C) through one bill for a total amount of Rs 3.04 lakh (net Rs 2.23 lakh) and disbursed to the staff of Tehsildar. Subsequently the Bill clerk of SDO(C) again drew 4 more bills for a total amount of Rs 3.93 lakh as detailed in Appendix XIV during December 1999 to March 2000 for the arrear payments for the same period for 12 out of the above mentioned 15 officials. This amount was not entered in the cash book of SDO(C) and was embezzled by the Bill clerk. Scrutiny further revealed that in two cases the arrear bills were drawn even for the fourth time for the same persons and for the same period.

Office copies of the bills/vouchers were not available in the SDO(C)'s office in any of these cases of fraudulently drawn bills.

- (iii) In another cases the Bill clerk drew 7 bills for a total amount of Rs 0.61 lakh during the period December 1999 and February 2000 for arrears of Pay Dearness Allowances and Travelling Allowance of the staff of Tehsildar Ganaur. These amounts were not accounted for in the cash book of SDO(C) and were embezzled by the Bill clerk. Undisbursed salary of one official (for August 1999) amounting to Rs 0.08 lakh was also received back from Tehsildar's office as revealed from the APR Register and the same was also not accounted for by the Bill clerk in the cash book and embezzled.

Thus during February 1999 to July 2000 the Bill clerk embezzled a total amount of Rs 8.77 lakh through fraudulently drawn bills from the sub treasury of Ganaur.

The SDO (C) Ganaur stated (October/November 2000) that FIR had been lodged (September 2000) against the bill clerk and she had been placed under suspension. A sum of Rs 0.50 lakh had been recovered from the bill clerk. The Director, Treasury and Accounts, Finance Department intimated (February 2001) that one clerk of sub treasury Ganaur was also found involved in the embezzlement and action was being taken against him. Financial Commissioner and Secretary, Finance Department also intimated (March 2001) that disciplinary action against Assistant Treasury Officer Ganaur was under process.

Scrutiny revealed that fraudulent drawals of Rs 8.77 lakh and embezzlement of Government money was facilitated due to failure in observance of rules by the SDO(C) Ganaur as Drawing and Disbursing Officer (DDO), Treasury Officer and Deputy Commissioner Sonapat as Controlling Officer as discussed below.

As per Punjab Financial Rules (PFR) applicable to Haryana State and subsequent instructions issued by the Finance Department, the preparation of bills/ disbursement of payment requires scrutiny before passing the bill by the DDO. This was not being done and bills were being prepared by the Bill clerk and submitted directly to SDO(C) who passed the bills. Further disbursement of payments was to be made by a person other than the bill clerk so as to ensure internal check through separation of duties. However the bill clerk was herself collecting cash from bank and making the payments. The SDO(C) neither ensured the entry of the pay bill details in his cash book nor provided for any safeguard against the risk of double drawal. He also failed to ensure that the bills were checked by some official other than the bill clerk before these were passed by him.

Provisions of Rule 4 37 of Punjab Treasury Rules and Subsidiary Treasury Rules regarding keeping note of drawals of arrears on the original office copies of the pay bills for the period to which arrears pertained were not followed by the Bill clerk

Provisions of Rule 2 31 (a) of PFR Vol I requires that a consolidated statement of drawals made in the previous months shall be obtained by 15th of each month from the treasury by the DDO and accounting of these drawals in the cash book attested by the DDO. This was not done by the SDO (C) Ganaur

As per PFR and Punjab Subsidiary Treasury Rules applicable to Haryana State Treasury Officer (TO) is required to satisfy that the claim presented to the treasury is valid. While passing the bills TO neither objected the excess over budget allotment nor detected the double drawals of pay etc. The TO was required to maintain a budget control register to watch the actual drawal by each DDO but this was not maintained.

The Controlling Officer was responsible for financial control over the DDO. Though the DDO incurred expenditure of Rs 18 08 lakh in excess of budget allotment during 1999-2000 this was not pointed out by the Controlling Officer (Deputy Commissioner Sonipat). Though he was responsible to ensure the applicability of adequate internal checks to prevent and detect errors and irregularities he failed to do so as he never pointed out any irregularity leading to double drawals.

The matter was referred to the Financial Commissioner and Secretary to the Government of Haryana Revenue Department and Finance Department in May 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

In reply to this para 3 12 the Deputy Commissioner Sonipat was asked to send the detailed information to this department but the information is still awaited from Deputy Commissioner Sonipat whereas four D O reminders has also been issued. The requisite reply will be prepared as early as possible after receiving the information from the Deputy Commissioner Sonipat. A Committee has been constituted of this department to get the special audit of District Sonipat. The audit was conducted in the month of May 2006 and the report is being prepared to submit for ensure the recovery.

While examining the departmental representatives, some queries were raised by the members of the Committee for which the Financial Commissioner & Principal Secretary to Government, Haryana Revenue Department has requested for two months time to give details. In the meeting, FCR has admitted that there were lapses on the part of the concerned Deputy Commissioners and he assured that he will write D O letters to the concerned Deputy Commissioners asking them to send their replies within stipulated period.

The Committee desired the department to take action against the concerned officials and Officers including the Under Secretary the Accounts Officer A T O and S D O (Civil) who were involved in the embezzlement of the amount in question under intimation to the Committee within a period of three months.

[25] 3 13 Drawal of funds in advance of requirement

DC Sonipat withdrew Rs 55 lakh from Government account without immediate requirement and kept in Savings Bank Account in violation of financial rules

Financial Rules require that money should not be drawn from the treasury unless the same is required for immediate disbursement or had already been paid out of the permanent advance

The Government of India approved (July 1999) a project for setting up of Badh Khalsa Memorial Complex (BMC) at Kundli on the tri centenary celebrations of birth of *Khalsa*. Accordingly the State Government issued (16 February 2000) order to transfer the *panchayat* land measuring 20 *kanals* (17 *kanals* 9 *marlas* by *Gram Panchayat* Badh Malik and 2 *kanals* 11 *marlas* by *Gram Panchayat* Badh Khalsa) as gift on the condition that the BMC would be completed within 2 years failing which the land would be reverted in the *panchayat*. However the possession of land as of May 2001 had not been handed over by the *Gram Panchayat* Badh Malik as the matter was pending in the court due to dispute in the naming of the complex

The Commissioner and Secretary to the Government of Haryana Cultural Affairs Department sanctioned (June 2000) an estimate of Rs 59.98 lakh for the construction of BMC and released funds to the DC Sonipat for setting up of BMC without assessing the immediate requirement. Thus the DC Sonipat withdrew Rs 25 lakh on 29 March 2000 being the first instalment and Rs 30 lakh being the second instalment on 16 March 2001 and kept these amounts in his savings bank account though there were no such instructions from the Government. The DC furnished the utilisation certificate (UC) for the first instalment even before the amount was drawn by him.

Thus drawal of funds in anticipation of requirement and issuing of false utilisation certificate by DC Sonipat was irregular and in violation of financial rules. Retention of the amount of Rs 55 lakh outside Government account not only led to loss of interest for the Government but also affected the ways and means position.

The above matter was referred to the Government in July 2001. Their reply had not been received (August 2001).

During the course of oral examination it was informed that the amount was of the Cultural Affairs Department which was meant for construction of Badh Khalsa Memorial Complex in the district of Sonipat. The Committee desired that the matter may be got settled by the Revenue Department in consultation with the Cultural Affairs Department under intimation to the A.G. (Audit) and the Committee within a period of three months.

SOCIAL WELFARE DEPARTMENT

[26] 3 15 *Fraudulent payment of Old Age Pension*

Failure of the Scrutiny Committee in identifying the eligibility of persons for payment of old age pension led to overpayment of Rs 1 35 crore

The Haryana Old Age Pension (Liberalised) Scheme Rules 1987 liberalised from time to time aimed to provide social security to old persons who are unable to sustain themselves from their own resources and are in need of financial assistance from the State. Under the scheme a person who is a domicile of Haryana State aged 60 years or more and is not receiving any pension of Rs 100 per month or more was eligible for old age pension at the rate of Rs 100 per month for entire life which was further enhanced to Rs 200 per month with effect from 1 November 1999.

Before sanctioning pension eligibility of person was required to be verified by a scrutiny committee consisting of Circle Revenue Officer Medical Officer (MO) and District Social Welfare Officer (DSWO) in the case of rural areas and Officer Incharge of Municipal Committee MO and DSWO in the case of urban areas. District Level Committee consisted of Deputy Commissioner Chief Medical Officer and DSWO constituted for the purpose of reverification based on complaints and representations. Pension sanctioned on a mistaken ground or false information could be stopped and amount paid recovered as arrears of land revenue.

Records (July to October 2000 and April to August 2001) of Districts Social Welfare Officers (DSWO) in all districts revealed that old age pension amounting to Rs 1 35²⁰ crore was paid to 16 849 ineligible persons during the period December 1999 to April 2000.

Scrutiny Committees were required to verify the genuineness of eligible persons but in 16 849 cases the committees *ibid* declared them eligible for old age pension though they were underage and not covered by the scheme. However on the basis of representations/complaints the District Level Committees (DLCs) on reverification during May and July 2000 found and declared 16 849 pensioners ineligible for pension. It indicated that the conditions laid down in the scheme were not ensured before sanctioning pension.

Financial Commissioner and Secretary to the Government of Haryana Social Welfare Department admitted (March 2001 and August 2001) the payments to ineligible persons and stated that Rs 1 69 lakh had been recovered in 6 districts and the action for recovery of remaining cases was in progress.

The Director Social Justice and Empowerment Department further intimated (August 2001) that instructions for identification of eligible beneficiaries through Panchayati Raj Institutions stand issued in August 2000 and November 2000 wherein inclusion of 3 members of Gram Panchayat (1 lady member and 2 from SC/BC category) in case of Tehsil Level Committees and Charman Zila Parishad a lady member and other members nominated by Chairman in the case of DLCs had been approved by the Government. Besides 10 per cent test check of such cases had been made mandatory for the DLCs by Government.

Thus failure in identifying the genuineness of persons and fulfilment of conditions of the scheme before sanctioning the pension resulted into excess payment of Rs 1 33 crore to ineligible persons

The department in their written reply stated as under —

Out of total recovery of Rs 1 35 crore in respect of under aged ineligible persons according to report received from some districts an amount of Rs 1673200/ has since been recovered 2765 persons involving an amount of Rs 2208000/ has been declared eligible by the District Level Committees 206 persons found dead involving an amount of Rs 169200/ As such out of Rs 1 35 crore an amount of Rs 4050400/ has been adjusted Efforts to recover the balance amount of Rs 9428800/ are being made

After hearing the Department representatives, the Committee observed that there are always complaints of old people, who have not been identified for Old Age Pension and the public representatives at various levels have to face lot of problems in this regard Since the Government is committed to give pension to all eligible persons of more than 60 years of age, the Committee recommends as under

- (i) That a period be fixed in each year during which new cases of old age pension should be enumerated preferably between 15th May to 15th June, i.e. after the crop season
- (ii) The beneficiaries should be identified in the Gram Sabha in the presence of Committee consisting of Revenue official a doctor a nominee of the Social Welfare Department and nominee of the D C There should be a Committee of local Panches as already suggested by the Social Welfare Department consisting of a woman Panch, a B C Panch and a S C Panch Even after that an opportunity should be provided to the beneficiary to represent before the Deputy Commissioner preferably to represent before the Deputy Commissioner preferably with age proof But in extreme cases they can represent after getting their application duly approved by the village Panchayat or MLA of the concerned constituency
- (iii) In the past there have been complaints of wrong inclusion of old age pension To curb this problem the local complainant should be encouraged to give the name of the wrong beneficiaries as a complaint and provision for punishment to the wrong beneficiary should also be provided in this scheme

The Committee further recommends that the Department should take all necessary steps to recover rest of the amount Simultaneously, the Department should identify all those responsible officials for the recommendations of the ineligible pension

TOWN AND COUNTRY PLANNING DEPARTMENT

[27] 3 16 Non collection of External Development Charges (EDCs)

Rs 55 29 crore on account of External Development Charges remained unrecovered during April 1982 to March 2001

The Director Town and Country Planning (Director) was responsible for granting licences to private construction agencies (colonisers) for developing residential group housing or plotted colonies. The licence was valid initially for a period of 2 years which was renewable on annual basis. Where the external development works of colonies were to be done by the Government or any local authority the colonisers were required to pay external development charges (EDCs). If they failed to do so they could be prosecuted their licences cancelled and bank guarantees furnished by them forfeited.

During test check of records of the Director Town and Country Planning in April 2001 following deficiencies and irregularities were noticed

(i) Non recovery of External Development Charges

The Government decided in January 1992 that private colonisers were to pay EDCs in 8 equated six monthly instalments of 12.5 per cent each i.e. first instalment was to be paid within 30 days and the balance 87.5 per cent in 7 equal six monthly instalments along with interest at the rate of 18 per cent per annum on unpaid portion. Penal interest at the rate of 3 per cent per annum was chargeable on delayed payments made upto 6 months after the due dates. Surcharge at the rate of 3 to 8 per cent (over and above the penal rate) was also chargeable for payments delayed beyond a period of 6 months after the due dates.

Scrutiny revealed that payment of EDCs were not monitored by the Director and unpaid dues from 30 colonisers during April 1982 to March 2001 as detailed in Appendix XV accumulated to Rs 155.29 crore (including interest) as of March 2001.

Records indicated that additional penal interest where payments were delayed by more than 6 months after the due dates had not been worked out and claimed. In the case of a Delhi based firm orders of the Director (June 1998) for additional penal interest for delay in depositing the instalment due in August 1997 were not implemented by the Accounts Branch. The additional penal interest on this account worked out to Rs 76.29 lakh (approximately). Reasons for not working out the additional penal interest despite orders of September 1998 April 2000 were not furnished to audit.

(ii) Lapse of bank guarantees

Haryana Development and Regulation of Urban Areas (HDRUA) Act provides that the colonisers were required to furnish bank guarantees equivalent to 25 per cent of the estimated cost of development works. In the event of non payment of EDCs or breach of any agreement provisions by the colonisers the bank guarantees were to be forfeited in favour of the Director.

The Directorate had 28 bank guarantees for Rs 24.28 crore upto April 2001 which had since expired. The concerned colonisers had not completed the colonies. Absence of valid bank guarantees involved avoidable financial risk but to prevent these the Director had put no system of safeguard. Though a register indicating the details of bank guarantees in

respect of licensee colonisers had been maintained by the Directorate but the said register was not being submitted to any officer/Director for authentication of entries. The Director did not devise any system to watch the validity/expiry of bank guarantee. Absence of any system led to this failure.

Test check revealed that the Director granted (June 1985) licence to a Delhi based firm for developing a group housing colony over an area of 22.75 acres at village Nathupur Gurgaon district. The coloniser furnished (June 1985) bank guarantee for Rs. 0.39 crore which expired in June 1990 but was not renewed thereafter by the Director. Bank guarantee of Rs. 1.29 crore towards EDCs (Rs. 5.14 crore intimated to the coloniser by the Director in November 1989) was also not furnished by the coloniser but the Director still issued the licence.

As the coloniser did not carry out works at site as per layout plans etc. the Director cancelled (January 1995) the licence but could not invoke the provision of forfeiting the bank guarantees as the bank guarantees were either not obtained (Rs. 1.29 crore) or not renewed (Rs. 0.39 crore). For these failures, the Chief Minister ordered (December 1994) that responsibility may be fixed for taking stringent action against the defaulters. An Assistant was held responsible by the Director and a penalty of stoppage of increments was imposed (December 1998) upon him. Though the Director was responsible for issuing the licence without bank guarantee for EDCs and failed in getting renewed the bank guarantee for internal development works which led to financial loss of Rs. 1.67 crore, no action had been taken against him.

(iii) Non renewal of licences

(a) The colonisers were granted licences to develop residential colonies initially for a period of 2 years during which the internal development works of the colonies were required to be completed (for external development works, no time frame was prescribed). In the event of non completion of colony works, the licences were renewable on yearly basis.

Scrutiny showed that 318 licences granted during April 1981 to 1998 to the colonisers to develop residential colonies expired by March 2001 but these were not got renewed by the colonisers though development works of the colonies were still incomplete. Of the 318 licences involving 38 bank guarantees of Rs. 50.82 crore, bank guarantees for 154 licences issued upto 1998-99 were not obtained. In the remaining cases, 5 bank guarantees covering 41 licences involving Rs. 5.80 crore were alive as of July 2001. The Director failed to enforce the provisions of the Act including forfeiture of the bank guarantees though the colonisers did not possess the valid licences.

(b) The Director issued licences to 50 private colonisers during 1987-2000 to develop group housing or plotted colonies in the State (7 districts) over an area of 6669.91 acres upto the year ended December 2000. Upto March 2001, none of the colonisers completed any colony fully and as such no completion certificate was issued. Of the 6669.91 acres of land over which colonies were to be developed, licences for 4391.56 (66 per cent) acres were issued more than 10 years back i.e. prior to the year 1990 and thus development was long overdue. This indicated that there was no system to monitor/watch the delay in colonisation.

The District Town Planner of the Directorate stated (April 2001) that there was no particular stipulation of time period in the Act/Rules and the completion of internal development works of a colony depended on site conditions availability of services etc. The reply was not tenable as the internal development works were to be completed within 2 years

(iv) Delay in crediting the bank drafts

The bank drafts in payment of EDCs submitted by the colonisers to the Director were to be forwarded to the Administrator HUDA for crediting to their account. In 33 cases test checked there was a delay ranging between 5 and 41 days in forwarding bank drafts valuing Rs 14 crore by the Directorate to HUDA leading to loss of interest of Rs 5.21 lakh at the rate of 18 per cent per annum.

The department in their written reply stated as under —

(i) Non-recovery of external Development Charges

Because of taking fresh decision in respect of outstanding amount against M/s NPL Employees Co op House Building Society Panipat and reduction in the chargeable area decided by the Department in the case of M/S Sarav manglam Developers and M/S S B Developers Ltd the total outstanding amount has come to reduce to the tune of Rs 53.03 crores as on 31.3.2001 instead of Rs 155.29 crores. Out of this amount a sum of Rs 18.18 crores has been recovered and for the remaining amount of Rs 134.85 crores efforts are being made to recover the due amount by putting pressure on the defaulters to deposit the due amount as and when they approach the department for renewal of licences sanction of building plans issuing of completion certificates of internal services of the colony release of bank guarantees etc.

In most of the cases show cause notices have also been issued as to why the licences are not cancelled for non payment of outstanding amount. Some of them have filed writ petitions thereagainst in the High Court. In net-shell every effective efforts are being made to recover the outstanding amount (s).

Regarding working out the additional penal interest on delayed payment beyond six months it is submitted that surcharge policy was approved by HUDA Authority on 1.4.98 but it was not clear as to whether it is to be implemented w.e.f 1.4.98 or retrospectively. Later on 24.2.2000 it was decided by HUDA Authority that it is to be implemented w.e.f 1.4.98 prospectively. But this policy also covers the period of only 6 months delay and thereafter there is no provision as to how the accounts are to be regulated. In addition to this some practical difficulties were also faced in calculating the amount of additional penal interest. A reference was made in this regard to HUDA in March 2001 for clarification. On receipt of reply the matter is still under review in Town & Country Planning Department. On taking the final view the due amount of additional penal interest shall be worked out and the accounts shall be updated and recovery shall be made accordingly.

In view of the above the para may please be dropped.

iv) Delay in crediting the bank drafts

The bank drafts in payment of EDC are submitted by the colonisers the office of Director Town & Country Planning Haryana Chandigarh in the name of Chief Administrator

HUDA for onward transmitting to the HUDA. Such bank drafts are marked to the Officer incharge of licencing branch after those being seen by the Controlling Officer deputed for the purpose. The officer incharge sends the drafts to the Accounts Branch for onward transmitting to HUDA after doing the needful. The down marking of the letter as well as diarsing the same takes a day or two before reaching to the dealing hand in the Accounts Branch. The dealing hand puts up the drafts alongwith EDC accounts for sending to HUDA after its proper scrutiny. Some time in some cases orders of the higher officers are to be taken before accepting the payment.

From the position stated above it is gathered that the bank drafts received in the department can not be transmitted to HUDA on the same day or next working day but it takes considerable time. Moreover some time falls gazetted holidays and some time the particular officer/official can not attend to his normal seat work due to engagement on some other urgent work, official tour or being on leave. Resultantly the bank drafts could not be sent to HUDA immediately as pointed out in the audit para. It is also worthwhile to mention that while calculating the delay by the A G audit party the days of receipt and dispatch to HUDA has also been included besides giving the grace period for processing which is not justified.

Out of total 33 cases of delay in 15 cases the delay is of five days in ten cases the delay is below ten days in 7 cases the delay is below 15 days and in one case the delay is of 41 days. As such 15 cases can not be considered in delayed cases if the gazetted holidays and the days of receipt & dispatch are excluded from the number of delay. In the remaining cases there is some delay in sending drafts to HUDA but that is too procedural except in one case where the bank draft after being issued/dispatched on the next day remained in the file inadvertently. Now the procedure has been minimised and the instructions have also been given to all concerned to give top priority to this work. The utmost efforts are being made to send the bank drafts to HUDA on the same day or on the next working day of its receipt in the department.

From the above it is gathered that no officer/official is at fault. Hence the para may please be dropped.

3.16 (v) Undue benefit to the colonisers

The stated three colonisers are namely (1) M/s Greater Ashoka Land & Development (P) Ltd (2) Swatantra Land & finance (P) Ltd and (3) The Ex-sainik & Karamchari Co op House Building Society. As per schedule of recovery of External Development Charges (EDC) issued vide letter No 5DP 91/18445 dated 18.12.91 of the Director Town & Country Planning Haryana in respect of licences already granted to the said colonisers the colonisers were required to pay the amount of EDC @ Rs 3.68 lacs per acre in accordance with the following schedule terms & conditions —

- (i) 25% of the net amount (Total amount of EDC worked out @ Rs 3.68 lacs per acre minus the principal amount already paid) within 30 days from the date of issue of this letter.
- (ii) balance 75% in two years from the date of issue of this letter in four six monthly instalments alongwith interest @ 18% PA which shall be charged on unpaid portion of the amount worked out @ Rs 3.68 lacs per acre.

- (iii) if there is any delay in the payment of instalments penal interest @ 3% PA shall be charged in addition. The delay in payment will be allowed only for three months

Later on in the meeting held with Chief Minister on 20.1.92 of colonisers it was decided that the terms & conditions of payment of EDC will remain the same except that the schedule of payment for recovery of EDC shall be done in eight equal six monthly instalments of 12.5% each. In view of this decision taken at the level of Chief Minister the schedule of recovery was spread over to four years in eight equal six monthly instalments of 12.5% each while preparing the accounts in respect of the above stated colonisers cases. The approval of the District Town and Country Planning Haryana was also obtained on 14.9.95 in this regard and no undue benefit has been given to the colonisers.

This para may be dropped please

After hearing the departmental representatives the Committee recommends that responsibility of officers for not sending the reply to the queries of the Sub Committee of Public Accounts Committee be fixed within a period of two months and the reasons for the delay may also be explained within a period of three months

- (i) **The Committee recommends that all out efforts may be made to recover the amount from all the three Licensees / colonizers**
- (ii) **After going through the written reply of the department, the Committee recommends that a fool proof scientific monitoring system in this regard is required to be followed strictly and the department should send the details of present monitoring system. The Committee may be apprised of the system after completion of Computerization and major modules**
- (iii) **After going through the written reply of the department the Committee observed that the department has given a detailed reply justifying their lapse with which the Committee is not satisfied. The department must evolve its own effective and speedy system to know the dates of renewal of licensees and the amount to be recovered on this account, rather than waiting for the licensee holders to come to the department and thereafter charging penal interest. Therefore, the Committee recommends that necessary action in this regard may be taken within a period of three months under intimation to the Committee**
- (iv) **After going through the written reply of the department, the Committee desired to know about the permissible period for crediting the Bank drafts by the concerned officials and if no such period has been prescribed, then the same may be done now and suitable action against the delinquent officials may be taken in future**

A compliance report in this regard may be submitted to the Committee within a period of three months

[28] 6 14 Loss of interest due to short transfer of funds

HUDA sustained a loss of interest of Rs 17 03 lakh on the amount short transferred by the bank

The Estate Officer (EO) Haryana Urban Development Authority (HUDA) Panipat maintains a Transfer and Collections Account in the name of the Chief Administrator HUDA with Union Bank of India at Panipat for the amounts realised from the plot holders as due instalments. As per existing arrangement the funds so collected were deposited in the Transfer and Collection Account and the Bank was instructed to transfer the cash collected to the main account of Head Office (HUDA) Panchkula on weekly basis

Test-check of the records of EO HUDA Panipat in October 2000 revealed that bank drafts/pay orders of Rs 19 46 crore deposited in the Transfer and Collection Account during 1999-2000 were not transferred in full to the Head Office account of HUDA. Of this Bank transferred Rs 16 95 crore to the Head Office during April 1999 to March 2000 Rs 2 51 crore was short transferred as of March 2000 for which no reasons were on record. The short transfer of funds resulted in loss of interest of Rs 17 03¹⁷lakh to HUDA.

The EO HUDA Panipat stated (March 2001) that he had pursued the matter constantly but had no power to shift the account to some other bank.

Thus, by not taking appropriate action against the defaulter bank who failed to transfer the total funds to the main account of Head Office (HUDA) there was a loss of interest of Rs 17 03 lakh calculated at the rate of 10 per cent per annum on the funds unjustifiably retained by the bank.

The matter was referred (June 2001) to the Commissioner and Secretary to the Government of Haryana. However, despite reminders no reply was received from the Government (August 2001).

The department in their written reply stated as under —

In this regard it is submitted that the account has been maintained in the name of CA HUDA as transfer and collections accounts in the Union Bank of India, G.T. road Panipat. The collecting amount of instalment of plots, enhanced compensation etc. have been deposited directly in the above said account. As per standing instructions issued to the Bank, the amount is to be transferred to the Head Office accounts in the A/C of C.A. HUDA Panchkula. The matter is being pursued with the Banking Authority for granting the interest on the amount of delayed transfer of funds by the bank. The matter is under the consideration of the bank.

During the course of oral examination, the Committee desired the department to see whether there was some kind of delay on the part of any official/officer in transferring the funds in the name of Chief Administrator, HUDA, Panipat. The Committee further desired the department to have a check on delay in transferring the amount to Chief Administrator HUDA in other Estate offices also. A compliance report may be submitted to the Committee within a period of three months.

[29] 6 15 Less recovery of plan scrutiny fee

Due to delay in implementing the enhanced rates for charging scrutiny fee by the CA HUDA/field offices the HUDA sustained a loss of Rs 17 32 lakh

The Haryana Urban Development Authority (HUDA) was charging plan scrutiny fee at the rate of Re 1 per square metre of the floor area under HUDA (Erection of Buildings) Regulations 1979. The State Government increased the plan scrutiny fee from Re 1 to Rs 10 per square metre of the floor area with effect from November 1999. The Chief Administrator (CA) HUDA Panchkula circulated the notification of November 1999 in February 2000 and requested all the Estate Officers (EOs) Senior Town Planners and District Town Planners of HUDA to implement the amendment in true letter and spirit.

Scrutiny of the records of the EO HUDA at Faridabad Hisar Jagadhri Jind and Sonapat (September 2000 to January 2001) revealed that EOs continued to effect the recoveries at the old rate of Re 1 per square metre till February/March 2000.

Thus due to delay of three months in circulating the Government's notification by the CA HUDA and negligence of the field units in not charging scrutiny fee at the enhanced rates even after circulation the HUDA suffered a loss of Rs 17 32¹⁸ lakh. No action had been taken by the HUDA to recoup the loss and fix the responsibility. The EO Faridabad and Jind stated (June 2001) that the notices had been issued to plot holders for recovery of the amount.

The matter was referred to the Government in May 2001. Their reply had not been received (August 2001).

The department in their written reply stated as under —

In this connection it is submitted that the C T P HUDA Panchkula has intimated that a Draft Notification pertaining to revision of the scrutiny fee of building plan duly signed by the Chief Administrator HUDA Panchkula was forwarded to the Secretary HUDA on dated 22 10 99 for Publication of the same in Haryana Govt Gazette. The Notification was forwarded by the Secretary HUDA to the Controller Printing and Stationery Department vide their letter dated 02 11 99 and the same was published in the Gazette on 09 11 1999. The main file alongwith the copies of Notification was supplied by the Secretary HUDA to this office on 09 02 2000. Thereafter the notification was circulated to all the field offices by CTP HUDA's office on 14 02 2002. The Secretary HUDA has been requested to fix the responsibility for the delay in this regard and the Sub offices have also been directed to recover the amount from the plot holders.

During the course of oral examination, the Committee observed that the Audit has pointed out the lapse in the offices of Estate officers, HUDA at Faridabad, Hisar, Jagadhri, Jind and Sonapat pointing out a loss of Rs 17 32 lacs. The possibility of loss on this account in other Estate offices cannot be ruled out. Therefore the Committee recommends that records of all other Estate offices may be got checked and necessary recoveries be effected and suitable disciplinary action against the erring officers/officials may be taken and a compliance report in this regard may be submitted to the Committee within a period of three months.

[30] 6 16 Avoidable loss due to delay in handing over possession of plots

As the development works were not carried out before offering the plots to public HUDA had to pay Rs 63 67 lakh on account of interest to the allottees

The Haryana Urban Development Authority (HUDA) floated schemes for residential plots in Sector 14 (Part) Hisar during 1986 and in Police Lines and *Mela* Ground Area Hisar in 1988 for allotment to general public through draw of lots. The allotment letter issued in August 1986 provided that the possession of the plots would be offered on completion of development works in the area

Possession of plots could not be given to the allottees till 1997 as development works were not completed. Being aggrieved for delay in giving physical possession of plots the allottees filed (1994 97) complaints in District Consumers Redressal Forum (Forum) Hisar against the HUDA asking for payment of interest on their deposits at the rate of 18 per cent

The Forum directed (1997 and 1998) the HUDA to pay interest at the rate of 18 per cent per annum on the entire deposited amount after one year from the date of deposit of amount till the date of offer of possession

In response to the HUDA's appeal against the order of Forum the State Consumers Redressal Commission (Commission) directed the HUDA to pay interest at the rate of 15 per cent on the amount deposited by allottees. The HUDA went to the National Consumer Disputes Redressal Commission (NCDRC) which stayed the award of the State Commission for interest above 12 per cent and ordered (February 1999) the HUDA to pay interest upto 12 per cent. The Supreme Court of India had also decided (May 1994) payment of 12 per cent interest by the HUDA in another similar case. Despite the decision of the Supreme Court the Estate Officer (EO) HUDA Hisar neither waited for decision of NCDRC nor defended the case based on Supreme Court's verdict of 1994 limiting the rate of interest of 12 per cent. Instead he paid interest of Rs 63 67 lakh at the rate of 15 and 18 per cent during September 1997 to September 1999 resulting in excess payment of Rs 13 79 lakh. The EO HUDA Hisar admitted (November 2000 June 2001) the delay in completion of the development works

Thus allotment of plots before ensuring the development works led to delay in handing over possession to the allottees with the result that the HUDA had to pay interest of Rs 63 67 lakh on their deposits during September 1997 to September 1999 including excess payment of Rs 13 79 lakh

The matter was referred to the Government in July 2001. Their reply had not been received (August 2001)

The department in their written reply stated as under, —

The Distt consumer disputes redressal forum had decided the case by awarding 18% interest for non completion of the development work in the area and for not handing over possession to allottees pertaining to the sector 14 Mela Ground area Police Lines Area and old court area at Hisar. The Hon ble Distt Consumer disputes redressal forum pressed for payment of interest by issuing bailable Non bailable warrant of E O HUDA Hisar and his office had to pay the interest of 18% after obtaining sanction of the Competent

Authority and payment was made subject to the decision of State/National Commission and appeal in higher court was also filed. After a long period of six months and above these appeals were decided and State Commission has reduced the rate from 18% to 15% and period of development was also given to HUDA from One year to Two years. Later on Distt consumer disputes Redressal Forum Hissar used to award the interest @ 15% in other similar cases on the pattern of State Commission and the HUDA was again pressed for payment of interest @ 15% by issuing payable Non-bailable warrant of E.O. HUDA Hissar in the cases decided later on. After a few period National Commission passed interim order which stayed the award of State Commission for interest above 12% p.a. and order to pay interest upto 12% p.a. After that the Competent Authority i.e. CA HUDA has also decided after taking an affidavit from complainant to pay the interest @ 12% p.a. In this way HUDA has to pay interest of Rs. 63.67 lacs. In view of the court order after proper approval from Competent Authority.

During the course of oral examination, the Committee desired the department to examine the matter thoroughly and send the details of such cases to the Committee. The departmental officers conceded that reply was required to be re-cast for which a period of two months was required but the said reply was not received till the drafting of the report.

[31] 6.17 Unnecessary purchase of RCC pipes

Unnecessary and unjustified purchase of pipes much in advance led to blocking of funds of Rs. 1.18 crore for more than four years.

Financial rules provide that purchase must be made in most economical manner and in accordance with the definite requirement of public services. At the same time care should be taken not to purchase stores much in advance of actual requirement. No work shall be commenced without the technical sanction of detailed estimates as per Public Works Department Code.

Scrutiny of the records of the Executive Engineer (EE) HUDA Sonapat revealed (November 1999) that the Chief Engineer (CE) asked (March 1996) Superintending Engineer (SE)/Executive Engineer (EE) to submit the requirement of material for various developmental works in HUDA for the year 1996-97 in a prescribed *pro forma* indicating that (i) the provision existed in the approved estimates (ii) material would be consumed within the current year and (iii) the net requirement of material had been worked out after considering the pending supply orders/store in hand. In response, an indent for purchase of 18,930 metre RCC pipe of various sizes was sent by the EE/SE HUDA to the CE in April 1996. The RCC pipes were purchased by the CE from four firms at a cost of Rs. 1.21 crore between November 1996 to August 1998. Of these pipes, only 1,100 metre pipes (400 mm dia) valuing Rs. 3 lakh (2 per cent) were utilised and balance material valued Rs. 1.18 crore was lying unutilised as of July 2001 after more than 4 years of their procurement.

It was noticed in audit that the works for which pipes were purchased had not been started and even the tenders for these works were not floated as of July 2001. Further probe disclosed that proper scrutiny of the indents by the SE and the CE was not done as the indents sent by the EE were not on the prescribed form and were without required certificates.

as indicated in the above paragraph Indent for 12 215 metre pipes 400 mm sent in April 1996 was increased to 14 430 metre in August 1997 by the EE/SE though only 1 100 metre pipe was utilised as of July 2001 In one work even rough cost estimate was not sanctioned by the CE before purchasing the pipes The CE/CA HUDA did not inform as whether financial justification of the purchase was vetted before purchase

On being pointed out in audit (December 1999) the EE HUDA Sonipat admitted the facts (January 2001) and intimated that the works could not be started for want of technical sanctions whereas rough cost estimates of works were approved in October 1992 and June 1997 The reply was not tenable as pipes were purchased in total disregard of financial rules and much in advance of requirement and even before approval of rough cost estimates in one case Moreover the aforesaid certificates required to be recorded in the indents were not taken care of before finalising the purchase

Thus stores worth Rs 1 18 crore were unnecessarily purchased by the CE HUDA much in advance of actual requirement and these were lying unused over a period of more than four years Deterioration of material lying unused with the passage of time cannot be ruled out

The matter was referred to the Financial Commissioner and Secretary HUDA in May 2001 for comments of the Government within six weeks and followed up with reminder in July 2001 However no reply was received (August 2001)

The Department in their written reply stated as under —

In this regard it is submitted that the RCC Pipe is one of the main items which is required for laying the Sewerage and SWD The demand of material is processed by XEN in consultation with SDE and HDM of Division office which is then forwarded to SE who after compilation send it to the Chief Engineer for placing the supply order The demand of material is made by the XEN for which the possession of plots is to be handed over and the demand is sent based upon the quantity required as per estimate Since the development is ongoing process the material is used in various works as per the priorities decided from time to time Some time the material required by other XENs who is handling the development works for which a higher priority fixed is transferred to other Division on Indents Since it is already mentioned that the development is ongoing process the inventory cannot be made zero at any time Because of some field problems and because of involvement and permission of other department for the execution of the job some times the work cannot be taken up as anticipated /targeted Therefore the purchase is made for RCC Pipes by HUDA is in order since these are very much required for development works

All the RCC Pipes as shown surplus by the Audit para are actually not surplus since these have now been utilized except for 460 mtrs length of 1000 mtrs i/d pipe 2780 mtrs length of 1200 mm i/d pipe These sizes of pipes will be utilized for laying the external storm water drainage of Sector 23 Sonipat which will discharge internal storm water of Sec 23 Sonipat to the drain of the area Not only this HUDA Division Sonipat is still having the requirement of more RCC Pipe

After hearing the departmental representatives, the Committee desired the department to fix up the responsibility of the officers who purchased the R C C pipes unnecessarily and take suitable action against them under intimation to the Committee within a period of three months

IRRIGATION DEPARTMENT

[32] 4 1 Integrated Audit including Manpower Management of Irrigation Department

Highlights

A review of the working of Public Works (Irrigation Branch) Department brought to light significant weakness in financial and programme management. Due to weak budgetary control mechanism 14 to 22 percent of funds were spent in March every year and unnecessary supplementary grants of Rs 18 59 crore were obtained under six sub heads. Establishment cost over permissible limit of 25 percent of works expenditure was in excess by Rs 559 25 crore. Improper planning resulted into fruitless expenditure of Rs 160 21 crore on expansion of channels and 5 schemes were dropped though Rs 64 34 lakh were spent on these works. Monitoring of the implementation of works in the Engineer-in Chief office was ineffective. Important audit findings are as under

4 1 1 Introduction

The Irrigation Department is engaged in the construction and maintenance of canals and drains to regulate the water received through Bhakra Canal System and Western Yamuna Canal System. The other important activities of the department are construction and maintenance of drainage system to dispose off surplus water during rainy season and to ensure remedial measures for the flood control in the State.

The Haryana State was created in November 1966 with a total geographical area of 44 lakh hectares. The cultivable area of 38 lakh hectares increased to 42 86 lakh hectares as on 31 March 2000. The irrigated area of 12 93 lakh hectares (November 1966) increased to 21 57 lakh hectares as on 31 March 2000. Against the target of bringing additional area of 8 75 lakh hectares under irrigation during 1996-2000, only 1 61 lakh hectares could be brought under irrigation. There was shortfall in achievement of targets by 82 percent as availability of water remained the same.

During 1996-99, though the production of food grains increased by 19 percent, the production of other crops viz. oil seeds, sugarcane and cotton decreased to the extent of 13 35 to 32 percent.

4 1 2 Organisational set up

The Commissioner and Secretary to the Government of Haryana, Irrigation and Power, is the administrative head at the Government level and is responsible for implementation of policy decisions, programmes and schemes, etc. The Engineer in Chief (EIC), PWD, Irrigation Branch, is the Head of the Department. He is assisted by 7 Chief Engineer, 34 Superintending Engineers, 156 Executive Engineers and a General Manager (Projects). The Executive Engineers in the divisions are responsible for execution of irrigation projects/channels, flood control and drainage works.

4 1 3 Audit coverage

Certain aspects of the working of the department for the period from 1996-97 to 2000-2001 were reviewed through test-check of records in the offices of Commissioner and Secretary (Irrigation), EIC, 7 circles and 20 divisions (out of 34 circles and 114 divisions). Important points noticed as a result of test check are discussed below.

4 1 4 Financial management and control

(a) Budgetary control

According to Budget Manual of Punjab as adopted by Haryana State submission of budget to the Finance Department is the responsibility of the Head of Department. EIC is the Head of the Irrigation Branch and operates the grants under three * major heads of account. It was seen in audit that the budget estimates were not submitted in time. The delay in submission of budget estimates ranged from 14 to 90 days.

(iii) Unnecessary supplementary grants

Though the department had not exhausted the original budget provisions of Rs 60.14 crore during 1996-2001 yet supplementary provisions amounting to Rs 18.59 crore were made in 8 cases involving 6 sub-heads of accounts.

The department in their written reply stated as under —

The Budget Estimates for Non-Plan works and establishment were submitted in time. However, S.N.E.s of Plan works and establishment were late due to non-receipt in time from field offices.

- (iii) Supplementary provisions are made specifically for specific heads where there is actual demand and there is reasoning and not otherwise. Also the flow of funds from Finance Department is more during last four/five months than in earlier months. So the reasoning that supplementary demand be made only after exhausting the original demand is not justified.

During the course of oral examination, the Committee desired the department to send the details of 6 cases, which were supplied. The Committee recommends that in order to maintain financial discipline and budgetary control, the department should take every care not to ask for supplementary provisions without exhausting the original budget provision in future.

[33] 4 1 5 Programme management*

(i) Planning

(d) Delay in furnishing drawing resulted in avoidable payment of escalation

As per agreement escalation for increase in price index was to be paid to the contractor executing the work of replacement of Pathrala Dam at Dadupur. The work of replacement of Pathrala Dam was to be completed by 6 January 2001. Accordingly the escalation was payable upto the date of completion i.e. 6 January 2001. During audit it was noticed that escalation amounting to Rs 125.99 lakh was paid to the contractor out of which Rs 23.25 lakh pertained to the extended period i.e. January 2001 to April 2001.

Similarly the work of construction of WJC Link Channel and its appurtenant works were to be completed by March 2000 by a firm A. The firm was paid escalation amounting to Rs 155.82 lakh out of which Rs 38.09 lakh pertained to the period from April 2000 to March 2001.

During audit it was noticed that the contractors/firm were not supplied drawings in time and extension of time limit was also granted due to this very reason. Had the drawings been provided to the contractor/firm in time the payment of escalation of Rs 61.34 lakh could have been avoided.

The department in their written reply stated as under —

As per clause 47.1 and 47.1 (a) of the contract agreement contract price shall be adjusted for increased/decreased in rates and prices of labour material and fuel and lubricants. The price adjustment shall apply for the work done from the start date given in the contract upto the end of the initial intended completion date or extension granted by the Engineer and shall not be for the period beyond stipulated time for reasons attributable to the contractor.

Although price adjustment upto extended date of completion if accorded by the Engineer is payable however in this case price escalation as pointed in the para has been paid for the price index/indices upto Dec 2000. In the I.P.C. 19th paid vide Voucher No 8 of 5.6.2001 only quantity executed during January 2001 to April 2001 were taken but price escalation was paid upto December 2000. As such there is no excess payment of price escalation in this bill. Photocopy of M.B. No 4851 page 190-193 showing the calculation of price escalation upto December 2000 is enclosed for your reference.

There has been no delay in supply of drawings. All the drawings were supplied to the contractor by the time these were needed actually at site by the contractor. As regard Mechanical drawings these were to be supplied by the contractor himself under the contract agreement. On receipt of Mechanical drawings these were got checked from the Central Water Commission who worked as our consultant.

Basically the extension in time had to be given to the contractor preliminary because estimated cost of the work had increased though there was some delay in mechanical drawings at approval stage with Central Water Commission due to various reasons but the work did not suffer due to this marginal delay as the extension in time was otherwise required for increase in cost of the work. Any such marginal delay in drawings got concurrently notified due to requirement of extension in time and due to increase in scope of work.

As per discussion in the meeting held on 24.5.2001 the main reason for extension in time limit was due to increase in scope of work. The contract price had increased from 1837.70 lacs to Rs 2376.56 lacs as submitted to the World Bank and approved by them overall percentage increase in scope of work is about 28.24. Photocopy of the revised approval of the contract value by World Bank is enclosed.

Delay in submission and approval of Mechanical Drawings was also discussed in the meeting. As per clause 13.3.10 (ii) of technical specification of the contract agreement the agency was required to supply assembly drawings and it was made clear to the agency that the agency is itself responsible for delay in approval of drawings of gates and hoists components of the work. Hence no

extension in time on this account was considered and recommended. However the agency was asked to carry out additional work of modification of gates and hoists of under sluice and additional Head Regulator for which reasonable extension in time was recommended. Thus at no stage extension in the time limit on account of late supply of drawings has been considered and allowed as stated in para. In view of position explained above para may kindly be dropped.

- (ii) As per clause 70.1 of the contract agreement the amount payable to contractor shall be adjusted in respect of the rise or fall in the cost of labour, equipment, plant, material and other inputs towards the works. Clause 70.3 (a) of contract agreement specified that price adjustment shall apply only for the work carried out within the stipulated time or extension granted by the employer.

The work was certified to be substantially completed on 15.1.2001 and taking over certificate was issued by Engineer i.e. Superintending Engineer, Hathni Kund Barrage Circle, Jagadhri vide No. 1576/78/9 W dated 31.3.2001 (copy enclosed). The completion date was extended by the competent authority after taking into consideration various reasons for granting extension in time limit. Thus the price escalation for the indices upto extended period is payable as per clauses of agreement. Price escalation has been paid upto December 2000 i.e. upto the extended date of completion and thus there is no excess payment to the contractor.

The main reasons for granting extension in time limit are elaborated below —

- (i) Model studies for design of the silt ejector was got conducted by the Central Water Commission, New Delhi from Central Water and Power Research Station, Pune which led to considerable delay in execution of work. Delay of Model studies from Central Water and Power Research Station, Pune was beyond the control of the Department.
- (ii) Clearance from Central Forest Office, Govt. of India through Principal Chief Conservator of Forest, Haryana was required and approval was delayed which led to subsequent delay by the State Forest Department regarding deforestation for which the case was pursued vigorously.
- (iii) Mechanical drawings were delayed at approval stage with Central Water Commission who was our consultant for this work. This was primarily due to the reason of delay of receipt of model studies of results from Central Water and Power Research Station, Pune.

Thus the extension was granted to the agency for the reasons explained above for which the department has no control over the matter and no official/officer is at fault for delay and the extension has been sanctioned by the competent authority. As such the agency is entitled for price escalation upto the date of extension in time limit granted by competent authority. Keeping in view the above position, para may kindly be dropped.

During the course of oral examination, the department pleaded that there was no loss to the department due to delay in submission of drawings by the Contractor.

and the project was got completed at no extra cost. The Committee desired the department to sort out the matter with the A.G. Office under intimation to the Committee within a period of one month. Thereafter the para will be dropped. But no intimation was received from the department till the drafting of the report. However, the Committee dropped the audit objection relating to the construction of W.J.C. link canal mentioned in second para of the Audit report.

[34] 4.1.5 (ii) Formulation of Schemes

(a) Non implementation of objective

The department fixed targets for bringing additional area of 64,000 hectares under irrigation during 1996 to 2001 by implementing 3 schemes. The actual achievement was only 7,000 hectares though the budget provision of Rs. 160.38 crore was almost fully spent (Rs. 160.21 crore) on these schemes.

Engineer in Chief informed that potential could not be increased by extension of channels as water availability remained the same. The proposals for extension/improvements of irrigation channels were mainly based on public demand and the department did not examine the aspect of availability of water at the time of making such proposals.

The department in their written reply stated as under —

Reply of this Sub Para is awaited from field offices. Reply will be sent on receipt at the earliest.

The Sub Committee desired to know the reasons for not sending the reply by the field officers. The departmental representatives stated in the written reply to the queries of the Sub Committee that all the concerned field offices have been directed to fix the responsibility of the officers/officials, who are responsible for late submission of reply.

During the course of oral examination, the Financial Commissioner & Principal Secretary of the Department requested for keeping this para pending so that he may check the factual position about fixing the responsibility and sending the reply to the Committee.

[35] 4.1.5 (d) Non-utilization of staff

The EIC intimated (October 2000) that no surplus staff was available with the department as the men-in-position were less than the sanctioned strength. During test-check of records of Delhi Water Services Division, Delhi it was noticed that after construction of Gurgaon Water Carrier Channel in 1994 the nine workmen doing mechanical job were rendered surplus and ever since they had been drawing salary from Delhi Water Services Division due to failure of the department to deploy them on any other work. The Executive Engineer admitted (September 2000) the facts and stressed on higher authorities to transfer/adjust them at some other place but no action was taken to utilise their services. Rs. 35.32 lakh were paid to such staff upto 2001.

The department in their written reply stated as under —

Though the workmen could not be adjusted immediately on rendering surplus by the department due to its restructuring but later on all the workmen stood adjusted. Out of 9 workmen 2 stand retired one took voluntary retirement 1 stand transferred to Rewari and remaining 5 Nos are presently working at Yamuna Barrage at Delhi/GWS Channel pump houses Gurgaon

During the course of oral examination, the Committee pointed out that further replies to the queries of Sub Committee have not been received as per the queries. The departmental representatives promised to do so. But no reply was received till the drafting of the report. Therefore, the Committee recommends that the same may be supplied within a period of two months.

[36] 4.1.5 (iii) Implementation of schemes

(a) Expenditure on works executed without technical approval and expenditure incurred in excess of the sanctioned estimates

Paragraph 2.89 of PWD code provides that no work is to commence on any irrigation project until it is approved technically. A test check of 9 divisions revealed that 136 works were executed during 1996-2001 against which Rs. 19.56 crore had been spent without technical approval of the competent authority. Rs. 24.21 lakh were spent in excess of the sanctioned estimate (in 6 cases) in 4 divisions without any approval of the competent authority.

The department in their written reply stated as under —

Reply of this Sub Para is awaited from field offices. Reply will be sent on receipt at the earliest.

The Department should clarify whether the technical sanction is not sought prior to the sanctioning of estimates. In the reply, the Department had shown that 29 estimates are still pending out of which 11 estimates are under process of sanction. The Committee would like to know either they are being processed for technical approval or the scheme or sanctioning of the estimates. Latest position about these 29 balance estimates/technical approval be intimated to the Committee. This is irregularity relating to the implementation of schemes regarding 8 divisions, the Committee be told of the rest of the divisions also. The Department in its reply mentioned only disciplinary action taken against the officials who were responsible about the 18 Nos. of works. The names of the responsible persons be sent to the Committee and it may also be explained that why not the reasons have not been mentioned in the reply.

This is also surprising that the Department left those officials who were involved for booking the expenditure on 11 No. of works which are under process. The Committee would like to know the names of those officials who were responsible for the same and the responsibility should also be fixed and disciplinary action be initiated against all those responsible officials.

The details of sanctioning of 107 estimates of works should also be apprised to the Committee in terms of date and time when these works were sanctioned and the amount involved therein

The details regarding 6 works of excess over estimates be also put up to the committee in terms of date and time and the amount involved and the reasons for the pendency of 2 works should also be intimated to the Committee. The Committee would like to know the names of the responsible officials in this issue also and whether the Department has initiated some disciplinary action against them if so, the details thereof

[37] 4 1 5 (b) Wrong adjustment of expenditure

Works expenditure is required to be charged to the head of account as approved in the sectioned estimates. In 8 divisions Rs 98.14 lakh were charged to the head of account other than that approved in the sanctioned estimates to avoid laps of budget grant under another head which is not permissible.

The department in their written reply stated as under —

In this para wrong adjustment of expenditure of Rs 98.14 lacs has been pointed out in 8 Divisions to the head of account other than that approved in the sanctioned estimates to avoid lapse of budget grant under another head. These bookings were done not with the intention to avoid lapse of budget grant under another head but due to various reasons given below and these were later on rectified through transfer entries -

In water Services Division Jagadhri Dadupur Water Services division Dadupur and Indri Water Services Division Karnal initial expenditure was booked under head 2245-RNC but on being pointed out by Chief Engineer/YWS that the expenditure under head 2245-RNC is exceeding the budget & LOC the expenditure was set right through transfer entries under head 4701-M&M Irrigation Navigation RIDF III NABARD

Similarly in Water Services Division Rewari the work of constructing protection bund or Village Pavti was proposed to be executed under head 2245 RNC. But after observing that sufficient funds are not available under head 2245 RNC the work was diverted to head 4701 M&M (Plan) NABARD and the expenditure earlier booked under head 2245 RNC was transferred to head 4701 M&M (PLAN) Nabard

In Hisar Water Services Division Hisar the expenditure of Construction Dabra Drain was inadvertently booked under head 2245 RNC and after it came to the notice the expenditure was finally transferred to head 4701-Nabard (RIDF-III) through transfer entry

In Tohana W S Division Tohana advance payment of Rs 4.70 lacs was made to the MITC Karnal for repair and replacement of Rolls of Head Regulators at RD 67500 of B M B. The transfer entry was prepared and adjusted during 9/96 to adjust and clear this Misc. advance and debit the expenditure to final head of account. But due to inadvertent wrong booking the mistake was again rectified

by charging the expenditure to Head 2701 M&M Non Plan (commercial) (MPRP) vide T E No 6 of 2/97 But due to budget grant under Head 2245-RNC for this purpose the expenditure was finally booked to the Head 2245-RNC by contra credit in 2701 M&M Irrigation (Non-Plan) Commercial MPRP vide transfer entry No 4 of 3/97

In Ghaggar Water Services Division Sirsa the estimates of works were sanctioned under Head 2245 RNC Relief and works were executed during 1996 97 Payment of these works could not be made due to non receipt of fund/LOC The demand for budget under Head 2245 RNC was sent to clear these liabilities during 1997 98 but no budget was allotted in the ordinary budget grant/Final budget grant Budget for maintenance of Drains was allocated under Head 2701 M&M (Plan) commercial improved/upgradation and O&M of Drains As all these works were related to Maintenance of Drains the expenditure already booked under Head 2245 RNC was adjusted under the Head 2701-M&M Plan Commercial improved/upgradation and O&M of Drains through transfer entry during 1997 98

As per report of Pundri Water Service Division Kaithal no such transfer entry of Rs 6 91 lakh under head 2245 RNC has been made in that Division

As regards of non transfer entry made in Pundri Water Service Division, Kaithal of Rs 6 91 lacs under Head 2245 RNC, the same may be got verified from the office of A G. (Audit) by the Irrigation Department

The Committee would also like to know the names of the responsible officers/officials for this wrong booking and whether the Department has initiated some disciplinary action against them, if so, the details thereof

The amount of work expenditure should also be charged to the Head of Account as approved in the sanctioned estimates The Committee also would like to know whether the adjustment of such expenditure was made with the prior approval of the competent authority and what is the position of such adjustments in other divisions beside these test checks of divisions

[38] 4 1 5 (iii) (C) Unfruitful expenditure on the re-activation of the course of old abandoned drain No 6

Delhi Government deposited Rs 34 lakh with the Divisional Officer Rai Water Services Division Sonapat for re-activation of abandoned drain No 6 in Haryana territory to divert flow of Diversion Drain (DD) No 8 as with the outfall of this drain into river Yamuna the problem of the pollution of drinking water at Wazirabad was continuously being confronted The work was allotted to an agency in February 1999 to be completed by June 1999 The agency stopped the work allegedly on receipt of directives from the Executive Engineer Rai Water Services Division (after having spent Rs 11 66 lakh) due to construction of a bridge at RD 7780 The agency failed to restart the work inspite of extension granted upto November 2000 The reasons for leaving the work as alleged by the agency were not accepted by the Executive Engineer on the grounds that there was no link between these two works and that the agency had never been asked to stop the work No action could be taken against the agency as agreement executed did not provide for any penalty clause The work was still lying abandoned (July 2001)

The department in their written reply stated as under —

The contents of the Audit Para in regard to expenditure of Rs 11 66 lakh incurred on reactivation of old abandoned Drain No 6 stated to be unfruitful are not correct. The intended work was taken up as a deposit work of Delhi with the objective that the sewage of Drain No 6 which outfalls into D D No 8 could be diverted through abandoned Drain No 6 so as to join River Yamuna d/s Wazirabad Barrage. Rs 11 66 lakhs were spent on re activation of abandoned Drain No 6 and work was completed. In fact after execution of this work sewage of Drain No 6 is not being allowed to join River Yamuna through D D No 8 and instead it stands diverted through abandoned Drain No 6. Full deposited amount of Rs 34 lakhs was not spent as the work of modification of the Regulator etc was not taken up. It was considered that the Karri regulation may eventually prove costlier as Supervisory staff would be required to be posted for safeguarding of the Karris etc.

Instead it was considered more useful and economical to construct a temporary Bund across Diversion Drain No 8 so that the sullage of Drain No 6 could be diverted from Diversion Drain No 8 to abandoned Drain No 6. However the construction of temporary X-bund every year was found convenient as some time Diversion Drain No 8 was required to be used as an escape channel and therefore now an alternate scheme of transporting the sewage from Diversion Drain No 6 to abandoned Drain No 6 through the bed of Diversion Drain No 8 has been proposed and is under consideration of the Delhi Jal Board for their consent. This para may be dropped please.

The Committee would like to know —

- (i) The present status of work which was to be completed by June, 1999. Whether any action was taken for delay in execution of work.
- (ii) Why penalty clause was not provided in the agreement. In the absence of penalty clause, how the Department proposed to initiate action against the agency?
- (iii) How Department justified the incurring of Rs 11 66 lacs on the works when the work remained abandoned till July, 2001. Whether it was not unfruitful expenditure when the intended targets were not achieved even after incurring expenditure of Rs 11 66 lacs on this work.

[39] 4 1 5 (iii) (d) Land under unauthorised possessions

Test check of records in EIC's office revealed that in 645 cases 1 375 37 acres of surplus land valuing Rs 17 69 crore was under unauthorised possession as of September 2000. Out of these 248 cases involving 484 43 acres of land valuing Rs 6 16 crore were under litigation. However no action had been taken to get the remaining land vacated.

The department in their written reply stated as under —

Reply of this Sub Para is awaited from field offices Reply will be sent on receipt at the earliest

The Committee would like to know the position with regard to unauthorized possession in all other divisions of the whole State The Committee would also like to know the names of the officers under whose control the land in question was and what action was taken against them The Committee would further like to know the reasons for not takings appropriate action by the concerned officers at their own level to avoid the unauthorized possession of the land in question

[40] 4 1 5 (iv) *Collection of Revenue*

(a) **Outstanding recovery of water charges**

Rs 58 14 crore on account of water charges were due to be collected for non irrigation purposes as of March 2000 This amount included Rs 14 62 crore due from HSEB Out of this Rs 9 28 crore were recoverable from Panipat Thermal Plant on account of water supplied from December 1995 to March 2000 The Haryana Power Generation Corporation adjusted Rs 9 28 crore during October to December 2000 against the pending energy bills payable by Irrigation Department without furnishing any details of pending bills and verification thereof by Irrigation Department No concrete steps were taken to recover the balance amount of Rs 48 86 crore The main defaulters were Agriculture Department (Rs 17 70 crore) HSEB (Rs 5 34 crore) Industries Department (Rs 1 79 crore) Public Health Branch (Rs 18 90 crore) and others (Rs 5 13 crore)

The department in their written reply stated as under —

Necessary remedial actions have been initiated in respect of observations of the Comptroller & Audit or General Field officers have been instructed to make efforts to recover the water charges by contacting their counterparts at District level Most of the principal amount is being recovered but surcharge is not being given by any of the department The matter of waiving off surcharge is already under consideration

The Committee would like to know what steps were taken to recover the amount of Rs 48 86 crore and what action has been taken to recover the amount from the main defaulters viz Agriculture, HSEB, Industries and Public Health Departments and how much time Department will take to recover this amount as already considerable time of about 6 years have lapsed

The Committee would also like to know what remedial action had been taken and what is the position of recovery of surcharge The details of recovery made till to date be also supplied for the information of the Committee

The Committee would like to know the latest position of the amount which is yet to be recovered from the Departments mentioned in the para

After seeing the figures shown against the defaulters, the Committee presumes that payment of water charges has never been made by the defaulting Departments in the past. As per the reply of the Department, the Department has not made any efforts to evolve a system whereas water charges of various departments are adjusted automatically in different heads since it is book adjustment from department to department.

[41] 4 1 5 (iv) (b) Recoverable amount

As per Memorandum of Understanding (MOU) Delhi State receives its share of raw water from Yamuna River through canals running in the State of Haryana. Raw water was supplied to Delhi State in excess of its share but recovery of excess raw water (11 05 547 cusecs) amounting to Rs 52 61 crore was not made from the Delhi Jal Board from May 1994 to March 2001. In addition Rs 18 66 crore for excess return flow of 3 01 567 cusecs were also recoverable from the Delhi Jal Board. Thus Rs 71 27 crore were recoverable from the Delhi Jal Board for which no action had been taken.

The department in their written reply stated as under —

In this connection it is intimated that water bills from 1 1 94 to 30 6 2005 were being regularly issued and total outstanding amount becomes Rs 67945807415/- upto 30 6 2005. Regular pursuance at the Divisional level is being made. The matter was taken up by Haryana in a meeting between Chief Minister Delhi and C M Haryana on 25 7 2005 and it was decided that the issue be sorted out in a meeting at the level of Financial Commissioner & Principal Secretary / Irrigation and C E O Delhi Jal Board. The meeting is expected soon.

The amount recoverable from Delhi Government is increasing year after year. It shows that somewhere the system of recovery is lacking and the reply of the Department that they talked at various levels, does not seem to be sufficient because as upto date Rs 71 27 crores was recoverable from the Delhi Jal Board. Can the Department suggest some drastic measures to the Government to put pressure on Delhi Government for the recovery of its dues?

The Department should also explore the possibility of adjustment of this amount in some other head where money has to be paid by the Haryana Government to the Delhi Government.

If some amount could be adjusted in this regard the Department should approach the F D to find out the relevant facts and effective measures to recover the amount in question within 15 days after the receipt of the proceedings from the Vidhan Sabha.

[42] 4 1 6 Store Management

(i) Purchase of spare parts in excess of requirement

Spare parts of vehicles, machinery and articles of stores with a book value of Rs 10 09 crore and pertaining to the year 1976 onwards were lying surplus and unutilized in various divisions/circles as of March 2001. The SE YWS Circle Faridabad intimated (March 2001) that sanction for disposal of articles valuing Rs 39 92 lakh by auction had been

obtained and the Executive Engineer Procurement and Disposal Division Delhi intimated (March 2001) that the material valuing Rs 9 69 crore was under disposal

There was nothing on record to show as to why such heavy purchases of spare parts were made when there was no immediate requirement

(ii) Non adjustment of AG memos

AG memos were required to be adjusted immediately on their receipt in division after proper verification. In 7 divisions 63 AG memos amounting to Rs 56 48 lakh the details of which were not available had not been adjusted. The delay ranged between 21 to 177 months. The Executive Engineer Pundri Water Services Division Kaithal stated (January 2001) that AG memos were sent to the Sub divisional Officer (SDO) for verification but no action was taken and in the meantime the sub division was transferred to other division. No efforts were made to obtain/adjust the outstanding AG memos and get these verified from the SDO who after transfer remained at the same station.

(iii) T & P returns not prepared

Tools and Plants (T & P) returns are required to be prepared annually for the period ending 30 September every year. It was noticed that in 35 divisions 270 T & P returns were not prepared for 2 to 39 years though these were pointed out through Inspection Reports and assurance was given by the EIC in this regard. In absence of such return which reflected non accounting of T & P articles possibility of pilferage of these stores would remain undetected.

No action was taken against the defaulting officials and reasons for not preparing the returns were also not available on record.

(iv) Machinery lying idle

Machinery valuing Rs 42 04 lakh was lying idle in Yamuna Water Services Mechanical Division Faridabad for the period ranging between 7 to 29 months resulting in blockage of funds.

The department in their written reply stated as under —

- (i) Reply of this Sub Para is awaited from field offices. Reply will be sent on receipt at the earliest.
- (ii) In this para 63 A G Memos amounting to Rs 56 48 Lakh have been shown as unadjusted in 7 Divisions. In Water Services Division Dadupur 2 Nos A G memos amounting to Rs 96744/ have been shown as unadjusted.

These AG memos relate to Telephone department which can not be adjusted as no system of telephone department is functioning since 7/89. AG Haryana has also been informed by him accordingly vide his No 728-29/11A dated 22 9 2004. In Nardak W/S Division Karnal 14 A G Memos amounting to Rs 7 09 364/ have been shown as unadjusted. As per his report A G memos for a sum of Rs 3 64 574/- are not required to be adjusted as the said A G Memos pertain to the maintenance of telegraphic lines after 5/95 whereas the telegraphic system was switched over to wireless system after 5/1995 and matter was reported to AG (A&E) Haryana by Superintending Engineer YWS Circle Karnal.

on 13.9.2002 Superintending Engineer has also taken up the matter with senior Accounts Officer BSNL ASTD Ambala for withdrawal of these AG Memos. For the remaining A G Memos amounting to Rs 3 44 790/- he has requested A G (A&E) Haryana to supply copies of these A G Memos for taking further necessary action for their adjustment. So far as Indri W S Division Karnal is concerned he has reported that no A G Memo is outstanding in his Division. The remaining 4 Divisions i.e. Sirsa W S Divn, Sirsa Adampur W S Divn, Hissar, Kaithal W S Divn, Kaithal and Pundri W S Divn, Kaithal have requested Accountant General (A&E) Haryana to supply copies of A G Memos shown against these Divisions for taking necessary steps for their adjustment. They have been directed to obtain copies of these A G. Memos and take immediate necessary action for their adjustment.

- (iii) As per observation of Audit in the para 270 T&P returns were shown pending in 35 Divisions of this department at the time of Audit during 2000-2001. Out of these returns 244 returns have been got audited/prepared. Directions have been issued to the concerned Superintending Engineers to get the remaining 26 Nos. pending T&P returns prepared and audited from the Accountant General (Audit) Haryana on priority.

- (iv) The reason for idling of machinery needs to be appreciated.

The machinery was old and it needed disposal. It took some time in completing formalities for disposal. All the machinery mentioned in this para has already been disposed off/under process of disposal. Details are given below —

Sr No	Name of Machinery	Date of Disposal	Reserve Price	Auction Price
1	Hind Manne D/Line	30.6.03	9 50 000 00	~ 9 61 890 00
2	Hind Manne D/Line	14.5.05	8 00 000 00	8 56 786 00
3	D-50 Dozer 7195	28.5.03	2 10 000 00	4 65 888 00
4	P&H D/Line 9359	Under process of disposal		
5	D 80 Dozer-6435	Indent is lying with Director Supply & Disposal Haryana for auction/disposal since 2002		

(i) Purchase of spare parts in excess of requirement

- (i) The department has not replied to this sub para. Responsibility needs to be fixed for not replying to the audit, under intimation to the Committee.
- (ii) What is the status of surplus material worth RS 10.09 crore lying surplus from the year 1996 onwards? Whether this material has not deteriorated with the passage of time? Why immediate action was not taken to dispose off the material in question? Who is responsible for purchasing material when it was not required for immediate use? It is not understood that how material was purchased without proper estimation. Responsibility needs to be fixed for excess purchases, under intimation to the Committee.
- (iii) The accumulation of spare parts with a book value of Rs 10.09 crores seems to be intentional and some vested interests seem to be working.

for causing this loss to the Government. Normally in private organisations stock taking is also done at the end of the year and obsolete parts in the inventory are generally disposed of after making a list of those parts. In this case whatever the Committee felt during on the spot study inspection of Tajewala and Hathnikund Barrage, it presumes that the spare parts seems to have been lying with the Department year after year. It is evident that this value is only in the books whereas their parts may not be available physically at all. It is very serious lapse on the part of the senior officers who are managers of the Department.

- (iv) The Committee would like to mention here that some senior officers should be deputed to check the inventory personally and responsibility should be fixed for unnecessary purchases and storing of excess spare parts in the godowns by various officers and officials and disciplinary action be taken against them and reply in this regard should be submitted to the Committee within a period of 10 days prior to the oral examination. The department should use governance in this particular case to expedite the matter.

(ii) Non adjustment of AG Memos

- (i) The Committee would like to know what is the latest position of adjustment of outstanding AG Memos and whether any personal efforts were made to adjust these outstanding A G. Memos. Latest position be apprised to the PAC.
- (ii) While going through this para, the Committee feels that there is gross willful negligence on the part of the officers who were not only irresponsible but are trying to evade replying the various queries made by the A G.(Audit) and since A G. Office does only test check, the actual amount must be much higher than that reflected in this para.
- (iii) As there is a delay ranged between 21 177 months, the Committee are shocked at this irresponsible behavior at all levels in the Department and the Department has not sent the reply so far. The department is advised to go through all these things very carefully and reply to para relevantly and suggest severe punishment to the defaulting officers who have not cared to obey the orders of seniors, under intimation to the Committee.
- (iv) The Committee would also like to know the names of the officers who have not obeyed the orders, must be placed on record. The exercise must be time bound and should be further linger on a number of years. The time-frame required by the Sub Committee must be followed by the Department.

(ii) T&P returns not prepared

- (i) The Committee would like to know when 244 T&P returns were prepared and got audited and their details may be given to the Committee. These returns were not prepared from 2 to 39 years. How Department can say that in its absence pilferage of store articles will not occur.

- (ii) What is the status of preparation of 26 No of balance T&P returns? Whether any responsibility was fixed for non preparation of these returns by the divisional officers/officials
- (iii) Some sorry state of affairs has been mentioned in the para The reply in this regard may be made according to the observations made by the Committee in part (ii) of Non adjustment of AG Memos

(iv) Machinery lying idle

The Committee would like to know —

- (i) Whether lying idle of machinery was not blockade of Government funds? Why so much time was taken to dispose off this idle machinery ?
- (ii) How much time it will take to dispose off the machinery shown at Sr No 4 of reply?
- (iii) Whether the matter of dispose off machinery shown at Sr No 5 of reply was taken with DS&D Haryana after 2002? Why so much time was taken to dispose it off? What is its present status?

4 1 7 Human Resource Management

[43] (ii) (a) Complaint cases

Details regarding complaints relating to serious irregularities involving misappropriations fraud burglary against the officials of the department were as under —

Year	Opening balance	Number of complaints received	Total complaints	Number of complaints disposed of	Closing balance
1996 97	123	135	258	100	158
1997 98	158	113	271	82	189
1998 99	189	83	272	66	206
1999-2000	206	44	250	22	228
2000-2001	228	49	277	11	266

No consolidated record showing number of cases where the staff/officers were found guilty and extent of action taken against them or recoveries made from them had been maintained by the department The Superintending Engineer Vigilance intimated that final outcome in cases where the action had been proposed by him was not available (March 2001)

(b) Disciplinary cases

Position of disciplinary cases decided and pending was as under

Year	Opening balance of disciplinary cases	Number of cases added	Number of cases decided	Number of pending cases
Upto 1997	595	Nil	79	516
1998	516	95	34	577
1999	577	196	108	665
2000	665	120	116	669
Total	-	411	337	-

It would be seen that number of disciplinary cases continued to increase at the end of each year from December 1997 to 2000. Reasons for delay in deciding such cases were not on record.

The Department in their written reply stated as under —

It is intimated that purview of Vigilance Circle is limited to the extent of framing draft charges as per Govt. decision on the basis of primary findings and sending the same to Govt. or Engineer in Chief as per rank of the officer. Final action as to whether official were found guilty or the recovery is to be made is required to be taken by the competent authority.

Para relates to the number of disciplinary cases being added year by year from 1997-2000. The reason for the same is that number of cases added during the year is on the increase as evident from the statement. The process of finalisation of disciplinary cases is time consuming. While deciding the disciplinary cases of the delinquents it is to be ensured that the cases are decided after following due procedure as laid down by ensuring that the orders given by the competent authority are just, correct and in order and the disciplinary case is decided judiciously keeping in mind that no injustice is done to the delinquent. The process of disciplinary case involves the following stages —

- (i) Service of the charge-sheet upon of the delinquent
- (ii) Seeking defence reply of the delinquent
- (iii) Seeking comments on the reply of the delinquent from the concerned officers
- (iv) Conducting enquiry of the cases as per rule and as per Chief Secretary No 62/77/2002-6GS I dated 28.2.2003
- (v) Issuing 2nd SCN to the delinquent in case penalty is to be imposed
- (vi) Obtaining reply to the 2nd SCN from the delinquent
- (vii) Issuing order deciding the case

The cases are decided after complete scrutiny. All the pros and cons of the cases are looked into and in some cases information is required from the field set up. Sometime Inquiry Officers are transferred during the pendency of the enquiry case which hampers the enquiry process and result in delay in finalization of disciplinary case. Efforts are made to decide the disciplinary cases at the earliest.

The Committee would like to know —

- (i) **The complaints relating to serious irregularities are pending since 1996-97. Why final decision has not been taken on these complaints till now? Delay in this regard shows the connivance of the departmental officials. This needs investigation.**
- (ii) **Why consolidated record where staff/officers were found guilty was not maintained? In the absence of proper record how monitoring of these cases is done by the Department. Responsibility needs to be fixed for the lapse.**
- (iii) **On what basis SE Vigilance intimated that final outlook of cases where action was proposed by him, was not available. Complete reply be furnished in this regard.**
- (iv) **The number of cases of complaints is increasing year after year. Presumably it seems that there is lack of control of the senior officers because they are lacking their duties to control their junior staff. The Department should evolve a system where the cases are disposed off with speedy action and punishment be awarded to the defaulting officers at various levels so that the discipline be maintained.**
- (v) **The Committee desired that the Department should furnish complete details of the officers against whom the complaints have been received yearwise and the number of hearings held in each case.**
- (vi) **The Committee would also like to know from the Head of the Department whether he himself is satisfied with the progress in regard to action taken in these cases and if not what action does he suggest against those officers who have been delaying the result of these inquiries year after year.**

[44] 4 1 7 (iii) Introduction of selection grade to Engineers

Selection grade was awarded to the Engineers (AEE/AE/SDO/SDE) from May 1989 after completion of 12 years of regular satisfactory service. Subsequently the Government issued notification (May 1990) restricting the selection grade to 20 per cent of the cadre post. The instructions contained in this notification were not followed and selection grade was awarded to all the SDOs who had completed 12 years of regular service. The department was unable to supply the information regarding number of officers eligible for selection grade, number of officers actually drawing selection grade and quantum of amount excess paid as no such record had been kept in the EIC office.

The Department in their written reply stated as under —

As per instructions issued by the FD vide their Memos No 6/38/3PR FD 87-19 822 dated 26 1989 selection grade was allowed to all SDOs i.e. 424 Nos of SDOs. Later on Finance Department during May 1990 issued clarification regarding grant of selection grade to 20% of the Cadre Posts. As per these instructions the matter was considered and selection grade was allowed to 20% SDOs i.e. 85 Nos and all the Superintending Engineers were directed to withdraw the selection grade and to effect the recovery from the SDOs who were not eligible for grant of selection grade which comes out to Rs 2 60 76 029/ tentatively and detail of recovery to be effected is also attached.

Most of the SDOs have filed court cases in the Lower/Hon ble High Court against the recovery orders and the Hon ble Court have stayed the recovery. LPAs/CMs have been filed in the Hon ble High Court for vacation of stay order. Advocate General Haryana is also being remanded for early hearing of LPAs/CMs so that huge amount which is to be recovered may be recovered immediately.

The Committee desired that the latest position in this case be put up before the Committee regarding the officers who are drawing enhanced salaries now. The Committee would like to know the latest position of the High Court case. The FD representative who is attending the Committee meetings, may also be asked to clarify the position regarding taking of two decisions within a span of one year.

[45] 4 1 7 (iv) Excess expenditure on establishment

(a) The expenditure on works (Revenue and Capital) and establishment during 1996-2001 as intimated by the department was as under —

Year	Works expenditure	Expenditure on regular establishment	Permissible expenditure on establishment i.e. 25 per cent of works expenditure	Excess expenditure on establishment	Percentage of establishment expenditure over works expenditure
(Rupees in crore)					
1996-97	199.71	123.81	49.93	73.88	62
1997-98	222.09	140.24	55.52	84.72	63
1998-99	212.03	199.81	53.00	146.81	94
1999-2000	239.72	182.76	59.93	122.83	76
2000-2001	219.75	185.95	54.94	131.01	85
Total	1093.30	832.57	273.32	559.25	76

According to norms the expenditure on establishment should not exceed 25 per cent of works expenditure. This expenditure however ranged from 62 to 94 per cent during 1996-2001 which resulted into excess expenditure on establishment to the extent of Rs 559.25 crore.

No justification was given by the department for excess expenditure on establishment.

The department in their written reply stated as under —

The expenditure on establishment has been incurred as per sanctioned strength of the department and expenditure on the work is incurred on the basis of the approved action plan and LOC released. Moreover the excess expenditure on establishment during 1998-2001 is mainly on the higher side due to the implementation of 5th Pay Commission Report by the State Govt. as a result of which higher package had to be paid to the employees in addition to the payment of arrears with effect from 1.1.1996.

The Committee observed that information given by the Department does not seem to be satisfactory. In the year 1996-97, the expenditure was Rs 73.88 crores in excess of what was permissible. Similarly, in other years also the percentage of excess expenditure is extremely high. The Committee would like to know as under —

- (i) Whether the Department did any exercise to reduce this expenditure?
- (ii) Whether the Department tried to convince the F.D. about some compulsions of maintaining higher allocation on regular establishment?
- (iii) Is it comparable with other government departments?
- (iv) The reply of the department probably can be attributed to 1998-99 only where the percentage increases upto 94%. Roughly, there is an excess expenditure of 62.76% in different years which is not justified in any case. Explanation be sought from the Department in this regard.

[46] 4.1.7 (v) Recoverable amount from HUDA

The work on construction of Gurgaon Water Supply channel for supply of raw water to HUDA was executed by the Irrigation Branch (PWD) and the channel was maintained by one Sub-division under the Executive Engineer, Delhi Water Services Division, Delhi. The expenditure incurred on the maintenance of the channel was met from the Joint Saving Bank Account operated by the Executive Engineers of HUDA and Irrigation Department. The expenditure on the salary of the establishment of one Sub-Division was also to be met by HUDA. The Irrigation Branch had been maintaining the channel since June 1994 and the establishment charges upto February 2001 worked out to Rs 3.90 crore out of which Rs 45 lakh were recovered from HUDA. The balance amount of Rs 3.45 crore was still recoverable.

The department in their written reply stated as under —

This office agrees with the comments offered by Executive Engineer, Delhi Water Services Division, Delhi. It is an admitted fact that HUDA is not making any

payment on a/c of establishment charges inspite of repeated requests by the Executive Engineer and attending various meetings at lower and high level except a payment of 45 00 lakhs during 11/98 on this account The Executive Engineer Delhi W/S Divn Delhi vide his letter No 4547 49/GWS dated 31 7 03 has requested to Executive Engineer/HUDA Division No III Gurgaon for release of establishment charges from 6/1994 to 2/2003 but till today they have not released any payment except one as explained above on the plea that the Sub Division which is maintaining GWS channels relates to Irrigation department Haryana and Irrigation Department should bear the expenditure of its staff and HUDA will make payment of maintenance charges only

In fact HUDA is reluctant to release establishment charges In clear terms they have refused to release the payment on account of establishment charges

The Committee recommends that the Department should approach the Chief Secretary through Financial Commissioner to decide this issue and if any agreement was executed earlier with HUDA, then why should they not honour it Such issues should be decided well in time by the Department so that unnecessary paras are not created

[47] 4 1 7 (vi) Irregular payment of pay and allowances

In two divisions five Junior Engineers were transferred to work in *Panchayati Raj* Department by the Deputy Commissioner Yamunanagar in February 2000 Though they worked with that department their pay and allowances amounting to Rs 6 lakh with effect from February 2000 to March 2001 were paid by the Irrigation Branch The department failed to explain the reasons for making payment to the officials for the period during which they did not work in the department

The department in their written reply stated as under —

These Junior Engineers were temporarily attached with Executive Engineer Panchyati Raj Jagadhari as per the orders of the Deputy Commissioner Yamuna Nagar vide his order No 235 37 dated 22 1 2000 (Copy attached) with the condition that they will received their pay etc from their parental department

- 2 They were sent to Panchayati Raj vide Executive Engineer Water Services Divison Jagadhari letter No 209 10/2E dated 15 2 2000 (Copy attached) Sh Ashok Kumar Bhutani Junior Engineer remained in Panchayati Raj upto 6/ 2002 and Sh S D Semwal Junior Engineer remained upto 14 11 2001
- 3 B T bill was raised and sent vide letter No 1334/1A dated 10 2 2002 to Executive Engineer Panchyati Raj Jagadhari (Copy attached) as per observation raised by Accountant General (Audit) Haryana durning 5/2002 The payment of B T Bill has not been made by Panchayati Raj Department with the plea that as per orders of Deputy Commissioner Yamuna Nagar the pay was to be drawn by the parent Department

The Committee would like to know from the Department as to how the departmental officers were transferred to Panchayati Raj on the orders of D C ? Was the D C competent to pass such an order If the D C passed some irregular order, was it not essential on the part of the Executive Engineer, Yamunanagar to approach the senior officers to take their permission on this account

The Committee would also like to know the necessity on the part of the D.C to transfer these Junior Engineers from Irrigation Department to Panchayati Raj, Department The Committee would also like to know the name of the D C who passed the orders of transfer

[48] 4.1.7(vii) Training

The Irrigation Branch was imparting training to officials/officers through Haryana Irrigation Research and Management Institute located at Kurukshetra Against target of 15 000 officers/officials during 1996-2001 (3 000 every year) only 8 384 employees were trained at an expenditure of Rs 25.05 lakh

The department in their written reply stated as under —

As reported by Director/HIRMI Kurukshetra the target of 3000 trainees per year was fixed during 2001 only and not from the year 1996 as mentioned in the para Year-wise target fixed for training as per sanctioned estimate from 1996-97 to 2000-2001 is shown in the statement attached as Annex -A It is admitted that during 1996-97 to 2000-2001 8384 employees were trained

The Committee desired that the instructions issued in the year 2001 fixing the targets may be supplied to the Committee and the instructions, if any prior to 2001 in this regard may also be supplied to the Committee

The Committee would also like to know —

- (i) **Whether there is no employment in the department during the last few years? Whether there is any employee left who has not been trained in this institute ?**
- (ii) **Whether there is still some necessity of maintaining this institute?**
- (iii) **Whether this training programme in this institute is upto date as per the modern requirements**

[49] 4.1.7 (viii) Consultancy

The work of architectural and engineering consultancy for the construction of Sinchai Bhawan at Panchkula was allotted to a private firm in October 2000 The consultant was to furnish presentation drawings for various layouts prepare drawings and cost estimates etc with adequate details sufficient for their inclusion in the bidding documents with detailed specifications supervise the execution of work from time to time till its completion During

audit it was noticed that the consultant did not prepare bill of quantity accurately as at the first stage there was huge variation in quantities as well as the depth of basement that varied with actual execution and earth filling in basement increased by 569 per cent. It showed that the consultant failed to accomplish various items of work with reasonable accuracy for which an amount of Rs 15.36 lakh was paid to the consultant upto June 2001. The department has its own Central Design Office but its services were not utilised for preparation of design and drawings. So far as supervision aspect is concerned it could have been done either by the experienced engineers of the Irrigation Department or the services of some engineers from Building and Roads Branch could have been hired. In case the Central Design Office was not capable of executing such work this could have been done through the Chief Architect Haryana.

The department in their written reply stated as under —

The estimate for the construction of Sinchar Bhawan was prepared by the consultant on the basis of specification drawings. Working drawings were prepared by the consultant after designing of the structure. The construction of the building was carried out as per the working drawings which were prepared by the consultant after getting the foundation etc. designed from the structural Engineer. The BOQ was prepared on the quantities based on the estimate of the building. As it was only an estimation of the quantities based on the tentative specification drawings, therefore, the actual quantities varied from the estimated quantities as the actual work was done on the detailed working drawings. The working drawing could not be prepared as it was time consuming. Even the working drawings were prepared and submitted by the consultant upto date. If the consultant would have been asked to prepare the estimate of the working drawings it would have taken very long time and the work could not have been started in time.

However, it is informed that the quantities of earth work in excavation was taken as 9886 cum whereas after observing the actual levels at site the quantities worked out to be 1002.9 cum upto 28/6/2001. This is a very minor variation i.e. 1.45% only. The depth of basement was taken as 2.18 only tentatively whereas after observing the levels at site the depth came out to be 2.94 Metres including the depth of foundation also which has been taken as 1.255 metres respectively.

The depth of foundation was tentatively taken as 1.255 metres whereas after the design it was noticed that no separate excavation was required for foundation excavation as strip foundation was provided in most of the area and after providing for pay lines and the working space for the foundations no separate cutting was required at site and which was including the depth taken as 2.94 metres instead of 2.18 metres + 1.255 metres = 3.435 metres. Similarly the variation in the actual quantities of the earth filling and anti termite treatment is due to the difference of specification drawings and working drawings.

The consultant provided the services as per the requirement of works. The Central Design office was not competent to provide the architectural services for the

design and drawing of the Sinchar Bhawan therefore the services of Central Design Office could not be utilised. As such the consultancy of the Architect was very much required and the payment of Rs 1535827/ could have never been avoided. The consultant provided all the services such as lifts, electrical installations, fire fittings, air conditioning, land scapping and civil work as well as the public health installations in consideration of his contract price. Keeping in view the position explained above, the para may kindly be dropped.

The Committee would like to know —

- (i) How Department justified the huge variation in quantities at the same stage?
- (ii) On what basis the department says that Central Design Office was not competent enough to provide design and drawings?
- (iii) All the persons in Central Design Office are well qualified and they are competent for preparing drawings. The Department should substantiate their incompetency by giving the details and reasons?
- (iv) Why services of Engineers/Chief Architect, Haryana were taken/utilised by the Department?
- (v) The Committee would like to know whether other departments got constructed the buildings at Panchkula by engaging the architectural consultant?
- (vi) The Committee would also like to know whether the same consultant has been engaged in case of Government Bhawans constructed at Panchkula ?
- (vii) The Committee is not satisfied with the replies of the Department as the queries raised in the audit para have not been replied relevantly.

[50] 4 1 8 Incomplete project Hathnikund Barrage Project

The construction of Hathnikund Barrage Project was completed in June 1999 at a cost of Rs 208.19 crore and Western Jamuna Canal Link Channel in January 2001 at a cost of Rs 25.80 crore. Both the Projects remained non functional due to non completion of Hydel Project by Haryana State Electricity Board (HSEB) and Link Channel joining Eastern Jamuna Canal by the Uttar Pradesh Government. Thus lack of co ordination amongst various project implementing authorities had delayed the project.

The department in their written reply stated as under —

The construction of WJC Link Channel was completed in January 2001 yet it can not be made functional during non monsoon period till Hydel Channel of HPGCL is completed. Therefore water delivery system from Yamuna River through WJC Link Channel is not dependent upon the completion of WJC Link Channel itself but it is also linked with completion of Hydel Channel of the HPGCL.

The Committee conducted on the spot inspection of Hathnikund Barrage in the month of July, 2006 and made detailed observations with regard to this para. The Committee would like to discuss the replies to those observations at the time of oral examination.

How Department justified the lack of coordination amongst various project implementing agencies? Whether any responsibility was fixed for non completion of Hydel project?

The Committee would also like to know whether in the lean period when the flow of water is at the minimum level there is any possibility of passing the whole water from the Hydel channel so that the power generation may not be effected.

[51] 419 (i) Monitoring

A monitoring cell working under the charge of an Executive Engineer in the ETC office was required to monitor the progress of all schemes/works. This Cell did not monitor flood control measures and works executed by the department. The EIC office did not maintain details of the numbers, names and particulars of the schemes/works approved by the Haryana State Flood Control Board and physical progress achieved for such works. No action plan was prepared for works executed except for Water Resources Consolidation Project and Projects of National Bank for Agriculture and Rural Development.

(ii) Internal audit

Neither any internal audit system existed in the department nor was any internal audit conducted by the Finance Department.

The department in their written reply stated as under —

- (i) It is correct that there is a Monitoring Cell working under the charge of an Executive Engineer in the Head Office to monitor the progress of Water Resources Consolidation Project. His duties did not include monitoring flood control measures and other works executed by the department. Action plan of flood control works (During the year 2000-2001) was prepared by respective Water Services Units which also monitor the physical progress achieved for such works. As far as details of the number, names and particulars of the schemes/works approved by Haryana State Flood Control Board are concerned, these were with all water services Units as well as with the Superintending Engineer, CDO I who is the Member-cum Secretary of TAC/Haryana State Flood Control Board and issue the agenda and minutes of the meeting. As such it is wrong that Engineer in Chief office did not maintain details of the schemes approved by Haryana State Flood Control Board.
- (ii) The Irrigation Department is a very large department consisting of 26 Circles, 93 Divisions with the strength of 20,000 employees approximately. The sanctioned strength of SAS cadre in the department is only four officers, i.e. one Chief Accounts Officer, one Section Officer at Head Office, one Accounts Officer at Karnal and one Accounts Officer at Hissar. They have been entrusted with

the work of verification of pay fixation and ACP scales cases of employees verification of interest cases of all types of loan and advances granted to employees verification of pension calculation and other retrial benefits rendering advice on financial matters and calculation of rates of leave salary and pension contribution of the employees on deputation etc

The position as explained in the foregoing para will reveal that the nature of job being performed by the SAS Officers of Finance Department in Irrigation Department serve the purpose of internal audit in regard to the various financial matters concerning the establishment claims etc Since the Govt is following the policy of reduction in establishment Therefore it would not be advisable to incur such a huge expenditure on creation of the posts of 28 Section Officers and One Accounts Officer as the aim of audit is already being achieved through the external audit being conducted by the Accountant General (Audit) Haryana

The Committee would like to know as under —

- (i) Whether there is any cell for monitoring the flood control measures in the Irrigation Department?
- (ii) The Committee is not satisfied with the replies of the Department as queries raised by the Audit in the para have not been replied relevantly
- (iii) The details of numbers, names and particulars of schemes/works maintained by the EIC be supplied for the information of the Committee
- (iv) Whether action plan was prepared for the year 1996-2000 ? Copies of action plan be supplied to Committee
- (v) Whether monitoring cell was monitoring the progress of schemes/works? What type of duties were assigned to monitoring cell and what was its justification?

The Department seems to be advised in comparing the internal audit system with austerity in retaining establishment The Department can go for restructuring of clerical staff and create an internal audit cell in each district for basic formulations to avoid such colossal, unnecessary expenditures that were seen through the preceeding paras Austerity cannot be compared with efficiency Efficiency is of utmost importance, which needs internal audit because A G. office does only test checking A scheme be formulated by the Department to create internal audit, under int mat on to the Committee

General observation regarding Para 4 1 5 (iii) to 4 1 9 (ii)

The Sub Committee (A) of Public Accounts Committee in its meeting held on 4 8-2006 scrutinized the replies to the above mentioned paras and made detailed observations/raised various queries in regard to these paras and the proceedings of the said meeting were sent to the department on 13 9-2006 The Committee did not receive any reply to these observations/ queries till the drafting of the report and in the absence of these replies the Committee could not orally examine the department in regard to these paras, which is a further lapse on the part of the concerned

departmental officers. Therefore, the Committee recommends that the matter of not sending the replies to the observations/queries of the Sub-Committee may be looked into by the Financial Commissioner and Principal Secretary to Govt Haryana, Irrigation Department at his own level and responsibility of the concerned Officers in this regard may be fixed and suitable action may be taken against them and a compliance report in this regard be sent to the Committee within a period of three months

As regards to observations/recommendations of the Committee in respect of these paras, the same have been made on the basis of reply sent by the department to the Audit para and these have been included parawise which may be replied and action thereon be taken under intimation to the Committee within a period of one month

[52] 4.5 Wasteful expenditure on construction of spillway bays of New Ottu weir

Two spillway bays constructed for New Ottu weir despite objection from Rajasthan Government had to be closed resulting in wasteful expenditure of Rs 3.84 crore

The Central Water Commission (CWC) after investigations designed (April 1997) the structures for construction of Ottu weir across river Ghaggar near village Ottu in Sirsa District to replace the existing weir constructed in 1894 under Water Resources Consolidation Project (WRCP) funded with assistance from World Bank. The new weir was designed for a flood discharge of 63,500 cusecs (against 20,000 cusecs existing) based on flood frequency of one in 50 years against requirement of one in 25 years as per recommendations of *Rashtriya Barh Ayog*. The estimate for construction of new weir with 10 spillway bays of 16 metre span each was sanctioned (June 1999) for Rs 32.07 crore by the Chief Engineer, Construction Unit II (CE CU II), Irrigation Department, Haryana without counter-verification of the design with reference to parameters laid down by *Rashtriya Barh Ayog* and National Policy. The new weir was to be constructed 300 metres downstream of the existing weir.

A meeting of Ghaggar Standing Committee was held in July 1999 in which the Chief Engineer (CE) (North), Irrigation Department (ID), Hanumangarh, Rajasthan expressed apprehension that increased discharging capacity would disturb the peak value of design discharge in Ghaggar river basin and that Rajasthan Government was not agreeable to the proposal of increased discharge capacity of new weir. From Haryana side, the meeting was attended by the Chief Engineer (Bhakhra), Irrigation Department, Haryana who is responsible for overall control on the running and maintenance of rivers and canals.

It was noticed during audit (January 2001) of Construction Division III, Sirsa, that the tenders for the work were invited and approved (October 1999) by the CE CU II without giving cognizance to the apprehension expressed by the CE ID (III), Rajasthan in the meeting of Ghaggar Standing Committee (27 July 1999) and the work of construction of new weir was awarded (October 1999) to a firm of Ahmedabad by the Superintending Engineer, Construction Circle, Sirsa for Rs 28.53 crore against which Rs 16.09 crore were paid (February 2001) for the work executed at site.

Meanwhile *Bharatiya Kisan Sangh* a registered society (Rajasthan) filed a writ petition (4076 of 2000) in the High Court of Punjab and Haryana Chandigarh. On the advice of court the meeting of Ghaggar Standing Committee was again held in May 2000. The Committee in line with the recommendations of *Rashtriya Barh Ayog* and National Policy on flood protection embankments as well as drainages for agricultural areas recommended that weir should be designed for a flood frequency of one in 25 years. Based on the recommendations by the Irrigation Department (Haryana) the Committee agreed to adopt a reduced figure of 45 903 cusecs of new Ottu weir. Accordingly it was finally decided by CWC to close two newly constructed spillway bays which were constructed at an expenditure of Rs 3.06 crore. As of February 2001 Rs 0.78 crore were spent on closing of two spillway bays.

Thus designing of new ottu weir by CWC for a higher discharge capacity without taking cognizance of the apprehensions expressed by the Rajasthan Government and also without keeping abreast of the formulation of design by CWC resulted in wasteful expenditure of Rs 3.84 crore on construction and closing of two newly constructed spillway bays of the new weir.

The matter was referred to the Engineer-in-Chief Irrigation Department Haryana Chandigarh in February 2001. No response was received from him. The matter was referred to the Government in June 2001 but their reply had not been received (August 2001).

The department in their written reply stated as under —

The design discharge of 63604 cusecs for the New Ottu Weir corresponding to 50 years return flood was arrived by the Hydrology Directorate of Central Water Commission based on flood studies conducted by them and the same has been accordingly adopted for the design of the New Ottu Weir by the Design Directorate of Central Water Commission in accordance with the latest guidelines for the hydraulic design of barrages and weirs as laid down under para 5 of IS 6866-1989 (copy of the relevant extract is attached) and the construction drawings have also been issued accordingly by the Central Water Commission.

Admitted to the extent that in the meeting of the Ghaggar standing Committee held on 27th July 1999 Chief Engineer (North) Irrigation Department Hanumangarh (Rajasthan) has expressed apprehension that increased discharging capacity would disturb the peak value of design discharge in Ghaggar river basin. In fact the State of Haryana has no control over the floods discharge flowing into the State of Rajasthan through Ghaggar River because the Ottu Weir is simply a diversion weir with no flood control provisions. It was felt that there was no need to get approval or consent of the adjoining States for the aforesaid work because it does not involve any interstate aspect. Moreover the period wing of Central Water Commission was fully aware about the feeling of Rajasthan Govt. before issuing reinstruction drawing of the New Ottu Wair.

Admitted to the extent that the tenders for the of New Ottu Wair were invited and approved by the competent authority. Keeping in view the approved construction drawing design by the design wing premier agency of design Irrigation structure.

The Department in its written statement before the Hon'ble High court of Punjab & Haryana has strongly defended the stand for construction of New Ottu Weir on the parameters approved by the CWC. The representatives of CWC being respondents also filed *Jawab Dawa* in line with the reply submitted by the Haryana Irrigation Department but it was further stated

by the CWC that to avoid interstate complications an undertaking was being sought from the Govt of Haryana to the effect that they would abide by the decision of the said committee stating further that issuance of construction design was being suspended till such time After hearing the arguments of the counsel for the petitioners as well as respondents the Hon ble court while declining to grant any stay to the construction activities passed an interim order that a meeting of the Ghaggar Standing Committee comprising the representatives of Rajasthan as well as Haryana be held under the deis of Central Water Commission within next 3 days and the decision of the committee be placed before the Court on next date of hearing / e on 29 5 2000

In compliance a special meeting of the Ghaggar standing committee was held on 24 5 2000 under the chairmanship of CWC After detailed discussions on the view point of the members the Committee finally decided to reduce the design flood discharge of the new Ottu Weir to 1300 cumecs (45903 cs) from 1800 cumesc (63560 cs) being presently adopted with the representatives of Rajasthan dissenting with the proposal who objected to any discharge larger that 20000 cs The decision of the Ghaggar Standing Committee was placed before the Hon ble court on 29 5 2000 and the court disposed off the petition in terms of the decision of the Ghaggar Standing Committee By that time the Department had completed 30% work at site In case issuance of further construction drawings is not resumed immediately the construction activity at site is likely to stop completely within next 2 days leading to a lot of contractual problems and other complications particularly in view of the fast approaching flood season The works executed and the foundation excavation will be burred in silt during the floods Considering all these facts the Department had no choice except to close two newly constructed spillway Rays involving an expenditure of Rs 1 94 crores for timely completion of the weir to avoid further losses and complications being economical

From the above it would be seen that the department had fully watched the interest of State of Haryana and alleged wasteful expenditure cannot be attributed to the fault of individual but can only be termed as unfortunate

During the course of oral examination, the Committee expressed its displeasure over the delay in submission of replies to the queries of its Sub-Committee upon which the Financial Commissioner & Principal Secretary of the Department promised to fix the responsibility of the erring officers/officials within a period of one week under intimation to the Committee But no such intimation was received till the drafting of the report

The Committee desired to reconcile the reply vis a vis the Audit para with the A G. office and thereafter a compliance report be sent to the Committee within a period of three months

[53] 4 6 Wastage of public funds on an unnecessary lift irrigation scheme

An irrigation channel taken up for construction between two river belts passing within a distance of 2 kms without considering the problems of water logging resulted in wastage of public funds of Rs 2 12 crore

To provide canal irrigation facilities to 11 610 acres of high level area with reverse slope in Ambala and Kurukshetra districts a project for the construction of Mansurpur Lift Irrigation

Scheme with a length of 13.42 kms (RD 0 44000) was sanctioned by the Government in January 1994 for Rs 1.28 crore (revised to Rs 3.19 crore in September 1999)

Being an irrigation channel its construction was required to be taken up from head to tail and the major *pucca* works viz Head Regulator Bridges Drainage crossing Pump Houses etc were to be constructed first to achieve the potential simultaneously This principle was not followed during construction After acquiring 66.135 acres of land (March 1999) for proposed channel the earthwork in the entire length in different reaches in patches was commenced (May 1999) first and Rs 25.58 lakh (49 percent of estimated provision of earth work) was spent on this till the onset of Monsoon 1999 The balance work was resumed by the contractors in November 1999 but the land owners did not allow them to execute the work They represented (December 1999) to the Chief Minister against the construction of proposed channel being not useful for the people of the area as

- (i) the channel was being constructed between two river belts passing at a distance of 2 kms which brought floods during rainy seasons After construction the water logging problem was likely to increase due to blockage of flood water and good agricultural land would be ruined
- (ii) total land of this area was being irrigated by tubewells and
- (iii) the channel was being got constructed for a personal farm of the Member of Legislative Assembly (MLA) of the area

The Chief Minister ordered to stop the work immediately (25 December 1999) Accordingly the work was stopped (January 2000) and the Government finally dropped the scheme (February 2001)

Audit (June 2000) of SYL Water Services Division Ambala revealed that Rs 2.12 crore (acquisition of land Rs 1.36 crore earth work and miscellaneous expenditure Rs 26.75 lakh advance payments to HSMITC Rs 40.00 lakh HSEB Rs 4.75 lakh and PWD B&R Rs 4.75 lakh) upto September 2000 was spent on this scheme as of May 2001 No action to dispose of the land and recover the advance payments made to various departments had been taken as of May 2001

Thus construction of the channel without consideration of the problems of water logging and decision to drop the scheme resulted in infructuous expenditure of Rs 0.27 crore besides blocking of funds to the extent of Rs 1.85 crore

The matter was referred to the Engineer-in Chief PWD Irrigation Branch Haryana Chandigarh in July 2000 September 2000 and January 2001 The matter was forwarded (April 2001) to the Financial Commissioner and Secretary (FC&S) to the Government Irrigation Department However no reply was received from the FC&S (August 2001)

The department in their written reply stated as under —

The principle of starting the construction work from head to tail was rightly followed However construction of *pucca* works take much more time than other works due to constraints of space The scheme was being funded by NABARD under RIDE I and as such was time bound

There is no water logged area in Ambala District The existing tubewells installed in the area are deep tubewells and there is no shallow tubewell Thus there is no

possibility of water logging rather it will be beneficial in recharging the ground water with sweet water. There will be no blockade in free flow of flood water.

The scheme was prepared to provide canal irrigation facilities to 26 No. villages with about 1600 No. beneficiaries against the payment made to HSMITC. The pumps have been fabricated, received and utilised on the schemes requiring similar equipment. Since HSEB & PWD B&R have not carried out any work and as such the advance payment of Rs. 4.75 lacs so made to HSEB will be adjusted against other bills. PWD B&R have been approached to refund the amount.

Before execution of the work of this scheme, all aspects were considered by the State Technical Committee in detail and there is no technical flaw in the project.

The Department had to stop further execution of work on this scheme as per decision given by the competent authority on the representation given by some of the land owners before the Hon'ble CM Haryana during Sarkar Ap Ke Dwar Karya Karam.

During the course of oral examination, the Committee desired the department to send the concerned file to the Committee for examination, which was produced before the Committee. The Committee did not find the full facts on the file and it seems that orders to wind up the scheme were passed without obtaining approval of the competent authority. Moreover, the file was silent about the utilisation of funds earmarked for the scheme. Therefore, the Committee desired the Financial Commissioner & Principal Secretary to examine the matter at his personal level and report back to the Committee within a period of three months.

[54] 4.7 Wasteful expenditure on construction of irrigation channels

Rs. 1.83 crore was wasted on construction, repair and renovation of Chhapar Minor System as the capacity of feeder channels were not increased and consequently there was no water to carry through these channels.

A lift irrigation project (Chhapar Minor and its off takes viz. Jhully Sub Minor and Chhapar Sub Minor under Western Yamuna Canal System) constructed during 1986-87 at a cost of Rs. 86.56 lakh was non-functional ever since its construction due to less discharge of water and reduction in the capacity of lift pumps. The project aimed to increase the irrigation potential of Cultivable Command Area (CCA) of 7,195 acres. However, the channels were damaged, filled with blown sand and heavy jungle growth. With a view to make these channels operational, the department spent Rs. 96.06 lakh on repair and renovation of these channels during 1996-97 against four estimates sanctioned by the Chief Engineer/Additional Engineer in Chief (February 1996, December 1996 and March 1997). However, neither any provision was made for raising of feeder channels to ensure additional discharge of water nor the reasons for the non-functioning of the system were discussed in these estimates.

A scrutiny (September 1998) of gauge registers revealed that even after the repairs and renovation in 1996-97, the channels could not run up to tail for want of sufficient water. The Executive Engineer (EE), Water Services Division, Bhiwani admitted the facts and stated

(March 2000) that after internal clearance and renovation the Chhappar Minor upto RD 14550 and Chhappar Sub Minor from RD 0 to tail could only run on the available water whereas the remaining part of Chhappar Minor beyond RD 14550 to 26000 (tail) and Jhully Sub Minor were not functioning for want of sufficient water

It was only on Chhappar Minor RD 0 14550 that a small area of 67 acres was irrigated during 1997-2000 which was less than even one per cent of 7 195 acres of CCA envisaged for irrigation under the project The EE Construction Division I Bhiwani intimated (September 2000 and February 2001) that the system was not fully functional and was being joined with Bhakra Canal System The work of constructing three pump houses was in progress

Thus the expenditure of Rs 1 83 crore (Rs 86 56 lakh on original construction and Rs 96 06 lakh on repairs and renovation) incurred on the project upto 1996 97 without arranging sufficient water by raising the capacity of feeder channels was a waste

The matter was referred to the Government in March 2001 their reply had not been received (August 2001)

The Department in their written reply stated as under —

The project Chhappar Minor system was constructed during 1986 after its approval from Haryana Govt for increasing Irrigation Potential in the Culturable Command Area of 7 195 Acres in Bhiwani District being sandy area taking into consideration that extra supply of water would be available from Ravi Beas in light of decision of the Eradi Commission But due to Inter-state dispute neither the extra supplies were received nor the funds for completion of this scheme could be provided due heavy constraints of funds

In fact this whole issue has to be looked from the angle of creating an infrastructure in an economically Backward Area The Lift Canal System is not infrastructure an economically efficient if examined on the touch stone of economic benefits Thus Irrigation efficiency achieved on this system is low however social objective for filling ponds and meeting cattle requirements have atleast been achieved to some extent

On receipt of funds under NABARD Schemes the damaged lining was got repaired and banks were strengthened by incurring extra expenditure of Rs 96 06 lacs during 1996 97 But during initial running the canal system of Jhully Sub Minor and Chhappar Minor breached in down stream RD 14500 and tail portion being sandy area Now this portion is filled with blown up sand SE Const Circle Rohtak have been asked to enquire into the cases of breaches for fixing responsibility

During the course of oral examination, the Committee desired the department to send the full details of the amount spent on renovation/repair of Chhappar Minor from 1996 97 by the Department But no such information was received from the department till the drafting of the report Therefore, the Committee desired that the same may be sent to the Committee within a period of three months

PUBLIC HEALTH DEPARTMENT

[55] 4 2 Drinking Water

Highlights

Management and implementation of various water supply programmes to provide safe drinking water in rural and urban areas were ineffective. During the first two years of the Ninth Plan (1998-2003) 1087 problem villages having less than 40 litres per capita water supply per day (lpcd) were proposed to be upgraded. But during these years only 595 problem villages could be provided 40 lpcd of water. By January 2001 another 3 335 villages became deficient in water availability. Due to poor quality of water 160 deaths occurred during 1997-2000. Monitoring the implementation of works by the State Sanitary Board was not effective leading to huge cost escalation.

Accelerated rural water supply programme

4 2 4 (i) (A) Financial outlay and expenditure

Year wise position of Budget provision funds⁷ placed at the disposal of the Board and funds released to the executing agencies under MNP/ARWSP/DDP and expenditure were as follows

year	Budget Provision		Funds released by GOI (in case of ARWSP/DDP to the Board and by the Board to the Public Health Department		Expenditure		Excess+/ Savings	
	MNP	ARWSP/ DDP	MNP	ARWSP/ DDP	MNP	ARWSP/ DDP	MNP	ARWSP/ DDP
(Rupees in crore)								
1997-98	36.81	32.59	33.84	32.33	36.49	36.28	2.65	3.95
1998-99	38.10	34.77	29.87	34.77	31.89	32.48	2.02	() 2.29
1999-2000	31.96	38.58	30.17	38.57	43.12	38.13	12.95	() 0.44
2000-2001	41.70	18.99	41.70	18.99	61.81	40.71	20.11	21.72
Total	148.57	124.93	135.58	124.66	173.31	147.60	37.73	22.94
Grand Total	273.50		260.24		320.91		60.67	

The excess expenditure of Rs. 60.67 crore under Rural Water Supply was met by diverting funds from Urban Water Supply and by levy of departmental charges by treating all the works as deposit works etc.

(B) Manipulation in accounts

- (a) The Board sanctioned funds for water supply schemes under the head 4215-Capital Outlay on Water and Sanitation. The entire funds were being drawn by the Engineer in Chief and placed under the head 8443 Civil Deposits. By keeping these funds under Deposits, the unspent funds could be

carried forward to next year and led to incorrect exhibition of expenditure in the accounts and facilitate levy of departmental charges from these funds

- (b) During 1997-98 against the budget provision of Rs 13.05 crore for maintenance works Rs 14.21 crore were spent in all the 41 divisions. The excess expenditure of Rs 1.16 crore was met by irregularly diverting funds from capital works under Major Head 4215 without approval of State Legislature

The Department in their written reply stated as under —

There are variation in the expenditure figures and budget provisions as intimated by A. G. The correct figures are as under —

Year	Fund released		Expenditure	
	MNP	ARWSP/DDP	MNP	ARWSP/DDP
1997-98	33.46	29.67	21.32	30.57
1998-99	35.60	31.62	25.10	30.90
1999-2000	30.97	39.97	37.77	46.42
2000-01	36.50	28.40	58.69	38.11
Total	136.53	129.66	142.88	146.00
G Total	266.19 crores		288.88 crores	

The copies of audited figures duly verified by Accountant General Haryana for the year 1997-98, 1998-99, 1999-2000 and 2000-01 have already been sent to Govt of India

(1) The excess expenditure is only Rs 22.69 crore (8.5%) in place of Rs 60.67 crore pointed by A. G. Haryana which is nominal. The actual reasons for excess expenditure over funds released during this period are as under —

- (i) Levying of 7% PWD charges on the works
- (ii) Levying of 3% storage charges on the material issued from reserve stock
- (iii) For achieving physical targets expenditure in excess of Budget provision has to be incurred on some of schemes for their completion

During the course of oral examination, the Committee desired the department to hold a meeting with the representatives of the Accountant General and Finance Department to find out the solution of the problem of lapse of funds and the Committee may be informed accordingly within a period of three months. But no intimation in this regard was received till the drafting of the report

[56] 4.2.9 Execution of works

- (i) **Water supply schemes implemented without ensuring availability of water**

During April 1987 and May 1994 to June 1997 the following six canal based water supply schemes were undertaken in 4 districts by Divisional Officers without ensuring

availability of water from Irrigation Department as shown below

Sr No	Name of Scheme	Estimated Cost (Rupees in lakh)	Expenditure	Status of raw water
1	Palhawas Group of 16 villages (Rewari)	(a) 119.41 for 40 lpcd (b) 100.50 for 70 lpcd	171.68	The scheme did not function as construction of Rattanthal link channel was not taken up by the Irrigation Department
2	Bhankri Group of 10 villages (Narnaul)	120.37	64.75	The Executive Engineer PH Division Narnaul stated that raw water was not available even upstream pump house at RD 2836 Km of Dochana Minor when outlet is located at 4.9 Km downstream of pump house No. II at RD 4996 Km
3	Nangal Dargu Group of 6 villages (Narnaul)	125.10	98.12	The Executive Engineer Public Health Division Narnaul stated (December 2000) that raw water was available 9.9 Km from water work outlet located at RD 2.9 Km of Alipur Minor
4	Shenothpur Group of 14 villages (Narnaul)	103.00	24.24	The Executive Engineer PH Division Narnaul stated that water works at Bhungrka constructed at a cost of Rs 24.24 lakh could not be commissioned as the raw water is not available at pump house No 5 of Nalpur Distributary at RD 17.9 Km
5	Providing water supply scheme to village Mahara (Sonapat)	28.99	8.56	The Executive Engineer Irrigation Department showed his inability (July 1999) to sanction the outlet at Sardhana Minor being the outlet at tail end and advised for applying for outlet connection afresh from Delhi Branch. As an alternative, water was being supplied through shallow tubewell.
6	Providing canal based water supply to Serta Group of 3 villages	50.16	54.12	The scheme was completed (1990-91) at a cost of Rs 54.12 lakh. The Executive Engineer PH Division Kaithal inspected the water works (February 1993) and found that the level of the inlet channel did not have brisk flow of raw water from the canal even when canal was running in its full capacity. The scheme could not be made functional. The water was being supplied to the villagers through a shallow tubewell installed (March 1997) at a cost of Rs 4.01 lakh. The Executive Engineer stated (March 2001) that the scheme functioned properly on canal water upto November 1995 and thereafter resulted into failure due to excess drawal of canal water on upstream reaches of outlet. The reply of the Executive Engineer is not tenable in view of his findings during inspection.

The schemes could not be commissioned as of March 2001 due to non availability of raw water and the expenditure of Rs 4.21 crore on construction of schemes became unfruitful.

The Department in their written reply stated as under —

Present position of six No schemes is as under —

- 1 The canal based water supply scheme of Palawas group of villages is functioning properly as raw water has been made available in Rattanthai link channel
- 2 The scheme has been prepared after receipt of proper consent from Irrigation Department for supply of raw water. However sufficient raw water is not being arranged by Irrigation Department. Drinking water supply to these villages is being provided by installing tubewells in these villages
- 3 The scheme has been prepared after receipt of proper consent from Irrigation Department for supply of raw water. However sufficient raw water has not been arranged by Irrigation Branch after the completion of the scheme. Drinking water supply to these villages is being provided by installing tubewells
- 4 The scheme has been prepared after receipt of proper consent from Irrigation Department for supply of raw water. But sufficient raw water was not arranged by Irrigation Branch at the time of commissioning
- 5 The construction of water supply scheme Mahara was started in 12/86

This scheme was based on canal water which was to be taken from Sardana Minor. At the time of construction of water works there was sufficient Raw water available at Sardana Minor. The work was completed in 4/94 except finishing work. In view of the sufficient Raw water in Sardana Minor the Irrigation Department approved the outlet in Sardana Minor for water Supply Scheme Mahara. But later on due to shortage of water in Sardana minor there is acute shortage of raw water availability at water works Mahara. Therefore to meet the requirement of drinking water in villages 2 No shallow tubewells have been installed (one in water works premises and 2nd in the village)

At present water supply in village Mahara is satisfactory and there is no complaint from any quarter

- 6 The estimate for providing water supply scheme to Serta group of 2 No villages i.e. Serta and Farsh Majra amounting to Rs 19.59 lacs was approved in 1987. The scheme was on canal and the source of raw water was from Khanori Minor. The work of construction of water works at Serta was taken up in 1988. The Irrigation Department provided the outlet connection for village Serta from Kaithal Sub Minor instead of Khanori Minor on the plea that water will be available from Kaithal Sub Minor. The construction of water works was completed in 1991. During floods of 1993 there was damage to Kaithal Sub Minor along with inlet channel and due to silting in sub minor the Irrigation Department used to release raw water in open channel by heading up at the outlet so as to fill the S&S tank. This process continued upto 1996 after which there was acute raw water shortage. As an interim arrangement shallow tubewells were installed. Thereafter the raw water was taken from the Khanori Minor and the scheme has been made functional at 40 lpcd in year 2003.

During the course of oral examination, the departmental representative assured the Committee that in regard to schemes at Sr No 2 to 4 they will write to the Irrigation Department to find out why they have given in writing and made commitment when they are not in a position to supply the water and ask them to fix up the responsibility in this regard and follow guidelines so that in future these types of mistakes should not occur again. It was also promised to report back to the Committee in this regard.

As regards schemes at Sr No 6, the Committee desired the department to follow the relevant guidelines. The department promised to look into the matter again and consult the Irrigation Department. The Committee desired that if there is any damage to the scheme, responsibility of the concerned officer be fixed. The Department agreed to do so.

The Committee desired to know about the monitoring of projects by the monitoring cell.

The Committee recommends that the system of distribution of drinking water be strengthened and time bound programme for providing drinking water by fixing targets may be chalked out and failure to achieve the targets may be viewed seriously and responsibility of the concerned officers may be fixed. A compliance report in this regard may be submitted to the Committee within a period of three months.

[57] 4.2.10 Water quality and testing

(i) Non setting up of water testing laboratories

The Board approved a scheme for setting up of five district level water testing laboratories in June 1998 for Rs 20.00 lakh. Test-check revealed that though in Public Health Division Kurukshetra work of construction of building was completed (March 2000) at a cost of Rs 2.68 lakh, apparatus and equipment for laboratory had not been purchased and the building was being used as an office building. The Government (without prior approval of the GOI) decided (September 1999) to have one water testing laboratory for two to three adjoining districts instead of one laboratory for each district. Though funds were given by the GOI for apparatus and equipment at Kurukshetra but the Engineer in Chief instructed that the funds may be used for strengthening of existing laboratory at Karnal.

While laboratory at Fatehabad came into operation, no steps were taken as of March 2001 for construction of laboratories at Kaithal, Jhajjar and Panchkula even though sufficient funds were available.

The department in their written reply stated as under —

The Govt. of India sanctioned district level laboratories in the State in a phased manner. When building for laboratory at Kurukshetra was in progress, it was thought advisable that laboratories at all district headquarters were not required and about 5-6 laboratories could cater to the requirement of the other districts.

Accordingly Engineer in Chief vide No 14360 61 dated 21 9 1999 decided that the funds meant for water testing lab at Kurukshetra should be utilized for strengthening the existing lab at Karnal But by the time this decision was received the construction of the building was nearing completion and abandoning of its completion at that stage would have resulted in greater loss to Govt exchequer However subsequently due to great emphasis laid by Govt of India on water quality it was decided to have laboratories at all district headquarters At present the laboratory at Kurukshetra is functioning in another office building

Regarding other laboratories at Kaithal Jhajjar and Panchkula (Kalka) the same are also functional

During the course of oral examination, the Committee desired the department to send the information as under

- (i) the year in which the Government of India sanctioned the District level laboratories, district wise,
- (ii) the names of the officers who did not take action to set up the water testing laboratories as per the sanction of the Government of India and did not take care of the funds, and
- (iii) the reasons/circumstances for not taking the action to setup the laboratories as per the sanction of Government of India

The Committee desired that the above information may be supplied within a period of one month

[58] 4 2 16 Information education and communication (IEC)

The GOI sanctioned the project for Information Education and Communication (IEC) for districts of Ambala Panchkula and Hisar at an estimated cost of Rs 92 30 lakh on 50 50 sharing basis The GOI released Rs 23 08 lakh up to March 1996

As per guidelines of the GOI a consultant was to be appointed for co-ordinating the various activities at State level

The consultant was appointed by the State Government However the State level co ordinating agencies as well as district level co ordinating agencies could not be fixed The consultant resigned after a period of 9 months Consultant was paid salary of Rs 1 lakh during this period No activity was carried out under this project

The department in their written reply stated as under —

The Government of India sanctioned an IEC Project for the districts of Ambala Panchkula and Hisar at a cost of Rs 92 32 lacs on 50 50 sharing basis and a sum of Rs 23 08 lacs was released by Government of India As per guidelines of Government of India a Consultant was to be appointed in Head Office for

coordinating various activities. A Consultant was appointed but he resigned after a period of 8-10 months and a salary of Rs 1 00 lac was paid to him during this period. The consultant was required to appoint State Coordinating Agency as well as District level Coordinating Agency for Ambala, Panchkula and Hisar. However, no fruitful work was done by the Consultant. Thereafter, the State Government was requested to appoint Shri M. L. Sachdeva, retired Deputy Secretary Development & Panchayat Department Haryana, as Consultant, but this proposal was not accepted. This concept has now been changed by Government of India. Government of India has released a sum of Rs 127 lacs for IEC/HRD activities and proposed to conduct training programmes, Workshops during 2006-07.

During the course of oral examination, the Committee desired to know whether the amount was surrendered to the Government of India or it was utilized somewhere else by the Finance Department. The Committee desired the Finance Department to send the information within a period of one month.

[59] 4.8 Huge payments made for unexecuted items of work

By making inflated provisions of electric cables in the estimates, the department made excess payment of Rs 1.21 crore by not restricting payments for quantities actually supplied and used on the work.

Yamuna Action Plan (YAP) Project provided for construction of six sewerage treatment plants (STPs) in four towns. The work of construction, erection and commissioning of STPs (estimated cost Rs 68.87 crore) was allotted (May 1996) to different agencies on lump sum contract basis for Rs 51.05 crore. Detailed Project Reports (DPRs) of 6 STPs, on the basis of which detailed notice inviting tenders were prepared, contained a provision of 46,137 metres of electrical cables of various sizes with an estimated cost of Rs 1.18 crore, against which tendered cost worked to Rs 1.80 crore.

It was noticed during audit (January 1999 to March 1999 and subsequent checking of bills) that against the provisions of 46,137 metres of electrical cable, only 13,579 metres cable was actually embedded by different agencies. The Divisional Officer was required to check the actual quantities before payment. However, these agencies were paid Rs 1.74 crore (May 1996 and March 2001) by the Executive Engineers, Public Health Divisions, Yamunanagar, Faridabad and Panipat for the total estimated quantity at the approved rate of lump sum contract, though only Rs 0.53 crore was due to these agencies for the quantities actually executed by them. As a result, Rs 1.21 crore was paid in excess (worked out proportionately) for 32,558 metres cable which were not actually supplied or embedded by the agencies.

Out of six STPs, five were commissioned in March 1999 to November 1999 and were working satisfactorily. These STPs had a total cable length of 12,256 metres as against the provision of 41,937 metres. This indicated that the estimates for the provision of cables were highly inflated as only 29.43 per cent of estimated quantities of cables were actually embedded at sites as shown below:

Name of STP	Quantity of cables as per DPR	Quantity of cables as actually used	Percentage of quantity actually executed to quantity as per DPR	Estimated cost of cables as per DPR	Tendered cost of cables as per agreement
	(In metre)			(Rupees in lakhs)	
25mld STP Yamunanagar	5 895	1 857	31 50	15 00	23 07
10 mld STP Yamunanagar	4 200	1 323	31 50	10 01	13 62
40 mld STP Kamal	7 855	2 588	32 95	20 00	31 22
45 mld STP Faridabad Zone II	9 650	3 150	32 65	25 00	37 85
50 mld STP Faridabad Zone III	11 665	3 496	29 97	30 00	45 46
35 mld STP Panipat Zone II	6 872	1 165	16 95	17 50	28 58
Total	46 137	13 579	29 43	1107 51	179 80

The excess payments were facilitated due to inflated provision of 32 558 metres of cable by the departmental officers. The contractual agencies that did the jobs intimated (June 1997 - May 1999) actual quantities of electric cables supplied and embedded at sites but the Executive Engineers did not restrict the payments for actual quantities while releasing running/ final payments subsequently during June 2000 to March 2001. The gross failure of Divisional Officers to restrict the payment to actual supply caused a loss of Rs 1 21 crore to the Government. The possibility of malafide in such excess payments cannot be ruled out and the case therefore calls for investigation to fix responsibility for the avoidable overpayment.

The matter was referred to the Government in June 2000 and again in June 2001. Their reply had not been received (August 2001).

The department in their written reply stated as under —

The work of construction, erection & commissioning of Sewage Treatment plants was allotted to various firms on lump sum contract basis and not on item rate basis. The contract agreements provide that the firm was to execute Civil, Mechanical and Electrical works including the supply and laying of cable as a Job, which means that the length of the cable was no criteria as the cable was to be laid as per the approved drawings of various Electrical and Mechanical installations. Since the Detail Project Report is neither a part of approved DNIT nor of the contract agreement, therefore, the length of the cable and other items mentioned in the Detail Project Report has no relevance with the work allotted to the agencies as the cable has to be supplied and laid as per requirement and provision of the approved drawing.

It is reiterated that the work was awarded on lump sum basis, so the amount shown against various items of the job (including electrical cable) is in fact the breakup of total lump sum cost of full contract given & approved by the competent

authority only to facilitate the payments to the agencies during stages of execution

As the agency has supplied and embedded the cable as per approved layout plan of cable and completed the job of electrical and mechanical installation as per condition of the contract agreement so no excess payment as pointed out by the audit has been made to the agency

In view of the position as explained above para may please be settled

During the course of oral examination the Committee desired the department to review the matter in consultation with the A G. Office and send a revised reply within a period of one month

[60] 4 9 Unfruitful expenditure on sewerage scheme

Rs 98 24 lakh spent on sewerage facilities at Hisar rendered unfruitful due to non construction of main sewer line and disposal work

A scheme of providing sewerage to Hisar town (7th instalment) to extend the already laid sewer in southern part of Hisar town as these were creating nuisance to adjoining area of Mini Secretariat Housing Complex Borstal Jail was under operation since 1985 As part of this scheme brick circular sewer in a length of 4000 rft (0 to 4000 rft) was executed during 1985 2001 at a cost Rs 34 61 lakh and internal sewer in newly developed area was laid at a cost of Rs 63 63 lakh (against the provision of Rs 43 60 lakh in the estimate) without approval of detailed estimate Though Rs 98 24 lakh were spent up to May 2001 the balance work of out fall sewer viz brick circular sewer from RD 4000 10000 and disposal work was yet to be taken up As a result the partially constructed sewerage scheme was lying non functional The purpose of the scheme was thus not achieved in all these years

The Engineer in-Chief (EIC) stated (May 2000) that expenditure already incurred on work had already exceeded the estimated cost and area upto RD 10000 from U point had been developed Trunk sewer had to be extended to open area and revised estimate was being prepared to avoid the habitated area Sewer line laid between RD 0 and RD 4000 would be utilised on approval of revised estimates On further enquiry (March and April 2001) the Executive Engineer PH Division I Hisar stated (March and May 2001) that the sewer already laid from RD 0 to 4000 was being used for disposal of waste water of Borstal Jail and the sewerage water at the other end of the laid portion was being pumped out and spread in the adjoining area by installing temporary pump at the last manhole as and when required

The reply was not tenable since disposal of waste water of Borstal Jail was not part of the scheme and the division could not produce any evidence for this claim Besides the area had already developed as a residential colony and the disposal at last manhole (the point upto which the main sewer line was laid) was not possible In fact this was the main reason due to which trunk sewerage was being planned by the department The contradictory statements of the department were therefore not reliable

Thus sewerage scheme without disposal works and carrier sewer line was practically lying non functional even after an expenditure of Rs 98 24 lakh during 1985-2001

The matter was referred to the Government in June 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

The scheme Prov Sew Scheme Hisar (7th installment) was administratively approved by the S S Board Haryana vide Res No 14 dated 12 1985 for an estimated cost of Rs 88 35 lacs with the following provisions

- 1 Const of 36 i/d brick circular sewer 10000 rft from point U to proposed site of (disposal work beyond village Gangwa on Rajgarh road Hisar
- 2 Construction of disposal work
- 3 Internal sewer in various newly developed area of town i e
 - (i) Patel Nagar Gandhi Nagar 8 Marla colony and Mahalia Raj Putana
 - (ii) Tibba Dana Sher Dhanī Kishan Datt Kī Thakra Chamrran behind Sohna Cinema and Balmiki Basti

Accordingly the work of construction of brick circular sewer from RD 0-4000 was got constructed with the cost of Rs 34 61 lacs and internal sewer in the following area of the Hisar as proposed in the sanctioned estimate was got constructed with the cost of Rs 63 63 lacs

- 1 Patel Nagar Gandhi Nagar 8 Marla Colony and Mohalla Raj Putana
- 2 Tibba Dana Sher Dhanī Kishan Datt Kī Thakra Chamrran behind Sohna Cinema and Balmiki Basti

Area of Patel Nagar Gandhi Nagar & 8 Marla colony and Mohalla Raj Putana exist In the Northern part of Baismand Disty which cross in the Southern part of Hisar town and internal sewer line of these areas was connected with the disposal of Mini Sectt Hisar at the time of laying the internal sewer and internal sewer system of these areas is running smoothly since its construction and are functional

Similarly area of Tibba Dana Sher Dhanī Kishan Datt Kī Thakra Chamrran behind Sohna Cinema and Balmiki Basti exist in the Northern part of Hisar town and internal sewer line of these areas was connected with the main disposal of Hisar town and internal sewerage system of these areas is running smoothly since its construction and are functional

As such expenditure amounting to Rs 63 63 lacs incurred on internal sewer cannot be treated as unfruitful as the internal sewer was connected with the existing disposal of the area in which internal sewer was laid

It is submitted that an expenditure amounting to Rs 34 61 lacs was incurred on the work of construction of brick circular sewer from RD 0-4000 and this sewer line was to be connected with the new disposal which was proposed to be constructed against this estimate but this disposal could not be got constructed at that time due to shortage of funds It is further submitted that the sewer line from RD 0-4000 is under use as the sewerage system laid was put into use by

installing a temporary pumping set and sewer line of this area is used by the inhabitants of this area. As such the expenditure amounting to Rs 34.61 lacs incurred on 36" brick circular sewer can also not be treated as unfruitful as this sewer line is also running smoothly since its construction.

It is also brought to your notice that the estimate for further extension/execution of sewer system from existing point at RD-4000 to RD-15450 alongwith provision for construction of disposal work amounting to Rs 551.00 lacs is under process so that the existing sewer could be extended and put into use as per planning.

In view of above it is clear that internal sewer lines constructed with the cost of Rs 63.63 lacs and 36" brick sewer line constructed with the cost of Rs 34.61 lacs is being fully utilized and are functional. Hence it is requested that para may kindly be settled please.

During the course of oral examination, the Committee desired the Financial Commissioner and Principal Secretary to look into the matter at his own level and to fix responsibility of the delinquent officers whose lapse resulted into unfruitful expenditure and the Committee be informed in this regard.

[61] 4.10 Acquisition of land in excess of requirement

Acquisition of excess land on different design criteria and inflated population figures led to blocking of funds of Rs 78.01 lakh since 1996.

Public Health Department (PHD) acquired (during 1994-1996) 38 acre 6 kanal of land at a cost of Rs 2.12 crore for Sewerage Treatment Plant (STP) of 71 mld as per expenditure sanction issued by the GOI (January 1995) in connection with project for pollution abatement of Gurgaon town under Yamuna Action Plan. This included 3 acre 6 kanal of land for setting up office, laboratories and staff quarters leaving 35 acre of land for STP of 71 mld.

However PHD constructed STP for 30 mld capacity considering that population projection will be lower than that anticipated earlier and a proposal for additional capacity of 12 mld was included in the second phase. Total requirement of land for STP of 42 mld capacity worked out to 20 acre 6 kanal. Thus 14 acre 2 kanal of land worth Rs 78.01 lakh was acquired in excess.

The Executive Engineer (EE) PH Division-I Sonapat stated (October 1998 and July 1999) that the land was acquired for ultimate design of STP of 146 mld capacity for prospective population of 10 lakh by 2001. He also stated that excess land could not be released as it was not possible to easily get the money back from them. Further if land is released to some of the owners, other land owners may move the court. The reply was not tenable as the STP was approved on design criteria for next 5 years i.e. upto 1998 and not upto 2001. Moreover Land Acquisition Manual also provides for restoration of surplus land to persons.

The EE PH Division Gurgaon to whom the work was transferred after completion stated (May 2001) that surplus land is at present being utilised for afforestation and balance land will be utilised for future expansion. The reply was not acceptable as there was no such provision in the Detailed Project Report and for future extension of the STP land was to be acquired as and when required at a later stage as sufficient land was available adjacent to the present site.

Thus acquisition of huge amount of extra land based on inflated projection of population figures and failure to restore surplus land to the original owners resulted in blocking of Rs 78 01 lakh since 1996

The matter was referred to the Government in June 1999 and June 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

The 30 MLD STP at Gurgaon was constructed in the 1st phase of Yamuna Action Plan for the population of year 1998. The Sewage Treatment Plants as per the Manual on Sewerage and Sewage Treatment are constructed for the prospective population of 30 years. But the STPs under Yamuna Action Plan Phase-1 were constructed for a prospective population of 5 years only due to financial constraints. Only 19 acres land was sufficient for the construction of 30 MLD STP but since the STP was to be augmented for the future population of 30 years in next phase of Yamuna Action Plan and as such 38 Acres 6 Kanal of land (more than required area of 19 acre) was acquired for accommodating this augmentation as otherwise the land would not have been available at the time of augmentation due to rapid urbanization of the town.

The land (38 Acres 6 Kanal) was acquired against an estimate approved by Government of India for Rs 207 90 lacs during 1994-1995 keeping in view of the future augmentation as such there is no financial ambiguity in this.

It is further added that the augmentation of STP is being taken under Yamuna Action Plan Phase III for which the work of preparation of Detail Project Report has already started. The land which was acquired during 1995 for augmentation will be utilized now as otherwise it would have costed many times more than the previous cost of acquisition if acquired now.

In view of this it is apparent that there is no blockage of funds and therefore requested that the Para may be settled.

During the course of oral examination the Financial Commissioner and Principal Secretary sought time to review the reply given by the department to which the Committee agreed and desired that the same may be intimated to the Committee

[62] 4.11 Avoidable payment of interest on transfer of land

Delay in payment of land by Executive Engineer Public Health Division Ambala resulted in avoidable payment of interest of Rs 14 57 1akh.

Augmentation of water supply scheme for Ambala Sadar was administratively approved (April 1999) by the State Sanitary Board for Rs 15 crore (including a provision of Rs 2 08 crore for land) against which Rs 4 crore were provided by the Government of India (GOI) under

additional Central assistance for Basic Minimum Services (BMS) sector of Urban Water Supply during April 1999

For construction of water works for canal based water supply scheme 35 acre of land on Ghasitpur road acquired by Haryana Urban Development Authority (HUDA) and allocated to Haryana State Agricultural Marketing Board (HSAMB) was transferred (June 1999) by the Government to Public Health Department (PHD) on the condition that PHD shall pay to HSAMB the cost of land which the HSAMB had paid to HUDA alongwith the interest thereon from the date the land was transferred to HSAMB by HUDA to the date of transfer of land to PHD. PHD took possession of land in July 1999 and the Chief Administrator HSAMB demanded (July 1999) Rs 106.09 lakh (cost of land Rs 103.33 lakh and interest at the rate 15 per cent from 7 May 1999 to 10 July 1999 Rs 2.76 lakh) to be paid on or before 10 July 1999.

It was noticed during audit (December 2000/January 2001) of Public Health Division Ambala that instead of making payment by due date (10 July 1999) as fixed by HSAMB PHD made the payment of Rs 120.66 lakh on 20 June 2000 (cost of land Rs 103.33 lakh and interest at the rate of 15 per cent from 7 May 1999 to 19 June 2000 Rs 17.33 lakh). This resulted in avoidable payment of Rs 14.57 lakh as interest from 11 July 1999 to 19 June 2000 despite adequate provision for land payments in the funds of Rs 4 crore released by the GOI to the State Government in April 1999. Moreover as per decision of the Government the cost of the land alongwith interest accruing on the said amount was payable only upto (July 1999) the date of transfer of land to PHD. Thus payment of interest of Rs 14.57 lakh for period after July 1999 (upto June 2000) was irregular.

The matter was referred to the Government in May 2001. Their reply had not been received (August 2001).

The department in their written reply stated as under —

The Scheme for Aug. of W/S Sch. Ambala Sadar based on canal water was approved by the Govt. of India for a sum of Rs. 15 crore and funds amounting to Rs. 4 crore were released as central assistance for basic minimum services (BMS) sector of Urban W/S during 1998-99.

For the construction of infrastructure of this scheme Govt. of Haryana approved the proposal of transfer of 35 acres of land on Ghasitpur road from HSAMB to Public Health Deptt. (PHD) subject to the condition that PHD shall pay to HSAMB —

- 1 The cost of land which the HSAMB had paid to HUDA
- 2 The interest accrued thereon from the date of land was transferred to HSAMB by HUDA upto the date the land would be transferred to PHD by HSAMB

The LOC for requisite payment to HSAMB was immediately demanded and reference was also made to the Head Office time to time for release of LOC. The Head Office also made reference to the Financial Commissioner and Secy. to Govt. Haryana P.H. Deptt. vide their letter dated 11/10/99 but the LOC was released on 19/6/2K and the payment was also simultaneously made on dated 20/6/2K to HSAMB.

The interest was paid but the observations raised by the Audit party seems to be hypothetical in nature as the funds received from the Govt of India were remained with the State Govt and were utilized on some other important purposes. The transaction relates from Govt to Govt as such the plea raised by the Audit party is not correct.

Keeping in view of the above facts the para may kindly be settled.

During the course of oral examination, the Financial Commissioner and Principal Secretary sought time to review the reply given by the department to which the Committee agreed and desired that the same may be intimated to the Committee

PUBLIC WORKS DEPARTMENT

(Buildings and Roads Branch)

[63] 4 3 Extra expenditure

Delay in allotting the balance work and failure of the Executive Engineer Provincial Division II Panipat to protect the partially completed work resulted in extra expenditure of Rs 69 90 lakh

The work Widening to 4 lanes including strengthening of existing pavement of NH 1 from km 74 800 to 92 800 (Samalkha to Panipat) was allotted (1 March 1987) to firm A for Rs 7 79 crore with a time limit of 42 months (extended upto 31 December 1994) The agency commenced the work (May 1987) but left the work (March 1996) after completing the new carriageway upto Dense Bitumen Macadam (DBM) without treatment of 40 mm thick asphaltic concrete layer valuing Rs 4 61 crore The firm A was expelled by the Government on their poor performance and possession of the site was taken by the Government in May 1996 The balance work was allotted (July 1998) to firm B at the risk and cost of the firm A

The Chief Engineer (CE) Ministry of Surface Transport (MOST) inspected (October 1999) the site alongwith State PWD officers who brought out that DBM layer abandoned since last five years had cracked deteriorated and worn out in various stretches and was having undulation upto 50 mm due to excessive wear and tear owing to high volume of traffic MOST approved (December 1999) the proposals for (i) increasing thickness of DBM layer from 40 mm to 50 mm in km 74 800 to 76 and km 79 00 to 88 860 (ii) scrapping of existing DBM by milling machine upto 50 mm depth and relaying fresh layer of DBM 50 mm thick in km 76 to 79 and (iii) cutting 100 mm thick DBM with milling machine and then relaying the same in km 92 100 to 92 600

In audit (December 2000) of Provincial Division II WB Works Panipat it was noticed that the work of laying 10 mm increased thickness of DBM from 40 mm to 50 mm thickness was executed (April to July 1999) in km 74 800 to 76 and km 79 to 88 860 with an expenditure of Rs 23 64 lakh even before the final approval of MOST Scrapping of existing DBM by milling machine and relaying the same in km 76 to 79 and km 92 100 to 92 600 was done at a cost of Rs 46 26 lakh (milling Rs 18 15 lakh and Relaying Rs 28 11 lakh) upto February 2001 Thus delay (April 1996 to July 1998) in allotting the balance work to firm B and failure of the department to take appropriate measures to safeguard the partially completed work led to extra expenditure of Rs 69 90 lakh on the repair work

The Executive Engineer stated (April 2001) that traffic intensity was so high that it was impossible to close the road after completing the new highway upto DBM level and thus the deterioration was developed due to constant use of road for five years since 1994 to 1999 and no body was responsible for damage/deterioration of road He also stated that the extra expenditure would be recovered from the previous agency The reply was not tenable as new carriageway was opened to traffic without providing asphaltic concrete of 40 mm thickness which resulted in undulations and severe damage requiring major repairs

The matter was referred to the Engineer-in-Chief in February 2001 and April 2001 No response was received from him The matter was forwarded to the Financial Commissioner

and Secretary (FC & S) to the Government in May 2001. However, no reply was received from him (August 2001).

The department in their written reply stated as under —

National Highway no. 1 is an extremely important road as it caters to the traffic of all Northern States of India i.e. Punjab, J & K, Himachal Pradesh and Jammu and Kashmir and it is strategically also very important for defence of the country as it is the most vital link for safe guarding the borders with Pakistan all along J & K and a major area along Punjab boundary.

The new road was opened for traffic after laying DBM bituminous base course as it was necessary to do so at the earliest possible as old carriageway alone was not in a position to allow the ever increasing volume of traffic to ply smoothly and therefore State authorities in consultation with MOST decided to open the new carriageway to traffic after laying DBM. Although the department constantly pursued the agency to carry out A/C work at the earliest, the firm kept dilly-dallying the same on one pretext or the other and ultimately it stopped the work altogether and authorities had to take the decision to expel the agency in March 1996.

The balance work was allotted to M/s. Valecha Engineering Ltd. in 1998 where as the new road was being used by traffic regularly from 1994 and therefore due to the normal wear and tear, it was natural for road surface to need strengthening. Had the A/C work been done by the expelled agency immediately after laying DBM and road in use by traffic since then, as per approved norms of M O S T strengthening/Renewal wearing coat would have become due in normal course after five years' worth crores of rupees. So in this case increase in thickness of A/C from 40 mm to 50 mm (wrongly mentioned by Audit as DBM instead of A/C) and milling and relaying of D B M up to 50 mm in Km. 76 to 79 and 100 mm thickness in Km. 92.100 to 92.600 before laying A/C as per original provision have not been resulted from any delay in the allotment of balance work or due to the failure of the department to safe guard the partially completed work but rather was minimum possible requirement as per site due to constant use of road surface and normal wear and tear over these years and therefore contention of Audit that it has led to an extra expenditure of Rs. 69.90 lakh is not correct rather the Govt. has saved crores of rupees which would have been spent in normal course or renewal course over these years had the agency completed the work in 1994 as per prescribed time schedule. However it is again made clear that it is not our intention to justify the delay or to suggest that delay has resulted in any saving of funds of Govt. but only to emphasize that extra expenditure pointed out by the Audit is on account of normal wear and tear and minimum possible actual requirement of the work for completion of left out A/C work.

The above decision has been approved by the M O S T vide No. RW/12018/369/98/NHR dated 2nd December 1999 after due to inspection of the road surface it was only due to the continuous use of the road by the high intensity

traffic that too after the expiry of five years period prescribed for laying additional wearing layer

As explained in the foregoing paras no defects have developed due to below specification work and the question of pointing it out by the Engineer Engineer's Representative during the time of execution of work does not arise as all the work executed was conforming to the Independent quality control tests conducted during the execution separately

Tenders were called vide Chief Engineer N H tender notice No 1 dated 7th November 1997

The delay in reallocation of tender was due to the procedure prescribed in these global tenders which needs pre qualification of the tenderers and approval from the M O S T to allot the tenders After the expulsion of the contractor from the work the work was to be taken by the N H A I who invited tenders but due to prolong litigations/hurdles created by the expelled agency the M O S T again authorized the department in the year November 1997 for calling of the tenders for the balance work and no delay has been done by the Department on this account

Every action has been taken by the department with the due permission of the M O S T who is the technical advising and funding authority for the National Highways of India All the expenditure on this account have been fully reimbursed by the M O S T in due course

In view of the position explained above it is clear that neither any delay occurred in the allotment of the work nor the department incurred any extra expenditure

During the course of oral examination, the Committee desired the department to supply the details/Calendar of events, copy of Arbitrators, amount of claim, details of work got done from firm 'A' during seven years and the action taken by the Department, details of extension of period of executing the work beyond four years, which information was supplied The Committee further desired the department to examine the point of giving the quantum of time to the Arbitrator The Committee recommends that all out efforts may be made to get the claims settle by the Arbitrators and the Committee may be informed of the progress made in this regard

[64] 4.4 Non responsiveness to Audit findings and observations resulting in erosion of accountability

Accountant General (Audit) AG (Audit) conducts 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 Following these inspections Inspection Reports (IRs) are issued to the Heads of offices inspected with a copy to the next higher authorities The Government rules etc provide for prompt response by the executive to the IRs issued by the AG to ensure corrective action and accountability for the deficiencies lapses etc noticed during his inspection The Heads of offices and next higher authorities

are required to rectify the defects and omissions promptly and report their compliance to the AG. Serious irregularities are also brought to the notice of the Heads of the Department by the office of the AG (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 2001 pertaining to 60 divisions of Public Works Department (PWD) Building and Roads (B&R) Branch disclosed that 798 paragraphs relating to 316 IRs remained outstanding at the end of June 2001. Of these 37 IRs containing 43 paragraphs had not been settled for more than 10 years and remaining 279 IRs containing 755 paragraphs were one to nine years old. Divisional Officers of 33 divisions failed to submit even the initial replies for 33 IRs issued during April 2000 to January 2001. These unattended objections commented on serious lapses and malfunctioning in the working of the Departmental officers and Head of the Department. They were required to take prompt action against the defaulting officers and especially against officers who did not furnish first reply even years after the issue of inspection reports. There was no evidence that this was done and such lapses get encouraged in the absence of any accountability. As a result the following serious irregularities commented upon in these IRs had not been settled as of June 2001.

Sr No	Nature of Irregularities	Number of paragraphs	Amount (Rupees in crore)
1	Loss due to theft misappropriation and embezzlement	8	0.19
2	Recoverable amounts from contractors/agencies on account of excess payments excess issue of material cost of work done at their risk and cost and non recovery of income tax sales tax and liquidated charges	110	67.43
3	Recoverable amounts on account of shortages/excess payments from government officials	25	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 receipts and non observance of codal provisions	256	8.32
5	Extra and avoidable expenditure excess expenditure incurred on deposit works irregular unauthorised and infructuous expenditure	224	112.78
6	Irregular/injudicious purchases	19	1.23
7	Undue financial aid to contractors	4	2.12
8	Execution of sub standard works	13	4.62
9	Blocking of funds	35	16.15
10	Non accounting/short receipts of material	14	2.58
11	Non preparation of tools and plant (T&P) returns non closing of manufacturing accounts and under utilisation of machinery	35	22.60
12	Unsanctioned estimates and loss of measurement books	55	49.33
Total		798	287.77

Analysis of the pending paragraphs of the Inspection Reports revealed the following

(i) 798 paragraphs in 316 IRs pertaining to 1979-2001 were outstanding for want of comments from Heads of the Department and proper reply from divisional officers. The Commissioner and Secretary to the Government of Haryana PWD B&R Branch, who was informed of the position through half yearly reports, also did not ensure prompt and timely action by the departmental officers. This showed that response to serious matters brought out in audit was poor even at the higher level of the Government.

(ii) Twenty five paragraphs (Sr No 3) related to shortage of material and excess payment etc. of Rs 42.46 lakh, which were recoverable from 79 officers/officials. Of these 9 cases involving Rs 7.56 lakh 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	Amount (Rupees in lakh)	Period for which outstanding
1	Executive Engineers	4	1.36	Between September 1997 and January 1998
2	Sub Divisional Engineers	15	2.81	Between January 1996 and December 1999
3	Junior Engineers	28	21.60	Between March 1972 and December 1999
4	Others	32	16.69	Between May 1983 to December 1999
Total		79	42.46	

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.

(iii) Similarly, 110 paragraphs (Sr No 2) involving Rs 67.43 crore related to recoverable amounts from contractors/agencies on account of excess payments, excess issue of material, cost of work done at risk and cost etc. of which 13 paragraphs (Rs 0.93 crore) were outstanding for more than 10 years and 34 paragraphs (Rs 14.29 crore) were outstanding for a period between 5 and 10 years.

(iv) In addition, 11 paras (included in list of 55 Paras at Sr No 12) pertain to loss of Measurement Books (MBs). As per instructions in Manual of orders PWD (B&R), when any MB is lost, an immediate report is required to be sent to the Government with full facts and explanation of all parties concerned or responsible for the loss. Report should invariably indicate as to whether payments in respect of all the entries in the MB reported to be lost had been made. Loss of MB should not be written off without the concurrence of the Finance Department if it contains measurement of certain works executed irrespective of the fact whether the payments involved had already been made. In 10 cases, FIRs had been lodged with the police and sanctions to write off were awaited from the competent authority. In one case, although the MB was lost in July 2000, yet FIR had not been lodged (June 2001).

The matter was referred to the Government in May 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

In C A G Para 316 Inspection Reports containing 798 paragraphs relating to 60 Divisions of this Department upto March 2001 has been mentioned Department is making serious efforts for the settlement of pending Inspection Reports/A G. Paras Out of 316 Inspection Reports and 798 Paragraphs 106 Inspection Reports containing 574 Paragraphs have been settled leaving a balance of 210 Inspection Reports containing 224 paragraphs which shows that the department has succeeded to settle 72% O/S Paras It is also intimated that out of 37 Inspection Reports containing 43 Paragraphs outstanding more than 10 year 16 Inspection Reports containing 22 Paras have been settled leaving a balance of 21 Inspection Reports and 21 paras which is also 51% of outstanding Paras The initial replies of all Inspection Reports issued during April 2000 to January 2001 has since been sent to Accountant General (Audit) after making compliance of observations of that office Although all the Superintending Engineers have been directed to send initial replies to A G Inspection Reports within the stipulated time failing which action will be taken

In addition to above for the prompt settlement of outstanding Inspection Reports and Paras special meetings of A G. Audit Party are being arranged at Circle level and fruitful results have been achieved in the said meetings

As intimated in the foregoing paragraph Department is making serious efforts for the settlement of outstanding Inspection Reports and Paras For taking prompt action a meeting under the chairmanship of Commissioner and Secretary to Government of Haryana P W D B&R Department was held on 13-9-2002 wherein it was decided that special meetings may be arranged at Circle level after consulting Accountant General Haryana Chandigarh and replies of all the outstanding Paras may be placed before Accountant General Audit Party under this special drives By holding such meetings Department is able to settle 72% of Audit Paras The special meetings of A G Audit party in circle offices is going on regularly

It is intimated that out of 25 Paras relating to shortage of material and excess payment etc amounting to Rs 42.46 lacs a sum of Rs 18.83 lacs relating to 13 Paragraphs have since been recovered from the Officers/Officials concerned It is also intimated that most of the cases relating to balance unrecovered amount are pending with the Hon ble Courts It is further stated that out of 9 cases involving Rs 7.56 lacs outstanding for more than 10 years only 2 cases involving amounting to Rs 1.74 lacs are left un-settled In these cases 77% amount has been recovered and percentage of settled paragraphs is again 78%

Out of 110 paras involving amounting to Rs 67.43 Crore mentioned in CAG Para 57 paras involving an amount of Rs 18.62 crore have since been settled and the amount has since been recovered from the Contractors/Agencies on

account of excess payments excess issue of material cost of work done at risk and cost etc The remaining 53 paras are either under Arbitration or pending in the Hon ble Courts Their settlement is possible only after the receipt of final decision awarded by the Hon ble Courts/Arbitrators It is further intimated that out of 13 paragraphs involving Rs 93 lacs outstanding more than 10 years 5 paragraphs involving amount of Rs 78.53 lacs have since been settled which is 84% achievement of settlement

Out of 11 Paras relating to loss of Measurement Books 6 Paras have since been settled and efforts are being made to settle the remaining 5 paras which pertains to Prov'l Divn Hansi Fatehabad Gurgaon Mech Karnal and Elect Karnal

To summarize the reply in the concluding lines it is intimated that out of 316 Inspection Reports containing 798 paras involving an amount of Rs 287.77 crores 210 Inspection Reports containing 224 Paras involving amount of Rs 79.621 crores have been left un settled and these balance Inspection reports have since been taken in the CAG Report for the year 2003-2004 as CAG Para 4.5.3 The reply is being sent to the Govt /FD separately

It is requested that CAG Para 4.4 for the year ended 31st March 2001 (Civil) may be dropped from here as the unsettled Inspection Reports/Paragraphs have since been included in the current CAG Report for the year ended 31st March 2004 (Civil)

During the course of oral examination, the Committee desired the department to intimate the exact figure of outstanding paras pending in the Court and further desired the department to take action against the responsible persons for not pursuing the cases in the Court etc under intimation to the Committee, which information was supplied to the Committee After going through the said information, the Committee recommends that the pending Court and Arbitrator cases may be pursued vigorously

ENVIRONMENT DEPARTMENT

[65] 6 1 Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management

Highlights

Implementation of the provisions of the Air Act 1981 and the Environment (Protection) Act 1986 for implementation of Rules made thereunder in regard to Air Pollution Hazardous Waste Bio Medical Waste and Solid Waste was unsatisfactory Though required under the Act the Haryana State Pollution Control Board (Board) did not frame any comprehensive programme for prevention control and abatement of air pollution Discharge of air pollutants by industries thermal power plants brick kilns stone crushers rice shellers and vehicles was substantially unchecked and pollution caused by these units was not effectively monitored The hazardous waste bio medical waste and solid waste generated by industries hospitals and dispensaries were not brought under any organized waste disposal system in the State and were causing environmental pollution The coercive powers of the Board against the defaulting units under the Air/Environmental Acts were not exercised and thus there was little deterrence against such violations

6 1 1 Introduction

Out of 74 960 industrial units established in the State as of March 2001 the Board identified 4 755 industrial units causing air pollution in the State

To prevent and control air pollution the Parliament enacted the Air (Prevention and Control of Pollution) Act 1981 (Air Act) which *inter alia* provides

- (i) to plan a comprehensive programme for the prevention control and abatement of air pollution and to secure the execution thereof
- (ii) to advise the State Government on any matter concerning the prevention control or abatement of air pollution
- (iii) to collect and disseminate information relating to air pollution and
- (iv) to inspect any control equipment industrial plant or manufacturing process and to give such directions to such persons as it may consider necessary to take steps for the prevention control or abatement of air pollution

To prevent and control air pollution caused due to waste and to manage and handle different types of wastes viz Hazardous Waste Bio medical Waste and Solid Waste relevant rules under the Environment (Protection) Act 1986 were framed in the years 1989 1998 and 2000 respectively However no study on the status of Hazardous Waste Bio medical Waste and Solid Waste was got conducted and no profile of air pollution was prepared by the department

6 1 2 Organisational set up

The Commissioner and Secretary to the Government of Haryana Environment Department is administrative head in the Government dealing with policy aspects The Director Environment Department is responsible for implementation of policies programmes etc The

Haryana State Pollution Control Board (Board) constituted in September 1974 was entrusted with the responsibility of implementing the Acts and Rules. There were two Special Environmental Courts one each at Faridabad and Hisar (set up in 1995-96 and 1997-98 respectively) for speedy disposal of cases under various Environmental Acts and Rules.

The Board had a full time Chairman, a Member Secretary, five members representing the State Government, five members nominated from the members of the local bodies, three non official members to represent the interest of industry, trade, etc. and two members representing corporations, boards, etc. The Chairman was assisted by nine Regional Environmental Engineers for implementation of the provisions of Air Act, 1981 and the Rules framed thereunder. The Government superseded the Board in June 1998 and appointed (September 1998) an Administrator to look after the affairs of the Board. The Board was reconstituted by the Government in May 2000.

6.1.3 Audit coverage

Records of 34 offices for the period 1996-2001 were test checked in the offices of Environment and Local Bodies Departments at Secretariat and Directorate level. The Board, seven out of nine offices of Regional Environmental Engineers (REEs), Municipal Corporation at Faridabad, twelve out of fifty two Municipal Councils/Committees and nine out of fifteen Estate Offices of Haryana Urban Development Authority (HUDA) during November 2000 and March 2001. Results of the test check are discussed below.

6.1.4 Financial arrangement and expenditure

(a) Scrutiny of records of Environment Department revealed that against budget provision of Rs. 7.18 crore, Rs. 3.70 crore were spent during 1996-2001 and shortfall in utilisation of funds ranged between 15 and 59 per cent during these years.

The Director of Environment stated (November 2000) that the shortfall was due to non-implementation of environmental schemes for want of sanction and administrative approvals by the Government.

(b) Out of total expenditure of Rs. 3.70 crore, 64 per cent was spent on salaries, 7 per cent on installation of effluent plants, 6 per cent on grant-in aid to the Board, 5 per cent on environmental education and awareness, 3 per cent on waste management, 1 per cent on air pollution and balance on other minor activities.

Besides Rs. 13.98 crore were spent by the Board on various activities including air pollution and waste management against a revenue receipt of Rs. 38.94 crore during 1996-2001. Of Rs. 13.98 crore, Rs. 11.72 crore (84 per cent) were spent on establishment and office expenses by the Board.

The department in their written reply stated as under —

Para 6.1.4 (a & b)

It is correct that an expenditure of Rs. 3.36 crores was incurred during the years 1996-2001 (upto October 2000) against a budget provision of Rs. 7.18 crores. Upto the end of March 2001 the total expenditure was Rs. 3.88 crores against a budget provision of Rs. 7.18 crores. The entire funds sanctioned during these years by Government with the concurrence of FD were incurred whereas the shortfall has been shown against the budget provision. Therefore, there was no shortfall against the approved/sanctioned budget during these years.

In view of the above it is requested that this para may please be dropped

Board is also spending on creating Capital Assets such as office buildings The foundation stone of the building for Regional office at Hisar by M P for Bhiwani and Fardabad Building were also laid by Hon ble Chief Minister Haryana recently

The Board is in the process of constructing its own building at Panchkula costing about Rs 5 crores and is likely to be completed in the current financial year 2002-2003

The Board has formulated a policy to cover the industries for Consent Management vide Notification dated 24 7 98 As per notification 17 types of units 19 types of units and other 6 type of polluting units are covered under the Consent Management Most of these 74960 units as mentioned in CAG para are tiny/rural non polluting industries which fall under 98 types of units which are exempted by the Board from the Consent Management The Board has persuaded industrial units and during the year 2001-2002 the Board has covered 6485 units under Air Act as compared to 4755 units during the year 2000 2001 The Board has prepared an Action Plan and efforts are made to control pollution of air caused by these industries

The Board has also indentified units under the Hazardous Waste (Management & Handling) Rules and action is being taken against non complying units Efforts are being made by the Board to get Common disposal facility for Hazardous Waste provided through major Hazardous Waste generating units and a Society has been formed by such industries The Society i e Haryana Environment Management Society is in the process of mobilising resources for development of Common (ISDF) Treatment Storage Disposal Facility at Faridabad for which site has already been notified by the Govt The matter has been taken up with C P C B and they have engaged some consultants for conducting prefeasibility study All Local bodies have been issued notices for compliances of Municipal Solid Waste (Management & Handling) Rules 2000

Further the Board is getting a carrying capacity study of Panipat Region through Indian Oil Corporation Panipat Refinery and they have engaged NEERI for this purpose and interim report of the Study is expected very soon

After hearing the Departmental representatives, the Committee recommends that the amount earmarked for a particular item should be spent on that particular item and no deviation may be made in future

[66] 6 1 8 Environmental laboratories grossly underutilised

With a view to knowing the concentration of pollutants in the environment four laboratories for analysis of air emission and solid waste material were set up by the Board each at Chandigarh Hisar Gurgaon and Fardabad

Though Rs 21 72 lakh were spent on equipment and establishment of the State Air Laboratory at Chandigarh only two samples of air emission were referred by the Board to this

laboratory during 1996-2001 rendering the expenditure largely infructuous. The other laboratories at Gurgaon and Faridabad did not have any samples of waste. The laboratory at Hisar was however referred six samples of waste material during 1996-2001. This indicates that the Regional Environmental Engineers in their laboratories were grossly under worked.

Regional Officers of the Board intimated (December 2000) that the three laboratories at Hisar, Gurgaon and Faridabad were not fully equipped. The Chairman of the Board stated that the waste management being a new subject, laboratory facilities were being upgraded for all kind of wastes. This was untenable and evidently the Board failed in fixing targets for collection and analysis of samples without adequate reason and these laboratories and thus the services of the engineers remained underutilised.

The department in their written reply stated as under —

During the year 1996-2001 the establishing of State Referral Laboratory was under the process. It is quite true that during these years only 2 legal samples were received from the Board. Further it is informed that during the year 2001-2009 monitoring samples have been analysed in the Laboratory whereas no legal sample has been received and during the year 2002-2003 upto till date 7 monitoring samples have been analysed whereas no legal sample has been received. The purpose of the laboratory established in Directorate is not only to analyse the legal sample but at the same time it is also analysing the air samples for the purpose of monitoring. As regard to testing of legal sample it would be tested only when there is some dispute between the HSPCB and the Industrial unit only in that case legal sample has to be tested.

In view of the above the para may please be dropped.

The Board's Laboratories are functioning properly at Hisar, Gurgaon, Faridabad and Chandigarh. The number of samples analysed during the year 2001-2002 are as under —

Sr No	Name of Lab	Water Sample	Air Sample
1	Chandigarh	980	2023
2	Hisar	259	392
3	Faridabad	716	453
4	Gurgaon	644	261
Total		2599	3129

The samples analysed by Board's Laboratories at Gurgaon, Faridabad and Hisar shows that adequately number of samples are being analysed and their capacity is being utilized properly.

The Department was asked to collect the monitoring samples of the industries and wanted to know the fate of these samples, and whether some closures were made or not. It was also asked that assessment of all kinds of monitoring samples related to air pollution may also be got tested.

The Committee also desired to know the target of surprise inspections which was fixed by the Board. The Committee desired that some target may be fixed and surprise inspections should be conducted accordingly.

[67] 6 1 10 Status of industrial pollution**(a) Thermal power plants**

Thermal power plant (Red category) at Panipat applied for consent which was not granted and was discharging the emission in excess of the prescribed norms. The Chairman of the Board stated that latest show cause notice was issued in June 2001 for installation of APCMs.

Thus though consent of the Board was mandatory under Air Act for operating the unit and failure would call for legal action, no effective action was taken to enforce the provisions of the Act.

The department in their written reply stated as under —

- (a) The unit has provided ESP on all existing 6 Nos. units, therefore, the closure/legal action is not justified at this stage.

During the course of oral examination, the Committee desired the department to submit the detailed facts on the ailments and effect caused by the fly ash on the agricultural land as well as on the rural inhabitants and the departmental representatives promised to get a study conducted in this regard and solve the problem.

The Committee also noticed that there was some contradiction in the figures of the rice shelling units as supplied by the department and mentioned in the audit reports. Therefore, the Committee desired the department to reconcile it with A. G. Office under intimation to the Committee within a period of three months.

[68] 6 1 10 (c) Stone crushing units

The Board issued notices to stone crushers (Orange category) in the State to install interlocking devices by January 1997 as these units were highly polluting as lot of dust emission was released during the crushing operation. The Board also issued instructions to its Regional Offices to ensure that no peep valves were installed to by-pass the interlocking arrangements and water sprinklers should run continuously along with the main plants failing which action under Section 31 A of the Act would be initiated against the defaulting units.

Of the 568 stone crushers in the State, 50 per cent units had installed interlocking devices and remaining 50 per cent units had not provided interlocking devices. The Board did not take any coercive action against these units except issuing notices for installing the interlocking devices.

The department in their written reply stated as under —

The Board has identified 624 stone crushing units out of which 557 applied for consent and 35 units are lying closed. The Board has granted consent to 461 units and refused consent to 88 units. The Board is taking action by issue of closer order against the non-applicant and defaulting units.

After hearing the Departmental representatives, the Committee desired that effective measures to contain the dust emission released by the Stone Crushing

units may be taken at the earliest and the measures so taken be intimated to the Committee within a period of three months

[69] 6 1 10 (d) Rice shelling units/solvent extraction plants

Rice shellers/solvent extraction plants falling under the category of polluting industries were brought in consent management under the Air Act during the year 1996-97 and were directed to install pollution control devices upto June 1997

(i) Rice shelling units

Of the 750 rice shellers in the State only 3 had obtained the consent for operating the plants and 747 units were continuing their operations without consent. The Board intimated (February 2001) that only 10 per cent of the rice shellers installed the APCMs and remaining 90 per cent rice shellers were polluting the air as lot of dust emission was released in shelling process. No legal action had been initiated by the Board against these units.

(ii) Solvent extraction plants

Of the 30 solvent extraction plants in the State only 6 had been granted consent under the Air Act. The Board failed to take any coercive action against the plants which did not obtain consent from the Board.

The Chairman of the Board stated (June 2001) that these units were under the wrong impression that they did not fall under the consent management and their representation for reduction of consent fee was pending with the Government. The reply of the Board was not tenable as rice shellers/solvent extraction plants were brought under the consent management during the year 1996-97 and representation of Rice Shellers Association was no bar for taking coercive action. The Board had not issued notices to these units for obtaining consent even after the lapse of 4 years to remove the wrong impression and also did not take any legal action under Section 31-A of the Air Act.

The department in their written reply stated as under —

- (i) The Rice Shellers were given exemptions from time to time. Now during the year 2001-2002 the Board has identified 348 units which are manufacturing shella rice out of which 15 units are lying closed. The Board has granted consent to 15 units and rest of the units were asked to install APCM railing which action be taken against them. The non shella units were not covered as per notification dated 24.7.98.
 - (ii) The solvent plants units were given six months time for installation of APCM as per notification dated 24.7.98. The Board has issued notices to those units which failed to apply for consent and not installed APCM.
- (i) After hearing the Departmental representatives, the Committee desired that reconciliation of the number of units which were continuing their operations without consent be done and the report in this regard be sent to the Committee within a period of three months**
- (ii) During the course of oral examination, the Committee was informed that the action is being taken against the defaulting units**

The Committee desired the Department to supply the information about the action taken against such units within a period of one month

[70] 6 1 12 Vehicular pollution

As per Motor Vehicle Rules every motor vehicle viz 2/3 wheelers buses cars/jeeps trucks etc is required to carry a valid Pollution Under Control Certificate issued by the Transport Department or by any pollution checking centre duly authorised by the Transport Commissioner

Any Enforcement Officer of the Transport Department may also test the pollution level of the exhaust of any vehicle. He may also check working of any pollution checking centre. If it is found that any pollution checking centre is violating the terms and conditions as prescribed by the Transport Department or indulging in any unlawful activity the Enforcement Officer may pass order to stop the pollution checking activity of the centre and report the case to the Transport Commissioner.

The Transport Department approved 228 Automobiles Pollution Checking Centres during January 1996 to December 2000 but Transport Department had not tested the pollution level of the exhaust of any vehicle to check the correctness of the working of these centres as there was no system/set up in existence. This showed that there was lack of coordination within the department.

The department in their written reply stated as under —

The control of air pollution from automobiles has been entrusted to Transport Department. With a view to control pollution from automobiles the Transport Department has granted 436 licenses (235 petrol and 202 diesel) upto 31.5.2002 to set up pollution control check centres for issue of pollution under control certificate. To control the air and noise pollution polluting vehicles are challaned by the field officers. During the year 2001-2002 a total number of 9775 challans on account of air pollution and 6145 on account of noise pollution were booked.

In view of the above the para may please be dropped.

During the course of oral examination, the Committee was informed that the vehicular pollution was being monitored by the Transport Department as per the provisions of the Motor Vehicle Rules and a study to check the vehicular pollution was assigned to an agency named TERI for the vehicular pollution monitoring of Faridabad Town.

The Committee desired that the details of the agreement entered into with TERI may be supplied to the Committee for information within a period of one month.

[71] 6 1 13 (a) Training/Mass education programme

Section 17(i) (d) of the Air Act provides that the State Board was to organise the training of persons engaged or to be engaged in programmes relating to prevention, control or abatement of air pollution and to organise mass education programmes relating thereto.

The Board did not take any measures to train the persons engaged in programmes relating to prevention, control or abatement of air pollution and did not organise mass education programme during the last five years (1996-2001) due to non release of funds by the Government.

The department in their written reply stated as under —

The Board has given training during the year 1996 to 2001 to the following officers as per list enclosed (As Annexure B 1 to B 5)

After hearing the Departmental representatives, the Committee recommends that in order to create awareness and importance of environment among the general masses in general and in schools & colleges in particular Mass Education Programmes may be organized at regular intervals

[72] 6 1 15 Waste management

(a) Hazardous waste management

As per rule 5(1)(2) of the Hazardous Waste (Management and Handling) Rules 1989 the hazardous wastes shall be collected treated stored and disposed of only in such facilities as may be authorised for this purpose Every occupier generating hazardous waste and having facilities shall make an application to the Board in Form-I for grant of authorization Rule-9 of the Rules *ibid* further provides that he will maintain records of such operation at the facility in Form 3 and submit annual returns to the Board regarding disposal of hazardous waste in Form 4

(i) Grant of authorisation

Of the 500 units identified by the Board as hazardous waste generating units upto March 2001 174 units had applied for authorisation but only 88 units were granted such authorisation by the Board (March 2001) The cases for grant of authorization in respect of 86 units were under process and remaining 326 units had not applied for authorization Even the 88 units to whom authorization was granted had not submitted annual returns in Form-4 to the Board and thus the authorization regime was not being monitored

The Chairman of the Board stated (February 2001) that the notices were issued to 326 units The Board's reply regarding non submission of annual returns was awaited (July 2001)

(ii) Hazardous waste management practices

The Environment Impact Assessment (EIA) studies conducted by National Productivity Council New Delhi (September 1998) revealed that out of 15 000 units 227 units in Fardabad Region were identified as potential hazardous waste generating units (HWGUs) based on products manufactured type of raw material used and characteristics and quality of waste generated

However due to non availability of any organised waste disposal system in Fardabad and Ballabgarh area the hazardous waste generated by the industries was being disposed of indiscriminately on open land either within their own premises or outside in low lying areas causing environmental pollution

The Government furnished no reasons for not constructing organised waste disposal system for the hazardous waste generating industrial units (July 2001)

(iii) *Environment impact assessment (EIA) studies*

A scrutiny of records of the Environment Department and the Board revealed that 3 sites one each at Faridabad Sonipat and Rohtak were identified for EIA studies for dumping the hazardous waste. Out of three sites one site at Faridabad was notified after completion of study and made available to the Board. However neither the site was used nor any action was taken by the Board to ensure proper disposal of waste. The studies of the remaining two sites were not started.

(b) **Bio medical waste**

As per provisions of Bio medical Waste (Management and Handling) Rules 1998 every occupier generating the Bio-medical Waste was required to install an appropriate facility in the premises or set up a common facility to ensure requisite treatment of waste by 31 December 2000.

The Board granted authorization to all the 1614 Medical Units including Private Nursing Homes during 2000-2001 without verifying the installation of appropriate facility/common facility arranged by them for treatment of Bio medical Waste. However incinerators for burning of Bio-medical Waste were installed in 11 Government Hospitals only. Remaining Government Hospitals were directed to dispose of their Bio medical Waste through the hospitals where incinerators were installed. The Chairman of the Board stated (June 2001) that all the units who had been granted authorisation were being asked to provide facilities in accordance with the Bio medical Waste Rules. The reply was not tenable as granting of authorisation without verifying the installation of appropriate facility was in violation of the provisions of rules.

(c) **Solid waste management**

The Municipal Solid Waste (Management and Handling) Rules 2000 provides that the Municipal Authority or an operator of a facility shall obtain authorisation for setting up of waste processing and disposal facility including landfills from the State Board or the Municipal Council. The rule further provides that the methods to be adopted by the authorities for proper storage collection segregation processing transportation and final disposal of Municipal Solid Waste.

Check of the records of 27 units located in 13 towns/cities etc. revealed that none of these units obtained authorization certificate from the Board. Further these units did not conduct awareness programme processed the waste to make the compost etc. Of these 25 units did not notify the Schedule for collection of waste. 26 units did not use covered vehicles to control the pollution. All the units were handling the waste manually. 23 units had not painted the bins according to fixed criteria. 9 units were not having facilities of storage of waste. 19 units were dumping waste within the residential industrial areas. 3 units were not collecting waste. One unit was collecting the waste monthly and 18 units were collecting the waste ranging between 2-7 days.

These authorities however stated (December 2000/January 2001) that the waste could not be handled properly due to shortage of funds equipment and staff with them.

(d) House to house collection of domestic garbage

Environment Department released Rs 9 66 lakh during 1998 99 to the Director Local Bodies Haryana for disbursement to 10 Municipal authorities to purchase tricycles/rickshaws to be given to the house owners associations or where associations did not exist on contractual basis for collection of garbage from house to house

Out of Rs 9 66 lakh Rs 8 71 lakh were spent on the scheme and the balance amount was diverted for other purposes It was observed in audit that the funds released to the local bodies for purchase of tricycles/rickshaws for collection of garbage were not sufficient The utilisation certificate of Rs 1 07 lakh was awaited from Municipal Council Rohtak No periodical report regarding progress made in respect of the execution of the scheme was ever submitted by the municipal authorities or the Director of Local Bodies to the Environment Department

Reasons for non-submission of utilisation certificate by the Municipal Council Rohtak and non-submission of periodical reports by the Municipal authorities or the Director Local Bodies were awaited (June 2001)

The department in their written reply stated as under —

- (a) The Board has identified 910 units which are generating Hazardous (i) to (iii) waste as per notification dated 6 1 2000 86 units are lying closed 831 units have applied for authorization and the Board has granted authorization to 622 units who have installed pucca pit for disposal of Hazardous Waste

The Board has persuaded Hazardous Waste generators to form a Society These Hazardous Waste Generators have got registered a society and collected about Rs 50 lacs for preparation of Hazardous Waste site

The Board has identified Hazardous Wastes Disposal Site at Faridabad and meetings are being convened at the level of Central Pollution Control Board New Delhi The Central Pollution Control Board New Delhi have engaged a consultant for preparation of Environment Impact Assessment Reports

(b) Bio medical Waste

1444 units applied for authorization and the Board has granted authorization to 1343 units The Board has issued notices to these Hospitals which are having bed capacity more than 50

The Board has issued Show Cause Notices to all the Municipal Councils under the Municipal Solid Waste (Management and Handling) Rules 2000 during the year 2000-2001 The Board again persuaded these units to apply for authorization and 122 units applied for authorization The Board has not granted authorization to any units as they failed to comply with the Municipal Solid Waste (Management and Handling) Rules The Board is persistently persuading these Municipal Councils and writing D O letters to the Director Local Urban Development

Para 6 1 15(d)

The amount was released to Director Urban Development for the project of management of solid waste under the Department schemes to purchase tricycles/rickshaws to be given to the House owners association for collection of garbage

from House to House The Director Local Bodies has send utilization certificate from all the 10 Municipal Committees The Director Urban Development is responsible for the execution and monitoring of the scheme

In view of the above it is requested that this para may please be dropped

During the oral examination, it came to the notice of the Committee that there is dire necessity of providing dumping grounds to various Municipal Committees in the State for handling of urban wastes The Committee desired that a comprehensive scheme should be made through out the State on population basis in this regard This is also the suggestion to Environment Department because in the coming days per capita wastes is likely to be increased and this is going to be a major problem in the urban as well as in rural areas So, before it becomes a major problem, it should be tackled at the Government level as a matter of policy

[73] 6 1 17 Prosecution under Air Act

Under the Air Act the Board was empowered to launch prosecution for restraining the persons who were likely to cause pollution During 1996-2001 295 prosecutions were launched by the Board against the defaulting units

To ensure speedy disposal of cases concerning environmental offences the Government set up two Special Environmental Courts at Fardabad and Hisar in September 1995 and June 1997 respectively Out of total 295 cases launched upto December 2000 269 cases were decided against the Board and 25 cases were pending with the Special Environmental Courts Only one case was decided in favour of the Board The cases decided against the Board were mainly due to dismissal in default on technical grounds non presenting correct name and address of the accused non pursuance by the complainants and lack of evidence

The department in their written reply stated as under —

The Board has powers to prosecute the units under section 37 38 & 39 of the Air Act The Board has also powers to close the unit under section 31A of the Air Act The procedure to launch prosecution is very cumbersome and the Board has minimum man power so that the Board decide to close the unit under section 31A of the Air Act The Board has closed 755 no of units during the year 2001-2002 under the Air Act

During the course of oral examination, the Committee desired the department to inform the result of efforts made by the department to pursue the cases pending in the courts as also the action taken by the department against the persons who deliberately not followed these cases within a period of one month

AGRICULTURE DEPARTMENT

(Haryana State Agricultural Marketing Board)

[74] 6.3 Non recovery of extension fee from allottees

The MC/HSAMB did not realise Rs 40.45 lakh of extension fee from 52 allottees who did not construct shops on allotted plots.

Haryana State Agricultural Marketing Board (HSAMB) in August 1987 made it imperative upon all the plot holders to complete the construction of shops/booths within a period of two years on the plots allotted by HSAMB/Colonization Department. In case the allottees did not complete the building within a period of two years, the Market Committee (MC) could grant extension upto six months after charging extension fee of Rs 100. If the allottees failed to complete the construction within the extended period of six months, permission for further extension would be granted by the Chief Administrator HSAMB after charging extension fee of Rs 2,000 for shop and Rs 500 for booth/plot for a calendar year, to be raised further by Rs 1,000 for shop and Rs 250 for booth for every subsequent year otherwise the plots would be resumed and deposits forfeited. In case of plots allotted by the Colonization Department, extension fee would also be charged with effect from 12 March 1991.

Scrutiny of the records of MC Dabwali (December 1999) revealed that out of 70 plots allotted through auction by the Colonization Department during 1978-79 and February 1983, 56 allottees had neither constructed the shops nor applied for extension as of December 2000. MC/HSAMB neither charged the extension fee from these 56 allottees, which had accumulated to Rs 43.17 lakh as of July 2001, nor resumed the plots. HSAMB was not having any system to ensure the recovery of extension fee in such cases.

The Executive Officer cum-Secretary MC Dabwali stated (April 2000) that notices had been issued to the plot holders and Rs 2.72 lakh on account of extension fee had been recovered from four plot holders (July 2001).

Thus, due to failure of the MC/HSAMB in implementing the instructions for charging extension fee from the allottees or to resume the plots, Rs 40.45 lakh remained unrecovered from 52 allottees.

The matter was referred in March 2001 to the Commissioner and Secretary to the Government of Haryana, Agriculture Department for reply within 6 weeks. However, in spite of reminders, no reply was received from him (August 2001).

The department in their written reply stated as under —

It is correct that 70 plots were allotted by the Colonization Department during 1978-83. As per condition No. 11 of allotment letter, the transferee is required to complete the building within two years from the date of issue of allotment order. The time limit may be extended for a period not exceeding six months by the Administrator, if he is satisfied that the failure to complete the building within the said period was due to reasons beyond the control of the transferee and beyond the period of six months, sanction of State Government is required on an application for extension of time. Thus, it is clear that there is no provision for charging extension fee in the allotment letter and

the Committee can not legally recover the fee from the allottees. However the construction of shops is allowed to the allottees only after payment of extension fee. Further after issue of notices an amount of Rs 11 50 400/- has been recovered from 14 allottees (upto 31 07 2003) an amount of Rs 16 65 600/- is recoverable from 16 plot holders (upto 31 12 2003) and 26 plot holders filed an appeal in the Hon ble High Court. The case has been decided (07 08 2003) in favour of allottees. Further the M C has filed SLP (27 10 2003) in the Hon ble Supreme Court of India. It will be binding on both the parties and as such the para may Please be settled.

During the course of oral examination, the Committee desired the department to take action against the plot holders who were not paying extension fees and to examine whether the plots can be resumed or not, if these can be resumed, why these were not resumed and who were the persons responsible for it. The Committee also desired to know the names of the then Chief Administrators who did not take action against the responsible persons, alongwith the dates of retirement of the responsible officers/officials. The departmental representatives promised to do so within a period of one month and inform the Committee accordingly, but no such intimation was received till the drafting of the report.

[75] 6.4 Loss due to non-realisation of enhanced rent

MC Kaithal failed to execute fresh lease deed and could not realise the enhanced rent of Rs 21.81 lakh from HWC for godowns rented to them.

The Chief Administrator Haryana State Agricultural Marketing Board (HSAMB) enhanced (April 1986) the rate of rent of food storage godowns in possession of Haryana Warehousing Corporation (HWC) from Rs 1.60 to Rs 2.00 per MT per month and requested all the Executive Officers-cum Secretaries of Market Committees (MC) to charge the rent from HWC accordingly.

The Chief Administrator HSAMB also instructed (June 1988) all the MCs that while renting out the godowns to any agency lease deed invariably be executed on the pattern of new model and the Executive Officer (EO) cum Secretary of the concerned MC would be responsible to let out the godowns, realise the rent and pass the amount to the HSAMB for crediting in Haryana State Marketing Development Fund. In case of non payment of rent by the lessee by 15th of following month, penal interest was to be charged at the rate of 10 per cent.

Scrutiny of the records of MC Kaithal (July 1999) revealed that three godowns with capacity of 5000 MT each were in possession of HWC as of April 1986. On raising demand for enhanced rent by HSAMB, HWC stated (May 1987) that enhanced rent would be released only after the godowns were repaired. HSAMB did not carry out the repairs. Even any fresh lease deed was also not executed with HWC in terms of instructions issued in June 1988. Meanwhile HSAMB further enhanced the rent to Rs 2.50 per MT with effect from 1 March 1999. But the enhanced rent had not been realised from HWC so far in absence of fresh lease deed though demands were raised by MC Kaithal from time to time.

Thus, due to failure of the MC Kaithal in executing fresh lease deed and carrying out repairs of the godowns, MC could not realise the enhanced rent of Rs 21.81 lakh (rent

Rs 12.68 lakh plus interest Rs 9.13 lakh) for the period April 1986 to March 2001 from the HWC

The matter was referred to the Government in April 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

In compliance of directions of Haryana State Agricultural Marketing Board Market Committee Kaithal raised demand for payment of godown rent at enhanced rate followed by repeated reminders. However Haryana Warehousing Corporation did not pay the enhanced rate and also did not execute the revised lease deed on the premises that desired repairs of godowns has not been carried out by the M C. The contention of HWC was not found based on facts as Executive Engineer HSAMB Kaithal has informed (23.2.2001) that repairs of the godowns have been carried out regularly. In consultation with the Manager HWC Kaithal the Board has also taken up the matter demt officially (5.7.2001) with Managing Director HWC and at the level of F C & Principal Secretary to Government Haryana Agriculture Department (7.9.2001). HWC however stated (26 July 2001) that the Finance Department Haryana has enhanced the rent of private godowns only from Rs 2 to 2.50 per M T with effect from 1.4.99 and no enhancement has been made in respect of Govt. in agencies and further requested (13 Sept. 2001) to supply a copy of letter vide which the Finance Department has approved the rent at the rate of Rs 2.50 Per M T to enable them to release the payment. The Board thereafter clarified (18.8.2003) that so far the rates are concerned the Board is covered under Private Godowns and accordingly requested the HWC to release the payment at enhanced rent. However the enhanced rent has not been paid by the HWC so far.

After hearing the departmental representatives the Committee recommends that the matter may be got settled with the Haryana Warehousing Corporation and the Committee may be informed within a period of three months

[76] 6.6 Non recovery of expenditure on fire service charges

The Market Committee Narwana could not recover Rs 30.60 lakh from Municipal Committee Narwana on account of fire station expenses

The State Government while according (March 1989) approval for setting up of a Fire Station at Narwana (Jind) decided that the Director Local Bodies Haryana (Director) would prepare an agreement containing all the terms and conditions for setting up of fire station which would be binding upon both Municipal Committee and Market Committee. The Director however advised (April 1989) the Municipal Committee and Market Committee to frame an agreement specifying the terms and conditions that the fire station was to be set up from the funds of Market Committee and the total expenditure (recurring and non-recurring) in running of Fire Station was to be shared by both the committees in the ratio of 60:40 respectively and send the same to him for approval. However the Market Committee made no efforts in this direction and no agreement had been got executed as of May 2001.

Test check of records of Market Committee Narwana in August 1998 revealed that Motor Fire Tender (MFT) purchased at a cost of Rs 8.96 lakh was put into operation from January 1992. Upto May 2001 the Market Committee Narwana spent Rs 42.04 lakh on the pay and allowances of the staff deployed on MFT and its repairs and maintenance. However as no agreement was signed with Municipal Committee Narwana Market Committee Narwana could not raise the claim and recover Rs 30.60 lakh being 60 *per cent* share of the expenditure incurred during January 1992 to May 2001.

The Executive Officer-cum-Secretary Market Committee Narwana stated (May 2001) that claim for recovery of 60 *per cent* expenditure from January 1992 onwards would be lodged with the Municipal Committee Narwana. Further developments were awaited (July 2001).

The matter was referred to the Government in July 2001. Their reply had not been received (August 2001).

The department in their written reply stated as under —

The Superintending Engineer (Electrical and Mechanical) of PWD B&R was entrusted the work of inquiry or defective fabrication of Motor Fire Engine (MFE). The inquiry report was received in May 1998. As per the recommendations of SE efforts were made to get the MFE repaired for which quotations were invited in November 2001 and February 2002 but no firm/agency came forward for repair of MFE. Further quotations were called in January 2003 and MFE has been got repaired in March 2003. The MFE is in working condition. The services of the four fire fighting staff have been utilized in the Committee and no idle wages have been paid. Since the MFE has been got repaired and the staff is being utilized for the assigned duties the para may please be dropped.

After hearing the departmental representatives, the Committee recommends that action against the delinquent official may be taken and the Committee may be informed thereafter, within a period of one month, but no such intimation was received till the drafting of the report

RURAL DEVELOPMENT DEPARTMENT

(District Rural Development agency)

[77] 6 10 Irregular/excess release of grant

In disregard of Government of India's instructions ADC cum CEO released excess grant of Rs 13 80 lakh to the beneficiaries

Indira Awaas Yojana (IAY) a Centrally Sponsored Scheme had the objective to provide houses free of cost to the members of Scheduled Castes/Scheduled Tribes (SCs/STs) freed bonded labourers in rural areas and also to non SC/ST rural poor below the poverty line

The Government of India (GOI) modified (April 1999) the scheme as part financing for upgradation of unserviceable *kutcha* houses in the rural areas and decided that it was to be implemented in two components construction of new houses for the houseless categories at the rate of Rs 20 000 per unit in plain areas and conversion of unserviceable *kutcha* houses into *semi pucca/pucca* houses at the rate of Rs 10 000 per unit

To execute the scheme the Additional Deputy Commissioner cum Chief Executive Officer (ADC-cum-CEO) District Rural Development Agency (DRDA) Rohtak got the beneficiaries identified (October 1999) through Block Development and Panchayat Officers (BDPOs)

Test check of records of the ADC cum CEO DRDA Rohtak revealed (August 2000) that during 1999 2000 the ADC-cum CEO Rohtak released Rs 62 42 lakh for construction of new houses Of this Rs 27 60 lakh were disbursed to 138 beneficiaries of Rohtak Lakhanmajra Sampla and Meham block at the rate of Rs 20 000 per unit though they had *kutcha* houses and were entitled for Rs 10 000 per head This resulted into unjustified and irregular payment of Rs 13 80 lakh to the beneficiaries

The ADC-cum CEO DRDA Rohtak justified the higher payment (February 2001) on the plea that the beneficiaries having *kutcha* houses were considered houseless because the houses owned by them were beyond repair or upgradation The Financial Commissioner and Secretary to the Government of Haryana Rural Development Department while endorsing (May 2001) the reply of ADC cum CEO stated that these *kutcha* houses were badly damaged during floods of 1995 and were just like junk not fit for living and were thus considered as non-existing However scrutiny revealed that the BDPOs of Rohtak Lakhanmajra Sampla and Meham while sending the statements to the ADC-cum CEO for payment of relief during 1999 2000 did not identify any house in those areas as affected by floods Therefore linking it with floods of 1995 was not relevant and releasing the grant was violative of the instructions issued by the GOI These payments call for investigation

The department in their written reply stated as under —

In this regard it is submitted that DRDA Rohtak has stated that the beneficiaries were having Katcha Houses these Katcha Houses were in true sense like a junk and were not fit for living in practical sense These houses were considered as non-existing In these houses very low cost wood material in roofs doors had been used by the persons who were very poor people living below poverty line

In view of the above situation new houses were constructed for the above mentioned categories of beneficiaries/persons after due verification from the concerned B D & P O s on the basis of situation of the houses at the time of verification. The reasons for identification of houses affected by floods are not required to be mentioned by the concerned BDPOs. Hence no excess expenditure has been incurred. The expenditure is fully justified. Therefore it is requested that the Para may kindly be dropped.

During the course of oral examination, the Committee desired the department to have a random checking in each district to know whether the benefit under this scheme has been given firstly to the persons who are having Kucha Houses and if such persons are found, the benefit may be extended to such persons. A compliance report in this regard may be sent to the Committee within a period of three months.

URBAN DEPARTMENT

[78] 6 18 Avoidable loss due to delay in utilisation of loan

Even after raising loan for purchase of fire engines and construction of fire station Government did not release the funds leading to unnecessary interest payment of Rs 59 33 lakh

The Government of India (GOI) Ministry of Home Affairs sanctioned (March 1998) a loan of Rs 1 15 crore from General Insurance Corporation (GIC) to the State Government for purchasing fire fighting equipment and construction of fire station buildings. The terms and conditions for grant of loan *inter alia* provided thrust in backward areas or in any other identifiable areas prone to fire hazard risks where fire-fighting services were either non-existent or inadequate. The loan was to be utilised within six months and the State Government was to repay the loan together with interest at the rate of 13 per cent per annum to the GIC in fifteen equal instalments Commencing after one year from the date of availment.

The Director Local Bodies (renamed as Urban Development) Haryana Chandigarh received and credited the amount of loan of Rs 1 15 crore to State Government account in March 1998. In October 1998 the Director Urban Development indented for the purchase of 19 chassis of Motor Fire Engines (MFEs) (Ashoka Leyland 5 and Tata 407 14) with the Director Supplies and Disposals Haryana. The purchase was not made as the State Government did not release the funds during 1998-99. In March 2000 the State Government released Rs 70 12 lakh for the purchase of 19 chassis. Meanwhile the firm enhanced the rates of chassis and supplied 17 chassis only which were distributed to Municipal Committees (MCs) in May/July 2000. Remaining two chassis were not supplied by the firm due to less release of funds. Funds for the fabrication of bodies of MFEs were however not released by the Government (February 2001).

Though there was unspent balance of Rs 70 lakh the Government again raised another loan of Rs 2 00 crore (March 2000) from the GIC for the said purpose which remained unutilised till February 2001. The State Government released Rs 2 70 crore (in March 2001) to the Director Local Bodies Haryana. Out of Rs 2 70 crore Rs 1 02 crore had been released by the Director Local Bodies Haryana to 5 MCs for construction of fire stations in April 2001 while bank drafts of Rs 1 21 crore were lying with the department as of April 2001 pending receipt/inspection of chassis and fabrication of bodies etc. Remaining Rs 0 47 crore were utilised for making payments for purchase of chassis bank draft commission and repayment of loan. Delayed release of funds by the State Government led to extra burden of Rs 67 99 lakh (interest Rs 59 33 lakh for the period the loan remained unutilised and cost escalation Rs 8 66 lakh).

Thus the scheme was mismanaged by the Government due to failure to release funds in time long after raising the loans and then failing to ensure timely receipt and inspection of chassis and fabrication of bodies. Consequently the State was burdened with huge interest liability without any corresponding benefit.

The matter was referred to the Government in July 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

6 18 Avoidable loss due to delay in utilization of loan

A loan of Rs 1 15 crores was procured from General Insurance Company for purchase of Fire Fighting Equipments and construction of fire station buildings for Municipal Council Ambala City Ambala Sadar Yamuna Nagar Karnal Panipat Rohtak Palwal Gurgaon Hisar Hansi Fatehabad Dabwali Jhajjar Narnaul & Sonapat This amount was received from GIC on 26 3 98 and deposited in loan head 2217 on 30 3 98

In this regard a proposal was submitted to Govt In single file system vide dated 8 5 98 for granting sanction of the fire fighting equipments In the financial year 1998-99 but the matter was referred back by the Govt with the remarks that first make a budget provision in the financial year 1998 99 In this connection a proposal for budget provision in the year 1998 99 was sent on 25 5 98 Similarly an indent for purchase of fire fighting equipment was sent to the Director Supply and Disposal Department on dated 6 10 98 The budget provision of the amount Rs 115 lacs + 25 12 lacs = Rs 140 12 lacs made by the Finance Department in the year 1998 99 in the end of February 1999 with the condition that this amount must be utilized as on 31 3 99 But due to shortage of time it was not possible to utilize whole loan amount In this situation it was requested to Planning/Finance Department that the provision of said amount Rs 140 12 lacs may please be continued in the budget of the year 1999 2000 but In this regard Planning Department has advised that regarding fire fighting equipment scheme department is advised to formulate the scheme and submit the same at the time of revision of Annual Plan 1999 2000 Out of Rs 140 12 lacs a budget provision of Rs 70 12 lacs was made in the revised budget year 1999-2000 and same was released vide dated 30 3 2000 and utilized

In the year 1999 2000 a loan of Rs 200 lacs was taken from Oriental Insurance Company and deposited in the loan held 6217 The provision of Rs 70 lacs (balance amount of Rs 140 12 lacs) + Rs 200 lacs was made in the year 2000 01 and same was released in the year 2000 01 and was utilized on the purchase of chassis/fabrication/ construction of fire station buildings

The whole loan amount was lying In the Govt loan head 6217 thus there is no loss of interest on the said amount As and when the loan amount was released by the Govt the same was utilized as per supply orders of the Director Supply and Disposal Haryana Chandigarh and there was no delay on the part of any officers/officials for released and utilization of the loan amount It is therefore requested that keeping in view the above said position the CAG para no 6 18 may please be dropped

During the course of oral examination, the Committee desired the department to fix up the responsibility of the officers who delayed the matter of fabrication of bodies on the chassis of Motor Fire Engine as also for not withdrawing the amount from the treasury causing loss of interest, within a period of one month under intimation to the Committee

TRANSPORT DEPARTMENT

[79] 7 1 Human Resource and Material Management in Haryana Roadways

Highlights

Haryana Roadways had a fleet of 3 318 buses and 19 859 personnel as on 31 March 2001. The Roadways deployed excess drivers (281) conductors (789) workshop staff (552) and Ministerial staff (265) while there was shortage of 72 inspectors. Consequently checking of ticketless travellers decreased. Its fleet strength decreased from 3 884 in 1995-96 to 3 318 in 2000-2001. Out of 3 318 buses 11 per cent buses were old having life of more than 8 years. Large number of old buses led to increase on maintenance and decrease of load factor (percentage occupancy). Excess inventory huge excess consumption of HSD poor maintenance of engines unnecessary engagement of casual workers and huge unnecessary local purchase led to uneconomical operation and large amount of loss. Operation of the buses had become totally unviable. Important points noticed in audit are as follows

7 1 1 Introduction

In Haryana Roadways (Roadways) a commercially run undertaking of the Transport Department has the objectives of providing efficient economical adequate and coordinated transport service to the public. As on 31 March 2001 Roadways had 20 depots (10 of Tata make buses and 10 of Leyland make buses) with a fleet of 3 318 buses and two Central Workshops at Karnal and Hisar to undertake major repair of engines. Minor repair and day-to-day maintenance of buses are undertaken by workshops at depot level.

7 1 2 Organizational set up

The Financial Commissioner and Secretary to Government of Haryana is the administrative head of the Transport Department and also oversees the working of the Roadways. The Transport Commissioner (TC) is responsible for managing day-to-day affairs of the Roadways and is assisted by an Additional Transport Commissioner two Joint Transport Controllers and six Deputy Transport Controllers. The Roadways has 20 depots and each depot is managed by a General Manager. In addition the department has a Transport Board (an apex body of the department) comprising of Transport Minister as Chairman Secretaries Transport and Finance Departments as members TC as Member Secretary which besides deciding all cases relating to Transport Department approves the creation of all posts of drivers conductors workshop staff and ministerial staff according to fixed norms.

7 1 3 Audit coverage

Overall management of the Roadways with emphasis on human resource and material management for the period 1995-2001 was reviewed based on the test-check of records of the State Transport Commissioner Haryana and 6 depots during October 2000 March 2001. Findings of the review are discussed below.

7.1.4 Manpower analysis

A Financial outlay

The total expenditure incurred by the Roadways on staff vis a-vis total receipts from traffic during the six years period 1995-2001 were as under —

Year	Total traffic receipt (Rupees in crore)	Cost on staff	Percentage of cost on staff to total traffic receipts
1995-96	260.79	111.59	43
1996-97	290.33	125.85	43
1997-98	299.27	134.76	45
1998-1999	310.38	183.04	59
1999-2000	315.95	189.04	60
2000-2001	379.00 ²	201.01 ²	53

Traffic receipts increased by 45 percent during 1995-2001 while cost on staff increased by 80 per cent during this period thus offsetting any advantage due to increased receipts. The increase in staff cost was mainly attributed to

- upward revision in pay of staff following Fifth Pay Commission awards
- deployment of surplus staff

decrease in number of buses by 15 percent from 3884 in (1995-96) to 3318 (2000-2001) which includes old and depleted buses. Percentage of such buses increased from 3 to 11 in 1995-2001. The decrease was due to non provision of funds for replacement against condemned vehicles.

The department in their written reply stated as under —

The cost on staff increased due to revision of pay scale TA DA rates installments of dearness allowance to 48% in 2000-2001 etc. The decrease in number of buses from 3884 in 1995-96 to 3318 (2000-2001) was due to condemnation of old buses and non receipt of replacement of new buses from the Govt. It was also one of the factors in the increase of cost on staff.

During the course of oral examination, the Committee asked the department to supply the figures relating to staff, norms observed and profit and loss in respect of Bhiwani Depot. The department supplied the same. The Committee observed that there is continuous loss in the Depot. The Committee, therefore, desired that reason for continuous loss in this Depot may be identified and effective remedial measures may be taken and detailed report in this regard may be sent to the Committee within a period of three months.

[80] 7 1 4 B Deployment of staff

The State Government fixed norms of 1 4 staff each for Drivers and Conductors 1 3 for Workshop Staff 0 4 for Minister Staff per bus and 10 per cent of total number of conductors for Inspectors for creation of posts in the department The position of staff per bus as per norms viz a viz actual was as under

	Norms	1995 96	1996 97	Actual 1997 98	1998 99	1999 2000	2000 2001
Driver	1 4	1 43	1 42	1 36	1 41	1 43	1 48
Conductor	1 4	1 50	1 50	1 50	1 48	1 52	1 64
Workshop staff	1 3	1 41	1 49	1 44	1 38	1 40	1 47
Ministerial staff	0 40	0 40	0 41	0 42	0 41	0 45	0 48
Inspectors	0 14	0 11	0 12	0 10	0 11	0 11	0 12
Other staff		0 66	0 70	0 69	0 71	0 76	0 80

Scrutiny of the above table would reveal that the department continued to deploy excess drivers (except 1997-98) conductors workshop and ministerial staff (except 1995 96) during the six years ending March 2001 The department did not take effective steps to keep the number of staff within the norms Thus the number of ministerial staff per bus stood at 0 48

Category-wise excess deployment in numbers is discussed below —

Sr No	Particulars	1995 96	1996 97	1997 98	1998 99	1999 2000	2000 2001
(i)	No of buses held at the end of the year						
	Tata	2 065	2 028	2 048	1 998	1 927	1 743
	Leyland	1 819	1 812	1 806	1 774	1 704	1 575
	Total	3 884	3 840	3 854	3 772	3 631	3 318
(ii)	Requirement each for Drivers and Conductors as per norms	5 438	5 376	5 396	5 281	5 083	4 645
(iii)	Actual deployment						
	Drivers						
(a)	Regular	4 804	4 930	4 632	4 892	4 373	4 177
	Contractual	759	519	609	408	837	749
	Total	5 563	5 449	5 241	5 300	5 210	4 926
	Excess(+)/Short () deployment of drivers	(+) 125	(+) 73	() 155	(+)19	(+) 127	(+)281
(b)	Conductors						
	Regulars	5 178	5 399	5 403	5 396	5 201	5 172
	Contractual	640	350	380	191	306	262
	Total	5 818	5 749	5 783	5 587	5 507	5 434
	Excess deployment against norm	380	373	387	306	424	789

Sr No	Particulars	1995 96	1996 97	1997 98	1998 99	1999 2000	2000 2001
(c)	Workshop Staff						
	Requirement as per norms	5 049	4 992	5 010	4 904	4 720	4 313
	Actual deployment						
	Regular (Skilled Semi Skilled and unskilled)	4 823	4 990	4 954	4 753	4 721	4 545
	Daily Wages	638	715	603	456	366	320
	Total	5 461	5 705	5 557	5 209	5 087	4 865
	Excess deployment against norms	412	713	547	305	367	552
(d)	Ministerial Staff						
	Requirement as per norms	1 554	1 536	1 542	1 509	1 452	1 327
	Actual deployment	1 547	1 570	1 601	1 562	1 624	1 592
	Excess (+)/Shortage (-) deployment against norms	(-)7	(+)40	(+)59	(+)53	(+)172	(+)265
(e)	Inspectors						
	Requirement as per norms	544	538	540	528	508	465
	Actual deployment	434	443	404	418	402	393
	Short deployment against norms	110	95	136	110	106	72
(f)	Other staff	2 576	2 691	2 671	2 682	2 771	2 649

Analysis of the above table revealed

(a) *Drivers*

(i) Out of 20 depots in 1997 2001 depots ranging between 6 and 19 deployed on an average 154 (per year) excess drivers during last six years ending 31 March 2001 which entailed an extra expenditure of Rs 2.24 crore. Thus per bus the number of drivers in 2000 2001 was 1.48 as against the norm of 1.40.

(ii) During the same period depots ranging between 1 and 14 had shortage on an average of 85 drivers per year. The Roadways did not transfer excess drivers from surplus to deficit depots. Consequently these depots missed 552.56 lakh kms involving a net revenue loss of Rs 19.38 crore.

(b) *Conductors*

The number of excess conductors ranged between 306 and 789 during 1999 2001. Most of the depots deployed excess conductors at an average of 4 while there was shortage of 12 (average) conductors at 4 depots during this period. The deployment of excess conductors resulted in an avoidable expenditure of Rs 5.42 crore.

(c) *Workshop staff*

The number of excess deployment of staff increased from 305 in 1998 99 to 552 in 2000 2001. Consequently the Roadways incurred an extra expenditure of Rs 4.74 crore.

The excess deployment is mainly due to failure to dispense with the service of contractual drivers, conductors and workshop staff recruited on contract basis in 1993 when the regular staff went on strike.

(d) Ministerial staff

The Ministerial staff is primarily engaged in establishment work and has little to contribute directly or even indirectly to the productivity of the buses. Even the norm was unduly high being 0.4 per bus. The Roadways unnecessarily allowed 0.08 excess over this norm and the number of surplus staff increased from 40 in 1996-97 to 265 in 2000-2001. The deployment of excess staff resulted in an extra expenditure of Rs. 2.16 crore during the five years ending 2000-2001.

The department in their written reply stated as under —

(a) to (d) Drivers/Conductors/Workshop Staff/Ministerial Staff

During 1993 the Roadways worker went on indefinite strike and as per orders of the Govt. some of the drivers/conductors/workshop staff were recruited on contract basis. When the strike was called off and on joining the duties by the regular staff, the services of all the workers recruited on contract basis were terminated but some of them managed to come in the Roadways through courts which resulted into increase in staff strength of Drivers/Conductors/Workshop staff. In so far as excess of staff in some depot and shortage in another depot it is stated that we monitor the transfer of excess staff when shortage of staff is reported by the depot Managers. Some times large number of buses are declared condemned and its replacement are not received within the expected time period then it becomes difficult to transfer/retrain the staff. Some time due to Govt. policy we do not receive new fleet years together and it is not feasible to retrain the staff. However in future staff strength will be kept within the norm. Hence the para may be dropped.

During the course of oral examination, the Committee desired the department to look into the matter of deployment of drivers on contract basis and the record relating thereto and to see whether the deployment of staff is as per norms. The position in this regard may be sent to A. G. (Audit) for verification under intimation to the Committee.

[81] 7.1.5 Expenditure on store

The details of traffic receipt and expenditure on stores and spares including diesel during the last six years ending 31 March 2001 were as follows:

	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-2001
	(Rs. in crore)					
1 Traffic receipts	260.79	290.33	299.27	310.95	315.38	379.00
2 Expenditure on						
(i) Diesel	66.12	77.40	91.75	83.80	106.71	141.24
(ii) Oil & Lubricant	7.25	7.04	6.51	6.50	6.10	NA
(iii) Tyre & tubes	23.75	24.51	25.04	16.46	18.75	NA
(iv) Other material	34.18	34.81	36.26	34.06	34.65	50.17 ^a
Total expenditure	131.30	143.76	159.56	140.82	166.21	191.41
(v) Ratio of expenditure on diesel to total expenditure	0.501	0.541	0.581	0.601	0.641	0.741
(vi) Per bus expenditure	0.03	0.04	0.04	0.04	0.05	0.06
(vii) Expenditure per effective Km. (in rupees)	3.15	3.43	3.93	3.57	4.21	4.98

Audit analysis revealed the following

- (i) Ratio of aged buses (having life from 4 to 8 years) to the regular buses (having life upto 4 years) increased from 0.92:1 in 1995-96 to 1.83:1 in 2000-2001. As a result Roadways had to bear higher maintenance charges on the old buses. Extra maintenance cost on aged buses in comparison to those having life upto 4 years worked out to Rs 27.78 crore during 1999-2001.
- (ii) Though buses having life of more than 8 years were due for condemnation yet such buses were continuously in operation and their number steadily increased from 119 to 375 during 1995 to 2001.
- (iii) Operation of old buses seriously affected the load factor (percentage occupancy) which decreased from 79 per cent in 1995-96 to 67 per cent in 2000-2001. This meant decrease in number of passengers carried by Roadways.
- (iv) Expenditure per bus increased from 0.03 crore in 1995-96 to 0.06 crore in 2000-2001 due to excess consumption of HSD and engine-oil against norms (Paragraph 7.1.6 (viii)). The Transport Commissioner had assured the audit that the matter where excess consumption of HSD had occurred would be investigated.

The department in their written reply stated asunder —

It is admitted that the expenditure on maintenance of vehicle having life from 4-8 years is definitely higher than those having life upto 4 years. It is also admitted that the expenditure on maintenance of vehicle having life more than 6 years is higher than those having less than 4 years of life. As the department has fixed the life of vehicle as 8 years, the vehicle has to be operated for 8 years and the maintenance expenditure will have to be incurred for keeping the vehicle having life more than 4 years on the road. Even in private sector the expenditure on maintenance is definitely higher on vehicle having more life as compared to the new vehicle. It is not a new thing as the expenditure on vehicle having life more than four years is higher than those having life less than 4 years. As such this expenditure can not be avoided keeping in view the over all the interest of department.

As regards operation of buses of having life more than 8 years (due for condemnation) the observation that the load factor which was 79% during the year 1995-96 has come down to 65% during the year 1999-2000 observations can not be agreed to because the load factor is connected with so many parameters which are given below —

1. The age of the bus
2. Route to be operated
3. Crew deputed on the bus
4. Time Table
5. Area of operation & fare structure of that area
6. Unauthorised operation of buses and jeeps etc. Whereas average age of the Haryana fleet which was 50 months during the year 1995-96 increased to 58.73 months during the year 1999-2000.

The unauthorised operation of buses/jeeps increased during these years inside and outside the state. Routes which were profitable during the year 1995-96 in Rajasthan, Punjab, Himachal State etc. became less profitable because of larger number of private operators introduced by these States. As a result of the above mentioned reasons the load factor decreased from 79% to 65% and not because of overaged buses.

During the course of oral examination, the Committee desired the department to reconcile the figures as mentioned in the audit para of expenditures with the A. G. Office within a period of three weeks. After hearing the departmental representatives, the Committee desired that a compliance report in this regard be also sent to the Committee within a period of one month.

[82] 7.1.6 Purchase procedure and irregularities in purchases

All bulk purchases by Roadways were made from the firms either on rate contract with Association of State Transport Undertakings (ASRTU) or DGS&D through High Power Purchase Committee (HPPC) since 1996. Items for which there was no rate contract were however purchased direct from the manufacturers/authorised dealers. Supply orders were placed by the TC but the deliveries were received by the depots which were also responsible for making payments.

In case of minor purchases of emergent nature General Managers of the depots had been empowered to make purchases without inviting quotations below Rs. 500 from unapproved sources and Rs. 10,000 for single item from an approved source.

(ii) Local purchase of spare parts

A test-check of local purchases made between December 1999 and June 2000 at Dadri depot revealed that 242 items of spare parts valuing Rs. 62.66 lakh were purchased from nine unapproved firms of Delhi after collecting quotations in a single day by a Committee comprising an Accounts Officer, a Statistical Assistant and a Store Purchase Assistant which was not approved by the General Manager. The Committee members had no knowledge of the spare parts. They purchased the spare parts at higher rates than that of approved source rates. The rates were even not got approved from the General Manager of the depot. This resulted in an extra expenditure of Rs. 24.13 lakh.

It was further noticed that 104 items valuing Rs. 9.39 lakh were purchased but these were not used (March 2001). The matter calls for investigation.

The department in their written reply stated as under —

The action against the defaulting officers /officials has already been taken by the department. The General Manager of the depot, Works Manager, Chief Store Keeper, Junior Auditor/Accountant and Purchase Clerk those here responsible for making local purchase from the unapproved sources on higher rates and making purchases without requirement were suspended and were

charged sheeted under Rule 7 The other officers i.e. Accounts Officer and Resident Section Officer of the depot were charge sheeted by the Finance department. The works Manager was later on reinstated on pending enquiry against him.

After hearing the departmental representatives, the Committee recommends that the matter of taking action against Shri M S Ahlawat the General Manager, Sh M K Garg/ Works Manager and the concerned Accounts Officer may be finalized within a period of six months and the Committee may be informed accordingly

[83] 7 1 6 (iii) Extra expenditure on purchase of conversion kits

Firm A introduced a better performance fuel saving new 6 65 engine model buses in place of old 370 engine model buses and also offered (November 1993) a kit of parts for conversion of old model into new one. The Roadways intended to convert 20 per cent of old model engines into new and placed two orders (March 1995 and April 1996) with the firm for supply of 270 conversion kits at a cost of Rs 41.04 lakh. The conversion job was to be carried out by the Central Workshop Hissar. The workshop actually received 133 kits during April 1996 to November 1998.

Out of 133 kits so procured only 8 kits were used for conversion of old 370 model engines and the remaining 125 kits were actually used into 6 65 model engines though the Roadways had 1 111 buses of old model to be converted. Scrutiny of records revealed that the individual spare parts or the kit comparatively of lower cost were already available with the workshop which could be used in 6 65 model engines using the kits instead of individual parts in 6 65 model engines defeated the purpose of changing the old model into better performance and fuel saving new model apart from extra avoidable expenditure of Rs 11.27 lakh.

The department in their written reply stated as under —

The decision for purchase of conversion kits was taken in the meeting of technical officers of the department in view of the representation of M/s Ashok Leyland that they have completely closed down the manufacturing of 370 engine Leyland vehicle and claim that the performance of 6 65 engine Leyland vehicle is better than the 370 engine. In view of the representation of M/s Ashok Leyland Ltd as stated above the meeting of technical officers of the department was held and in the meeting it was decided that to avoid the obsolescence of 370 engine parts the department should reduce the requirement of 370 piston assembly to 50% and convert 20% of 370 engine into 6 5 engine and also the 6 65 engine is fuel efficient than 370 engine as recommended by M/s Ashok Leyland Ltd vide their letter No 961 dated 25 11 93.

It is further submitted that the cost of the same parts of conversion kits if these were purchased from other O E suppliers were even less than rates of conversion kits purchased from M/s Ashok Leyland Ltd. The cost of parts of other O E suppliers were evaluated at the time of taking decision were even higher i.e. Rs 15703/- (landed cost) in comparison to the cost of conversion kits i.e. basic rates Rs 18765/- less 19% discount + 4% sale tax less cash Disc.

1% i.e. Rs 15650/- Moreover there was advantage for purchase of conversion kits from M/S Ashok Leyland Ltd because of availability of all the items at a time for smooth conversion of Engine minimum lead time purchase of better inventory control The rate comparison of same parts of OE firms which were supplied in conversion kits and conversion kit supplied by M/S Ashok Leyland Ltd is enclosed It is also further submitted that the value of extra expenditure of Rs 10.58 lakhs indicated in the para have been calculated by the audit on the basic rate of conversion kits i.e. Rs 18765.00 and the discount 19% and cash discount offered 1% was not deducted from the basic rates as offered by the firm and was mentioned in the order The landed rates conversion kits were Rs 15650/- per each

So as stated above there was no loss to the department. Hence it is requested that the para may please be dropped

After hearing the departmental representatives, the Committee observed that the reply of the department is not satisfactory and the matter of purchase of 133 Kits is required to be looked into thoroughly particularly when these were not used into the engines for which these were purchased Responsibility in this regard may be fixed within a period of three months under intimation to the Committee

[84] 7.1.6 (VIII) Consumption of HSD and mobil oil

(a) Huge extra consumption of diesel

High speed diesel (HSD) constitutes 30 per cent of the cost of operation Fuel efficiency is worked out in terms of kilometers per litre (KMPL) of HSD consumed The Roadways had fixed (February 1999) a norm of 4.44 kmpl of diesel consumption whereas the Rajasthan State Road Transport Corporation had fixed 4.78 kmpl

Test-check revealed that in eight depots the kmpl ranged between 4.09 and 4.41 during 1999-2000 and 2000-2001 against the norm of 4.44 This had resulted in excess consumption of diesel of 12.73 lakh litres valuing Rs 1.66 crore

(b) Very high consumption of diesel other than buses

In order to curb abnormal consumption of diesel in workshop depots due to carelessness pilferage and wastage the Roadways issued (March 1996) instructions to all the depot Managers that the consumption of diesel other than buses should not be more than 1 per cent of total diesel consumed

Subsequently in 1997 in the commercial officers meeting General Managers were again asked to maintain consumption of diesel at 2 per cent other than buses During test-check it was noticed that the consumption of diesel on other than buses in 8 to 9 depots ranged between 2.26 and 4.39 per cent against the norm of 2 per cent during 1999-2001 which resulted in excess consumption of 8.16 lakh litres diesel valuing Rs 1.02 crore

(c) Unreasonable consumption of mobil-oil

As per manufacturer's guide the engine oil is changed at the rate of 14 litres for every 18,000 kilometers for Tata Engines and 12.5 litres for every 16,000 kilometers in respect of Leyland make engines In addition engine oil is used for every periodical top up after 1000 kilometers to maintain oil level However the Roadways had not fixed any norms for the same

The following table indicates the maximum and minimum distance covered by depots in kilometres per litre of mobil oil in respect of Tata and Leyland make vehicle for the last two years upto 2000 2001

		1999 2000 Tata	2000 2001 Leyland	Tata	Leyland
KMPL of engine oil in top up	Maximum	964	1557	1064	1601
	Minimum	617	1031	620	1021
KMPL of engine oil in change up	Maximum	995	1417	1035	1411
	Minimum	637	779	656	858

The table reveals that there were wide variations in the distance covered per litre. By assuming the maximum distance covered per litre (Separately for top up and change up) in the respective year by a particular depot the value of excess consumption of mobil oil worked out to Rs 0 85 crore (Leyland depots Rs 0 27 crore and Tata depots Rs 0 58 crore) during 1999 2001

The Roadways had not analysed the reasons for excess consumption of HSD and mobil oil or taken any steps to control the cost

The department in their written reply stated as under —

It is admitted that HSD constitutes about 30% of cost of operation. However Transport Department has never fixed the norm of 4.44 KMPL of HSD consumption. However a target was for which all out efforts are being made to achieve the target.

That KMPL targets could not be achieved by certain depots for which sincere efforts are being made and reviewed in the C.O.'s meeting being held from time to time.

It is agreed that G.M.s were asked to adhere to 2% consumption of HSD for other than buses but this percentage fixed was in general to have check on excess consumption of HSD. But in certain depot this limit is exceeded due to local condition like shortage of power resulting into excess use of HSD for generation, location of workshop far away from the bus stand, no. of Jhota flying squad buses for checking of various routes, HSD used for resoling plant etc.

The reasons for excessive consumption are being analysed and action will be taken accordingly.

As far as consumption of mobile for change up is concerned, variation is very much on the higher side for which detailed analyses will be made and action taken against the defaulter.

However, as regards variation in top up engine, this variation is due to age of vehicles, skill of drivers and technicians which varies from depot to depot.

The Committee recommends that a comparative study of consumption of diesel and mobile oil in other State Roadways Transport Corporations/Undertakings may be conducted and the Committee may be informed accordingly within a period of three months.

[85] 7 1 6 (ix) Unreasonable consumption of spring leaves

The Roadways had no norms for the consumption of spring leaves. The tables below indicate the expenditure incurred in paise per kilometer on account of spring leaves in respect of Tata and Leyland depots in each depot for the last two years upto 2000-2001.

Expenditure in paise per Kilometer	1999 2000		2000 2001	
	Tata	Number of Depots Leyland	Tata	Leyland
Up to 4	7	3	4	3
Up to 8	6	4	6	5
Above 8		3		2

Analysis of the above table reveals that expenditure on consumption of spring leaves varied from depot to depot. The expenditure per kilometer remained below 8 paise in all the ten depots of Tata and seven to eight depots of Leyland, whereas in two to three depots of Leyland, consumption ranged between 12 and 19 paise per Km. The Roadways had not analysed the reasons for such wide variations. By assuming 8 paise per kilometer as the admissible expenditure, the extra expenditure worked out to Rs. 0.55 crore.

The department in their written reply stated as under —

It is agreed that there were wide variation in consumption of spring leaves in some depots. No norm has been fixed by the department for consumption of spring leaves.

In this regard, it is clarified that consumption of leaf springs depends upon so many factors like age of the vehicle, condition of roads on which vehicles ply, load conditions, driving habits, etc. So no norm at State level can be fixed for consumption of leaf springs. Only because of these factors, consumption of leaf springs in depots like Hisar, Ch. Dadri and Fatehabad was on the higher side. The operation of buses of these depots was mostly on rough roads, resulting into higher consumption of leaf springs.

Now, condition of roads have been improved and expenditure on spring leaves has considerably declined in these depots, which is clear from the following table —

S No	Name of depot	Exp 2000 01	Per KM 2001 02	on spring leaves April June 2002 03
1	Hisar	7.00	5.00	3.38
2	Fatehabad	11.70	9.40	4.72
3	Ch. Dadri (Depot has been down graded as sub depot of Bhiwani)			

As per above, the expenditure on spring leaves is constantly declining. However, reasons for expenditures incurred on spring leaves are being looked into by the works manager of respective depots from time to time.

After scrutinizing the reply given by the departments, the Committee recommends that norms for consumption of spring leaves may be fixed after conducting a comparative study of other State Roadways Transport corporations/ Undertakings in this regard within a period of three months under intimation to the Committee

[86] 716(X) Non disposal of dead stock

The following table indicates the total inventory and dead stock at the close of each year for the last five years ending March 2001

Sr No	Description	1995-96	1996 97	1997-98 (Rs in crore)	1998 99	1999-2000	2000 2001
1	Total inventory	11 31	10 85	10 63	9 67	10 71	10 50
2	Dead Stock	0 75	1 17	1 18	1 18	1 18	1 18
3	Percentage of dead stock to total net inventory	7	11	11	12	11	11

The percentage of dead stock increased from 7 per cent in 1995-96 to 11 percent in 1996 97 due to addition of inventory of mini buses which had become obsolete due to phasing out of mini buses

The stocks included parts of Tara 1210 D model (Rs 0 30 crore) of Layland 370 model (Rs 0 43 crore) Mini Buses (Rs 0 41 crore) which are no more in use and air conditioned parts (Rs 0 04 crore) lying with the Roadways for more than six years

As Roadways had no system for timely identification of inventory for disposal dead stock of items whose original value was Rs 1 18 crore were lying without fetching any value

The department in their written reply stated as under —

The efforts are being made at Head office level as well as at depots level to disposed off the absolute parts lying with the depots. The department however had laid down the system for timely identification of inventory for disposal while phasing out particular model but some parts are even remain un disposed off as there are so many number of spare parts which are used for maintenance of vehicles. The depots of Haryana Roadways returned back spare parts of huge value to supplier of these items. Further efforts are also being made to disposed off the remaining absolute parts by reducing their reserve price by the competent authority at an earliest as the remaining parts are not being disposed off on the book value

After going through the written reply given by the department, the Committee recommends that approval of the Finance departments for disposal of obsolete parts may be obtained at the earliest and further action to dispose off these parts may be taken without further loss of time so that maximum amount may be realised by disposing off these parts and the Committee may be informed accordingly within a period of three months

[87] 9 7 1 (xi) Blockade of funds due to holding excess inventory

The Roadways had fixed (June 1995) inventory level for the depot workshops at Rs 0 16 lakh per bus. During the last six years ending March 2001 the inventory i.e. spare parts, tyres and tubes, oil and lubricants and batteries held by the depots was in excess of the norms as per details given below:

Year	No. of buses held at the end of the year including other vehicles	Inventory actually held	Inventory as per norms	Excess against norms
(Rupees in crore)				
1995-96	4010	10 56	6 42	4 14
1996-97	3985	9 68	6 38	3 30
1997-98	4008	9 45	6 41	3 04
1998-99	3911	8 49	6 26	2 23
1999-2000	3771	9 53	6 03	3 50
2000-2001	3512	8 43	5 62	2 81

The Roadways had not fixed any re-ordering level. A test-check of the records revealed:

(a) Spare parts valuing Rs 25 05 lakh were lying unused for the last three years ending 31st March 2000.

(b) Spare parts valuing Rs 4 40 lakh were further purchased during the last three years which were already lying in stock.

(c) All the depots had excess inventory than the norm of Rs 0 16 lakh per bus which ranged between 0 17 and 0 37 lakh per bus ending 31 March 2001. The total excess inventory worked out to Rs 2 81 crore.

The Roadways did not consider the desirability of transfer of surplus inventory from one depot to the other depot.

The department in their written reply stated as under —

It is true the earlier norm of store inventory prior to year 1995 was Rs 16000 00 per bus. In the year 1995 the store inventory norm was refixed keeping in view the increase in rates of items required for maintenance of buses and the same was fixed 2 5% of total average cost of buses including fabrication cost. As the total average cost of the bus is around Rs 10 lacs and hence the present store inventory comes out to Rs 25000 00 per bus as per norm fixed by the department in year 1995. In the past the average store inventory only of the depots was being calculated and the store inventory held by the central workshop Karnal/Hissar was not being included in the average store inventory held by the department. If the store inventory of central workshops Karnal/Hissar is included even then the average store inventory of the department 25000 00 per bus. It is pertinent to mention that the store inventory during the year 1996-97 to 1999-2000 was reduced by 150 00 lacs from 1088 73 lacs to 937 91 lacs.

Regarding increase in expenditure in the year 1996-97, 1998-99 and 1999-2000 in comparison to the year 1995-96, it is submitted that the increase in expenditure is due to rise in the purchased cost of spare parts, oils & lubricants and tyres & tubes etc.

In view of the position explained above the para may please be dropped

After going through the written reply given by the department, the Committee recommends that every care should be taken to avoid blockade of funds due to holding of excess inventory and the Committee may be informed of the position prevailing in this regard during the last three years specifically mentioning the excess holding beyond the norms in terms of amount deposit wise

[88] 7.2 General Lack of accountability for the use of public funds in department commercial undertakings

Activities of quasi-commercial nature are performed by the departmental undertaking of certain Government departments. These undertakings are to prepare proforma accounts in the prescribed format annually showing the results of financial operation so that the Government can assess the results of their working. The Heads of Departments in the Government are to ensure that the undertakings which are funded by the budgetary release prepare the accounts on timely basis and submit the same to Accountant General for audit. As of March 2001, there were 6 such undertakings in the Government of Haryana. However, 2 out of total 6 undertakings did not prepare their accounts for by the State Government in these 6 undertakings at the end of the financial year upto which their accounts were completed.

Comptroller and Auditor general of India repeatedly commented in the Audit Reports of the State about the failure of management of the undertakings in timely preparation of proforma but there was slow improvement in the situation. As a result, accountability of the management and the Government in respect of the public funds spent by these undertakings could not be ensured.

The department wise position of non preparation of accounts in respect of 6 undertakings is as follows:

Department	Number of undertakings under the department	Accounts not finalized (name of undertakings)	Year from which accounts are due	Investment as per last accounts (Rupees in crore)
Transport	1	Haryana Roadways	1999-2K	315.21

No action was taken against the management of these undertakings for such a gross failure and disregard of public interest.

The lack of accountability displayed by the failure to prepare the accounts by the management of these undertakings is a matter of concern as large amount of public funds are involved in these cases. The Government needs to initiate measures against the defaulting managements for their failures to reduce the possibility of serious financial irregularities remaining undetected for a long period. The Government should also take a re-look at internal system and arrangements for finalising the accounts and take up the preparation of accounts on a war footing so that the management are held accountable for the proper use of public funds.

The Government should also re-examine the justification of release of budgetary funds to the undertakings without assessing the financial performance and without finalised accounts

The matter was referred to the Government in June 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

The performa account in the prescribed format for the year 1999-2000 has already been sent to the Accountant General (Audit) Haryana, Chandigarh *vide* our Accounts Branch letter No. 5117 dated 22.7.2002. Hence the para may kindly be dropped.

After going through the written reply given by the department, the Committee desired the department to inform the Committee after verifying the position from the A.G. Office in this regard, within a period of three months.

FOOD AND SUPPLIES DEPARTMENT

[89] 7 3 Avoidable expenditure

Food and Supplies Department incurred an extra expenditure of Rs 52 76 lakh due to delay in supply of gunny bales by DGS&D Kolkata

The Director Food and Supplies Department (F&SD) Haryana Chandigarh placed (November 1998) an indent for supply of 1 09 440 gunny bales (one bale = 500 bags of 50 kgs) for procurement of wheat during Rabi 1999 by the department and other food procuring agencies of Haryana with Director General Supplies and Disposals (DGS&D) Kolkata as per terms and conditions settled by DGS&D As per supply schedule given material was to be supplied from December 1998 to February 1999 The department paid Rs 91 99 crore in advance to DGS&D between November 1998 and January 1999

The DGS&D allocated/issued instructions to millers for supply of 1 01 lakh gunny bales of which 78 thousand gunny bales were supplied upto 28 February 1999 The rates of gunny bales were increased by Deputy Jute Commissioner Government of India Ministry of Textile Kolkata from Rs 1 542 60 to Rs 1 585 63 per 100 bags in March 1999 The balance 23 578 gunny bales supplied between March 1999 and May 1999 were charged by suppliers through DGS&D at enhanced rate of Rs 1 585 63 instead of Rs 1 542 60 Though payment was made in advance the department did not insist upon the DGS&D to arrange supplies for the balance allocated quantity at pre revised rate Although Deputy Director General DGS&D clarified (17 November 1998) that when the delivery period is extended the payment to miller is released at lower price Thus the payment at higher rates resulted in excess payment of Rs 52 76 lakh (including sales tax)

The matter was referred to the Government in April 2001 for reply within 6 weeks their reply had not been received (August 2001)

The department in their written reply stated as under —

It is stated that Govt of Haryana/state procuring agencies of Haryana projected their indent no SB 5-98/32553 dated 10-11 1998 for the quantity of 109440 gunny bales with the delivery schedule in December 1998 January 1999 February 1999 to the tune of 32400 45900 and 31140 gunny bales respectively It was a consolidated indent on behalf of all state procuring agencies as detailed below —

Food	=	25290
Hafed	=	48060
HWC	=	12870
Confed	=	12600
Agro	=	10620

Total	=	109440
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The Audit pointed out that though the payment was made in advance the department did not insist upon the DGS&D to arrange supplies for the balance allocated quantity at pre-revised rate

In this regard it is submitted that representatives of all indenting agencies used to review the supply position of gunny bales with DGSD Kolkata Jute Commissioner and Govt of India from time to time In this context a meeting was held on 26 2 99 at Kolkata under the Chairmanship of Joint Secretary Policy GOI to review the position of gunny bales In the said meeting it was decided that the delivery period in respect of Production Control Orders (PCOs) for Punjab Haryana and U P be extended up to 15 3 99 (for the quantity for which the delivery period was 28 2-99) and up to 20 3-99 (for the quantity for which delivery period was 12 3-99) with reservation of rights (RRs) to impose Liquidated Damages (L D) and to pay lower applicable prices It is also clarified here that the PCOs of Food and Supplies Department for a quantity of 25290 were issued by the Jute Commissioner upto 21 1-1999 on the price of Rs 15420 60 per hundred bags (pre revised rates) and bales were supplied on this rate Thus there is no loss to the State Govt A total quantity of 30024 out of 1 01 240 bales were of other state procuring agencies which these agencies have not made funds available in time to DGSD Kolkata The agencies made the payment of the balance amount in the month of March 1999 therefore the price of March were made applicable to them and the agencies can not insist to make applicable the rates of February 1999

Similarly in the meeting held under the Chairmanship of Joint Secretary (Policy) GOI on 1 4 99 at Kolkata it was decided that the delivery period in respect of the quantities to be supplied to Punjab and Haryana by 31 3 99 may be extended up to 15-4 99 with reservation of rights to impose liquidated damages and to pay lower applicable prices Thus from the above it is clear that DGS&D arranged the supplies for the balances allocated quantity at pre-revised rates i.e. at the lower price (at the rate of March 1999) The supply of gunny bales were received in the month of April and May but still the price of March 1999 were made applicable because the delivery period was extended in the above said meeting with application of lower price It is also made clear that the supply of gunny bales were made in April and May on the price applicable for the month of March Therefore the audit objection is not based on the facts

It is further submitted that since the entire payments to DGSD Kolkata for the supply of gunny bales are fully reimbursed by GOI/FCI alongwith interest therefore there would be no extra burden on the State Exchequer However all the purchase and payment of gunny bales are made as per the policy framed by the Govt of India from time to time

After hearing the departmental representatives, the Committee recommends that the figures of loss may be reconciled with A G (Audit) and a compliance report in this regard may be sent to the Committee, within a period of three months

[90] 7 4 Loss due to delay in supply of wheat to Food Corporation of India

DFSCs Sonapat and Jind did not follow the instructions of DM FCI to supply wheat directly to FCI depots causing loss of Rs 52 49 lakh to Government

Food and Supplies Department procures wheat from *mandis* for delivery to Food Corporation of India (FCI) The Director Food and Supplies (DF&S) Department Haryana

Chandigarh while circulating (March 1996) the purchase policy adopted by the Haryana Government for procurement of wheat during *Rabi* 1996-97 directed all the District Food and Supply Controllers (DFSCs) to deliver maximum stocks of wheat purchased from *mandis* directly to FCI depots according to the detailed plan worked out by DFSC with District Manager (DM) of FCI of each procurement centre/*mandi*

In April 1996 DM FCI Rohtak gave a linkage plan to DFSC Sonapat and Jind for delivery of wheat stocks purchased during 1996-97 directly from *mandis* to FCI depots. On 10 June 1996 the DM reminded the DFSC Sonapat to deliver the entire wheat stocks upto 30 June 1996 as per linkage plan as there was sufficient vacant space to accommodate the entire stocks otherwise FCI would withhold the carry over and storage charges

DFSC Sonapat and Jind purchased 1.61 lakh quintal (Sonapat 1.28 lakh Jind 0.33 lakh) wheat in four *mandis* during April to June 1996. They did not deliver the wheat immediately to FCI but only during July 1996 to March 1997. Carry over and storage charges of Rs 52.49 lakh (Sonapat Rs 42.41 lakh Jind Rs 10.08 lakh) claimed by DFSCs were not reimbursed by DM FCI Rohtak due to non implementation of linkage plan for delivery of procured wheat

On being pointed out (May 2001) the DF&S stated (June 2001) that no responsibility could be fixed as it was neither possible nor practicable to deliver 100 per cent of stocks to FCI direct from the *mandis* due to the reason of non availability of trucks and labour etc. The reply was not tenable since the department which procured wheat for delivery to Central pool had no option except to deliver the wheat as per directions and linkage plan issued by FCI by making suitable transit arrangements well in advance

Thus failure of the department to follow the delivery of wheat as per linkage plan resulted in a loss of Rs 52.49 lakh to the State Government

The matter was referred to the Government in April 2001 their reply had not been received (August 2001)

The department in their written reply stated as under —

Linkage plan for delivery of wheat to FCI is prepared by FCI authorities each year. Normally the linkage plan should be prepared by FCI authorities in consultation with the State Procurement Agencies and made available to these Agencies before the start of the procurement season. However in practice this has not been the case. The linkage plan has been made available to the State Agencies after the start of the season and the storage of wheat procured in the meanwhile is to be carried out by respective agencies as per local exigencies in the *mandis*/godowns

In the instant case the linkage plan was made available to DFSC Sonapat and Jind on 25.04.1996. As such delivery of wheat procured from 01.04.1996 to 25.04.1996 was not possible to be carried out as per linkage plan. Further the linkage plan is indicative and the storage space available with FCI vis-à-vis the delivery of wheat during the procurement season to such godowns/spaces is further dependent upon rush of arrivals in the *mandis*/transportation and labour handling bottlenecks. The overriding consideration during peak of the procurement season is to evacuate the stocks in the *mandis* as early as possible

Notwithstanding the above the effort of the department has been to adhere to the linkage plan as much as possible. The wheat stocks procured and delivered from the centres in question as per linkage plan made available are tabulated as follows —

District (Centre)	As per movement plan	Procurement made during Direct			delivery given to FCI
		1996 97		(in MTs)	
		Upto 25 04 96	After 25 04 96	Total	
Sonepat (Ganaur & Gohana)	150 Trucks (Per day)	10581	4289	14870	2182 M T
Jind (Jullana)	50 trucks (Per day)	2592	734	3326	25 M T

It may not be out of place to mention here that in response to DM Hafed communication to DM FCI Rohtak Assistant Manager FCI informed vide his letter dated 22 04 1996 that 20 000 MT vacant space in godown in Ganaur is reserved for custom rice receipt against paddy issue and the advice of DM FCI Rohtak is being sought in the matter. Further DFSC Sonepat has also informed DM FCI Rohtak vide his letter NO JA 5 96/3994 dated 17 04 1996 that there is no space available in Ganaur godown for direct delivery of wheat. From the foregoing it is evident that linkage plan for delivery of wheat is an indicative/dynamic plan and the adjustment or storage space are carried out as per local exigencies in consultation with FCI by the respective agencies.

It is further submitted that the FCI deducted Rs 50 53 lacs on account of carry over charges for Sonepat and Jind (and not Rs 52 49 lacs as indicated in the para). Out of this Rs 50 53 lacs a sum of Rs 36 50 lacs has already been released by FCI in respect of Sonepat District. No amount in respect of Jind district has yet been released. Efforts are being made to get the balance amount of Rs 14 03 lacs released from FCI.

It is therefore requested that the para may be dropped.

During the course of oral examination, the Committee desired the department to supply the following information —

- (i) details of procurement of Wheat districtwise since 1996
- (ii) The amount due to be recovered from FCI and the amount so recovered from FCI since 1996. The Committee further recommends that the FCI should submit its linkage plan well in time in consultation with the Food and Supplies Department, Haryana Government and the pending amount should be recovered at the earliest. The department should also convey this observation of the Committee to the FCI.

A compliance report in this regard may be submitted to the Committee within a period of three months.

PRINTING AND STATIONERY DEPARTMENT

[90A] 7 5 Overpayment to private printer

Rs 14 94 lakh were paid in excess to a private printer for printing text books by allowing higher rates and excess issue of paper

Controller Printing and Stationery (Controller) Haryana got four text books (which were earlier decided to be printed in Government Press) printed from a private printer who was not considered for allotment of job due to his past performance by the High Power Committee (HPC) on the recommendations (November 1994 and March 1995) of the Minister Printing and Stationery (P&S) Department. Audit scrutiny revealed an excess payment of Rs 14 94 lakh which was admitted (April 2000 and January 2001) by the Assistant Controller Printing and Stationery Department as discussed below

The firm submitted the bill based on the rates of 4 colour printing but the Controller allowed only *ad hoc* payment for 70 per cent of bill after working out at the rates applicable for 2 to 4 colours as per colours for different pages. On the representation of the printer the department constituted a committee to certify the correct number of colours actually printed who reported (November 1995) that the books were printed in 4 colours. Accordingly the Controller released full payment as per rates for printing in 4 colours. However scrutiny of job order file and samples placed therein revealed an excess payment of Rs 10 38 lakh due to less colours and Rs 0 90 lakh due to excess wastage of paper as admissible for printing in different colours.

Another order for printing one text book was given to the same firm in December 1995. As the printer printed the different pages in 1 to 4 colours the Controller made the payments accordingly and deducted penalties for delayed supply and extra trimming etc. The firm represented for waiving off the penalties on which the Minister (P&S) ordered to allow the rates for printing in 4 colours in addition to the waiving of the penalties. This resulted in excess payment of Rs 3 66 lakh.

However the Controller intimated (July 2001) that due to different reports on the printing of text books a technical committee had been formed the report of which was still awaited (July 2001).

Thus due to undue favour to a particular private printer the department made excess payment of Rs 14 94 lakh.

The matter was referred to the Government in March 2001 their reply had not been received (July 2001).

The department in their written reply stated as under —

In the meeting of the High Powered Purchase Committee held on 4 7 1994 the rates for the printing of the books were approved (Copy is enclosed at Annexure A). Though M/s Sarv Bharti Kalyan Society participated in the meeting of the High Powered Purchase Committee but no work could be allotted to it. Later on as per the orders of the Hon'ble Minister the work was allotted to this firm on the same rates already

approved in the meeting of the High Powered Purchase Committee for allotment of other books to different printers. There is nothing on the record file of the office about the performance of the firm.

1 It is clarified that the work of printing of books was allotted to M/s Sarv Bharti Kalyan Society as per the orders of the Hon ble Minister dated 23 11 1994 9 3 95 and 22 11 1995 on the rates already approved in the High Powered Purchase Committee meeting held on 4 7 1994. The orders of the Hon ble Minister dated 23 11 94 9 3 95 and 22 11 95 for the allotment of work to this firm are enclosed at Annexure B C & D. About the responsibility to be fixed for the allotment of work it is clarified that the orders for the printing of the work were given in compliance of the orders of the Hon ble Ministers.

2 As far as the four colour Print Orders is concerned it is clarified that a general order was placed for the printing of books / e Rs 90/- per ream for the single colour and Rs 40/- for the subsequent additional colour. An *ad hoc* payment of only 70% was allowed to be made by the then Controller to the firm because the quality of the paper and paper accounts formalities were yet to be prepared. It is further added that this 70% payment was made after due audit check also.

3 & 4 After the receipt of books from the Printer the Department constituted a Committee consisting of the following officers headed by an officer of the rank of Deputy Controller on 20 10 1995 —

- 1 Sh K S Mathur Deputy Controller (Retd)
- 2 Sh Harphool Singh the then Ad O (O P) (Retd)
- 3 Sh R K Bhatnagar the then A C (Cell) (Retd)
- 4 Sh Rameshwar Das A P O (Cell)

The constitution of the Committee was necessitated to ascertain the number of colours printed in the books in reference with the representation in the form of request made by the firm on 19 10 95. Accordingly orders for the formation of the committee to examine the colour scheme were ordered by the then Controller (Copy is enclosed at Annexure E)

5 The copies of the reports of both the committees dated 3 11 95 and 11 6 2001 are enclosed at Annexure F & G. It is clarified that during printing and cutting of the books some wastage of paper does take place. It is further clarified that half percent wastage of paper per colour per impression is allowed as per Clause No 17 of the Terms & Conditions of the Tender (Copy is enclosed at Annexure H)

6 It has already been pointed out in earlier reply that the excess payment made has been worked out to be Rs 6 61 116/- instead of Rs 14 94 000/- and the Accountant General Office has also been intimated accordingly. Regarding the action to be taken it is submitted that as per the legal advice sought in the matter issue of filing of Civil suit for the recovery is being examined.

7 The Controller Printing & Stationery *vide* his letter No P&SH 021172/ Admn dated 13 12 2002 reported the matter in question to the Financial Commissioner & Principal Secretary to Govt Harvana Printing & Stationery Department regarding excess

payment With regard to Hindi-4 5 & 6 the following officers have been held responsible by the Controller Printing & Stationery Department for excess payment of Rs 5 63 lacs and for Parvesh Adhayan-4 Sh K S Mathur the then Deputy Controller has been held responsible for excess payment of Rs 98 551/- It has further been reported that the following three officers have already been retired on the dates mentioned against their names while the fourth member Sh Rameshwer Dass A P O (Cell) is still in service -

Sr No	Name of the Retiree	Date of Retirement
1	Sh K S Mathur the then Deputy Controller	30 9 2000
2	Sh Harphool Singh the then Ad O	31 8 1996
3	Sh R K Bhatnagar the then A C Cell	10 2 2000

In view of the retirement of the officers legal advice from the Law Department has been sought for effecting recovery from them and the matter is being further examined as per the legal advice The action against Sh Rameshwer Dass A P O (Cell) is also under process

8 At the time of giving the Print Order for 4th book to the firm there was no complaint or any case of excess payment made to the firm and the order for the printing of the book was placed in compliance of the orders of the Worthy Minister in Charge dated 22 11 95

The Committee could not examine the departmental representatives in regard to this para due to the paucity of time However, after going through the written reply, as asked for by the Sub Committee, the Committee is of the view that before examining the whole issue afresh the Committee may be informed of the legal advice so received and the comments of the Department as well as action taken thereupon within a period of three months and thereafter the Committee will examine the matter accordingly

GENERAL

[91] 3 17 Misappropriations defalcations, etc

Cases of misappropriations defalcations etc of Government money reported to Audit upto the end of March 2001 on which final actions was pending at the end of June 2001 were as under

	Number	Amount
		(Rupees in lakh)
Cases reported up to the end of March 2000 and outstanding as on 30 June 2000	289	150 04
Cases reported between April 2000 and March 2001	14	6 70
Total	303	156 74
Cases disposed of between July 2000 and June 2001	31	26 19
Cases outstanding as on 30 June 2001	272	130 55

The department wise break up of the cases in which final action was pending at the end of June 2001 was as under —

Sr No	Name of the Department	Number of cases	Amount
			(Rupees in lakh)
1	Education	33	19 34
2	Forest	24	17 78
3	Irrigation	95	18 58
4	Public Health (PH)	39	6 95
5	Public Works (PW) (B&R)	20	6 21
6	Transport	25	25 92
7	Others	36	35 77
Total		272	130 55

of these pending cases 140 cases (Rs 44 45 lakh) and 31 cases (Rs 18 91 lakh) were under departmental and police investigation respectively 30 cases (Rs 38 50 lakh) were pending in the courts 53 cases (Rs 18 72 lakh) were sent to the Government for writing off and in 18 cases (Rs 9 97 lakh) full recovery had not been made as of June 2001

Of these 23 cases relating to shortages of store articles theft misappropriation losses etc involving Rs 11 78 lakh of 8²¹ departments were scrutinised These cases were pending with the department/Government for 5 to 20 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 11 cases involving Rs 3 58 lakh occurred due to theft and 12 cases involving Rs 8 20 lakh relating to misappropriation/loss of Government material. In PW and PH departments most of the cases pertained to theft of material or cash. These departments need to strengthen the system of safekeeping of these assets.

After going through the written reply of various departments, the Committee observe that a large number of cases of misappropriations and defalcations are still pending for settlement despite its earlier recommendations contained in the 50th, 52nd, 54th and 56th reports of the Committee. The Committee took it seriously and further recommends that afresh instructions be issued by the Finance Department so that pending cases of misappropriations and defalcations are settled by the concerned departments at the earliest. The progress report be sent to the Committee within a period of three months.

[92] 3 18 Write off of losses, etc

During 2000-2001 Rs 7 23 lakh representing losses due to theft, fire and irrecoverable revenue etc were written off in 7 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	Animal Husbandry	2	54 211 75
2	Medical	2	87 144 00
3	District Administration	1	25 000 00
4	Forest	1	5 35 000 00
5	Labour and Employment	1	22 000 00
Total		7	7,23,355 75

Having gone through the written reply sent by the concerned departments, the Committee recommends that the detailed report regarding written off losses etc be sent to the Committee within a period of three months for its consideration.

[93] 3 19 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 featuring 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 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.

A review of the position regarding receipt of Action taken Notes (ATNs) on the paragraphs included in the Audit Reports (ARs) upto the period ending 31 March 2000 revealed that the ARs for the period 1996-2000 were presented to State Legislature in July 1998, November 1999, September 2000 and March 2001 respectively. Of the 186 paragraphs/reviews relating to 36 Administrative Departments included in ARs 1996-2000, 89 ATNs in respect of 9 Administrative Departments were received in this office. Remaining 27 Departments had not submitted the remedial/corrective ATNs on 97 paragraphs/reviews as per details given in the Appendix XVI.

The Committee is of the view that despite its earlier recommendations contained in the 58th report, most of the Departments are not sending Action taken Notes on the Audit Reports immediately after three months of their presentation to the State Legislature. Therefore, the Committee recommends that all the concerned departments should take immediate action for sending Action taken Notes on the paras through Finance Department to the Committee and A. G. (Audit), Haryana at the earliest in future.

[94] 6.2 General

(a) Autonomous bodies and authorities perform non commercial functions of public utility services. These bodies/authorities receive substantial financial assistance from the Government. The 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 the Government. The grants are given by the 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 2000-2001 the Government provided financial assistance of Rs 512.17 crore to various autonomous bodies and others broadly grouped as under:

Sr No	Name of institutions	Amount of assistance paid (Rupees in crores)
1	Universities and Educational Institutions	167.48
2	Municipal Corporations and Municipalities	116.26
3	Zila parishads and Panchayati Raj Institutions	9.78
4	Development Agencies	119.06
5	Hospitals and other Charitable Institutions	12.10
6	Other Institutions (including statutory bodies)	87.49
Total		512.17

(b) Delay in furnishing utilisation certificates

The financial rules of the 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 2 224 utilisation certificates due in respect of grants in aid of Rs 1 158 37 crore paid during 1991-92 to 1999-2000 only 950 utilisation certificates for Rs 509 37 crore were furnished to AG by 30 June 2001 and 1 274 certificates for Rs 649 00 crore were in arrears. Department wise and age wise break-up of outstanding utilisation certificates is as under:

Department	Upto 1996-97		1997-98		1998-99		1999-2000	
	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount	Number of certificates	Amount
(Rupees in crore)								
Education	—	—	—	—	—	—	5	29.89
Medical	43	6.16	—	—	2	0.19	21	0.48
Agriculture	1	0.01	—	—	—	—	—	—
Development and Panchayat	36	2.90	1	0.32	18	1.34	52	4.97
Rural Employment	4	0.04	16	1.79	10	2.27	16	10.03
Economical and Statistical Advisor	2	0.10	9	3.48	4	3.40	19	10.00
Recreation	8	1.36	—	—	5	1.84	2	0.59
Social Security and Welfare	13	6.84	34	3.07	50	5.42	40	18.37
Sports	—	—	—	—	—	—	8	0.27
Public Health	104	218.54	42	84.80	52	99.59	35	80.33
Science and Technology	3	0.26	—	—	—	—	2	0.10
Art and Culture	—	—	1	0.08	2	0.06	3	0.02
Non-Conventional Sources of Energy	2	0.09	—	—	—	—	1	0.01
Ecology and Environment	—	—	3	0.13	7	0.35	3	0.09
Urban Development	160	7.57	61	0.54	30	8.54	283	16.95
Housing	2	0.17	—	—	—	—	16	1.82
Irrigation	—	—	—	—	2	1.0	2	1.20
Animal Husbandry	—	—	—	—	8	4.07	2	1.67
Village and Small Scale Industries	—	—	8	1.20	4	0.45	17	4.27
Total	378	244.04	175	95.41	194	128.49	527	181.06

(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 2001 was as under

Sr No	Name of the body	Year upto which Account due	Year upto which Account submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non finalisation of Audit Reports
1	Haryana Khadi and Village Industries (Board) Manimaira Chandigarh	2000 2001	1999 2000	1998 99	1996 97	Comments of the Board on the Separate Audit Report (SAR) for the year 1999 2000 were awaited (August 2001)
2	Haryana Labour Welfare Board Chandigarh	2000-2001	1999 2000	1999 2000	1998 1999	—
3	Haryana Urban Development Authority Panchkula	2000 2001	1999 2000	1994 95	1989 90	Due to late receipt of replies to the audit comments SAR for the years 995 97 could not be issued. Similarly due to late entrustment of audit from 1997 98 onwards accounts for the years 1997 98 to 1999-2000 received late and the audit was under progress
4	Housing Board Haryana Panchkula	2000 2001	1999-2000	998 99	1997 98	—
5	Haryana State Agricultural Marketing Board Panchkula	2000 2001	1999 2000	1998 99	—	—*
6	Haryana Prathamik Shiksha Pariyojna Parishad Chandigarh	2000 2001	1999 2000	1998 99	—	—
7	Mewat Development Agency Nuh (Gurgaon)	2000 2001	1999-2000	—	—	Draft SAR for the years 1995-96 to 1998 99 had been approved and held up for want of confirmation from the State Government (August 2001)
8	Haryana State Legal Service Authority Chandigarh	2000 2001	—	—	—	—
9	Haryana Electricity Regulatory Commission Panchkula	2000 2001	1999 2000	—	—	Comments of the department on the SAR for the years 1998 99 to 1999 2000 were awaited (August 2001)

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	1998-99 to 2001-2002
2	Haryana Labour Welfare Board Chandigarh	1998-99 to 2002-2003
3	Haryana Urban Development Authority Panchkula	1997-98 to 2001-2002
4	Housing Board Haryana Panchkula	1998-2000 to 2003-2004
5	Haryana State Agricultural marketing Board Panchkula	2000-2001 to 2004-2005
6	Haryana Parathmik Shiksha Pariyojna Panshad Chandigarh	1995-96 to 1999-2000
7	Mewat Development Board Nuh (Gurgaon)	2000-2001 to 2004-2005
8	Haryana State Legal Service Authority Chandigarh	Audit under Section 19(ii) of CAG's DPC Act 1971
9	Haryana Electricity Regulatory Commission Panchkula	1998-99 to 2002-2003

(d) Audit arrangements

The audit of local bodies (Zila Parishad, Nagar Palikas, Town Area/Notified Area Committees), educational institutions, Panchayat 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.

One hundred fifty one bodies/authorities whose accounts for 1999-2000 were received attracted audit by the Comptroller and Auditor General of India. Of these 61 bodies/authorities whose audit was due were audited during 2000-2001.

Two hundred and ninety annual accounts of 144 bodies/authorities for 2000-2001 and earlier years had not been received as of July 2001 by the Accountant General (Audit). The details are given in Appendix-XX. Of these bodies/authorities, Municipal Committee Bhiwar did not submit accounts for 8 years, Municipal Committee Karnal and Pothak for 7 years and Municipal Committee Bahadurgarh and Fardabad for 6 years. Municipal Committee Narnaul, Hisar, Gurgaon, Hindu Kanya M V College, Jind, DAV College, Karnal, KVA DAV College for Women, Karnal, Gandhi Adarsh College, Sonbhat, DAV College, Pehova (Kurukshetra), I G National College, Ladva (Kurukshetra), Shri L N Hindu College, Pothak, Hindu Mahila M V, Sonbhat, 5 years, M C Palwal, Sonbhat, Rewari, Jagadhri, Panipat, Integrated Women Employment Development Project, Haryana, Chandigarh for 4 years.

(e) Non-turnishing of accounts of utilisation of grants

Out of 325 autonomous bodies to which various Government departments gave the grants-in-aid as detailed below during 2000-2001, 246 did not render the accounts for the utilisation of grants to the concerned departments as of July 2001. 7 bodies or Medical

Department did not utilise the grant due to non receipt of sanction 19 bodies of the Rural Development Department diverted the funds temporarily in violation of instructions of the Government of India and 70 bodies did not furnish any information regarding maintenance of cash book

Sr No	Name of the Department	Total number of bodies	Did not render the account / year of accounts	Did not render accounts in prescribed format	Did not utilise 50% of grants given in a year/ amount remaining unutilised	Which diverted/ misutilised the funds (including grants released by GOI/ amount diverted/ misutilised)	Defaulted repayment of loans/ amount overdue	Which did not maintain cash book/ maintained irregularly	Which did not invest surplus funds/ retained nt.ge balance in cash chest/ average amount to surplus funds	Any other interesting point noticed from the audit of accounts
1	2	3	4	5	6	7	8	9	10	11
1	Medical Department Haryana Chandigarh	15	15	—	8 fully utilised	—	—	NIL	—	—
2	Technical Education Department Haryana Chandigarh	6	—	—	Fully utilised	—	NA	—	NA	—
3	Social Justice and Empowerment Haryana Chandigarh	55	55	—	Fully Utilised	NIL	NIL	NIL	NIL	NIL
4	Women and Child Development Haryana Chandigarh	20	20	—	Fully utilised	NA	NA	—	NA	NA
5	Agriculture Department Haryana Chandigarh	2	—	—	Fully utilised	NIL	NIL	—	NIL	NIL
6	Director Sports Department Haryana Chandigarh	60	60	—	Fully utilised	NIL	—	—	—	—
7	Local Govt Department Haryana Chandigarh	52	—	—	Fully utilised	NIL	NIL	—	NIL	NIL
8	Rural Development Department Haryana Chandigarh	9	—	—	Fully utilised	92	NA	—	NA	NA
9	Education Department Haryana Chandigarh	96	96	—	Fully utilised	NIL	NIL	—	NA	NIL
Total		325	246	—	7	19	—	—	—	—

After going through the statement and written reply received from various departments concerned, the Committee observed that utilization certificates/accounts in respect of some autonomous bodies/institutions are still pending. The Committee viewed it as a serious lapse on the part of concerned authorities and reiterates earlier recommendations made in the 50th, 52nd, 54th, 56th and 58th reports of Committee. The Committee recommends that the Finance Department may issue fresh instructions to the concerned authorities to furnish the outstanding utilization certificates and accounts to the A.G. (Audit) without further delay within a period of three months and the latest position in the regard be intimated to the Committee.

Part -II (Revenue Receipts)

EXCISE AND TAXATION DEPARTMENT

[95] 1.4 Arrears in revenue

As on 31 March 2001 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
1	2	3	4	5
(Rupees in crore)				
1	Taxes on Sales trade etc	279.59	92.21	Demand for Rs 28.70 crore certified for recovery as arrears of land revenue Rs 70.88 crore stayed by courts and other Appellate Authorities Rs 9.50 crore held up due to dealers becoming insolvent demand for Rs 20.46 crore proposed to be written off Rs 5.64 crore held up due to rectification/review applications Specific action taken to recover the remaining amount of Rs 144.38 crore not intimated
2	Taxes and Duties on Electricity	51.54	25.55	Rs 0.38 crore recoverable from M/s Rama Fiber Bhiwani Rs 0.30 crore from M/s Dadri Cement Factory Charkhi Dadri Rs 1 crore from M/s Haryana Concast Hisar Rs 0.16 crore from M/s Competent Alloys Ballbgarh and a sum of Rs 49.70 crore from consumers of Haryana Vidhyut Prasaan Nigam
3	State Excise	21.19	10.63	Rs 11.71 crore covered by recovery certificates Rs 4.42 crore stayed by High Court and other Judicial Authorities Rs 0.43 crore proposed to be written off Action regarding remaining amount of Rs 4.63 crore not intimated by the department
4	Taxes on Goods and Passengers	23.82	6.70	Rs 0.18 crore stayed by the courts Specific action taken to recover the remaining amount of Rs 23.63 crore not intimated by the department
5	Non ferrous mining and metallurgical industries	7.64	3.07	Rs 1.30 crore covered under recovery certificates Rs 0.28 crore stayed by High court and other Judicial Authorities Rs 0.03 crore held up due to rectification/review applications Rs 0.02 crore proposed to be written off and Rs 2.90 crore recoverable from individuals Detailed break up of remaining amount of Rs 3.08 crore was not available with the department
6	Animal Husbandry	0.33	0.30	Rs 0.02 crore due from Chief Superintendent Live Stock Farm Hisar Rs 0.29 crore due from project Director State Cattle Breeding Project Hisar and Rs 0.02 crore due from Director Haryana Veterinary Vaccine Institute Hisar
7	Police	2.03	0.89	The amount was due from 8 States

1	2	3	4	5
8	Other taxes and duties on commodities and services (i) Receipts under the Sugarcane (Regulation of Purchase and Supply) Act (ii) Receipts under estate duty and show tax	8 32 1 11	2 35 0 19	Four sugar mills (Panipat Rs 3 13 crore Rohtak Rs 2 28 crore Yamunanagar Rs 2 85 crore and Sonapat Rs 0 06 crore) did not deposit the tax Rs 0 17 crore stayed by courts Rs 0 01 crore proposed to be set off against the amount Rs 0 93 crore not intimated by the department
Total		395 57	14 89	

The arrears outstanding for more than 5 years constituted 36 per cent of total arrears

The department in their written reply stated as under —

Taxes on Sales, Trade etc

Out of total arrears in revenue of Rs 279 59 crores Rs 3546 01 lacs stands recovered upto 31-3-2002 leaving a balance of Rs 24412 99 lacs. The reasonwise details of balance arrears are as under —

Sr No	Particulars of recovery	Rs in lacs
1	Under Stay	6457 28
2	Under Instalment	1407 30
3	Inter State arrears	3343 11
4	Inter District arrears	288 97
5	Under Liquidation	5556 70
6	Property attached	1056 21
7	Wrung off	1220 20
8	Deferment	10 55
9	Not recoverable	6820 58
C. Total		24412 99

State Excise

Out of total arrears in revenue of Rs 21 19 crores Rs 896 23 lacs stands recovered upto 31-3-2002 leaving a balance of Rs 1222 77 lacs. The reasonwise details of balance

arrears are as under —

S No	Particulars of recovery	Rs in Lacs
1	Under Stay	422 14
2	Under Instalment	12 30
3	Inter State arrears	42 28
4	Inter District arrears	171 10
5	Under Liquidation	31 80
6	Property attached	209 93
7	Writing off	46 87
8	Net Recoverable	286 35
G. Total		1222 77

Taxes on Goods and Passengers

Out of total arrears in revenue of Rs 23 82 crores Rs 587 03 lacs stands recovered upto 31 3-2002 leaving a balance of Rs 1794 97 lacs. The reasonwise details of balance arrears are as under —

S No	Particulars of recovery	Rs in lacs
1	Under Stay	69 76
2	Inter State	132 62
3	Writing off	0 36
4	Net Recoverable	1592 23
G. Total		1794 97

Entertainment Duty and Show Tax

Out of total arrears in revenue of Rs 1 11 crores Rs 1 59 lacs stands recovered upto 31 3 2002 leaving a balance of Rs 109 41 lacs. The reasonwise details of balance arrears are as under —

S no	Particulars of recovery	Rs in lacs
1	Under Stay	16 56
2	Under liquidation	0 25
3	Writing off	1 26
4	Net Recoverable	91 34
C. Total		109 41

During the course of oral examination, the Committee desired the department to send

(i) the details of cases under stay pending in different Courts/Sales Tax Tribunal/Appellate Authority alongwith the year from which these are pending and also directed the department to pursue these cases so that these are settled at the earliest

- (ii) the number of firms whose cases are pending in the Inter State arrears and Inter District arrears
- (iii) period since when the cases under liquidation are pending
- (iv) period since when the cases which are net recoverable are pending

The Committee desired the department to re-concile the cases with the A.G. Office under the scheme of deferment under intimation to the Committee

The Committee desired the department to make vigorous efforts to make the recovery of balance amount concerning the entertainment duty and show tax

[96] 15 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 1996-97 to 2000-2001 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
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	626	1383	666	697	50
1998-99	ST	13467	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
2000-2001	ST	158894	168142	327036	164418	162618	50
	PGT	980	472	1452	450	1002	31

The above table shows that number of pending cases in respect of taxes on sales trade etc at the beginning of 1996-97 was 158521 which has gone up to 162618 at the end of 2000-2001, registering an increase of about 3 per cent while the percentage of finalisation or assessment cases increased from 44 per cent during 1999-2000 to 50 per cent in 2000-2001. During 2000-2001 48 per cent and 53 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 37 per cent during 1999-2000 to 31 per cent in 2000-2001.

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 CAG Report for the year 2000-2001 1 63 620 cases (162618ST + 1002PGT) were shown as pending for assessment under Sales Tax and Passengers and Goods Tax Acts. Out of 1 63 620 cases 51 376 cases (51022S T + 354 PGT) have been disposed off up to 31 12 2002 leaving a balance 1 12 244 (111596 ST + 648 PGT) cases. Efforts are being made to clear the pendency as earlier as possible.

During the course of oral examination, it was informed that as against 1 11,596 cases of assessment pending under Sales Tax Act in the year under report, the pendency has been brought down to only 1014 cases and the pendency under Passengers and Goods Tax Act has also been brought down from 648 cases to 114 cases. It was also assured that these pending cases will be disposed off by the end of the current quarter.

After hearing the departmental representatives, the Committee recommends that vigorous efforts may be made to dispose off these pending cases at the earliest.

[97] 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 2001 as supplied (July 2001), by the respective departments are given as under:

Sr No	Name of tax/duty	Cases pending as on 31 March 2000	Cases detected during the year 2000 01	Total (2+3)	Number of cases in which assessments/ investigations completed and additional demand including Penalty raised	Amount of demand (Rupees in crore)	Number of cases pending finalisation as on 31 March 2001 (4 5)
1	Taxes on Sales Trade etc	158	4210	4368	4239	3.62	129
2	Passengers and Goods Tax	74	3964	4038	3976	3.66	62
3	Entertainment Duty and Show tax	13	59	72	72	0.02	Nil

The department in their written reply stated as under —

Taxes on Sales

Out of 129 cases 81 cases have been disposed off by creating an additional demand of Rs 48.83 lacs. Out of which a sum of Rs 13.07 lacs stands recovered leaving a balance of Rs 35.76 lacs. The remaining 48 cases are still under review and concerned Deputy Excise & Taxation Commissioners have been directed to dispose off these cases as early as possible.

Passengers and Goods Tax

Out of 62 cases 11 cases have been disposed off by creating a demand of Rs 0.34 lacs which stands recovered. The remaining 51 cases are under review and will be decided as early as possible.

During the course of oral examination, it was informed that out of 48 cases 44 cases have since been decided and an amount of Rs 181.64 lacs has been recovered leaving a balance of 6.98 lacs.

After hearing the departmental representatives, the Committee recommends that vigorous efforts may be made to dispose off these pending cases at the earliest.

[98] 1.7 Results of Audit

Test check of records of departmental offices relating to revenues of Taxes on Sales Trade etc. Stamp Duty and Registration Fee Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co-operation Medical Mines and Minerals Animal Husbandry Foods and Supply Industries and Public Health conducted during the year 2000-2001 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312.80 crore in 134974 cases. During the course of the year 2000-2001 the concerned departments accepted under-assessment etc. of Rs 31.03 crore involved in 48885 cases of which 48809 cases involving 30.27 crore had been pointed out in audit during 2000-2001 and the rest in earlier years. An amount of Rs 4.16 crore was recovered in 898 cases during 2000-2001 of which Rs 4.07 crore recovered in 812 cases related to earlier years.

The Report contains 22 paragraphs and 2 reviews relating to Recovery of sales tax in arrears and Receipts of Police Department involving Rs 100.33 crore. The department accepted audit observations involving Rs 46.49 crore out of which Rs 6.84 crore had been recovered up to July 2001. No replies had been received in other cases.

The department in their written reply stated as under —

The reply of this para has been given in the succeeding paras 2.1, 2.2 and 4.1 respectively.

After hearing the departmental representatives the Committee desired that vigorous efforts may be made to dispose off the pending paragraphs/cases.

[99] 18 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 or 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 2000 and which were pending settlement by the departments as on 30 June 1999 2000 and 2001 are given below —

Particulars	At the end of June		
	1999	2000	2001
Number of inspection reports pending settlement	2301	2517	2785
Number of outstanding audit observations	6092	6176	6560
Amount of revenue involved (Rupees in crore)	279.93	650.03	461.36

(iii) Department wise break-up of the inspection reports and audit observations upto December 2000 and outstanding as on 30 June 2001 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	800	1438	24.82	55
Excise and Taxation*	610	2680	233.08	28
Transport	329	587	8.87	4
Forest	61	134	10.58	8
Others	985	1721	184.01	77
Total	2785	6560	461.36	172

This includes Stamp Duty and Registration Fee and Land Revenue

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

The matter was brought to the notice of Government in June/July 2001 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 2001)

The department in their written reply stated as under —

The present position of inspection reports and audit observations pertaining to this department is as under —

	Inspection Reports	Audit Observation	Amount Involved (Rs in crores)
Outstanding	610	2680	233.08
Disposed off	67	451	119.49
Balance	443	2229	113.59

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

After hearing the departmental representatives, the Committee recommends that vigorous efforts to dispose off the pending inspection reports and Audit observations may be made under intimation to the Committee

[150] 19 Follow up on Audit Reports—Summarised position

With a view to ensure accountability of the executive in respect of all the issues dealt within various Audit Reports the PAC recommended in 1982 that departments should furnish remedial/corrective Action Taken Notes (ATNs) on all paragraphs contained therein within the prescribed period

PAC took a serious view of the inordinate delays and persistent failures on the part of large number of departments in furnishing the ATNs within the prescribed time and recommended on 30 May 1995 that pending ATNs pertaining to Audit Reports should be submitted within three months from the laying of the Reports in the State Legislature

Review of outstanding ATNs on paragraphs included in the Report of the Comptroller and Auditor General of India (Revenue Receipts) as on 31 March 2001 disclosed that departments had not submitted remedial ATNs on 43 paragraphs (May 2001)

Departments failed to submit ATNs within three months in respect of 79 paragraphs included in the Audit Reports upto and for the year ended March 1998. Of these ATNs in respect of 20 paragraphs have not been received at all (May 2001). Though the Audit Report for the year ended March 1999 was laid on the table of legislature on 16 March 2000 and time limit for furnishing the ATNs had lapsed on 16 June 2000 the departments did not submit (May 2001) ATNs on 23 paragraphs (May 2001)

The department in their written reply stated as under —

In this para the audit has pointed out the non receipt of action taken reports from various departments in respect of audit paras in the various CAG reports. It has been pointed out that as on 31 March 2001 the departments had not submitted remedial action taken reports on 43 paragraphs. Besides this the departments had failed to submit action taken reports within 3 months in respect of 79 paragraphs included in the audit reports for and upto the year 31 March 1998.

In this regard it is submitted that out of 79 paragraphs only 13 paragraphs pertain to this department and the reply in respect of all these paragraphs have been submitted to the audit for consideration and further action.

After hearing the departmental representatives, the Committee desired that vigorous efforts may be made to dispose off the pending paragraphs.

[101] 2.1 Results of Audit

Test check of sales tax assessments, refund cases and other connected records conducted during the year 2000-2001 revealed under assessments etc. of sales tax amounting to Rs. 15680.14 lakh in 763 cases which broadly fall under the following categories:

Sr. No.	Particulars	Number of cases	Amount (Rupees in lakh)
1	Incorrect computation of turnover	136	728.01
2	Application of incorrect rate of tax	124	816.81
3	Misclassification of items	45	249.97
4	Non/short levy of penalty	14	265.58
5	Under assessment under Central Sales Tax Act	45	508.03
6	Other irregularities	398	7828.74
7	Review on Recovery of sales tax in arrears	1	5283.00
Total		763	15680.14

During the course of the year 2000-2001 the department accepted under assessment of tax of Rs. 86.16 lakh involved in 96 cases of which 20 cases involving Rs. 9.60 lakh were pointed out during the year 2000-2001 and the rest in earlier years. An amount of Rs. 10.39 lakh had been recovered in 35 cases during the year 2000-2001 of which Rs. 8.61 lakh recovered in 29 cases related to the earlier years. An amount of Rs. 11.19 lakh in 5 cases had also been enhanced in the notional sales tax liability.

A few illustrative cases involving Rs 542 90 lakh and one review on Recovery of sales tax in arrears involving Rs 5283 lakh are mentioned in the following paragraphs

The department in their written reply stated as under —

In this case it is submitted that in the C A G Report for the year 2000 2001 against Sr No 6 other irregularities 398 cases involving of Rs 7828 74 lacs have been shown whereas the Key to the same shown 397 cases involving Rs 1463 74 lacs thereby a difference of one case involving Rs 6365 lacs for which a request has been made to Accountant General (Audit) Haryana vide this office memo no 1278/AA I dated 28 3 2003 for necessary clarification regarding to the said difference so that the correct reply could be supplied to Government/ P A C to the said para As soon as the clarification is received the amended reply will be supplied for finalization of the case

In view of the position explained above there are 761 cases in total out of which 230 cases involving an amount of Rs 421 84 lacs have been reviewed with the following results —

Number of Cases	Amount pointed out by audit	Result of Review (Rs in lacs)
21	67 58	Settled with additional demand
209	354 26	Settled without demand
531	3610 30	Cases are under review
761	4032 14	

As regards the remaining one case involving an amount of Rs 5283 00 lacs as per S No 7 of the table reply is given in the succeeding paragraphs 2.2.5 to 2.2.10

The Committee discussed the matter of recovery from various firms in detail and recommends that some Senior Officer at the Head Office may be made responsible for monitoring the old recovery cases and some effective method to keep a close watch on these old cases may be evolved

In addition to above, the Committee also recommends that in order to locate the un-traceable persons from whom the recovery of the amount is to be effected some incentive system may be explored and if found appropriate after examining the names of the defaulters may be published in the leading newspapers

The Committee desired the department to send quarterly progress report in regard to each and every case without fail so that a proper monitoring may be done at the Committee level also

[102] 2.2 Recovery of sales tax in arrears

2.2.1 Introductory

Under the Sales Tax Laws/Rules applicable in Haryana every dealer is required to submit to the assessing authority a monthly/quarterly return of turnover and pay tax due as per returns within prescribed period. After making final assessment a demand notice is served on the dealer for the balance tax if any specifying the time by which demand shall be payable. For delayed payment of tax simple interest at the rate of one per cent for the first month and thereafter at one and half per cent per month for the whole of the period till the default continues is payable by the dealer. Penalty is also leviable for non/delayed payment of the tax assessed under the Acts/Rules. The dealer may prefer appeal against the demand assessed to the appellate authority for specific reasons. Thus amount of tax interest and penalty which remains unpaid constitute arrears of sales tax. If the dues are not paid by the dealer within time specified in the demand notice or within the extended period if any the assessing authorities may apply to the collector for the recovery of Government dues as arrears of land revenue and to issue recovery certificates and take all legal steps such as attachment of property/assets and detention of dealer is necessary for recovery of tax dues as arrears of land revenue.

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 Haryana General Sales Tax Act, 1973 and Central Sales Tax Act, 1956. AETOs and ETOs have been vested with the powers of Assistant Collectors Grade I and DETCs as Collectors under section 27 of Punjab Land Revenue Act, 1887 for effecting recoveries of tax interest and penalty imposed under the Acts but remained unpaid by due date(s) as arrears of land revenue.

2.2.3 Scope of Audit

Out of 21 Offices of DETCs records of 11 offices for the years 1997-98 to 1999-2000 were test checked (August 2000 to March 2001) with a view to ascertain the extent of compliance of rules and executive instructions relating to recovery of sales tax in arrears. In addition points of similar nature noticed in audit during earlier years have also been included.

2.2.5 Position of Arrears

Total tax arrears as intimated (August 2000 and May 2001) by the PETC Haryana pending collection as on 31 March of each year during the years 1997-98 to 1999-2000

under both the Acts were as under —

Year	Arrears at the beginning of the year	Current demand added during the year	Total	Collection of demands during the year	Closing balance at the end of the year	Sales tax Receipts	Percentage of arrears to total sales tax receipts
1	2	3	4	5	6	7	8 (Col 6 & 7)
Rupees in crore							
1997-98	182.16	157.01	339.17	121.82	217.35	1552.69	14
1998-99	217.35	135.22	352.57	119.92	232.65	1599.38	15
1999-2000	232.65	104.25	336.90	88.79	248.11	1967.38	13

It would be seen from the above that the percentage of clearance of arrears fell short of the additions resulting in continuous increase in arrears from 1997-98 to 1999-2000. Besides the arrears to the sales tax receipts constituted 13 to 15 per cent of the total sales tax receipts.

The break up of arrears of Rs 248.11 crore pending as on 31 March 2000 was as under

Sr No	Stage of action	Amount of arrears (Rupees in crore)
1	Recoveries stayed by	
	(i) Courts	55.32
	(ii) Sales Tax Tribunal	18.02
	(iii) Joint ETCs (Appeals)	2.77
	(iv) Government/ Departmental authorities	1.74
2	In the process of recovery covered by recovery certificates	31.30
3	Under litigation	40.68
4	Pending with the department	
	(i) Demands under writing off	10.91
	(ii) Recoverable	72.52
	(iii) Property attached	5.38
	(iv) Under assessment	9.47
Grand Total		248.11

Correctness of arrears

It was noticed in twelve cases of seven offices that arrear demands of Rs 8.50 crore assessed (between April 1993 and January 2000) by the assessing authorities for the years

1986-87 to 1997-98 were not included by the respective DETCs in the arrear statements sent to PETC Haryana resulting in short depiction of arrears to that extent

The department in their written reply stated as under —

M/s International Ceramic Ltd, Jind, A.Y 1991-92 and 1992-93

In this case the company has closed down its business since long. The assessment orders alongwith tax demand notice and challans were served through substituted service by pasting the same at the door of the business premises of the company as these documents sent by post to the company's Head Office were returned back as undelivered. Further the finished goods lying at the factory at Pauri were taken into possession by the Central Bank of India New Delhi. Subsequently the officers of the said bank also visited this office on 27.8.1999 and confirmed the facts. They have also given in writing before the Deputy Excise and Taxation Commissioner Jind that the date of auction of the goods taken in possession would be intimated to this office so that the Sales Tax leviable on such sales could be realized. Nothing has been conveyed by the aforesaid Bank so far. However verbal and written complaints were received regarding disclosing about the purerages of the confiscated tiles. It has also been reported to come to the notice of field offices that Sh. Surat Singh S/o Sh. Balwant Singh of Village Pauri who is in possession of these goods and the building of the factory is selling the ceramic tiles in the open market although no transaction of such sales has been detected by any officer of the department. Further a complaint in writing from Sh. Rohtas Singh Assistant presently working in Head Office was also received in the office of Deputy Excise and Taxation Commissioner concerned which is under investigation. Consequently an intimation regarding M/s Ajanta Property Dealer intimating in purchase/sale of these tiles was also received and thereafter the Nodal Officer dealing with the PAC matter alongwith Sh. R.K. Verma ETO and his staff visited the said place and it was found on the spot that the stock of such goods were also removed from the said place and this matter has been reported to the Inspector C.I.D. Police Jind. Presently keeping in view the latest correspondence as per Memo No. 50 dated 20.1.2003 addressed to Shri H. Bannarjee Official Liquidator A2W2 Gurzon road Barrack Kasturba Gandhi Marg New Delhi and the claim is said to be lodged for recovery of arrears of Rs. 94,31,049/- which are outstanding against the company. The sale of effect recovery from surety of above firm to the tune of Rs. 5 lakhs a recovery certificate has been issued vide No. 1/2002-03 in the name of Shri I.C. Singhal one of the surety and sent to Sub Divisional Magistrate Derence colony Delhi for service.

M/s Frost Falcon Distillery, Sonapat, A.Y 1997-98

In this case the dealer did not pay the tax as due alongwith returns under the bonafide belief because this unit was exempted from sales tax for which he had already applied for. Therefore the provisional assessment for the period 1.10.97 to 31.3.98 was framed by the Assessing Authority vide order dated 31.3.98 thereby creating an additional demand of Rs. 45,69 lacs which was reflected in the arrear statement and could not be added in the totalling due to clerical mistake. Subsequently normal assessment was framed by the Assessing Authority vide

order dated 14 2 2002 and the issue of sales tax exemption has been remanded by the Hon ble Punjab and Haryana High Court to the Higher Level Screening Committee vide order dated 22 10 2002 in C W P No 3455 which is still pending. In view of the above facts there appears to be no force in the audit para which may kindly be dropped.

M/s Vishnu Traders Kundli, Sonapat

In this case the objection raised by the audit is not admitted due to the fact that in this case demand to the tune of Rs 40 68 lacs was created on account of purchase tax on milling of paddy out of which an amount of Rs 20 03 lacs stands recovered from the dealer and balance amount of Rs 20 65 lacs has been duly reflected in the arrear statement. Further movement it may be made clear that the dealer went in appeal before Hon ble Supreme Court of India and interest worth Rs 17 98 lacs under Section 59 of H G S T Act was calculated on file for ready reference. The demand has not yet been created on this account. But this amount of interest of Rs 17 98 lacs was got added by the audit in additional demand which should be ignored. Keeping in view the position of the case there is no suppression of facts in this case. As per decision of Hon ble Supreme Court of India in the case of M/s Satnam Overseas (P) Ltd Murthal Sonapat in C W P No 11175/95 dated 24 10 92 in which this dealer is also a party and hence the purchase tax u/s 6 of H G S T Act has been recovered. So far as question of interest is concerned it has been left open to be adjudicated in the connected cases by the Apex Court in due course. Hence the para may kindly be dropped.

M/s Septu India (P) Ltd Gurgaon (West) A Y 1998 99

In this case the additional demand of Rs 21 56 758/- which includes voluntary tax on Rs 11 56 758/- along with penalty of Rs 10 lacs u/s 47 of H G S T Act has been created vide order dated 16 8 99 as duly reflected in the arrear statement for the month of November 1999. The additional demand was declared as an arrear under the Punjab Pecuniary Act by the Assessing Authority vide order dated 9 2 2000. Thereafter the voluntary tax of Rs 11 56 750/- was recovered upto August 2000 and for the remaining additional demand Rs 10 lacs the dealer preferred an appeal before the Jt ETC (Appeals) Faridabad. Hon ble Member Sales Tax Tribunal Haryana Chandigarh and also filed a writ petition before the Hon ble Punjab and Haryana High Court at Chandigarh and finally before the Hon ble Supreme Court of India where the dealer was granted a permission to deposit Rs 5 lacs which are reflected in the old arrear statement. Hence there was no laxity on the part of the department in the recovery of said additional demand. This case will be shown to the audit party at the time of their next visit for the purpose. In view of the above stated facts the audit para may kindly be dropped.

M/s Thapar Milk Products Limited Gurgaon (West) A Y 1997 98

In this case the voluntary tax is not reflected in the arrear statement but shown in the prescribed voluntary tax defaulter statement. Now the assessment has been framed vide Assessing Authority's order dated 27 1 2003 and an additional demand of Rs 80 69 591/- has been created which includes voluntary

tax of Rs 2.95 lacs. Recovery certificate has also been sent to Collector Alwar Rajasthan vide this office memo No 645/TI dated 14/2/2003. However the firm has gone into BIFR and timely correspondence with the Registrar BIFR is under process to seek permission for recovery of arrears under Land Revenue Act as the firm is sick unit and recovery of arrears cannot be made without the permission from BIFR which is competent authority for the same. For the purpose the Excise and Taxation Commissioner Haryana vide memo No 1031/STV dated 9.5.2001 has also been advised to the DETC concerned to seek prior permission from BIFR for recovery of arrears.

M/s Chatter Chemicals Karnal A.Y 1993-94 to 1996-97

In this case the demand of Rs 600.56 lacs for the year 1993-94 to 1996-97 was calculated on the basis of returns which has now been assessed by making assessments of these years and the exact demand works out to Rs 600.37 lacs which is being duly shown in the arrear statements. However the firm is closed and have also declared insolvent. Therefore the Department has also lodged a claim before the official liquidator vide letter No 1809/OPG dated 11.11.2002.

M/s Utility Engineers (India) Ltd, Rewari, A.Y 1988-89 to 1994-95

In this case out of total arrears of Rs 192.82 lacs for the year 1988-89 to 1994-95 the arrears of Rs 86.97 lacs for the year 1988-89 to 1989-90 have been deleted thereby a balance final arrear position of firm for the year 1990-91 to 1994-95 is also shown as Rs 108.15 lacs which is correct. The para may kindly be dropped.

M/s Mohita Electro Steel Limited Bhilai A.Y 1991-92 to 1993-94

In this case an amount of Rs 45.62 lacs is lodged with the official liquidator by calculating the upto date interest till the claim was lodged and actual arrears are shown in the statement. It is further stated that the amount of interest is not included in the arrear statement till the amount is finally recovered from the defaulter keeping in view the relevant provisions of the Act.

M/s India Steel Products Faridkot, A.Y 1986-87

In this case the arrears of Rs 3.26 lacs which was inadvertently missed out in the list has now been included as per intimation received vide DETC letter No 1341 dated 13.7.2001. The para may kindly be dropped.

M/s International Ceramic Ltd Jind A.Y 1991-92 and 1992-93

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

M/s Frost Falcon Distillery Sonapat A.Y 1997-98

The Committee desired that the decision of the High Court as and when taken be intimated to the Committee.

M/s Vishnu Traders Kundli Sonapat

The Committee recommends that vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Septu India (P) Ltd Gurgaon (W) A Y 1998-99

The Committee desired that the decision of Supreme Court may be intimated to the Committee

M/s Thapar Milk Products Limited Gurgaon(West) A Y 1997 98

The Committee desired that since the case is pending with the BIFR, the outcome of BIFR be intimated to the Committee

M/s Chattar Chemicals Karnal A Y 1993 94 to 1996-97

The Committee desired that the matter may be pursued vigorously with the official liquidator and the latest position be intimated to the Committee

M/s Utility Engineers (India) Ltd Pevari A Y 1988 89 to 1994 95

The Committee recommends that vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Mohia Electro Steel Limited Bhiwani A Y 1991 92 to 1993 94

The Committee desired that the matter may be pursued vigorously with the official liquidator and the latest position be intimated to the Committee

M/s Hada Steel Products Faridabad (East) A Y 1986 87

The Committee desired that the details of this case may be sent to the Committee with a period of two weeks

[103] 2 2 6 Non recovery due to delay in assessment

As per provisions contained in Harvaha General Sales Tax Act 1973 and Rules framed thereunder the assessing authority if satisfied with the returns filed by the dealer shall assess the amount of tax due from him. However no time limit had been prescribed in the Act/Rules for the finalisation of assessments

a) The vigilance check records of the end districts was checked between August 2000 and March 2001 that in 204 cases involving revenue of Rs 30.50 crore assessed during 1997-98 to 1999-2000 there was an abnormal delay ranging between twelve and seventy nine months in the finalisation of the assessments as detailed below

Assessments taken up	No of cases	Amount (Rupees in crore)
After 12 months but up to 24 months	45	3.43
After 24 months but up to 36 months	68	5.70
After 36 months but up to 48 months	55	7.30
After 48 months	36	14.07
Total	204	30.50

Some of important cases where arrears amounting to Rs 22.76 crore could not be recovered due to delays in assessments are illustrated below

(ii) An additional demand of Rs 1.72 crore was created (between March 1997 and August 1999) in 15 cases of 8 dealers {(three each of Faridabad (West) and Gurgaon (East) and two of Faridabad (East)} in respect of assessment years 1992-93 to 1996-97 but the same was not recovered (March 2001). All the dealers had closed down their business during the pendency of their assessments cases. Delay in finalisation of assessments cases by 20 to 53 months had thus resulted in non recovery of tax of Rs 1.72 crore.

(b) Under the provisions of Haryana General Sales Tax Rules, 1975, the exemption/entitlement certificate granted to an eligible industrial unit shall be withdrawn either in case of discontinuance of its business by the unit at any time for a period exceeding six months or its closing down the business during the period of exemption. Further on withdrawal of the eligibility certificate before it is due for expiry, the entire amount of tax exempted shall become payable immediately in lumpsum along with interest and penalty and provisions relating to recovery of tax shall be applicable in such cases.

(i) During test check of records of Deputy Excise and Taxation Commissioners, Kaithal and Panchkula, it was noticed (between May and July 2000) that 4 industrial units (2 each of Kaithal and Panchkula) who were granted exemption from payment of tax for the period between March 1992 and October 2002 had discontinued and closed (between August 1996 and June 1998) their business before the date of expiry of exemption period. The eligibility certificates of the units were also cancelled/withdrawn (between March 2000 and May 2001) by the Industries Department. Of the 4 cases, exemption certificate in three cases were not cancelled at all while in another case of M/s Pawan Agro Food Ltd, the certificate of exemption was cancelled and the firm was sold to M/s Surbhi (India). No steps were taken for recovery of the exemption amount granted. This resulted in non realisation of Government revenue of Rs 2.06 crore including interest and penalty of Rs 0.72 crore.

On this being pointed out (between May and July, 2000) the department stated (February and May 2001) that proceeding to cancel the exemption certificates in 3 cases had been initiated and in the other case efforts were being made to recover the Government dues.

The cases were referred (August 2000) to Government, their reply had not been received (October 2001).

(ii) During test check of records of 2 offices, it was noticed (May 2001) that 4 exempted industrial units had closed their business during the period of exemption. The eligibility certificates of the units were cancelled (January 1999 and March 2001) but the amount of tax exemption of Rs 8.59 lakh availed by the units during the period 1995-96 to 1999-2000 along with interest of Rs 67.04 lakh, which became payable by the dealers, as the same demanded nor recovered by the department.

(iii) In two cases (one each of Jind and Rewari) renewal of exemption certificates was rejected and exemption certificates were cancelled by the respective DETCs in March 1994 and January 1998 but assessments for the years 1991-92 to 1994-95 were framed.

during January 1998 and March 1999 i.e. late by 46 and 14 months respectively after the rejection/cancellation of exemption certificates creating additional demand of Rs 0.87 crore

In audit it was observed that the Jind unit had since been closed and demand notices for Rs 0.47 crore were served by substituted service in July 1998 and arrears of Rs 0.40 crore of Rewari unit had not been declared (March 2001) recoverable under Land Revenue Act

(c) As per instructions issued (September 1983 and June 1994) by Excise and Taxation Commissioner Haryana assessing authorities were impressed upon to take action for realisation of sales tax within 10 days of the end of the quarter or month from the assessee who had not filed the returns in time or had not made payment of tax due along with the returns

A test check of records revealed that in four offices eight dealers (four of Gurgaon (West) two of Gurgaon (E) and one each of Rewari and Sonapat) did not make payment of tax due along with the returns filed by them during the years 1994-95 to 1998-99. The assessing authorities did not take timely action to recover the tax dues of Rs 4.77 crore and finished (between March 1997 and January 2000) the assessments late by 4 to 29 months creating additional demand of Rs 4.98 crore which were not recovered (March 2001). Five of these eight dealers had already closed down their business

The department in their written reply stated as under —

M/s Elson Cotton Mills Faridabad (W), A Y 1994-95

Keeping in view the audit observations it is stated that after affording various opportunities the case was decided as an ex parte on merits vide case dated 10.7.99 which was challenged before the Jt. E.T.C. cum Appellate Authority Faridabad who remanded the case under the CST Act vide his order dated 1.1.2001 for reconsidering the claim of the assessee regarding Branch Transfer and consignment sales which is evidence for proper examination. The remand case under the CST Act was decided by the Assessing Authority vide order dated 28.3.2002 which has resulted in an additional demand of Rs 3,88,158.00 against additional demand of Rs 23,00,794/- in the original order. This unit is a sick unit and lying closed with its case before the BIFR and for this very reason no recovery has yet been effected.

M/s Garware Paints, Faridabad (West) A Y 1992-93 to 1995-96

The assessments were framed for the year 1992-93 to 1995-96 but the recovery could not be effected due to the facts that the assessee has closed down his business and whereabouts are being located from the various authorities like the Tehsildar Revenue etc. Besides it is further intimated that these assessments are not late because the expiry limit of time bar of the assessment is five years. As such these assessments were made in time. The dealer has gone before the BIFR vide case No 422/96/dans 196/90 Eoe. The claim has to be lodged before the BIFR without including interest. In this case it has been lodged with BIFR & hence interest is not to be included. A correspondence has been

made with Sh S K Paradhar Sr Asstt Special Commissioner Mumbai for recovery of sales tax but there is no response in this matter Reminders are being issued regularly

M/s Remington Rand of India, Faridabad (E), A.Y 1995-96

In this case the 1st notice in form ST-25 under rule 26 of the HGST Act was issued on 17 11 1996 u/s 28 of the HGST Act and the assessment was framed on 26 9 1999 Moreover there is delay in assessment by the assessing authority as the company was in liquidation since 1996 No declaration of F forms was submitted by the dealer and in order to obtain F forms the case was kept pending and finally an ex parte assessment as framed on 26 9 1999 thereby creating a demand of Rs 12 27 lacs Further the recovery of the said amount cannot be effected because of the fact that company is under liquidation in Hon'ble High Court Kolkata

M/s King International Faridabad (E), A Y 1994 95

In this case the 1st notice in form ST-25 under rule 26 of the HGST Act was issued on 4 6 1996 and the assessment was framed on 30 12 1997 u/s 28 of the HGST Act Moreover there is no delay in assessment by the assessing authority because of the facts available on the assessment file it is reported that the dealer was not traceable having been kidnapped Meanwhile an additional demand of Rs 2 18 lacs has been created out of which Rs 5 000/- has been recovered from the sureties and efforts are being made to recover the balance amount

M/S Pingalia Electronics & Electricals Kaithal, R C No 4065 A Y 1994 95 to 1996 97

In this case the firm has closed down his business and eligibility certificate stands withdrawn The partners of the firm are not available The recovery proceedings of Rs 2 34 lacs are in progress against the sureties

M/s Deepak Industries, Kaithal, R C No 3066, A Y 1995 96 to 1997 98

In this case the eligibility certificate stands withdrawn The whereabouts of the partners and sureties are not known In this way the recovery of Rs 17 87 Lacs could not be made However efforts are on to trace them as soon as possible

M/s Perfect Pulp Packages Mouli Panchkula R C No 29069 A.Y 1995 96

In this case a recovery certificate No SPL-I/ R C dated 5 10 2001 has been sent to the Collector Cum Deputy Commissioner Sangrur (Punjab) The Directors of the firm are presently residing in Anaj Mandi Sunam (Punjab) and evading receipt of recovery notices Efforts are on to serve the same through Postal Authorities

M/s Pawan Agro Food Ltd Vill Knerawan, Teh Kalka, Panchkula R C No 31078, A Y 1993 94 to 1995 96

In this case the firm was granted exemption for Rs 1 73 41 611/- for the period from 29 9 93 to 28 9 2002 and the exemption certificate of this unit was

cancelled by the L L S C on 15 5 2000 and Haryana Financial Corporation took over the control of this unit due to bad financial position and auctioned it on 20 1 2002 to M/s Shree Gopal Vanaspati Ltd for Rs 79 lacs who owned all the assets and liabilities of the unit and applied to the General Manager D I C Panchkula for transfer of exemption certificate for the left over period balance amount of sales tax exemption. Proceedings in this regard are still pending with L L S C. Since the new unit M/s Shree Gopal Vanaspati Ltd has taken over the unit alongwith assets and liabilities and therefore all the liabilities arising against M/s Pawan Agro Food Ltd Kherawali will automatically be transferred to new unit after approval by the L L S C. However notices have been issued to the Director of the firm as well as to the sureties now. Since it is a limited company the directors have limited liability under the companies Act and hence they can't be forced for recovery. Moreover one of the sureties is reported to have died. Earnest efforts are being made to trace the other surety so that the recovery be effected accordingly.

M/s Super Ply Industries, Chhachhrauli, Jagadhri, A.Y. 1996 97 and 1997 98

In this case it is intimated that the assessment for the year 1996 97 and 1997-98 stand framed u/r 28A vide orders dated 26 10 98 and 8 3 99 respectively in which the firm was allowed to avail the exemption of Rs 107650/- (Rs 12894/- + Rs 94756/-) in both years. Further due to closure of the firm the exemption certificate of the dealer was cancelled vide order dated 18 2 2000 by Deputy Excise & Taxation Commissioner Jagadhri. Follow up action is being taken.

M/s S K Wood Products, Chhachhrauli Road, Panjeton, Jagadhri, A.Y. 1995 96 to 1997 98

In this case it is intimated that the exemption certificate of the dealer has been cancelled vide order dated 13 9 2000 by D E T C Jagadhri. Follow up action for recovery of benefit of exemption already availed alongwith interest is being taken.

M/s Kartar Rubber Indus Vill Dera Ambala R C No 29910, A.Y. 1995 96 to 1996 97

In this case recovery proceedings are in progress. As soon as the demand is recovered the latest position will be intimated.

M/s Lloyd Cement Ltd Brara Ambala Cantt, A.Y. 1996 97 to 1999 2000

In this case the dealer filed first appeal before Jt E T C(A) Ambala which stand dismissed. Similarly second appeal with Member of Sales Tax Tribunal Haryana was dismissed on 19 3 2002. Now the dealer has filed appeal in the Hon'ble High Court and the final decision will be conveyed in due course as and when received in this office.

M/s International Ceramics (P) Ltd Jind, A.Y. 1992 93 & 1993 94 R C No 5141

In this case it is stated that none of the Director/Managing Director or the firm was appeared before the Assessing Authority for the purpose of assessment.

after the closure of the unit. The assessment was therefore framed in the above cases as an expert in the absence of the Account Books on the basis of returns filed. The assessment orders were also served through substituted service by way of pasting the same at the gates of the business premises of the said factory. The finished product i.e. ceramic tiles of considerable worth/value lying in stock at the business premises of the erstwhile closed unit was taken into custody by Central Bank of India, one of the creditors of the said industrial unit. Further enquiries revealed that the official Liquidator has been appointed to deal with the affairs of this Company in liquidation. The correspondence after recovery of the arrears is resting with the official liquidator and Central Bank of India, New Delhi. The recovery proceedings also stand initiated against three sureties in this case. As regards the delay in assessment of this case, it is stated that the assessment files of these cases were transferred to the Assessing Authority who assessed these cases long after the closure of the said industrial unit.

M/s India Ceramics Ltd., Rewari AY 1994 95 R C No 3162

In this case, the firm has been closed since long and has gone in BIFR who has appointed the Haryana Financial Corporation as selling agent. This department has lodged its claim with the Haryana Financial Corporation and in touch with Haryana Financial Corporation from time to time and last reminder in this case was issued on 21.3.2003. Further the property of the company has also been attached with the Government vide order dated 18.9.2002.

**M/s Mudratech Industrial Generators Gurgaon (West),
AY 1994 95 to 1996 97, R C No 1918184**

In this case, the official liquidator attached to Hon'ble Delhi High Court had issued notice for taking over the possession of the unit in terms of the order passed by Hon'ble Delhi High Court. The Small Industries Development Bank of India has been approached the company Judge of Delhi High Court for necessary directions in the matter for allowing Small Industries Development Bank of India to dispose off all the assets of the company. The matter is still pending before Hon'ble Delhi High Court, Delhi.

M/s S. N. Agarwal & Co. Products, Gurgaon (West), AY 1995 96, R C No 1918577

Since the firm stands closed and there is no more property in the name of the dealer in Gurgaon. In order to effect recovery of arrears, recovery certificate was issued to the Collector Alwar, Rajasthan. The Collector Alwar initiated recovery proceedings under the Land Revenue Act by way of attachment of assets of the dealer. In this regard, the dealer made a representation to stop recovery proceedings as the unit has been declared as sick unit by BIFR. He further argued in writing that the recovery could not be effected as the unit is already declared as sick unit. Thereafter, obtaining legal opinion on this issue, the matter was referred to seek permission from the office of Registrar, Board of Industrial and Financial Reconstruction to recover the arrears by way of attachment of assets of the dealer. Simultaneously, an amount of Rs 1.00 lac has been recovered from both the sureties. The balance will be recovered in due course and the P.A.C. will be informed accordingly.

**M/s Hall Mark Health Care, Gurgaon (West)
A Y 1994 95 to 1996 97 R C No 1916745**

In this case it is intimated that the assessment proceedings were initiated in time and in normal course. As the tax liability arose from the date of filing of application for exemption. Efforts were also made to recover the arrears from the sureties and claim for recovery was lodged with the Official Liquidator. The sureties could not be traced as they have also closed their business and shifted from Gurgaon. One of the surety has been traced and efforts are being made to recover the arrears from him to the extent of surety amount.

M/s Tara Gr t Udyog, Gurgaon (West), A.Y 1998-99 R C No 1920109

In this case it is stated that the dealer preferred an appeal against the order which has since been rejected vide order dated 9.3.2000 passed by Jt ETC (A) Faridabad and hence there was no delay in initiating the recovery proceedings. The recovery of Rs 20,000/- has been made out of Rs 2,57,182/- and penal interest u/s 59 amounting to Rs 52,699/- has been imposed. At present the firm has closed its business and efforts are being made to recover the balance amount from the sureties/dealer.

M/s Arya Pozra Minerals Gurgaon (East), A. Y 1997 98 R C No 1819439

In this case efforts were duly made to recover the arrears and first notice was issued on 29.10.1997 prior to the date of filing of returns for the succeeding quarter to recover voluntary tax. Although regular reminders are being sent to the firm but nothing has been recovered so far.

**M/s Frost Falcon Distilleries Ltd, Sonapat,
A Y 1995 96 to 1997 98 R C No 7473**

In this case the dealer filed an appeal before the Secretary Department of Industries Haryana vide application dated 14.9.1996 which was ultimately rejected vide order dated 9.10.97. Thereafter the dealer preferred an appeal before the Hon'ble Punjab and Haryana High Court at Chandigarh vide CWP No 3453 of 1998 thereby challenging the order of the Secretary Department of Industries Haryana Chandigarh.

Therefore the dealer was under the *bona fide* belief that he is not required to pay tax as per returns. Secondly when the recovery proceedings were started against the dealer he preferred an appeal before the Jt ETC(A) Rohtak which was rejected and subsequently the appeal was filed before the Hon'ble Sales Tax Tribunal Haryana Chandigarh against the order of Jt ETC(A) Rohtak dated 4.5.98 which was also rejected by the M S T T vide order dated 6.11.98. Thereafter the dealer filed CWP No 17989 in the Hon'ble Punjab and Haryana High Court for stay of recovery against the demand created through the provisional assessments. The Hon'ble Punjab & High Court has asked the HLSC to reconsider the case of the firm. The matter is therefore still pending.

M/s Elson Cotton Mills Faridabad (W) A Y 1994 95

The Committee desired that since the case is pending with the BIFR the outcome of BIFR be intimated to the Committee

M/s Garware Pan's Faridabad (West) A Y 1992 93 to 1995 96

The Committee desired that since the case is pending with the BIFR, the outcome of BIFR be intimated to the Committee

M/s Remington Rand of India Faridabad (E) A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s King International Faridabad (E) A Y 1994 95

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Pingalia Electronic and Electricals Kaithal R C No 4065 A Y 1994-95 to 1996 97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Deepak Industries Kaithal R C No 3068 A Y 1995 96 to 1997-98

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Perfect Pulp Packages Mouli Panchkula R C No 29069 A Y 1995 96

The Committee desired that the details of the case be sent to the Committee within a period of one month

M/s Pawan Agro Food Ltd Vill Kherawali Tehsil Kalka Panchkula R C No 31078 A Y 1993 94 to 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Super Ply Industries Chhachhrawali Jagadhri A Y 1996-97 and 1997-98

The Committee desired that matter may be pursued vigorously under intimation to the Committee

M/s S K Wood Products Chhachhrawali Road Panjeton Jagadhri A Y 1995-96 to 1997 98

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Kartar Rubber Indus Vill Dera Ambala
R C No 29910 A Y 1995 96 to 1996 97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Lloyd Cement Ltd Brara Ambala Cantt A Y 1996 97 to 1999 2000

The Committee desired that the decision of the High Court as and when taken be intimated to the Committee

M/s International Ceremics (P) Ltd Jind
A Y 1992 93 & 1993 94 R C No 5141

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s India Cerols Ltd Rewari A Y 1994 95 R C No 3162

The Committee desired that since the case is pending with the BIFR the outcome of BIFR be intimated to the Committee

M/s Mudratech Industrial Generators Gurgaon (West) A Y 1994 95 to 1996 97 R C No 1918184

The Committee desired that the decision of the High Court as and when taken be intimated to the Committee

M/s Thapar Milk Products Gurgaon (West) A Y 1995 96 R C No 1918571

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Hall Mark Health Care Gurgaon (West) A Y 1994 95 to 1996 97
R C No 1916745

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Tara Grit Udyog Gurgaon (West) A Y 1998 99 R C No 1920109

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Arya Rozka Minerals Gurgaon (East) A Y 1997 98 R C No 1819439

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Frost Falcon Distilleries Ltd Sonapat A Y 1995 96 to 1997 98
R C No 7473

The Committee desired that the decision of the High Court as and when taken, be intimated to the Committee

[104] 2 2 7 Non/delay in raising of demands for the assessed dues

Under the Haryana General Sales Tax Act 1973 and rules made thereunder 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 thirty days from the date of service of such notice the dealer shall be liable to pay simple interest on such amount at one per cent per month from the date commencing after the end of such period for a period of one month and if the default continues thereafter at one and a half per cent per month for the whole of the period of default

In 33 cases demands for Rs 2 25 crore were raised in seven districts (Faridabad (East) 1 case Rs 8 32 lakh Gurgaon (East) 5 cases Rs 53 04 lakh Gurgaon (West) 7 cases Rs 93 29 lakh Jind 13 cases Rs 38 90 lakh Karnal 4 cases -Rs 6 66 lakh Panipat 2 cases Rs 22 90 lakh and Rewari one case Rs 2 32 lakh) during the period March 1997 to January 2000. It was noticed that demand notices of Rs 1 80 crore in 21 cases were issued late by 2 to 30 months after completion of assessments. Further in 12 cases involving demand of Rs 0 45 crore demand notices were not issued (March 2001). Late/non-issuance of demand notices after allowing the grace period of one month from the date of assessment resulted in non realisation of tax amounting to Rs 2 25 crore with consequential loss of interest of Rs 0 31 crore

The department in their written reply stated as under

M/s Arvind Pipe Industries Jind A Y 1994 95 & 1995 96

In this case the D G P Haryana vide his letter No 2486 dated 18 6 2001 intimated the present address of posting of Sh Rajesh Kumar Police Inspector The T D N and challan for the year 1992 93 to 1995-96 for the sum of Rs 3 66 051/- alongwith the copies of assessment orders for the respective years have been sent to the Senior Superintendent of Police Distt Panipat for further service of Sh Rajesh Kumar Police Inspector No 11/A posted as A E C Inspector Panipat for further necessary action. As per latest report of D G P Haryana vide letter No 473/E(i) 3 dated 18 2 03 Shri Rajesh Kumar defaulter is presently posted as SHO in city Karnal. Keeping in view the same the recovery certificate is being sent to Collector Cum DETC Karnal for effecting the recovery from the concerned officer

M/s Gupta Oil & Gen Mills, Jind, A Y 1996 97

In this case the recovery of Rs 1 22 000/- stands effected on 17-7 1999 and intimation to this effect has also been given to audit. An arrear of Rs 46 802/- is still outstanding against the firm and the position regarding the recovery of balance amount from the Sureties/ Directors/Partners of the erstwhile firm will be intimated in due course of time

M/s Mangal Deep Trading Co (P) Ltd Jind A.Y 1996 97

In this case out of Rs 1 90 lacs (1 73 Tax + 0 17 Interest) a sum of Rs 1 27 lacs have been recovered thereby a balance of Rs 0 63 which is being recovered in easy instalments of Rs 15000/- per month regularly

M/s Vinayak Food Land Indri, Karnal, A. Y 1992-93 to 1994 95

In this case the demand notice could not be served in time as the firm was closed and the dues are still outstanding. The dealer is not presently traceable and therefore the proceedings are in progress for recovery of Rs 5.65 lacs from sureties.

M/s Palsons International Panipat A.Y 1998 99

In this case the assessment was made on 30.9.1999 by creating a demand of Rs 13.42 lacs. Efforts are being made to recover the amount from the defaulting firm.

M/s Comfort India, Panipat, A Y 1995 96

In this case the assessment was finalized on 7.10.97 by creating a demand of Rs 10.20 lacs as tax and penalty. A sum of Rs 6.60 lacs have since been recovered leaving a balance of Rs 3.60 lacs and efforts are on to recover this amount.

M/s Laj Enterprises, Gurgaon(W) A Y 1991 92

In this case the original assessment was framed on 31.10.96 and due to closure of the firm and non availability of individuals the copy of order and demand notice were served by Chaspa on 30.1.97. A copy was also served on the Advocate of the dealer on 25.2.97 and the remand case of the dealer was decided on 14.10.99. The orders and demand notice were sent by post on dealer's address at New Delhi which were returned by postal authorities with the remarks that the person has gone out for indefinite period. Afterwards it was served on the surety of the dealer on 28.2.2000 who took the responsibility of the dues of the department. In view of above there is no delay in service of notice. The para may be dropped.

M/s Sarisons Cable Ltd , Gurgaon (W), A Y 1994 1995

In this case the assessment order for the year 1994-95 could not be served in time because the dealer had closed down his business and thereby seems delay of 30 months as pointed out by Audit. The order along with demand notice/challan was sent through registered post at the address given by the dealer which was received back as undelivered. Thereafter latest address of the dealer was procured and assessment order was again sent by registered post in the month of May 2000. Keeping in view the same there is no intentional delay in this case. Recovery proceeding are in progress.

M/s Asian Consolidation Ltd Rewari A.Y 1993 94

In this case the DETC cum Revisional Authority created an additional demand of Rs 4888/- under HGST Act and Rs 2,32,072/- under CST Act vide his order dated 30.3.1999. Now the firm has been closed since long and is under liquidation. Therefore a claim has been lodged with the official liquidator vide memo No 751/52 dated 2.3.2001. Last reminders in this case was also issued on 21.3.2003 for immediate deposit of dues.

M/s Haryana Equipment Ltd Kinana, Jind A Y 1990 91 and 1991 92

In this case the service of the notice could not be effected due to closure of the said firm since long. However the copy of the assessment order for the year 1990 91 & 1991 92 stand communicated to the Managing Director H S I D C Chandigarh vide this office memo No 205 dated 28 1 98. No response has been received from the H S I D C Chandigarh. Now the case has been sent for Suo Moto action. The latest position will be intimated after the decision of the case from Revisional Authority.

M/s S K Trading Company Narwana, Jind A.Y 1994 95 and 1995-96

In this case Sh Ramji Lal A E T O Narwana has already assessed the cases on 5 8 1997 u/s 29 of the HGST Act & CST Act for the year 1994 95 & 1995 96 and created an additional demand of Rs 1 44 363/ (Rs 133352+11011) under HGST Act & Rs 11091/ (Rs 80+11011) under CST Act in both the cases. Consequently the recovery proceedings were also initiated by the Assessing Authority by issuing notices i.e. on 8 10 97 24 11 97 22 12 97 3 3 98 20 9 99 16 12 99 10 5 2000 14 12 2000 13 3 2001 9 7 2002 and 18 11 2002. The notices of dated 8 10 97 24 11 97 and 22 12 97 were received back without service because the defaulter has left the Narwana station. In the mean time it has come to notice that the defaulter has been living at the following address C/o M/s Gopal Oil Mill r/o Sh Om Parkash Sarpanch Budh Vihar Road Delhi. Hence the recovery certificate was sent to the Collector Cum Sub Divisional Magistrate Sarswati Vihar Alipur Block Delhi. The last reminder has been sent to the Collector Cum Sub Divisional Magistrate Delhi on 18 11 2002 but nothing has been recovered as yet.

M/s Jai Bhart Rice Mills, Dhanauri, Jind RC No 4654 A Y 1992 93 & 93 94

This case has been heard on 4 10 1990 and the tax amount for Rs 13 83 lacs has been stayed by the Hon ble Punjab and Haryana High Court in C W P No 4920/90 which is under deferment also. As soon as the case is cleared by the Hon ble Court the results will be conveyed.

M/s Durga Rice Mills Dhanauri, Jind, RC No 5173 A Y 1989-90

In this case the recovery certificate was sent to the Collector cum D C Chandigarh Administration vide memo No 71 dated 30 3 98 and subsequently a reminder was also issued vide No 181 dated 28 7 98. The Collector U T Chandigarh reported vide his letter dated 11 7 98 that the persons namely Sh Banarsi Dass Sh Vinod Kumar Sh Subhash Chand are not residing on this address. The recovery certificate was also sent to the Collector Cum D C Ludhiana (Punjab) vide No 1661 dated 4 9 98 and a reminder was also sent vide this office Memo No 575 dated 16 3 2001 to the Collector cum D C Ludhiana. Several reminders have been issued since 16 3 2001 but no response has been received.

M/s Kapil Muni Oil Mills Dhanauri, Jind, R C No 5331 A Y 1991 92

In this case out of total arrears outstanding to the tune of Rs 2 60 629/ for the year 1991 92 an amount of Rs 1 00 000/ stands recovered @ 8 000/ per month.

in easy installment. The last installment stands paid on 31.10.2002 and the balance outstanding amount of Rs. 80,629/- is still to be recovered for which the efforts are going on to clear the same.

M/s Parkash Oil Mills, Dhanauri, Jind A Y 1994-95 RC No. 6695

In this case, the dealer was granted exemption certificate No. 65 vide order dated 27.7.1995 for the period from 30.8.1993 to 29.8.2002 of Rs. 32.68 lacs. As the unit was not in operation after 30.8.1996 due to violation of condition of rule 28A of the HGST Rules, 1975, the amount of tax exemption worth Rs. 16,92,809/- availed during the period from 30.8.93 to 30.8.96 will not be recovered in lumpsum in view of High Court judgement in *Mis Sai Beverage Pvt. Ltd.* New Delhi and the case stands confirmed by the Apex Court (Mr. Justice B.N. Kirpal). The recovery of benefit availed under the said certificate with retrospective effect can only be for the year during which the default has occurred. The dealer is not required to deposit that benefit for the entire period of all the early years. The benefit availed by the unit during the year 1996-97 in which default occurred has been availed only worth Rs. 74,933/-. Therefore, no question of interest and penalty arises in this case. Further, the recovery worth Rs. 42,000/- has already been made and the balance amount will be recovered in due course of time.

Mis S R Cottex, Faridabad(East), A.Y 1995-96

In this case, the demand notice in form ST-28 has been served to the dealer vide No. 807/E-8 dated 4.6.2001 and the progress of the case is being watched.

M/s Arvind Pipe Industries, Jind A Y 1994-95 & 1995-96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

M/s Gupta Oil & Gen Mills, Jind A Y 1996-97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

M/s Mangal Deep Trading Co. (P) Ltd., Jind A Y 1996-97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

M/s Vinayak Food Land, Indri, Karnal A Y 1992-93 to 1994-95

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

M/s Palsons International, Panipat A Y 1998-99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee.

M/s Comfort India Panipat A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Laj Enterprises Gurgaon (W) A Y 1991 92

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Sarisons Cable Ltd Gurgaon (W) A Y 1994 95

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Asian Consolidation Ltd Rewari A Y 1993 94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Haryana Equipment Ltd Kinana Jind A Y 1990 91 and 1991 92

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s S K Trading Company Jind A Y 1994 95 and 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Jai Bhart Rice Mills Dhanduri Jind R C NO 4654 A Y 1992 93 & 1993 -94

The Committee desired that the decision of the High Court as and when taken, be intimated to the Committee

M/s Durga Rice Mills Dhanauri Jind R C No 5173 A Y 1989 90

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Kapil Muni oil Mills Dhanauri Jind R C No 5331 A Y 1991-92

The Committee desired that the latest position of recovery be sent to the Committee within a period of three months

M/s Parkash Oil Mills Dhanauri Jind A Y 1994 95 R C NO 6695

The Committee desired that the latest position of recovery be sent to the Committee within a period of three months

M/s S R Cottex Fardabad (East) A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[105] 228 Failure to initiate follow up action for recovery of arrears

Section 34 of the HGST Act 1973 provides that the amount or tax interest and penalty under the Act which remains unpaid after the due date shall be recoverable as arrears or land revenues. On initiation for recovery proceedings under the Land Revenue Act several steps i.e. service of writ of demand, issue of arrest warrants and detention, issue of distress warrant and attachment of property of the defaulters are taken by the collector for recovery of the dues.

(a) Non initiation of recovery proceedings

Additional demands of Rs 3.07 crore were created (between May 1997 and December 1999) in respect of 22 cases of 15 dealers for the years 1993-94 to 1998-99 but the same were not recovered (March 2001). It was seen that the demands were not declared as arrears under Land Revenue Act. The details of cases are given below:

Sr No	Name of district	No of dealers	Year(s) of assessment	Period of assessment	Amount of tax assessed (Rupees in lakh)
1	Karnal	5	1993-94 to 1998-99	January 1998 to July 1999	34.12
2	Sonapat	1	1995-96	March 1999	118.67
3	Hisar	3	1993-94 to 1998-99	October 1998	41.39
4	Fardabad (West)	3	1993-94 to 1998-99	January 1998 to November 1998	87.18
5	Gurgaon (West)	2	1996-97 to 1997-98	November 1999	23.46
6	Rewari	1	1996-97	March 1998	2.29
Total		15			307.11

The department in their written reply stated as under —

M/s Gargi Oversea Karnal A Y 1993-94

In this case the demand was created by levying interest u/s 25(5) of the H G S T Act 1973. However the Hon ble High Court of Punjab and Haryana in the case of M/s United Rice Land limited as decided in 1995 held that interest u/s 25(5) of H G S T Act was not leviable. The interest was leviable from the date of assessment demand which is still pending before the Hon ble Supreme Court of India in SLP filed by the Department. Therefore this arrear is un recoverable till the decision of Supreme Court of India.

M/s Vijay Medicines Agency Karnal A Y 1993-94

The firm stand closed and the case was decided as an exparte. Now as confirmed the dealer is not presently available. However efforts are being made to trace him and simultaneously the sureties are being directed to deposit the outstanding demand of Rs 1.67 lacs against the said firm.

M/s Kashmiri Lal Dua and Sons, Karnal A Y 1994 95

The firm stand closed and the dealer is not presently available. However efforts are being made to trace him and simultaneously an outstanding amount of Rs 1 81 lacs is being recovered from the sureties.

M/s Kundan Lal Ran Singh Karnal A Y 1998 99

The firm stands closed and hence the claim has been lodged with the Haryana Financial Corporation Chandigarh who is to sell the assets of this Unit. In view of these circumstances the delay in recovery is consequential and not due to laxity on the part of the Department. As soon as the assets are auctioned the outstanding amount of Rs 9 93 lacs will be recovered and P A C will be informed accordingly.

M/s Sweet Chem Antibiotics Ltd Sonapat A Y 1995 96

In view of the provisions u/s 34 of the H G S T Act 1973 an amount outstanding as arrear against the firm can be recovered as arrears under Land Revenue Act which remains unpaid after the due date. These arrears were declared to be recovered as arrears of Land Revenue by the Assistant Collector 1st Grade vide his order dated 16 4 1999 and therefore notice for recovery through summons was issued on 17 4 1999. Thus there is no delay in initiation of proceedings for recovery on the part of the Department. Moreover the recovery was started against the firm as well as from the sureties. Since this firm is under debt of Financial Institutions and therefore the property of the firm is pledged with them simultaneously Rs 35 000/- have been recovered from the surety of the firm and efforts are being made to recover the balance outstanding amount of Rs 118 32 lacs.

M/s Gee Kay Textiles Hisar A Y 1993 94 RC No 26457

In this case the unit was never issued exemption certificate. The Higher Level Screening Committee in its 23rd meeting held on 9 4 1994 approved the case of the dealer company but imposed condition that the eligibility certificate will be issued after clearance from H F C and H S I D C. Finally the case of the dealer company regarding grant of exemption certificate was rejected by the Higher Level Screening Committee in its 52nd meeting held on 4 6 1998. A huge amount of tax is outstanding against the dealer and efforts are being made to recover these arrears. Keeping in view the same at this stage the levying of interest does seem to be desirable. The interest will be levied after recovery of the arrears due against the firm.

M/s Celeste International Hisar A Y 1994 95 to 1997 98

In this case the amount in arrears i.e. Rs 5 00 lacs had been declared under Land Revenue Act 1887 and therefore the letter has been issued to Tehsildar Hansi (Hisar) regarding movable and immovable property of the defaulter firm. However notices were also issued to sureties vide Memo No 1063 64/TI (RYS) dated 10 9 02 to deposit the outstanding recovery of the amount immediately.

M/s Krishan Lal & Company Hisar, A.Y 1998 99

In this case it is stated that demand worth Rs 1 93 480/ has been raised and an assessment order alongwith Tax Demand Notice amounting to Rs 1 93 480/ has been served upon the dealer through substituted service on 10 7 2002 The recovery proceedings are in progress

M/s Tata Iron and Steel Co Ltd , Faridabad (W) A Y 1993 94

In this case out of an original demand of Rs 14 79 504/ a sum of Rs 8 00 000/- have been recovered and the balance amount of Rs 6 79 505/ have been stayed by the Hon ble M S T T Haryana Chandigarh vide order dated 26 4 2000 Therefore the STA No 835 of 1998-99 and the appeal of the dealer is pending before the Id Jt ETC(Appeals) Faridabad

M/s Eicher Tractor Faridabad(w) A.Y 1993 94

In this case the dealer aggrieved with the order of the JT ETC(Appeals) preferred an appeal before the Hon ble Sales Tax Tribunal Haryana at Chandigarh who directed the dealer to deposit the outstanding demand in two equal installments payable w e f 15 9 99 These directions of the Hon ble Sales Tax Tribunal were not complied with and instead review of the above said order of the Hon ble Sales Tax Tribunal dated 4 8 99 was preferred by the appellant who was again directed to deposit Rs 4 00 lacs and submit surety bonds for the balance amount before the Assessing Authority Consequently the directions of the Hon ble Sales Tax Tribunal Haryana were duly complied with Presently the case is pending before the JT ETC cum Appellate Authority Faridabad for hearing on merits of the case and final disposal Keeping in view the same there is no delay on the part of assessing authority in this case

M/s Brawn Laboratories Ltd , Faridabad, A Y 1996-97 to 1998-99

In this case the original demand of Rs 22 20 375/ for Assessment year 1996 97 was created under H G S T Act 1973 and C S T Act (1 24 108+20 96 267) out of which a sum of Rs 13 56 842/ have been recovered

(ii) As regards the Assessment Year of 1997-98 the original demand of Rs 7 91 327/ which was created has been fully recovered

(iii) Regarding Financial Year 1998 99 an original demand of Rs 6 57 192/ (39 382+6 17 610) under the H G S T Act and C S T Act was created out of which Rs 3 10 696/ have been recovered Efforts are being made to recover the balance amount of Rs 3 46 496/

M/s Multitech International, Rewari A Y 1996 97

In this case it is submitted that the company has been closed since last 11 years and the business premises was also sold The Head Office of the company at Delhi is also closed and Taxation Inspector of this office has visited the office of Registrar of Companies at Delhi and Haryana situated at Delhi for the purpose Recovery notice was also issued to the company at new address at Delhi but the same was also received back as undelivered from the postal authorities As

confirmed from the sureties of said firm the company have also closed their business since long Hence the claim has been lodged with the Registrar of companies at Delhi and Haryana situated at Delhi

M/s Gargi Oversea Karnal A Y 1993 94

The Committee desired that the decision of the Supreme Court as and when taken, be intimated to the Committee

M/s Vijay Medicines Agency Karnal A Y 1993 94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Kashmiri Lal Dua and Sons Karnal A Y 1994 95

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Kundan Lal Ran Singh Karnal A Y 1998 99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Sweet Chem Antibiotics Ltd Sonapat A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Gee Kay Textiles Hisar A Y 1993 94 RC NO 26457

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Celeste International Hisar A Y 1994 95 to 1997 98

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Krishan Lal & Company Hisar A Y 1998 99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Tata Iron and Steel Co Ltd Fardabad (W) A Y 1993 94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Eicher Tractor Faridabad (W) A Y 1993 94

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

M/s Brawn Laboratories Ltd Faridabad A Y 1996 97 to 1998 99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Multitech International Rewari A Y 1996 97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[106] 2 2 8 (c) Disposal of recovery certificates

Test check of records of five districts revealed that the number of cases settled during the period 1997 98 to 1999 2000 was very small as compared to the cases pending for disposal during the respective years as detailed below

Period	Number of cases to be settled during the year		Number of cases settled		Percentage of settled cases during the period
		Number of cases	Amount (Rupees in lakh)	Number of cases	
1997-98	Opening balance	181	704.89		
	Received during the year	30	80.90		
	Total	211	785.74	5	18.10
1998-99	Opening balance	206	767.69		
	Received during the year	20	116.29	1	6.58
	Total	226	883.98	2	21.34
1999-2000	Opening balance	223	856.06		
	Received during the year	17	63.77		
	Total	240	919.83	8	2.00

It would be seen from the above that the percentage of cases settled ranged between 0 44 to 3 30 and Rs 26 68 lakh only could be recovered

Thus failure to initiate follow up action for recovery of arrears resulted in accumulation of arrears of Rs 17 12 crore

The department in their written reply stated as under —

Out of total arrears of Rs 917 83 lacs for the year 1999 2000 in five districts an arrears of Rs 93 10 lacs have since been recovered leaving a balance of Rs 824 73 lacs All the firms stands closed since long Recovery certificates have been sent to different states where the Partners/Directors of the firm are now residing Efforts are being made to recover the arrears from the defaulting dealers

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[107] 2.9 Demands under stay

(a) Under the provisions of Haryana General Sales Tax Act a demand against which an appeal is filed before any appellate authority or court is recoverable unless stay for its recovery has been granted. Further as per instructions issued (January 1982) by the Excise and Taxation Commissioner Haryana recovery proceedings were not to be stayed in cases where assessing authorities were not in possession of stay orders.

Test check of records in four offices revealed that in 54 cases of 43 dealers action to recover the demands of Rs 2.30 crore finalised (between March 1997 and February 2000) for the years 1991-92 to 1999-2000 was not initiated. It was further noticed that no stay orders were available with the assessing authorities in these cases and appeals were pending with the appellate authorities.

(b) As per instructions issued (March 1984) by the Excise and Taxation Commissioner Haryana it should be ensured that appeal cases where revenue of more than five thousand rupees is involved and stay has been granted against recovery of tax are decided within three months of the grant of stay.

A test check of records revealed that in five offices demands of Rs 1.05 crore created (between November 1996 and November 1999) in 23 cases of 20 dealers were stayed (May 1997 to March 2000) by the Joint Excise and Taxation Commissioners (Appeals) but the cases were not decided within the prescribed period and were pending till 31 March 2001.

(c) Stay of tax on incidental charges on wheat was vacated (12 March 1998) by the State Government and PETC issued (18 March 1998) instructions to all the DETCs to take action for recovery of arrears of tax by 31 March 1998.

A test-check of records revealed that in four offices demands of Rs 0.99 crore created (between December 1984 and June 1998) in 29 cases of 5 dealers for the years 1980-81 to 1996-97 on account of tax on incidental charges on wheat were not recovered (March 2001) despite lapse of over three years of the issue of executive instructions.

Thus recovery proceedings for Sales Tax arrears were not initiated and amount treated as having been stayed by Court/appellate authority without the necessary stay orders and tax of Rs 4.34 crore remained unrecovered.

The department in their written reply stated as under —

M/s Samart Gram Udhod Mandal, Karnal A.Y 1997 98

M/s Harpa Doors (P) Ltd Karnal A Y 1997 98

M/s Sachdeva Traders Karnal A Y 1994 95

M/s Sachdeva Traders Karnal A Y 1997 98

Best efforts have been made to decide the cases at the earliest possible. However keeping in view the facts that these were inspection cases and lot of complications were involved in these cases which could not be decided within three months time prescribed for the same. Moreover in quasi judicial proceedings it is always not possible to decide the cases in a particular time. In view of these circumstances the para may please be dropped.

M/s Menakshi Enterprises Faridabad (E) A Y 1999 2000

In this case the brief facts of the case are that the dealer has not filed the return for the quarter ending 30 6 1999 hence the Assessing Authority has framed the best judgement assessment u/s 28(5) of the HGST Act for the quarter ending 30 6 1999 determining the GTO worth Rs 21 52 565/- and created an additional demand of Rs 2 15 256/ vide his orders dated 19 1 1999. The dealer went in appeal against this order and the Jt Excise & Taxation Commissioner(A) Faridabad reduced the additional demand from Rs 2 15 256/ to Rs 1 95 688/ vide its order dated 28 1 2000. The dealer further went in appeal before the M S T T Haryana against the order of the appellate authority. The Hon ble Member Sales Tax Tribunal Haryana dismissed the appeal of the dealer & confirmed the order of the 1st appellate authority vide its order dated 14 8 2001. In the mean time the dealer has filed the return for the quarter ending 30 6 99 on 30 11 99 showing the gross Turn over of Rs 13 31 016/.

While framing regular assessment for the year 1999 2000 u/s 28(3) of the HGST Act the assessing authority has made an addition of Rs 6 25 865/ (Gross Turn over as per order confirmed by the Hon ble Tribunal Rs 19 56 881/ 13 31 016/ GTO declared by the dealer in its return on 30 11 99) in the gross turnover returned by the dealer in whole year. The assessment was framed allowing the various deductions against the valid declarations vide the Assessing Authorities order dated 15 2 2002. Now nothing is due towards the dealer for the A Y 1999 2000.

M/s Sirroco Auto Pvt Ltd , Faridabad(E) A Y 1995 96

In this case the brief facts of the case are that the registration certificate of the dealer was cancelled u/s 19(8) (b) of the HGST Act 1973 vide assessing authority's order dated 12 11 96 w e f 30 6 96 on the ground that the dealer was filing Nil returns for the consecutive four years. After wards the assessing Authority has framed upto date assessment and levied tax u/s 10 of HGST Act on the closing stock of Rs 2 46 661/ for the assessment year 1995 96 vide its order dated

21 1 99 and created an additional demand worth Rs 27 132/ under HGST Act. The dealer preferred an appeal to the Jt Excise & Taxation Commissioner(A) Faridabad and the appellate authority *vide* its order dated 18 5 1999 has quashed the order of the Assessing Authority and directed that the Assessing Authority should first communicate the order of cancellation of RC to the assessee and thereafter proceed to assess him u/s 10 of the HGST Act in accordance with law.

Hence there is no outstanding amount against the dealer as the original order of the assessing authority has already been set aside by the Appellate Authority Faridabad. The concerned assessing authority has now been directed to finalize the proceedings and levy tax u/s 10 on closing stock in accordance with law.

HAFED Gurgaon (W) A Y 1982 83 to 1986 87

The case of the above firm is still pending for writing off the arrears of Rs 5 21 lacs before ETC Haryana.

D F S C, Sonapat A Y 1980 81 to 1982 83 & 1991 92 to 1994 95

In this case the demand was created due to tax charged on incidental charges. The D F S C is not depositing this demand despite of sincere efforts and a number of letters have also been written to make the payment of outstanding arrears. Further as per letter issued *vide* this office letter No 1674/ST IV dt 2 7 98 no coercive method is to be used for recovery. Regarding interest u/s 59 of the HGST Act the same will be charged after the recovery of full amount of arrears from the dealers Department.

Brij Motors, Faridabad, A.Y 1996 97

The case is still pending with Jt ETC (Appeal) who has been requested to take up the case at the earliest.

Shree Shyam Steel, Faridabad A Y 1995 96

The case is still pending with Haryana Tax Tribunal.

Mohan Brothers, Faridabad (E)

In this case as a result of finalization of remand case the demand reduced to Rs 3 22 lacs out of which Rs 1 61 lacs have been recovered and balance will be recovered in due course of time.

M S Metal Faridabad A Y 1996 97

The case is still pending with the Haryana Tax Tribunal.

Shivam Traders, A Y 1993 94

In this case the dealer had gone in appeal before the S T T who remanded the case to Jt ETC (A) Faridabad *vide* order 28 5 01. The case is pending with Jt ETC (A) who has been requested to take up the remand case at the earliest.

Sai Enterprises Faridabad, A Y 1994 95

The brief facts of the case are that the assessment case of the dealer for the year 1994 95 was decided *ex parte* by the then Assessing Authority *vide* orders dated

31 3 1999 in which an additional demand created 4 94 223/ under the HGST Act and Rs 100/ under the CST Act The dealer preferred an appeal against the orders of Assessing Authority which is still pending The firm is lying closed and strenuous efforts are being made to recover the arrears from the defaulters

J Perot and Co India, Faridabad A Y 1993 94

In reply to latest position of the recovery against the dealer it is submitted that against the orders of the Assessing Authority the dealer filed an appeal before the Jt ETC (Appeals) Faridabad who issued directions to the dealer vide orders dated 23 8 1999 that the appellant shall make payment of Rs 4 50 000/ by installment @ 50 000/ per month beginning from Sept 1999 payable by 20th day of each month and shall also furnish surety to the satisfaction of the Assessing Authority by the time given for payment of the first installment The Appellate Authority further directed that if the appellant fail for any reason to comply with the aforesaid directions his appeal shall be liable to be dismissed in default The dealer failed to comply these directions and appeal stands automatically dismissed in default The dealer again filed an appeal before Hon ble Member Sales Tax Tribunal Haryana which is still pending for decision

Dujodh Wala Udyog Faridabad A Y 1996 97 to 1999 2000

The unit is closed due to labour trouble and the dealer could not produce record & declarations before the Assessing Authority during the assessment proceedings The Assessing Authority framed the assessments under both the Acts for the year in question vide order dated 19 2 1999 and created additional demands of Rs 1 602/- under the HGST Act and Rs 1 35 283/ under the CST Act Subsequently The Collector cum Dy Excise and Taxation Commissioner Faridabad (East) has sent a Recovery Certificate No 88 dated 17 10 2003 vide Memo No 347-9/TI/Ward 2 dated 17 10 2003 to the Collector Mumbai to recover the amount and remit the same in the O/o Dy Excise & Taxation Commissioner Faridabad (East)

Super Vanaspati & Oil Store Faridabad, A Y 1995 96

The firm has been closed The prop of the firm has since expired Accordingly action has been initiated against the sureties for recovery of the arrears The sureties are residing at Jaipur as such recovery certificate has been issued to Collector Jaipur

Akshay Enterprises A Y 1995 96

Additional demand reduced to Rs 2 03 lacs out of which Rs 0 23 lac have been recovered leaving a balance arrear of Rs 1 80 lacs

FARIDABAD (WEST)

M/s Tunderwala Moulders Fab (P) Ltd Faridabad (West), Tin No 1313507, A.Y 1998 99

The demand has been quashed by Sh S C Gupta Jt ETC (Appeal) Faridabad vide orders dated 28 3 2005 and remand case is fixed for 15 3 2007 Firm is closed hence service could not be made so far

- Steel Depot Faridabad (W) A Y 1991 92

Steel Depot, Faridabad (W), A.Y 1992-93

The firm stand closed The sureties has filed an civil suit in District Court Faridabad No recovery has been made

Asha Agro Industry Faridabad (W) A Y 1993 94

The dealer preferred an appeal against the order dated 20 3 97 before the Jt ETC (A) Faridabad He was directed to deposit the amount in two equal instalments by the Appellate Authority but he failed to comply with the directions and hence the appeal was dismissed in default vide order dated 5 2 98 After this an amount of Rs 27000/- was deposited by the dealer A review application against the order of the Appellate Authority dated 5 2 98 was filed by him but the review application was rejected by the Appellate Authority vide order dated 25 5 99 Now out of total additional demand worth Rs 54099/- Rs 27000/- stands deposited leaving the balance of Rs 27099/- outstanding against the dealer The firm stands closed since long A fact on account of which deficiency is being experienced in recovering the outstanding arrears However constant efforts are being made to recover the balance amount

Asha Agro Industry Faridabad (W), A Y 1994 95

The firm stands closed The Additional demand has accrued on account of non submission of C forms which were later on produced by the dealer but were not considered by the Assessing Authority However efforts are being made to recover the amount

Asha Agro Industry Faridabad (W) A Y 1995 96

Saturn Project Ltd , Faridabad (West), A Y 1998 99

The assessment case of the firm for the year 1998 99 was decided by the then Assessing Authority vide order dated 30 11 1999 and demand of Rs 9 20 860/- & Rs 7 62 671/- under the HGST Act and CST Act was created The dealer preferred an appeal before the Jt ETC (A) Faridabad The recovery was stayed vide order dated 2 6 2000 The case was remanded by the Jt ETC(A) Faridabad vide order dated 19 12 2002 The demand stands quashed Notice have been issued to the assessee but since the firm stands closed no one has turned up for the finalization of assessment and last notice has been issued for 28 2 2007

M/s R G. Coir (P) Ltd Dharuhera (Cancellation of Exemption)

In this case the company has closed its business since long All the assets of the company are pledged with Haryana Financial Corporation against the loan Hence the recovery could not be effected from the assests Notices were issued to the sureties for recovry however the sureties filed a Civil Suit against such recovery in the Civil Court Rewari The Civil Court Rewari has granted stay against the recovery proceedings from sureties The case is still pending before the Civil Courts and now fixed for 27 4 2007

GURGAON (E)

Sr No	Name of the dealer	A Y	Amount	Remarks
1	S S Enterprises	1996 97	3 00	Pending with Jt ETC (A)
2	Amar Laminates	1994 95	1 47	do
3	Amar Laminates	1995 96	0 37	do-
4	Dental Hydraulics (P) Ltd	1995 96	4 90	do
5	Unicorps Industries	1994 95	1 67	do
6	Unicorps Industries	1995 96	8 56	do
7	Unicorps Industries	1996 97	4 04	do
8	Mytel Industries	1996 97	0 66	do
9	B & M Industries	1997 98	0 58	do-
10	Luxmi Industries	1997 98	0 46	do
11	Hindustan General Industry	1996-97	1 46	do
12	Nitul Data Systems	1996-97	2 58	-do-
13	Bhagwan Stone Co	1999 2000	3 68	do
14	Nippa International	1999-2000	1 01	-do
15	Nippa International	1998 99	1 00	do
16	Nippa International	1997 98	1 10	do
17	Nippa International	1999-2000	2 00	do
18	Devi Dayal Casting (P) Ltd	1993 94	3 83	Pending with STT
19	M M Industries Gurgaon (E)	1996 97	1 76	do
20	Inalsa Ltd	1997 98	0 97	do-

M/s Samart Gram Udhog Mandal Karnal A Y 1997 98

The Committee desired that the department should take action as per the rules

M/s Harpa Doors (P) Ltd Karnal A Y 1997 98

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Sachdev Traders Karnal A Y 1994-95

M/s Sachdev Traders Karnal A Y 1997-98

The Committee desired the department to send the full details of the case as there is contradiction in the figures given in the latest reply

M/s Menakshi Enterprises Faridabad (E) A Y 1999 2000

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Sirroco Auto Pvt Ltd Faridabad (E) A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

HAFED Gurgaon (W) A Y 1982 83 to 1986 87

The Committee desired that the latest reply may be sent to the Committee within a period of three months

D F S C Sonapat A Y 1980 81 to 1982 83 & 1991 92 to 1994 95

During the course of oral examination the departmental representatives assured the Committee that they will make efforts to recover the amount on the pattern it was recovered from D F S C Hisar The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Brij Motors Faridabad A Y 1996 97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Shree Shyam Steel Faridabad A Y 1995 96

The Committee desired the department to pursue the matter with the Haryana Tax Tribunal

Mohan Brothers Faridabad (E)

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M S Metal Faridabad A Y 1996 97

The Committee desired the department to pursue the matter with the Haryana Tax Tribunal

Shivam Traders A Y 1993 94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Sai Enterprises Faridabad A Y 1994 95

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

J Perot and Co India Faridabad A Y 1993-94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Dujodh Wala Udyog Faridabad A Y 1996 97 to 1999 2000

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Super Vanaspati & Oil Store Faridabad A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Akshay Enterprises A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Tunderwala Moulders Fab (P) Ltd Faridabad (West) Tin No 1313507 A Y 1998 99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Steel Depot Faridabad (W) A Y 1991-92

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Steel Depot Faridabad (W) A Y 1992 93

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Asha Agro Industry Faridabad (W) A Y 1993 94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Asha Agro Industry Faridabad (W) A Y 1994 95

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Asha Agro Industry Faridabad (W) A Y 1995 96

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Saturn Project Ltd Faridabad (West) A Y 1998-99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s R G Coir (P) Ltd Dharuhera (Cancellation of Exemption)

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Sr No	Name of the dealer	A Y
1	S S Enterprises	1996 97
2	Amar Laminates	1994 95
3	Amar Laminates	1995 96
4	Dental Hydraulics (P) Ltd	1995 96
5	Unicorps Industries	1994 95
6	Unicorps Industries	1995-96
7	Unicorps Industries	1996 97
8	Mytel Industries	1996 97
9	B & M Industries	1997 98
10	Luxmi Industries	1997 98
11	Hindustan General Industry	1996 97
12	Nitul Data Systems	1996 97
13	Bhagwan Stone Co	1999 2000
14	Nippa International	1999 2000
15	Nippa International	1998 99
16	Nippa International	1997 98
17	Nippa International	1999 2000
18	Devi Dayal Casting (P) Ltd	1993 94
19	M M Industries Gurgaon (E)	1996 97
20	Inalsa Ltd	1997 98

The Committee recommends that vigorous efforts may be made to recover the amount under intimation to the Committee

[108] 2 2 10 Non inclusion of interest in the demand sent to the liquidator

As per instructions issued by Excise and Taxation Commissioner Haryana in March 1984 interest liability which arises against a dealer on account of non payment of tax under section 59 is to be included in the arrears while registering the claim with the official Liquidator. For this purpose upto date interest liability is worked out and claim of consolidated amount is to be registered with the Liquidator.

During test check of records it was noticed that in the case of 15 dealers {three each of Gurgaon (East) Karnal** and Rewari two each of Bhiwani*** and Faridabad (East) and one each of Faridabad (West) and Gurgaon (West)} claims amounting to Rs 26 50 crore relating to the assessment years 1987 88 to 1998 99 (finalised between August 1992 and March 1999) were registered with the official Liquidators during the period between April 1997 and May 1999 but claim of interest liability amounting to Rs 673 crore was not included

On this being pointed out (August 2000) the assessing authority Gurgaon admitted (August 2000) the lapse and stated that claim of interest would be lodged in due course

The department in their written reply stated as under —

KARNAL

M/s Chhattar Chemicals Karnal RC No 19868

M/s Chhattar Chemicals, Karnal R C No 26060

In the case of two firms i.e M/s Chhattar Chemicals Karnal R C No 19868 and another unit of this firm holding R C No 26060 the interest under section 25(5) of the HGST Act has been levied in all the assessment cases for the year 1987 88 to 1992 93 in the assessment order itself and claim with the official liquidator has also been lodged in respect of out standing tax as well as interest As regards levy of interest under section 59 the same is not leviable as the firm had been closed and recovery proceedings were initiated under the Land Revenue Act However as desired by the Hon ble P A C Committee claims were lodged by Sh D P Singh ETO who has since retired There seems to be no fault or negligence on his part

In view of the facts mentioned above para may please be settled

GURGAON (E)

M/s D H Wood Head Ltd , Gurgaon, A Y 1989 90 to 1998 99

An amount of Rs 71744055/ on account of interest chargeable u/s 59 of the HGST Act and under CST Act has been included in the demand sent to the liquidator vide memo No 821/ETO Ward-I dated 26 2 07

M/s Consolidated Radiators Gurgaon

M/s Consolidated Radiators Ltd Claim of interest of Rs 4725897/- has been lodged with the official liquidator vide this office Memo No 6493 dated 23 2 2007 Sh Anoop Singh ETO is the Assessing Authority in this case

M/s Altos India Ltd Gurgaon, A Y 1993-94 & 1993 94 (Pen)

M/s Altos India Ltd Claim of interest of Rs 29 37 73 563/ has been lodged with the official liquidator vide this office Memo No 5492 dated 23 2 2007 Sh Anoop Singh ETO is the Assessing Authority in this case

REWARI

M/s Elixier Pharmaceutical Ltd Dharuhera Rewari, A Y 1992 93 & 1993 94

M/s Swadeshi Alloys Ltd Dharuhera A Y 1990 91 to 1991 92

M/s Utility Engineering (India) Ltd Dharuhera

The claim for recovery of outstanding amount has already been lodged with the official liquidators in all three cases However liquidators have so far not invited the claims for final settlement

So far as the charging of interest under section 59 of the Haryana General Sales Tax Act 1973 is concerned the same is required to be charged for the period of delay in payment of additional demand i.e. from the due date of payment to the date of actual payment. Since the Liquidators have not invited the claims for final settlement therefore the interest under section 59 of the Haryana General Sales Tax Act 1973 shall be computed from the due date of payment upto the date of invitation of claim for final settlement. The detail of interest so computed shall be informed to the Audit in due course.

BHIWANI

M/s Mohta Electro Steel Ltd , Now M/s Bhiwani Cold Rolling Mills, R C No 1529 Industrial Area Bhiwani

The claim of interest has been lodged with the liquidator amounting to Rs 4561700/- upto 06/1998 on demand created from 1987-88 to 1993-94 vide this office letter No 3765/TI (DS) dated 8-9-1998 which is well in time as the liquidator was appointed by the Hon'ble High Court on 3-7-1997. Thereafter the liquidator demand due against the firm along with interest was lodged to the liquidator was requested so many times. The amount of arrear lodged against the defaulter may be paid on preferential basis being Government dues. It is also intimated that there is no delay on the part of any officer. In the light of the reply the para may please be settled. Sh. Ajay Malik ETO is the Assessing Authority in this case.

Rama Fibre Ltd Bhiwani R C No 3282

As pointed out by A.G. Haryana the interest under section 59 of the HGST Act 1973 is not leviable as the amount of Rs 464885/- under HGST Act/CST Act for the Assessment year 1985-86 to 1989-90 pertains to interest levied under section 25(5) of HGST Act. Hence no interest is leviable under section 59 of the Act on the non payment of interest. The remaining amount of Rs 26298620/- under both the Acts relates to additional demand created for the assessment year 1992-93 to 1995-96 vide Assessing Authorities orders dated 22-12-1997, 5-2-1998 and 15-3-2004 i.e. the date after the appointment of official liquidator by the Hon'ble Punjab and Haryana High Court vide order dated 11-7-1996. The copies of these orders have been sent immediately after assessment to the official liquidator. Hence the question of levy of interest under section 59 of the HGST 1973 does not arise. Sh. Ajay Malik ETO is the Assessing Authority in this case.

FARIDABAD (E)

M/s Honda Steel Factory, Faridabad

As pointed out by audit interest of Rs 31,602/- under HGST and Rs 14,23,026/- under CST Act has been levied vide order dated 23-7-2003 claim has been lodged to the official liquidator vide letter No 1113/GM dated 10-6-2004. Sh. Hanuman Singh is the Assessing Authority in this case.

M/s Shree Lalit Fabrics (P) Limited, Faridabad

Asum of Rs 2 28 868/ is outstanding against M/s Shree Lalit Fabrics (P) Limited Faridabad on account of additional demand under both the Acts for the year 1990 91 to 1993 94. The amount already stands declared under the Land Revenue Act as an arrears. To recover this amount a claim of Rs 228868/ plus interest has already been lodged vide letter No 110/5 2 dated 12 3 1998 before the Official Liquidator.

FARIDABAD (W)**M/s Electronics Limited Faridabad R C No 1303134**

The firm had gone into liquidation vide Hon ble Delhi High Court order dated 20 5 1998 and the claim has been lodged with liquidator in respect of the additional demands created in the respective years. The interest on the additional demands cannot be ascertained to the exact amount as the additional demand had not been realized from the official liquidator till now. The claim of the interest has been reminded from time to time along with the additional demands by different Assessing Authorities and same would be lodged again when the date of payment will be ascertained by the official liquidator. Keeping in view position explained above, question for charging of interest does not arise and none is responsible for the same.

GURGAON (W)**M/s Hall Mark Health Care Gurgaon RC No 1916745 A Y 1993 1994 to 1996 1997**

As the firm is closed, recovery proceedings were initiated from sureties. First surety Sh R Partha Sarthy Prop of M/s Clean Room Technology 4 DLF Colony Gurgaon has closed down his business and not traceable. Second surety Sh Munish Kumar Bhalla Prop M/s Meenanee Enterprises 57 Udyog Vihar Gurgaon holding RC No 16254 recovery of Rs 5 000/- has been made.

The official Liquidator has been informed that his office shall invite claims from the creditors of the company and that fresh claim be made as and when it is invited. The penal interest U/s 59 and any other action shall be taken before lodging the final claim.

M/s Chhattar Chemicals Kamal RC No 19868

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Chhattar Chemicals Karnal R C No 26060

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s D H Wood Head Ltd Gurgaon A Y 1989 90 to 1998 99

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Consolidated Radiators Gurgaon

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Altos India Ltd Gurgaon A Y 1993 94 & 1993 94 (Pen)

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Elixir Pharmaceutical Ltd Dharuhera Rewari A Y 1992 93 & 1993-94

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Swadeshi Alloys Ltd Dharuhera A Y 1990 91 to 1991 92

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Utility Engineering (India) Ltd Dharuhera

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Mohta Electro Steel Ltd Now M/s Bhiwani Cold Rolling Mills R C No 1529 Industrial Area Bhiwani

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

Rama Fiber Ltd Bhiwani R C No 3282

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

FARIDABAD (E)

M/s Honda Steel Factory Faridabad

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

M/s Shree Lalit Fabrics (P) Limited Faridabad

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

FARIDABAD (W)

M/s Electronics Limited Faridabad R C No 1303134

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

GURGAON (W)

M/s Hall Mark Health Care Gurgaon R C No 1916745 A Y 1993 94 to 1996 97

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[109] 2 3 Under assessment of notional sales tax liability

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 sale of finished products of the eligible industrial unit under the local sales tax law but for an exemption computed at the maximum rates leviable in the State. 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 taxable turnover of finished goods manufactured by the unit. Further Prohibition Excise and Taxation Commissioner Haryana also clarified (18 January 2001) that in case of inter State sale production of C forms is necessary for deferment of tax granted under Rule 28 (A) for availing concessional rate of tax.

(i) During test check of records of eight offices it was noticed (between August 1999 and November 2000) that in 18 cases of 14 industrial units availing benefit of exemption/deferment from payment of tax sold their finished products for Rs 34 61 crore during the years 1994 95 to 1998 99 but the assessing authorities while finalising (between December 1997 and January 2000) assessments erroneously levied tax short by Rs 1 87 crore due to application of incorrect rate of tax. The mistake resulted in under assessment or notional sales tax liability of Rs 1 87 crore as tabulated below —

The department in their written reply stated as under —

Sr No	Name of the DETCs/ ETOs/ No of Unit	Assessment Year/date of assessment	Nature of Observation (Rupees in lakh)	Turnover involved assessed (Rupees in lakh)	Tax under	Remarks
1	Faridabad (West)/01	1997 98 1998 99/ January and October 1999	On the sale of polythene based cable components tax was levied @ 4 per cent instead of correct rate of 10 per cent	1115 09	66 91	The case was sent for suo motu action

**M/s Elkay International (P) Ltd Faridabad(W)
A Y 1997 98 & 1998-99 RC No 13015049**

In this case the DETC cum Revisional Authority has created an additional demand of Rs 68 467/ for the year 1997 98 and Rs 22 67 022/ for the year 1998 99 vide his order dated 28 2 2002. The dealer has however preferred an appeal alongwith stay application against the above said order before the Sales Tax Tribunal Haryana and both the cases are still pending.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[110] 2 5 application of incorrect rate of tax

Under section 8 (2) Central Sales Tax Act 1956 inter State sales of goods other than declared goods shall be taxable at the rate of ten per cent or at the rate applicable to the sale or purchase of such goods inside the State whichever is higher when such sales are not supported by Form C. Electronic goods were taxable at the rate of 10 per cent plus surcharge during the year 1994 95 under the Local Act.

During test check of records of Deputy Excise and Taxation Commissioner Faridabad (West) it was noticed (September 2000) that a dealer made inter State sales of electronic goods valued at Rs 5 97 crore during the year 1994 95 without Form C. The assessing authority while finalising (June 1999) assessment erroneously levied tax on these sales at the rate of ten per cent instead of correct rate of eleven per cent including surcharge leviable in case of inter-State sale without declaration in Form C. This resulted in under assessment of tax of Rs 5 97 lakh.

On this being pointed out (September 2000) the assessing authority created (November 2000) additional demand of Rs 5 97 lakh.

The case was referred to Government in February 2001 their reply had not been received (October 2001).

The department in their written reply stated as under -

m/s Electronics Ltd Faridabad (W) RC No 1303134 A Y 1994 95

In this case an additional demand of Rs 5 97 lacs was created. The firm has since been closed and has gone into liquidation. Hence the claim has already been lodged with the official liquidator.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[111] 2 6 Non-levy of purchase tax

(b) Under the Central Sales Tax Act 1956 the last sale or purchase of any goods preceding the sale or purchase occasioning the export of those goods out of India shall also be deemed to be in the course of such export if such last sale or purchase took place after and was for the purpose of complying with the agreement or order for or in relation to such export. The Punjab and Haryana High Court also held (2000) 16 PHT 304 (P&H) (July

2000) that purchase tax on paddy purchased within the State without payment of tax is leviable where rice procured out of such paddy has been exported out of India indirectly

During test check of records of Deputy Excise and Taxation Commissioners Jind and Panipat it was noticed (between February 1998 and August 2000) that 8 dealers in 9 cases (6 of Jind and 3 of Panipat) purchased paddy valued at Rs 15.36 crore from within the State without payment of tax during the years 1996-97 to 1998-99 and used the same in the manufacture of rice exported out of India indirectly. The assessing authorities while finalising (between September 1997 and October 1999) assessments did not levy tax on paddy at the stage of last purchase. This resulted in non levy of purchase tax of Rs 61.44 lakh.

On this being pointed out (between February 1999 and August 2000) the department stated (February and April 2001) that in two cases of Panipat revisional authority created additional demand of Rs 3.46 lakh and the remaining 7 cases (six of Jind and one of Panipat) had been referred to revisional authorities for taking *suo motu* action. Further report on action taken had not been received (October 2001).

The cases were referred (June 1999 and February 2001) to Government. Their reply had not been received (October 2001).

The department in their written reply stated as under —

- 1 **M/s Gopal Rice Mills Safidon A.Y 1997-98 & 1998-99**
- 2 **M/s Ganpati Rice Mill Safidon A.Y 1998-99**
- 3 **M/s Shiv Shanker Rice Mill Safidon A.Y 1997-98**

In this para it is submitted that Hon'ble Punjab & Haryana High Court has given judgement in favour of Government in case of M/s Monga Rice Mill Kamal. Therefore on the basis of this judgement cases were taken in *suo moto* action and the notices were issued to the said dealers but M/s Monga Rice Mill and others preferred a special leave to appeal (Civil) No. 11487/11523/2002 in the Supreme Court of India which granted *statue que* with regard to past dues vide order dated 8.7.2002 and in the light of this interim order no action is possible on the part of Revisional Authority.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[112] 2.8 Non recovery of tax

(a) Under the provisions of Rule 28 (A) of Haryana General Sales Tax Rules registered dealers exempted from payment of tax are required to make applications in form ST-71 alongwith exemption certificates and surety for the amount prescribed under the rules for renewal of their exemption certificates every year. In the event of failure to furnish the adequate surety exemption certificate is liable to be cancelled and the whole amount of exemption availed becomes recoverable alongwith interest and penalty.

In Rewari a registered dealer was granted exemption from payment of tax under Rule 28 (A) for the period 7 September 1992 to 6 September 2001. The dealer availed

exemption of Rs 1 34 crore during the period 1992 93 to 1997 98 without furnishing adequate surety By the time Deputy Excise and Taxation Commissioner Rewari cancelled (January 1998) the exemption certificate the unit had already closed and tax of Rs 1 34 crore and interest of Rs 1 07 crore (upto September 2000) could not be recovered from the dealer

(b) In Faridabad an industrial unit was granted (April 1998) eligibility certificate (valid from 23 April 1996 to 22 April 2005) by Industries Department The dealer applied (May 1998) for grant of exemption from payment of tax under Rule 28 (A) but did not furnish the complete documents and surety bond with the application The department issued (April 1999) notice to the unit for furnishing of complete documents i e surety bond etc but the same could not be served as the dealer had already closed its business and his application was filed (December 1999) In audit it was noticed (May 2001) that by the time the department started action on the application for grant of exemption certificate the dealer had already availed exemption from payment of tax of Rs 25 89 lakh during the period April 1996 to September 1998 The Industries department withdrew the eligibility certificate on 7 July 2000 but the Sales Tax Department did not cancel (May 2001) the exemption certificate Thus amount of tax exemption of Rs 25 89 lakh alongwith interest of Rs 12 88 lakh which became recoverable from the dealer was neither demanded nor recovered by the department till May 2001

Thus tax of Rs 2 80 crore recoverable from the exempted/closed units remained unrecovered

The department in their written reply stated as under

M/s India Ceroils Ltd (Unit II) Dharuhera Rewari RC No 3162 A Y 1993 94 to 1997 98

In this para it is submitted that the firm stands closed since long and where about of the partners are not known Notices were issued to the sureties of the firms One surety is a lady and the firm of other surety stand closed Hence nothing has been recovered till date However efforts will be made to trace the partners and the recovery will be made as soon as possible

M/s S R Coatex(P) Ltd Faridabad(E) RC No 1210913 A Y 1996 97 to 1998 99

In this para it is submitted that the dealer was assessed for the year 1996 97 vide assessing authority order dated 23 7 99 who created an additional demand of Rs 8 31 501/- under the CST Act 1956 The firm stands closed since long and the where about of the Directors Shri Vijay Kumar Gupta and Smt Neeta Gupta were not known The copy of assessment order and tax demand notice could only be served by substituted service at the last known address on 23 7 2001 Now it has come to notice that the dealer is living abroad i e in Norway The copy of the order alongwith tax demand notice was sent to Norway but received back as unserved A letter to this effect has also been written to the Norway Embassy at New Delhi As regards the action against sureties it is intimated that one surety has been died and recovery proceeding under the land revenue Act has been initiated against the second surety The recoverable dues against the dealer are Rs 8 31 501/- for the A Y 1996 97 and rest of the demand for the year 1997 98

and 1998 99 is yet to be finalised by Assessing Authority who has been directed to finalise the cases early

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

[113] 4 1 Results of Audit

Test check of records in departmental offices relating to revenues received Cram purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Land Revenue and Electricity Duty revealed under assessments oC taxes and duties and loss of revenue amounting to Rs 8381 30 lakh in 114490 cases as depicted below

Heads of revenue		Number of cases	Amount
			(Rupees in lakh)
A	Agriculture	9	468 00
B	Taxes on Motor Vehicles	113842	513 20
C	Passengers and Goods Tax	363	256 05
D	State Excise Duty	106	2213 75
E	Land Revenue	144	8 63
F	Electricity Duty	26	4921 67
Total		114490	8381 30

In the cases of Purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Land Revenue and Electricity Duty the departments accepted under assessments etc of Rs 750 28 lakh involved in 48518 cases which were pointed out during the year 2000 2001 and recovered Rs 175 90 lakh in 463 cases of which Rs 169 88 lakh were recovered in 384 cases pertaining to earlier years

A few illustrative cases involving Rs 759 09 lakh highlighting important cases are mentioned in the following paragraphs

The department in their written reply stated as under —

Passengers and Good Tax

All the 363 cases involving an amount of Rs 256 05 Lakhs have been reviewed with the following results —

- (i) 179 cases involving an amount of Rs 172 73 Lakhs have been settled with demand
- (ii) 184 cases involving an amount of Rs 83 32 Lakhs are still under active consideration of the department

State Excise Duty

All 106 cases involving an amount of Rs 2213 75 Lakhs have been reviewed with the following results —

- (i) 18 cases involving an amount of Rs 45 03 Lakhs have been settled with demand

- (ii) 6 cases involving an amount of Rs 39.93 Lakhs have been settled without demand
- (iii) 82 cases involving an amount of Rs 2128.79 Laks are still under active consideration of the department

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

REVENUE DEPARTMENT

[114] 17 *Result of Audit*

Test check of records of departmental offices relating to revenues of Taxes on Sales Trade etc Stamp Duty and Registration Fee Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (Police) Public Works (irrigation Buildings and Roads) Co operation Medical Mines and Minerals Animal Husbandry Foods and Supply industries and Public Health conducted during the year 2000 2001 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312 80 crore in 134974 cases During the course of the year 2000 2001 the concerned departments accepted under assessment etc of Rs 31 03 crore involved in 48885 cases of which 48809 cases involving 30 27 crore had been pointed out in audit during 2000 2001 and the rest in earlier years An amount of Rs 4 16 crore was recovered in 898 cases during 2000 2001 of which Rs 4 07 crore recovered in 812 cases related to earlier years

The Report contains 22 paragraphs and 2 reviews relating to Recovery of sales tax in arrears and Receipts of Police Department' involving Rs 100 33 crore The department accepted audit observations involving Rs 46 49 crore out of which Rs 6 84 crore had been recovered up to July 2001 No replies had been received in other cases

The department in their written reply stated as under —

In this para 134974 cases were involved (Result of Audit) amounting to Rs 312 80 crore 1882 cases involving Rs 334 76 lac was concerned to Revenue Department

(Stamp Duty)

The latest position of 1882 cases involving of Rs 334 76 lacs is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	499	37 19
2 Amount dropped by A G	632	47 31
3 Amount dropped by D Cs	86	22 17
4 Recovery already mentioned in CAG	53	0 87
5 Pending in various courts	145	103 91
6 Balance cases/Amount for recovery	467	123 31
Total	1882	334 76

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

During the course of oral examination the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc then disciplinary action will be taken against the delinquent officers/officials

After hearing the departmental representatives, the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials. The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system. An effective recovery system may be evolved to minimize the delay in effecting the recovery.

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months.

[115] 1.8 Outstanding inspection reports and audit observation

(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 up to 31 December 2000 and which were pending settlement by the departments as on 30 June 1999, 2000 and 2001 are given below.

Particulars	At the end of June		
	1999	2000	2001
Number of inspection reports pending settlement	2301	2517	2785
Number of outstanding audit observations	6092	6176	6560
Amount of revenue involved (Rupees in crore)	279.93	650.03	461.36

(iii) Department-wise break up of the inspection reports and audit observations upto December 2000 and outstanding as on 30 June 2001 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
Revenue Department	800	1438	24.82	55
Excise and Taxation	610	2680	233.08	28
Transport	329	587	8.87	4
Forest	61	134	10.58	8
Others	985	1721	184.01	77
Total	2785	6560	461.36	172

This includes Stamp Duty and Registration Fee and Land Revenue

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

The matter was brought to the notice of Government in June/July 2001 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 2001)

The department in their written reply stated as under

Reply may be seen at next

(iii) Out of 800 Inspection Reports containing 1438 Audit Observations involving Rs 24 82 crore 783 Inspection Repots containing 1378 Audit Observations involving Rs 24 66 crore relates to Stamp Duty & Registration Fee and 17 Inspection Reports 60 Audit observation and Rs 16 lacs relates to Land Revenue Reply to all Inspection Reports have been sent to Accountant General Haryana The latest position of paras is as under —

	I R	Audit objection	Amount (in crore)	Settled/Recovered			I R	Balance	
				I R	A O	Amount (in crore)		A O	Amount (in crore)
Stamp	783	1378	24 66	653	744	21 73	130	634	2 93
L R	17	60	0 16	12	48	0 10	5	12	0 06
Total	800	1438	24 82	665	792	21 83	135	646	2 99

Efforts are being made to settle the pending Inspection Reports and Audit Observations by the Deputy Commissioners and Sub Registrars

During the course of oral examination, the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc then disciplinary action will be taken against the delinquent officers/officials

After hearing the departmental representatives the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system an effective recovery system may be evolved to minimize the delay in effecting the recovery

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months

[116] 3.1 Results of Audit

Test check of records of various registration offices conducted in audit during the year 2000 2001 revealed non/short levy of stamp duty and registration fee amounting to Rs 334 76 lakh in 1882 cases which broadly fall under the following categories

Sr No	Nature of irregularities	Number of case	Amount (Rupees in lakh)
1	Evasion of stamp duty and registration fee	76	46 49
2	Irregular exemption of stamp duty and registration fee	844	55 51
3	Non/short levy of stamp duty and registration fee	546	78 78
4	Loss of stamp duty due to misclassification of deeds	286	96 23
5	Loss of stamp duty due to undervaluation of properties	51	34 87
6	Short levy of stamp duty on lease deed	47	20 46
7	Other irregularities	32	2 42
Total		1882	334 76

During the year 2000 2001 the department accepted under assessments of Rs 16 45 lakh in 48 cases and recovered Rs 9 41 lakh in 191 cases pertaining to earlier years

A few illustrative cases involving Rs 101 50 lakh are mentioned in the following paragraphs

The department in their written reply stated as under —

Latest position of 1882 cases involving Rs 334 76 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	499	37 19
2 Amount dropped by A G	632	47 31
3 Amount dropped by D Cs/Collectors	86	22 17
4 Recovery already mentioned in CAG	53	0 87
5 Pending in various courts	145	103 91
6 Balance cases/ Amount for recovery	467	123 31
Total	1882	334 76

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	19	3 37
2 Amount dropped by A G	7	21 41
3 Amount dropped by D Cs/Collectors	6	4 22
4 Recovery already mentioned in CAG	—	—
5 Pending in various courts	10	3 31
6 Balance cases/ Amount for recovery	34	14 18
Total	76	46 49

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	323	23 88
2 Amount dropped by A G	222	9 10
3 Amount dropped by D Cs/Collectors	24	4 13
4 Recovery already mentioned in CAG	44	0 51
5 Pending in various courts	6	0 09
6 Balance cases/ Amount for recovery	225	17 80
Total	844	55 51

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	95	2 19
2 Amount dropped by A G	344	6 82
3 Amount dropped by D Cs/Collectors	16	3 48
4 Recovery already mentioned in CAG	1	0 06
5 Pending in various courts	45	57 27
6 Balance cases/Amount for recovery	45	8 96
Total	546	78 78

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	44	6 45
2 Amount dropped by A G	49	7 64
3 Amount dropped by D Cs /Collectors	31	10 02
4 Recovery already mentioned in CAG	4	0 18
5 Pending in various courts	69	21 66
6 Balance cases/Amount for recovery	89	50 28
Total	286	96 23

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 Recovered by the department	4	0 31
2 Amount dropped by A G	1	1 88
3 Amount dropped by the DCs /Collectors	1	0 11
4 Recovery already mentioned in CAG	3	0 09
5 Pending in various courts	15	20 40
6 Balance cases/Amount for recovery	27	12 08
Total	51	34 87

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 (vi) is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	13	0 98
2 Amount dropped by A G	9	0 37
3 Amount dropped by the DCs /Collectors	2	0 20
4 Recovery already mentioned in CAG	1	0 03
5 Pending in various courts	3	0 77
6 Balance cases/ Amount for recovery	19	18 11
Total	47	20 46

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 (vii) is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	1	0 01
2 Amount dropped by A G	3	0 09
3 Amount dropped by the DCs / Collectors	6	0 01
4 Recovery already mentioned in CAG	—	—
5 Pending in various courts	1	0 56
6 Balance cases/Amount for recovery	21	1 75
Total	32	2 42

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.

During the course of oral examination, the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc. then disciplinary action will be taken against the delinquent officers/officials.

After hearing the departmental representatives the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials. The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system. An effective recovery system may be evolved to minimize the delay in effecting the recovery.

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months.

[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 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 was noticed (between November 1999 and December 2000) that 53 compromise decrees registered between April 1998 and August 2000 created for the first time right title or interest in the said immovable property valued at Rs 5 35 crore were registered for exchange of property without levying stamp duty of Rs 67 68 lakh due on the value of the property exchanged This resulted in non levy of duty amounting to Rs 67 68 lakh

On this being pointed out (between November 1999 and December 2000) 6** Sub Registrars accepted the audit observation and stated (November 1999 and January 2001) that steps to recover the amounts were being taken while the other 6 Sub Registrars stated (December 1999 and January 2001) that the cases would be referred to the Collectors for adjudication of stamp duty

The matter was referred (between February 2000 and February 2001) to Government who directed (March and May 2000) the Deputy Commissioners Faridabad Gurgaon and Karnal to effect the recovery within three weeks Further report on recovery had not been received (October 2001)

The department in their written reply stated as under —

Latest position of 53 cases involving an amount of Rs 67 68 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	7	8 44
2 Amount dropped by A G	2	2 91
3 Amount Pending in various courts	36	54 49
4 Balance cases/ Amount for recovery	8	1 84
Total	53	67 68

Efforts are being made to recover the balance amount Deputy Commissioners Hisar Sirsa and Karnal have been directed to bring down the number of cases pending in various courts and get the decision expedited

During the course of oral examination, the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc then disciplinary action will be taken against the delinquent officers/officials

After hearing the departmental representatives the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials The

Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system, an effective recovery system may be evolved to minimize the delay in effecting the recovery

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility, taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months

[118] 3.3 Short levy of stamp duty on plant and machinery

Under the Indian Stamp Act 1899 Conveyance includes conveyance on sale and every instrument by which property whether movable or immovable is transferred Further Indian Registration Act 1908 provides that immovable property includes land buildings and things attached to the earth

During test-check of records of Sub Registrars Hisar Panchkula and Joint Sub Registrar Raipur Rani (Panchkula) it was noticed (between December 2000 and February 2001) that 5 vendors purchased factories for a consideration of Rs 80.85 lakh (Rs 35.01 lakh for land and building and Rs 45.84 lakh for plant and machinery) in auction conducted by the Haryana Financial Corporation While executing (April and May 1999 and February 2000) the sale deeds the registering authorities Hisar Panchkula and Raipur Rani levied stamp duty on the cost of land and building valued at Rs 35.01 lakh only but did not levy stamp duty on cost of plant and machinery valued at Rs 45.84 lakh The omission resulted in short levy of stamp duty of Rs 5.73 lakh leviable on the cost of plant and machinery

On this being pointed out (between December 2000 and February 2001) the department intimated that notices for recovery were being issued to the concerned parties Report on recovery had not been received (October 2001)

The matter was referred (February 2001) to the Government their reply had not been received (October 2001)

The department in their written reply stated as under —

Out of Rs 5.73 lakh an amount of Rs 4.49.625/- involving in two cases pending for decision in the Court of Collector Panchkula and an amount of Rs 1.23.375/- involving in three cases pending for decision in the Court of Collector Hisar

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

During the course of oral examination, the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc then disciplinary action will be taken against the delinquent officers/officials

After hearing the departmental representatives, the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials. The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system, an effective recovery system may be evolved to minimize the delay in effecting the recovery.

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months.

[119] 3.4 Short levy of stamp duty on lease deed

Under the Indian Stamp Act 1899 as applicable to Haryana on an instrument of lease stamp duty is chargeable at different rates on the basis of period of lease and the average annual rent reserved.

During test check of records in two offices of Sub Registrars Faridabad and Ballabhgarh for the years 1998-99 and 1999-2000 it was noticed (between November 1999 and September 2000) that 11 instruments of lease for the periods ranging between 9 and 99 years executed between August 1998 and October 1999 were charged stamp duty of Rs 1.37 lakh instead of Rs 4.05 lakh due to application of incorrect rates of duty. The omission resulted in short levy of stamp duty of Rs 2.68 lakh.

On this being pointed out (between December 1999 and September 2000) the registering authorities stated (December 1999 and August 2000) that notices would be issued for effecting recovery.

The matter was also referred to Government (February and December 2000) who directed (July 2000 and February 2001) the Commissioner Faridabad to reply within three weeks after effecting the recovery. Report on recovery had not been received (October 2001).

The department in their written reply stated as under —

Latest position of 11 cases involving Rs 2.68 lakh is as under —

	Cases	Amount (in lacs)
1 Amount Recovered by the department	1	0.23
2 Balance cases/ Amount for recovery	10	2.45
Total	11	2.68

Efforts are being made to recover the balance amount on priority basis.

During the course of oral examination, the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter.

of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc then disciplinary action will be taken against the delinquent officers/officials

After hearing the departmental representatives the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system an effective recovery system may be evolved to minimize the delay in effecting the recovery

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months

[120] 3 5 Embezzlement/evasion of stamp duty

(b) The Indian Stamp Act 1899 as applicable to Haryana provides that the consideration 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 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

During test-check of records of 20* registering offices it was noticed (between January and November 2000) that 53 conveyance deeds were registered (between March 1998 and June 2000) on account of sale of immovable properties The total value of properties set forth in all the conveyance deeds was Rs 1 19 crore whereas the total value found recorded in the agreements executed between affected parties during the period from October 1997 to March 2000 by various document writers in these 53 cases worked out to Rs 2 41 crore Under-valuation of the properties by Rs 1 22 crore resulted in evasion of stamp duty of Rs 15 36 lakh Besides penalty not exceeding Rs 2 65 lakh for under-valuation done with intent to defraud the Government was also leviable

On this being pointed out (between January and November 2000) 12 registering authorities stated that notices would be issued to recover the amount In 2 cases a sum of Rs 0 39 lakh had been recovered (June and July 2000) by registering authorities Uchana and Gohana No reply had been received in respect of 6 cases (October 2001)

The matter was referred (between April 2000 and January 2001) to Government The Government directed (between May and December 2000) the Deputy Commissioners Jind Sonipat Ambala and Yamunanagar to effect the recovery Reply in respect of remaining cases had not been received (October 2001)

The department in their written reply stated as under —

Latest position of 53 cases involving an amount of Rs 15 36 lakh is as under —

	Cases	Amount (in lacs) -
1 Amount Recovered by the department	13	3 19
2 Amount dropped by DCs /Collectors	2	2 57
3 Amount dropped by A G	1	0 13
4 Amount Pending in various courts	2	1 46
5 Balance cases/ Amount for recovery	35	8 01
Total	53	15 36

Efforts are being made to recover the balance amount Deputy Commissioners have been directed to bring down the number of cases pending in various courts and get the decision expedited

During the course of oral examination the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc , then disciplinary action will be taken against the delinquent officers/officials

After hearing the departmental representatives the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system, an effective recovery system may be evolved to minimize the delay in effecting the recovery

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months

[121] 3 6 Incorrect exemption of stamp duty

Haryana Government vide notification issued in August 1995 remitted the stamp duty leviable on the deeds of conveyance to be got executed by the farmers whose land is acquired by the Government in public interest and who purchase agricultural land in Haryana State within one year of the amount of compensation received by them for the acquired land It was further provided that such remission would be limited to the compensation

amount only and the additional amount involved for the purchase of agricultural land would be liable to stamp duty leviable under the rules. The Government in Revenue Department further clarified (March 1998) that benefit of exemption of stamp duty was not available for House Building Co operative Societies

(ii) During test check of records of Sub-Registrar Hisar it was noticed (December 2000) that a House Building Co operative Society of Hisar whose land was acquired by Government in May 1995 received (October 1999) a compensation of Rs 50.81 lakh and executed an instrument of conveyance deed for purchase of agricultural land within the same district for Rs 9.90 lakh. However stamp duty of Rs 1.24 lakh though leviable was incorrectly exempted. This resulted in non levy of stamp duty of Rs 1.24 lakh.

On this being pointed out (December 2000) the department accepted the audit observations and stated (December 2000) that notice would be issued for effecting recovery. Further report on recovery was awaited (October 2001).

The matter was referred (February 2001) to Government. Their reply had not been received (October 2001).

The department in their written reply stated as under —

One case involving Rs 1.24 lac pending in the court of Collector Hisar for decision. Efforts are being made directed to get the decision expedited.

During the course of oral examination, the departmental representatives assured the Committee that they will ask the Divisional Commissioners to look into the matter of recovery in all these cases at their own level and see if someone has deliberately under charged the stamp duty/registration fees etc. then disciplinary action will be taken against the delinquent officers/officials.

After hearing the departmental representatives, the Committee recommends that vigorous efforts may be made to recover the amount and as assured the department may take action against the delinquent officers /officials. The Committee further recommends that the department should look into the matter of recovery in all these cases and see if the delay in recovering such amount is due to some lacunae in the system, an effective recovery system may be evolved to minimize the delay in effecting the recovery.

The Committee desired that recovery position in all these cases may be sent to the Committee each quarter and a compliance report with regard to fixing the responsibility, taking action against the delinquent officers/officials and evolving an effective recovery system be sent to the Committee within a period of three months.

AGRICULTURE DEPARTMENT

[122] 17 Result of Audit

Test check of records of departmental offices relating to revenues of Taxes on Sales Trade etc Stamp Duty and Registration Fee Taxes on Motor vehicles Passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co operation Medical Mines and Minerals Animal Husbandry Foods and Supply Industries and Public Health conducted during the year 2000 2002 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312 80 crore in 134974 cases During the course of the year 2000 2001 the concerned departments accepted under assessment etc of Rs 31 03 crore involved in 48885 cases of which 48809 cases involving 30 27 crore had been pointed out in audit during 2000 2001 and the rest in earlier years An amount of Rs 4 16 crore was recovered in 898 cases during 2000-2001 of which Rs 4 07 crore recovered in 812 cases related to earlier years

The Report contains 22 paragraphs and 2 reviews relating to Recovery of sales tax in arrears and Receipts of Police Department involving Rs 100 33 crore The department accepted audit observations involving Rs 46 49 crore out of which Rs 6 84 crore had been recovered up to July 2001 No replies had been received on other cases

The department in their written reply stated as under —

As per details received from Accountant General Haryana the department involved in 9 cases for Rs 468 00 Lakh The mill wise details is as under —

Sr No	Name of Office	Year	No of cases	Amount (Rs in Lakh)
1	A C D O Shahabad	1999 2000	1	0 49
2	A C D O Yamunanagar	1999 2000	2	89 63 210 96
3	A C D O Karnal	1999 2000	1	103 83
4	A C D O Jind	1999 2000	3	00 31
5	A C D O Rohtak	1999 2000	1	32 88
6	A C D O Panipat	1999 2000	1	29 90
Total			9	468 00

- 1 A C D O Shahabad has deposited Rs 19 67 Lakh including Rs 0 49 Lakh vide Challan No 1 A dated 24 7 2000 (copy attached Hence this para may please be dropped
- 2 A C D O Yamunanagar has deposited Rs 88 49 lakh vide challan No 25 B dated 20-4 2002. (copy enclosed) Efforts are being made to recover the balance amount Rs 1 14 lakh As regards recovery of Rs 210 96 lakh from Naraingarh Sugar Mills Ltd Naraingarh is cocerned the case is lying pending in the Hon ble Court of Distt Session Judge Panchkula for decision

- 3 As regard recovery of Rs 103 83 lakh from Piccadilly Agro Industries Ltd Bhadson (Karnal) is concerned the case is lying pending before the Hon ble Punjab and Haryana High Court
- 4 Rs 00 31 lakh has been deposited by A C D O Jind vide challan No 64 dated 20 10 2002 (copy enclosed) Hence Para may please be dropped
- 5&6 Now an amount of Rs 62 78 lakh is due against Cooperative Sugar Mills Ltd Rohtak and Panipat (32 88 lakh) is due against Rohtak and Rs 29 90 lakh due against Sugar Mills Ltd Panipat

For effecting the recovery Cane Commissioner Haryana Panchkula has issued certificate to the concerned Collector to recover the arrear of cane purchase tax as arrear of land revenue as per provision of clause 17(3) of Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 vide this office Regd Letter No 1750 1751 dated 2 5 2001 respectively

In this regard a meeting was also 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 Rohtak has deposited Rupees 40 05 672 vide Challan No 11 dated 22 2 2002 12 dated 22-2 2002 10 dated 13 3 02 & 19 dated 22 3 02 for the season 2001 02 and Sugar Mill Panipat has deposited Rs 26 56 866 vide Challan No 1 dated 7 3 2002 for the year 1990 91. Further efforts are being made to recover the balance amount

The following efforts have been made to recover the outstanding arrears —

- (i) A meeting was convened under the Chairmanship of Cane Commissioner Haryana on dated 2-6 2004 wherein the representatives of all the Sugar Mills were directed to submit their deposit plan otherwise a serious action will be initiated against them
- (ii) All the Heads of the Sugar factories have been asked through demi official letter dated 13 12-2004 by the Director of Agriculture cum Cane Commissioner to deposit the outstanding dues
- (iii) The certificates has been issued to the concerned Collectors for affecting the recovery as arrears of land revenue vide this office memo No CC/Acctt /4584 dated 14 10 2004
- (iv) A demi official letter No 4177 dated 16 9 2004 has been written by Financial Commissioner & Principal Secretary to Govt Haryana Agriculture Deptt to Financial Commissioner and Principal Secretary to Haryana Co op Deptt for depositing the Purchase Tax and interest thereon. Thereafter a reminder No 1233 dated 18 3 2005 has been sent by Cane Commissioner Haryana to the Financial Commissioner and Principal Secretary to Govt Haryana Co op Deptt for immediate action to recover the purchase tax from the defaulter

Sugar Mills The Cane Commissioner Haryana vide his D O Letter dated 11 10 2005 requested to the M D Haryana State Federation of Co op Sugar Mills Ltd Panchkula for depositing the balance purchase tax and interest thereon due against the Co op Sugar Mills so that the audit para may be settled On 24-10 2005 Govt has requested to transfer the purchase tax to Excise & Taxation Deptt for its recovery After this a meeting of Sugarcane Control Board was held under the Chairmanship of Honourable Chief Minister Haryana on 10 11 2005 and it was decided in the meeting the Managing Director Sugar Federation may prepare a draft for exemption of interest amount and send to Govt through Agriculture Deptt and Private Sugar Mills deposit the purchase tax along with interest In this regard a certificate was issued through Collector Panchkula vide this office letter No CC/Acctt / 4356 dated 13 12-2005 to Collector Yamuna Nagar Ambala and Karnal for recovery of purchase tax and interest thereon due against the Private Sugar Mills Yamunanagar Naraingarh and Bhadson

In view of the position explained above it is evident that the Department is serious about the recovery of Cane Purchase Tax along with interest thereon and efforts are being initiated for the recovery

- (v) The matter was discussed in the Deputy Commissioner Haryana State conference held on 12 2 2006 under the Chairmanship of Hon ble Chief Minister Haryana

After scrutinizing the reply of the department, the Committee desired that vigorous effects may be made to recover the balance amount from Sugar Mill Rohtak, and the amount may also be recovered from Naraingarh Sugar Mills Naraingarh and Piccadilly Agro Industries Ltd Bhadan (Karnal) as there is no stay from the Hon ble High Court

[123] 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 the Departments within a period of two months

(ii) The number of inspection reports and audit observations relating to revenue receipts issued up to 31 December 2000 and which were pending settlement by the departments as on 30 June 1999 2000 and 2001 are given below —

Particulars	At the end of June		
	1999	2000	2001
Number of inspection reports pending settlement	2301	2517	2785
Number of outstanding audit observations	6092	6176	6560
Amount of revenue involved (Rupees in Crore)	279 93	650 03	461 36

The department in their written reply stated as under —

As per CAG report there are 1721 outstanding paras involving Rs 184 01 crore up to 2000 01 36 paras relate to Agriculture Department involving Rs 12 21 crore as per latest information received from A G Haryana at personal level up to 2000 2001

The above 36 paras are still outstanding against this Department Efforts are being made to get these outstanding paras settled by arranging meetings with the representative of A G (Audit) Haryana

The Committee desired that vigorous efforts may be made to settle the paras/ recover the amount under intimation to the Committee

[124] 4 1 Results of Audit

Test check of records in departmental offices relating to revenues received from purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Land Revenue and Electricity Duty revealed under assessments of taxes and duties and loss of revenue amounting to Rs 8381 30 lakh in 114490 cases as depicted below —

Heads of revenue		Number of cases	Amount
			(Rupees in lakh)
A	Agriculture	9	468 00
B	Taxes on Motor Vehicles	113842	513 20
C	Passengers and Goods tax	363	256 05
D	State Excise Duty	106	2213 75
E	Land Revenue	144	8 63
F	Electricity Duty	26	4921 67
Total		114490	8381 30

In the cases of Purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Land Revenue and Electricity Duty the departments accepted under assessments etc of Rs 750 28 lakh involved in 48518 cases which were pointed out during the year 2000 2001 and recovered Rs 175 90 lakh in 463 cases of which Rs 169 88 lakh were recovered in 384 cases pertaining to earlier years

A few illustrative case involving Rs 759 09 lakh highlighting important cases are mentioned in the following paragraphs

The department in their written reply stated as under —

As per details received from Accountant General Haryana the department involved in 9 cases for Rs 468 00 Lakh The mill wise details is as under —

S No	Name of Office	Year	No of cases	Amount (Rs in Lakh)
1	A C D O Shahabad	1999 2000	1	0 49
2	A C D O Panipat	1999-2000	1	29 90
3	A C D O Rohtak	1999 2000	1	32 88
4	A C D O Yamunanagar	1999 2000	2	89 63 210 96
5	A C D O Karnal	1999 2000	1	103 83
6	A C D O Jind	1999 2000	3	00 31
Total			9	468 00

- 1 A C D O Shahabad has deposited Rs 19 67 Lakh including Rs 0 49 Lakh vide Challan No 1-A dated 24 7 2000 (copy attached) Hence this para may please be dropped
- 2 A C D O Yamunanagar has deposited Rs 88 49 lakh vide challan No 25 B dated 20 4-2002 (copy enclosed) Efforts are being made to recover the balance amount Rs 1 14 lakh As far as recovery of Rs 210 96 lakh from Naraingarh Sugar Mills Ltd Naraingarh is cocerned it stated that this case is lying pending in Hon ble Court of Distt Sesseion Judge Panchkula for decision
- 3 As far as recovery of Rs 103 83 lakh from Piccadily Agro Industries Ltd Bhadson (Karnal) is cocerned case is lying pending in Hon ble High Court
- 4 Rs 00 31 lakh has been deposited by A C D O Jind vide challan No 64 dated 20 10 2002 (copy enclosed) Hence para may please be dropped
- 5&6 Now an amount of Rs 62 78 lakh is due against Cooperative Sugar Mills Ltd Rohtak (32 88 lakh) and Cooperative Sugar Mills Ltd Panipat (29 90 lakh)

The following efforts have been made to recover he outstanding arrears —

- (i) A meeting was convened under the Chairmanship of Cane Commissioner Haryana on dated 2 6 2004 wherein the representative of all the Sugar Mills were directed to submit their deposit plan otherwise a serious action will be initiated against them
- (ii) All the Heads of the Sugar factories have been asked through demt official letter dated 13 12 2004 by the Director of Agriculture cum Cane Commissioner to deposit the outstanding dues

- (iii) The certificate has been issued to the concerned Collectors for affecting the recovery as arrear of land revenue vide this office memo No CC/Acctt/4584 dated 14 10 2004
- (iv) A demi official letter No 4177 dated 16 9 2004 has been written by Financial Commissioner & Principal Secretary to Govt Haryana Agriculture Deptt to Financial Commissioner and Principal Secretary to Haryana Co op Deptt for depositing the Purchase Tax and interest thereon Thereafter a reminder No 1233 dt 18-3 2005 has been sent by Cane Commissioner Haryana to the Financial Commissioner and Principal Secretary to Govt Haryana Co op Deptt for immediate action to recover the purchase tax from the defaulter Sugar Mills The Cane Commissioner Haryana vide has D O Letter dated 11 10 2005 requested to the M D Haryana State Federation of Co op Sugar Mills Ltd Panchkula for depositing the balance purchase tax and interest thereon due against the Co op Sugar Mills so that the audit para may be settled On 24 10 2005 Govt has requested to transfer the purchase tax to Excise & Taxation Deptt for its recovery After this a meeting of Sugarcane Control Board was held under the Chairmanship of Honourable Chief Minister Haryana on 10-11 2005 and it was decided in the meeting the Managing Director Sugar Federation may prepare a draft for exemption of interest amount and send to Govt through Agriculture Deptt and Private Sugar Mills deposit the purchase tax along with interest In this regard a certificate was issued through Collector Panchkula vide this office letter No CC/Acct / 4356 dated 13 12 2005 to Collector Yamuna Nagar Ambala and Karnal for recovery of purchase tax and interest due against the Private Sugar Mills Yamunanagar Naraingarh and Bhadson
- (v) The matter was discussed in the Deputy Commissioner Haryana State conference held on 12-2 2006 under the Chairmanship of Hon ble Chief Minister Haryana

In view of the position explained above it is evident that the Department is serious about the recovery of Cane Purchase Tax along with interest thereon and efforts are being initiated for the recovery

After scrutinizing the reply of the department, the Committee desired that vigorous efforts may be made to recover the balance amount from Sugar Mill Panipat and Rohtak, and the amount may also be recovered from Naraingarh Sugar Mills Naraingarh and Piccadilly Agro Industries Ltd Bhadson (Karnal) as there is no stay from the High Court

[125] 4 2 Non/short recovery of purchase tax and interest

As per notification issued (October 1977) under the Punjab Sugarcane (Regulation of Purchase and Supply) Act 1953 and the rules framed thereunder as applicable to Haryana a sugar factory is required to pay tax at the rate of Rs 1 50 per quintal on purchase of cane latest by 14th of the following month In the event of default interest at the rate of fifteen per cent per annum shall be charged for the period of default The Act further provides that all

sums payable to Government but not paid by the due date shall be recoverable as arrears of land revenue

During test check of records of 4 Assistant Cane Development Officers it was noticed (between April and June 2000) that six assessees (two each of Karnal and Yamunanagar and one each of Panipat and Rohtak) purchased 3 03 53 747 55 quintals of sugarcane between December 1996 and May 2000. However purchase tax of Rs 4 55 crore though payable by them was not paid. This resulted in non recovery of purchase tax of Rs 4 55 crore besides interest (upto March 2001) of Rs 1 08 crore.

On this being pointed out (between April and June 2000) Assistant Cane Development Officer Karnal intimated (February 2001) that one mill deposited (April and June 2000) the amount of Rs 33 66 lakh (purchase tax Rs 33 26 lakh and interest Rs 0 40 lakh). In the cases of remaining five sugar mills ACDOs stated that action for recovery of purchase tax and interest thereon would be initiated. The Cane Commissioner Haryana intimated (August 2001) that the notices in all cases were issued (May 2001) and purchase tax alongwith interest due thereon has been treated as recoveries under arrears of land revenue.

The matter was referred to Government (between May and July 2000) their reply had not been received (October 2001).

The department in their written reply stated as under —

As per details received from Accountant General Haryana the department involved in 6 cases for Rs 547 93 lakh. Out of this amount A C D O Karnal deposited Rs 33 66 lakh. The mill wise details of balance amount of Rs 547 93 lakh is as under —

S No	Name of office	Year	No of cases	Amount	Present position
1	2	3	4	5	6
1	A C D O Yamunangar	1999 2000	1	2 78 52 802 00	As regards the recovery of Rs 2 78 52 802/ from Naraingarh Sugar Mills Naraingarh is concerned it is stated that a case is pending in Hon ble Court of District Session Judge Panchkula for decision
2	A C D O Yamunanagar	1999 2000	1	97 39 124 00	The Yamuna Nagar Mill has deposited Rs 89 63 lacs vide challan No 25A dated 20-4 2000 and the balance amount of Rs 7 56 124/ is to be recovered from concerned mills and efforts are being made to recover the same
3	A C D O Karnal	1999 2000	1	69 07 436 00	As regard recovery of Rs 69 07 436/ from Piccadilly Agro Industries Ltd Bhadson (Karnal) is concerned it is stated that this case is pending

1	2	3	4	5	6
					in the Hon ble Punjab & Haryana High Court
4	A C D O Kamal	1999 2000	1	33 66 185 00	The ACDO Kamal has intimated that the amount of Rs 33 66 lakh (purchase tax Rs 33 26 lakh and interest Rs 0 40 lakh) has been deposited and no further recovery is due against him
5	A C D O Panipat	1999 2000	1	33 19 463 00	Recovery not effected The efforts are being made to over the said amount
6	A C D O Rohtak	1999 2000	1	36 08 341 00	Recovery not effected The efforts are being made to recover the said amount
				Total Rs	5 47 93 351 00

The following efforts have been made to recover the outstanding arrears —

- (i) A meeting was convened under the Chairmanship of Cane Commissioner Haryana on dated 2 6 2004 wherein the representatives of all the Sugar Mills were directed to submit their deposit plan otherwise a serious action will be initiated against them
- (ii) All the Heads of the Sugar factories have been asked through demi official letter dated 13 12 2004 by the Director of Agriculture-cum Cane Commissioner to deposit the outstanding dues
- (iii) The certificate has been issued to the concerned Collectors for affecting the recovery as arrears of land revenue vide this office memo No CC/Acct /4584 dated 14-10 2004
- (iv) A demi official letter No 4177 dated 16 9 2004 has been written by Financial Commissioner & Principal Secretary to Govt Haryana Agriculture Deptt to Financial Commissioner and Principal Secretary to Haryana Co op Deptt for depositing the Purchase Tax and interest thereon Thereafter a reminder No 1233 dt 18 3 2005 has been sent by Cane Commissioner Haryana to the Financial Commissioner and Principal Secretary to Govt Haryana Co op Deptt for immediate action to recover the purchase tax from the defaulter Sugar Mills The Cane Commissioner Haryana vide has D O Letter dated 11 10-2005 requested to the M D Haryana State Federation of Co op Sugar Mills Ltd Panchkula for depositing the balance purchase tax and interest thereon due against the Co op Sugar Mills so that the audit para may be settled On 24 10 2005 Govt has requested to transfer the purchase tax to Excise & Taxation Deptt for its recovery After this a meeting of Sugarcane Control Board was held under the Chairmanship of Honourable Chief Minister Haryana on 10 11 2005 and it was decided in the meeting the Managing Director Sugar Federation may prepare a draft for exemption of interest amount and send to

Govt through Agriculture Deptt and Private Sugar Mills deposit the purchase tax along with interest In this regard a certificate was issued through Collector Panchkula vide this office letter No CC/Acctt / 4356 dated 13 12 2005 to Collector Yamuna Nagar Ambala and Karnal for recovery of purchase tax and interest due against the Private Sugar Mills Yamunanagar Naraingarh and Bhadson respectively

- (v) The matter was discussed in the Deputy Commissioner Haryana State conference held on 12 2 2006 under the Chairmanship of Hon ble Chief Minister Haryana

In view of the position explained above it is evident that the Department is serious about the recovery of the Cane Purchase Tax along with interest thereon and efforts are being initiated for the recovery

After scrutinizing the reply of the department the Committee desired that vigorous efforts may be made to recover the balance amount from Sugar Mill Panipat and Rohtak and the amount may also be recovered from Naraingarh Sugar Mills, Naraingarh and Piccadilly Agro Industries Ltd Bhadson (Karnal), as there is no stay from the Hon ble High Court

[126] 4 3 Non realisation of lease money

Financial rules require departmental controlling officers to ensure that all sums due to Government are regularly and promptly assessed realised and credited into treasury Departmental receipts from lease money received in respect of 267 Acres 02 kanals 17 marlas of land of agriculture farm at Hansi under the control of the Deputy Director Agriculture Hisar were to be assessed and credited to Government Account

During test check of records of the Deputy Director Agriculture Hisar it was noticed (August and September 1999) that the above farm land was leased out for cultivation to 35 tenants for one year during 1989 90 by the Deputy Director Agriculture Hisar After the expiry of the initial period of lease of one year the tenants un authorisedly continued cultivation of land from 1990 91 to 1998 99 without payment of lease money This unauthorised occupancy of the Government land resulted in non-realisation of lease money of Rs 10 90 lakh (including Abiana Rs 0 87 lakh)

On this being pointed out (November 1999) Deputy Director admitted (November and December 2000) the facts and stated that fresh agreements were entered into with the tenants for the year 1999 2000 and efforts were being made to effect recovery of earlier period

The matter was referred (November 1999 and January 2001) to the Government their reply had not been received (October 2001)

The department in their written reply stated as under —

There was dense forest on the land on Govt Station Hansi when it was acquired by State Government during the year 1926 27 Land was reclaimed by clearing the forest by engaging labour The labours so engaged were given some land on lease

All the tenants (35) are cultivating the land of GS Hansi leased to them or their ancestors since acquisition of land by the State Government. Execution of lease deed is renewed every year with the tenants. Tenants are required to contribute one third share of the produce to the State Govt. An amount of Rs 1089841/- was to be recovered from the tenants for the period from 1991-92 to 1998-99. A sum of Rs 332435/- has been recovered and efforts are being made to recover balance amount of Rs 844551/- (including Rs 87145/- as Abyana fees). Notice for vacation are being issued to those tenants who have defaulted on depositing the balance amount.

After scrutinizing the reply of the department the Committee desired that latest position of recovery of balance amount of the 844,551/- and issuance of notices to tenants who have defaulted on depositing the balance amount, may be intimated to the Committee within a period of one month.

[127] 5.1 Results of Audit

Test check of records in departmental offices relating to revenues of State Lotteries, Forest, Home (Police), Public Works (Irrigation, Buildings and Roads), Co-operation, Agriculture (Crop Husbandry), Medical, Mines and Minerals, Animal Husbandry, Food and Supply, Industries and Public Health conducted in audit during the year 2000-2001 revealed under assessments and losses of revenue amounting to Rs 6883.53 lakh in 17839 cases as depicted below:

Sl No	Heads of revenue	Number of cases	Amount (Rs in lakh)
A	Home (Police)		
	(i) Review Receipts of Police Department	1	1866.38
	(ii) Other irregularities	26	21.96
B	Co operation	708	1373.51
C	Public Works		
	(i) Irrigation	512	1663.88
	(ii) Buildings and Roads	148	58.10
D	Forest	91	235.56
E	Finance (State Lotteries)	86	507.71
F	Agriculture (Crop Husbandry)	92	18.40
G	Medical	380	16.51
H	Public Health	14532	562.21
I	Animal Husbandry	01	1.90
J	Food and Supply	208	5.12
K	Industries	220	64.03
L	Mines and Minerals	834	488.26
Total		17839	6883.53

The departments accepted under assessments/loss of revenue etc of Rs 2250 44 lakh in 223 cases which were pointed out during the year 2000 2001 of which an amount of Rs 0 84 lakh had been recovered in one case Besides an amount of Rs 219 37 lakhs had been recovered in 238 cases pertaining to the earlier years

A few illustrative cases involving Rs 1480 56 lakh and a review Receipts of Police Department involving Rs 1866 38 lakh highlighting important observations are mentioned in the following paragraphs

The department in their written reply stated as under —

This para relates to short realization of licence fee/loss of revenue etc relating to the year 2000-2001 Total amount involved in this para is Rs 6883 53 lakh in 17839 cases of various Departments of Govt of Haryana As far as Agriculture Department is concerned there are 92 cases involving amount Rs 18 40 lakh Out of which 15 cases involving amount of Rs 6 22 lakh relates to Horticulture Deptt and 77 cases involving amount of Rs 1218500/ relates to Agriculture Department as per details given below —

Sr No	Name of the office	No of cases	Amount (in Rs)
1	DDA Sonipat	—	100000
2	DDA Sonipat	10	3400
3	DDA Ambala	42	4100
4	Govt Agri Station Hansi	1	1003000
5	DDA Kurukshetra	24	108000
Total		77	1218500

Out of 77 cases 52 cases have already been settled *vide* Audit or General letter No RA W/OR/2003 2004/949 61 dated 17 7 03 As far as remaining 25 cases involving amounting to Rs 1111000/ are concerned relating to DDA Hisar and Kurukshetra (Rs 10 03 000+ 1 08 000 respectively) Parawise reply is given as under —

Non recovery of lease money in respect of office of Govt Agriculture Station Hansi Rs 10 03 lakh

Out of the total amount of lease money of Rs 10 03 000/ upto 1999-2000 Rs 7 66 788/ have been recovered and deposited in the treasury So far as the recovery of balance amount of Rs 2 63 212 is concerned two tenants against whom this recovery is outstanding have expired Due to this reason recovery against them could not be effected and the legal heirs of these tenants have not yet deposited the outstanding amount Efforts are being made to recover the outstanding amount against these two tenants No sooner outstanding amount is recovered the Accountant General Haryana will be intimated accordingly

Non recovery of licence / renewal fees Rs 1,08 000/

As far as recovery of Rs 1 08 lakh on account of increased licence fees/ renewal fees in respect of DDA Kurukshetra is concerned efforts are being made to recover the increased fee money from the concerned dealers. Necessary notices were issued but concerned dealers have filed writ in the Hon ble High Court Mumbai and Hon ble Court granted stay of recovery of enhanced fees. In these circumstances it is difficult to recover the amount till the pendency of case in Hon ble High Court.

The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee

TRANSPORT DEPARTMENT

[128] 4.1 Results of Audit

Test check of records in departmental offices relating to revenues received from purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Land Revenue and Electricity Duty revealed under assessments of taxes and duties and loss of revenue amounting to Rs 8381.30 lakh in 114490 cases as depicted below

Heads of revenue		Number of cases	Amount (Rupees in lakh)
A	Agriculture	9	468.00
B	Taxes on Motor Vehicles	113842	513.20
C	Passengers and Goods Tax	363	256.05
D	State Excise Duty	106	2213.75
E	Land Revenue	144	8.63
F	Electricity Duty	26	4921.67
Total		114490	8381.30

In the cases of Purchase tax (Agriculture) Taxes on Motor Vehicles Passengers and Goods Tax State Excise Duty Land Revenue and Electricity Duty the departments accepted under assessments etc. of Rs 750.28 lakh involved in 48518 cases which were pointed out during the year 2000-2001 and recovered Rs 175.90 lakh in 463 cases of which Rs 169.88 lakh were recovered in 384 cases pertaining to earlier years.

A few illustrative cases involving Rs 759.09 lakh highlighting important cases are mentioned in the following paragraphs.

The department in their written reply stated as under —

Out of total amount of Rs 5.13 crores in 1,13,842 cases in 8679 cases involving an amount of Rs 41.27 lakh have been got recovered/settled. Efforts are being made to recover the balance amount.

The department is also requested to Accountant General (Audit) Haryana to conduct joint meeting fixed in the field offices to minimum/settlement of old audit paragraphs in future.

After hearing the departmental representatives the Committee desired that vigorous efforts may be made to recover the amount under intimation to the Committee.

[129] 4 4 Non/short charging of fitness fee (passing fee)

Under the provisions of the Central Motor Vehicles Rules 1989 fee for grant or renewal of certificate of fitness (passing fee) chargeable in respect of Heavy Goods Vehicles Medium Goods Vehicles and Light Motor Vehicles (both transport and non transport vehicles) were revised (22 October 1999) from Rs 150 Rs 100 and Rs 50 to Rs 500 Rs 200 and Rs 150 to Rs 300 (transport and non transport Light Motor Vehicles) respectively. The revised rates were withdrawn by Government of India with effect from 31 January 2000 and passing fee was chargeable at the pre revised rates with effect from 1 February 2000.

During test check of records in 14 offices of Registering Authorities (MV) and Motor Vehicle Inspectors it was noticed (between August 2000 and January 2001) that fee for the grant of fitness certificates (passing fee) in respect of 48876 Light Transport Vehicles 2820 Medium and Heavy Goods Vehicles was charged at the old rates instead of revised rates from 22 October 1999 to 30 January 2000 by the Motor Vehicle Inspectors and no fee was charged at all in respect of Light Motor Vehicles (non transport) by the Registering Authorities during the year 1999 2000. This resulted in non/short charging of fee of Rs 40.79 lakh.

On this being pointed out (between August 2000 and January 2001) to the department Transport Commissioner Haryana directed (October 2000) the Registering Authority (MV) Gurgaon to effect the recovery. Report on recoveries and replies in respect of other cases had not been received (October 2001).

The cases were referred (between September 2000 and February 2001) to Government. Their reply had not been received (October 2001).

The department in their written reply stated as under —

In this connection it is submitted that Central Motor Vehicle Rules 1989 rule 62 clearly provides the validity of certificate of fitness in respect of a transport vehicles granted under Section 56 of Central Motor Vehicle Act. As per section 2(47) the definition of Transport Vehicle is as follows:

Transport Vehicle means a Public Service Vehicle a goods carriage an educational institution bus or a private service vehicle.

It is clarified here that the registration work of transport vehicles like Public Service Vehicles buses of educational institutions and goods carriage does not relate to R A's office and as far as private service vehicles are concerned the definition of which is as under as per Section 2(33) of the Central Motor Vehicle Act:

Private service vehicle means a motor vehicle constructed or adopted to carry more than six persons excluding the driver and ordinarily used by or on behalf of the owner of such vehicle for purpose of carrying persons for in connection with his trade or business otherwise than for hire or reward but does not include a motor vehicle used public purposes.

From the above definition it is clear that vehicle being used for carrying persons in connection with trade or business comes under the definition of transport vehicle.

As far as the work of registration of vehicle is concerned the vehicles bearing seating capacity upto 10 including driver and being used only for personal purposes are being registered by R A office and vehicles having seating capacity more than six excluding driver and being used for trade or business are not being registered by R A office

From the above discussion it is quite clear that the registration work of transport vehicle does not fall in the jurisdiction of the R A s office and only Non Transport vehicles are being registered

The fitness certificate fee specified in table at S No 11 below rule 81 is provided under rule 62(2) as mentioned in column 4 of the table where rule 62(1) provides the validity of fitness certificate issued under Section 56 In Section 56 and rule (62)(1) provision of fitness certificate is made only for transport vehicle that is to say the non transport vehicle is not mentioned anywhere in these provisions while at S No 11 in Table below rule 81 fees for fitness certificate for non transport vehicle has been levied while no provision has been made in the Act or rules for fitness in connection with non transport vehicles as discussed above

It is pertinent to mention here that it is possible that some misunderstanding may arise due to the words shown as 'Transport and Non Transport' at S No 11 in the table below rule 81 But there is no provision in section 56 and rule 62 for fitness certificate for non transport vehicles the fees for fitness certificate of Non-Transport vehicles provided at S No 11 in the table below rule 81 is not conformity with the provisions of the Central Motor Vehicle Act and rules made thereunder Therefore no question arises for charging the fees for fitness certificate in connection with non transport vehicles keeping in view the above and the provisions of Central Motor Vehicle Act and rules made thereunder non charging of fees for fitness certificate shown by the audit is not in accordance with the provisions of the Act and rules It is therefore requested that the para may kindly be dropped

After hearing the departmental representatives the Committee recommends that matter may be sorted out by writing off the amount and the Committee may be informed accordingly

[130] Non realisation of fees

Under the provisions of the Central Motor Vehicles Rules 1989 and Central Government notifications issued (5 October 1999 and 31 January 2000) registration fee trade fee hypothecation allowance passing fee and driving licence fee were chargeable at increased rates with effect from 22 October 1999 to 30 January 2000

During test check of records of 10 Registering Authorities (M V) it was noticed (between June and December 2000) that registration fee trade fee hypothecation allowance passing fee driving licence fee etc were charged at the old rates instead of revised rates from 22 October 1999 to 30 January 2000 This resulted in short realisation of fee of Rs 16 09 lakh in 6883 cases

On this being pointed out (between June 2000 and January 2001) the department accepted the audit observations and stated that the amount would be recovered from the concerned persons

The matter was referred (between July 2000 and February 2001) to Government their reply had not been received (October 2001)

The department in their written reply stated as under —

It is correct that during the period 22nd October 1999 to 30th January 2000 Trade fees Registration fees and Driving Licence fees were to be charged at revised rates as per notifications issued by the Central Government But these notifications were received late in the offices on account of which the fees could not be charged as per revised rates It is pertinent to mention here that notification for enhanced fees were effective from 22 10 1999 and the notification was received on 29 10 1999 or thereafter These rates were remained effective till 31 1 2000 and after that the above fees were reduced w e f 1 2 2000 These notifications relating to reduction of fees were received on 28 2 2000 The audit has pointed out the short realisation of fees at revised rates for 22nd to 28th 30 October 1999 in which recoverable amount has been detected for registration Trade and HPA fees While the notification of reduced fees was received late and the fees were charged at the rate fixed vide notification effective from 22 10 1999 on this way an excess amount was also charged after 31 1 2000 till 28 2 2000 or that till the date on which notifications of reduced fees were received in the office In this way it is quite clear that excess fees charged is more than the amount of non charging of fees pointed out by the audit and that had occurred due to notifications having been received late in these offices

It is also mentioned here that Transport Commissioner Haryana has clarified in this regard vide memo No 13377 424/AT 3 dated 14 12 2001 that the revised fees would be charged w e f the date of receipt of letters /notifications in the office of Registering Authorities

Keeping in view the above mentioned circumstances the para No 4 5 may kindly be dropped

After hearing the department representatives the Committee desired that vigorous efforts may be made to recover the amount under intimation to the Committee

HOME DEPARTMENT

[131] 1 4 Arrears in revenue

As on 31 March 2001 arrears of revenue under the principal heads of revenue as reported by the departments were as under

Sl No	Heads of revenue	Total arrears	Arrears more than 5 years old	Remarks
(rupees in crore)				
7	Police	2 03	0 89	The amount was due from 8 States

The department in their written reply stated as under —

Despite concerted efforts the concerned states have not reimbursed the charges of deployment of Police force. The State Govt vide letter No 10/16/2003 2H(C) dated 3 7 2003 have requested 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 State of Haryana (copy enclosed)

After hearing the departmental representatives, the Committee recommends that the Financial Commissioner and Principal Secretary and DGP may look into the matter at their own level and see who are responsible for the delay in getting the Audit certificates from the A G Office which resulted into delay in realization/adjustment of the amount from/with other States as mentioned in the reply and take suitable action against delinquent officers/officials

[132] 1 7 Result of Audit

Test check of records of departmental offices relating to revenues of taxes on sales Trade etc Stamp duty and Registration Fee Taxes of Motor Vehicles Passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (police) Public Works (Irrigation Buildings and Roads) Co operation Medical Mines and Minerals Animal Husbandry Foods and Supply Industries and Public Health conducted during the year 2000 2001 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312 80 crore in 134974 cases. During the course of the year 2000 2001 the concerned departments accepted under-assessment etc of Rs 31 03 crore involved in 48885 cases of which 48809 cases involving 30 27 crores had been pointed out in audit during 2000-2001 and the rest in earliest years. An amount of Rs 4 16 crore was recovered in 898 cases during 2000 2001 of which Rs 4 07 crore recovered in 812 cases related to earlier years.

The Report contains 22 paragraphs and 2 reviews relating to Recovery of sales tax in arrears and Receipts of police Department involving Rs 100 33 crore. The department accepted audit observations involving Rs 46 49 crore out of which Rs 6 84 crore had been recovered up to July 2001. No replies had been received in other cases.

The department in their written reply stated as under —

There were 27 cases of short recovery of revenue involving an amount of Rs 1888 34 lakhs outstanding at the end of financial year 2000 01. The office has taken stop to recover the amount and settle the outstanding para due to which 18 case involving amount of Rs 1520 47 lacs has since been settled. The detail of remaining outstanding paras is given as under —

(Rupees in lacs)

Name of office	Amount	Remarks
SP Ambala	01 75	Leave Salary Pension Contribution
SP Gurgaon	4 53	Non billing of Escort (not recoverable)
SP Faridabad	46 20	Suraj Kund Mela and Cricket Association (Not recoverable)
do	13 97	Administrator HUDA Municipal Commissioner M D Sugar Mill G.M Haryana Roadways Mayor MC Faridabad and S S Board Member Sh Mool Chand Sharma
do	141 05	Thermal Power House (Recovered)
SP Sonapat	6 67	M L A (Not recoverable)
SP Railways	150 49	Recovered
5th BN HAP	2 25	Recovered
do	0 96	Recovered
Total	367 87	

Out of remaining Rs 367 87 lacs an amount of Rs 294 75 lacs has already been recovered and the balance amount of Rs 71 37 lacs is also not recoverable as the security was provided during Craft Mela Cricket Match M L A and other persons to maintain law & order and keeping in view the threat perception. Thus only an amount of Rs 1 75 lacs is recoverable from Central Bank of India and Punjab National Bank by SP Ambala which will be recovered shortly.

After hearing the departmental representatives the Committee desired that the information with regard to recovery from the banks to be effected by S P Ambala may be sent to the Committee after 31st March 2007. The Committee dropped the recovery issues pertaining to S P Gurgaon S P Faridabad and S P Sonapat.

[133] 5 2 Receipt of Police Department

5 2 1 Introductory

The State Government is responsible for maintenance of law and order in the State. This responsibility is discharged through the police department whose duties and functions

are governed under the Police Act 1861 and Rules made thereunder i.e. Punjab Police Rules 1934 as applicable to Haryana. While the services rendered by the police personnel for maintenance of general law and order in the State is the normal function of the Government their services are extended for special occasions and lent to central and other State Governments, autonomous bodies, organisations and individuals on payment of charges fixed by the Government from time to time. Receipts of police department mainly comprise recovery of expenditure on the cost of police personnel provided to other States, public undertakings, banks, railways within the State of Haryana towards guarding chest/remittance or performing watch and ward duties for maintenance of law and order either permanently or as a temporary measures. Incidence of recovery of expenditure on the cost of police personnel provided to other Governments also arises from discharging functions when so undertaken for maintenance of law and order in other States in unusual circumstances like communal riots, terrorism, natural calamities and at the time of elections etc.

Other police receipts conform to recoveries under the Arms Act, fees, fines and forfeiture in respect of services controlled by the department and sale of confiscated arms and ammunition, unserviceable vehicles and other material.

5.2.2 Organisational set up

Overall control and superintendence of police force vests with the Director General of Police (DGP). The State is further sub-divided into 4 ranges, each consisting of 4 or more districts and headed by an Inspector General of Police. Maintenance of law and order in each district has been entrusted to a Superintendent of Police (SP) who also supplies additional police to persons and places as requested for and is responsible to recover the cost thereof. Besides Haryana Armed Police (HAP) having 5 battalions in reserve, each under the charge of a Superintendent cum Commandant is placed at the disposal of the DGP for any emergency duty within or outside the State. Claims on account of cost of police force supplied to Central/Other State Governments are preferred by the Director General of Police. In addition, Government Railway Police (GRP) headed by a Superintendent of Police (SP) provides security to railway passengers within the State and is responsible to recover 50 per cent of its cost to be shared by the Railways. Apart from this, the State Police has a Forensic Science Laboratory (FSL) and a Police Training College (PTC), each headed by a Director for crime investigation and providing training to recruits of Haryana police/ other States police respectively.

5.2.3 Scope of Audit

With a view to evaluate the efficiency and effectiveness of the system and procedure relating to assessment and collection of receipts under the Police Department, records for the years 1995-96 to 1999-2000 of 18 district police offices (out of 19), 5 HAP battalions, five IGs in charge of ranges, Police Training College, SP, Railways and DGP, Haryana were test checked between October 2000 and March 2001.

5.2.5 Trend of Revenue

The table below shows figures of revised estimates and actual receipts during the year 1995-96 to 1999-2000.

Year	Revised Estimated Receipts	Actual receipts	Percentage of variation between estimated and actual receipts
(Rupees in lakh)			
1995 96	631 96	382 30	()40
1996 97	691 93	1105 44	(+)60
1997 98	800 00	762 14	()5
1998 99	950 00	1083 10	(+)14
1999 2000	1085 00	893 01	()18

Decrease in receipts during the year 1995 96 1997 1998 and 1999 2000 was mainly due to less receipt of Police cost recoverable from other States/institutions. Reasons for increase in receipts during the year 1996 97 and 1998 99 were due to heavy receipts of police cost raised in the previous years.

The department in their written reply stated as under —

The main variation between the revised estimate and actual receipts was mainly due to non receipt of amount from Railways authorities in time. The claims were raised by the S P Railways Ambala Cantt during the year in time but the amount was released by the Railways Authorities in subsequent years which results variations in the Revised Budgets and Actual Receipts. As regard other States the amount of deployment was recoverable from Rajasthan and Bihar Governments as under

State	Period	Amount in lacs	Date of Recovery
Bihar	3/95	32 71	—
Rajasthan	11/98	28 97	12 6-06
Bihar	9 10/99	40 79	12 6 06

The amount could not be realized due to non issue of Audit Certificate by the A G (Audit) Haryana. The amount of Rs 32 71 lacs is on account of Election Duty from Bihar for which Government of India MHA New Delhi has been requested to reimburse the amount as the charges for election duty are to be borne by the Government of India.

After hearing the departmental representative the Committee desired that the recovery position pertaining to the State of Bihar be intimated to the Committee

[134] 5 2 6 Arrears of revenue

No periodical reporting system showing demands raised amount recovered and balance amount to be recovered was in existence in the department. As a result the total amount of arrears for deployment of police personnel to various autonomous bodies commercial companies private organisations and individuals and year wise break up thereof was not available with the department. This was indicative of lack of control over realisation of revenue and inadequate monitoring system. However the arrears of demands raised and

year wise break up thereof in respect of the offices test checked in audit was as under

Sr No	Name of office which raised the demand	Amount of arrears as on 31 March 2000	Upto 1995 1996	1996 97	1997 98	1998 99	1999 2000
(Rs in lakh)							
1	3 Police Offices	285 17	93 55	40 49	44 08	48 90	57 15
2	SP Railways (GRP)	150 49	61 30	15 93	17 46	28 97	26 83
3	DGP Haryana	203 34	year wise break up not made available				
Total		639 0	154 85				

The increasing trend in arrears indicated that efforts were not made to effect the recovery. Similarly for delayed payments provision of interest had not been made in the Rules which adversely affected revenue collections.

The department in their written reply stated as under —

The total amount of arrear was outstanding to the extent of Rs 639 01 lacs out of which an amount of Rs 427 00 lacs has since been recovered/written off leaving balance amount of Rs 212 01 lacs. Out of arrears of Rs 154 85 lacs outstanding for more than 5 years and amount of Rs 61 30 lacs has been recovered by S P Railways Ambala and the balance amount of Rs 93 95 lacs is recoverable from IOC which is under consideration for written off. The detail of amount is given as under —

(Rupees in lakh)

Institutes	Outstanding Amount	Recovered/ Written off	Balance
Hind Samachar	34 52	34 52	—
IOC Ambala	36 43	—	36 43
IOCAmbala	73 18	—	73 18
Thermal Power House Faridabad	141 05	141 05	—
Railways	150 49	150 49	—
West Bengal	1 56	—	1 56
U T Chandigarh	11 96	11 96	—
Punjab	7 44	0 15	7 29
Assam	58 89	—	58 89
J&K	3 10	3 10	—
U P	13 51	13 51	—
Bihar	75 96	43 25	32 71
Rajasthan	30 92	28 97	1 95
Total	639 01	427 00	212 01

(a) Punjab Kesri, Ambala

The force has been withdrawn w e f 20 9 2006 and the amount has been written off by the Government vide letter No 10/18/2003 h (c) dated 16 1 2007

(b) Indian Oil Corporation, Ambala = 109 61 lacs

The IOC is not paying the amount on the following grounds

- (i) The Oil locations are Govt owned i e public sector undertaking
- (ii) Oil companies provides their own round the clock security for their installations
- (iii) The security personnel are deployed by the State Govt when there is threat perception so as to ensure additional security

Ex C M Haryana has written a D O letter dated 06 05 2003 to Sh Ram Naik the then Petroleum and Natural Gas Minister Govt of India to intervene in the matter

Financial Commissioner and Principal Secy of Govt Haryana Home has requested Secy Petroleum Govt of India vide D O dated 25 05 04

The Govt of India vide D O dated 02 07 04 intimated that as per prevailing Industry Practice Security of VITAL installation is the responsibility of State Government The internal security of these installation are looked after by Oil Companies themselves Thus no money is payable

The matter is under of consideration for written off amount of deployment charges

(c) The West Bengal Punjab Assam, Bihar and Rajasthan Government

The Audit Certificates were issued by the A G Audit on 9-11 2005 27 2 2006 and 29 5 2006 which were sent to Government of India and concerned States for the reimburse the amount of deployment charges

5 2 7 (a) Non/ delayed raising of claims to other States

Government of India Ministry of Home Affairs issued instructions (March 1977 and September 1995) to all the State Governments and Union Territories that the borrowing State should reimburse expenditure on the Armed Police Battalions on quarterly basis to be adjusted against actual dues on the basis of audited figures The payment should be made within a period of one month from the close of relevant quarter/receipt of audited figures

During the course of scrutiny of records of Director General of Police it was noticed in audit that the State Government had deployed forces in 6 States and one Union Territory between March 1977 and October 1999 and whereas demands for reimbursement of expenditure of Rs 87.71 lakh for the years 1977 to 1987 against 5 States and one Union Territory were raised between March 1991 and October 1995 late by 7 to 14 years demands for Rs 1.16 crore recoverable from 3 States and one Union Territory had not been raised even after a lapse of period ranging from 1^{1/2} to 6 years

(June 2001) Non raising of demands within the stipulated period of one month resulted in blockage of revenue of Rs 2.04 crore (June 2001)

(b) Non realisation of police cost from other parties

As per Punjab Police Rules 1934 in the case of police guard provided to private persons corporate bodies or commercial companies the cost of police deployed was to be recovered in full and in advance. It was seen in audit that advance payment was not insisted upon resulting in non realisation of police cost to the extent of Rs 2.91 crore as discussed below

- (i) Police guard consisting of 1 ASI 2 HCs and 20 Constables had been deployed at Faridabad Thermal Power Plant since January 1989 but the cost thereof was neither recovered in advance nor demanded after the deployment with the result police cost of Rs 1.41 crore remained unrealised till date (June 2001)
- (ii) Police guard consisting of 1 ASI 3 HCs and 25 Constables had been deployed to Indian Oil Corporation depot at Ambala Cantt for the patrolling and security of pipeline terminals since July 1983 without recovering the police cost of Rs 1.34 crore upto May 2000 in advance. The claims were preferred after a delay of 1 to 14 years
- (iii) Police guard had been supplied to the resident editor of Punjab Kesri a Hindi daily newspaper since March 1994 but neither payment in advance was insisted upon nor claims of police cost raised till it was pointed out (June 1997) in audit. As a result police cost of Rs 34.52 lakh remained unrealised till March 1999. Further a claim for supply of police guard consisting of one head constable and 4 constables for the year 1999-2000 amounting to Rs 6.21 lakh was not raised

On this being pointed out (June 1997) the department admitted (June 2001) the audit observation and stated that recoveries would be made in advance in future. Further action to realise the amount was under process

The department in their written reply stated as under —

5.2.7 (a)

The payment of deployment charges could not be recovered in advance due to the facts that the force was deployed to other States immediately on receipt of directions from Government of India. After deployment the bills are to be raised to the concerned State with Audit Certificates. The Accountant General (Audit) Haryana has time and again been requested for the issue of Audit Certificates but

the Audit Certificates were not issued. An instance of requests made for issue of Audit Certificates concerning Rajasthan is that several letters dated 23 3 89 4-10 94 23 3 95 27 10 97 17 6 98 10 2 99 1-4 99 20 5 99 5 10 99 21 2 2000 19 6 2000 4 12 2000 27 2 2000 11 1-2002 25 3 2002 30 4 2002 11 9 2002 23 1-2003 17 2 2003 23 3-2004 30 12 2004 21 3 2005 6 7 2005 31 8 2005 6 1 2006 & 24 1 2006 were issued to the A G (Audit) Haryana. The Audit Certificates were issued by the A G (Audit) Haryana on 9 11 2005 27-2 2006 & 29 5 2006. The Audit certificates were sent to Government of India on 9 11 2005 27 4 2006 & 29 5 2006. The Government of India (MHA) has reimbursed the amount relating to Election Duty and the Audit Certificates for Law & Order Duty were sent to concerned States. The concerned States have also been requested to reimburse amount immediately.

The IG/HAP Madhuban has been requested to fix responsibility in the late issue of cost statements who intimated vide letter No 19032/Accts dated 26 8 2006 that no official is responsible.

5 2 7 (b)

The total amount of Rs 291 34 lacs was recoverable from Thermal Power House Faridabad IOC and Punjab Kesri out of which an amount of Rs 141 00 lacs has been paid by Thermal Power House and an amount of Rs 40 73 lacs recoverable from Punjab Kesri has been written off by the Government vide letter dated 16 1-2007. The amount of detail is given as under: break up of non realization of police cost is given as under:

(Rupees in Lacs)

Sr No	Institutes	Outstanding Amount	Recovered/ Written off	Balance
1	Faridabad Thermal Power House	141 00	141 00	
2	IOC	109 61	109 61	
3	Punjab Kesri	40 73	40 73	
Total		291 34	181 73	109 61

The IOC is not paying the amount on the following grounds —

- (i) The Oil locations are Govt owned i.e public sector undertaking
- (ii) Oil companies provides their own round the clock security for their installations
- (iii) The security personnel are deployed by the State Govt when there is threat perception so as to ensure additional security

- * Ex C M Haryana has written a D O letter dated 06 05 2003 to Sh Ram Naik the then Petroleum and Natural Gas Minister Govt of India to intervene in the matter
- * Financial Commissioner and Principal Secy of Govt Haryana Home has requested Secy Petroleum Govt of India vide D O dated 25 05 04

The Govt of India vide D O dated 02 07 04 intimated that as per prevailing Industry Practice Security of VITAL installation is the responsibility of State Government. The internal security of these installations are looked after by Oil Companies themselves. Thus no money is payable.

- * The matter is under of consideration for written off amount of deployment charges

During the course of oral examination, the Committee was informed that the matter of recovery of 109.61 lacs from Indian Oil Corporation Ambala is at the stage of writing of the amount as providing security to vital installations is the duty of the State Government. After hearing the departmental representatives the Committee desired the department to get the information from the Government of India whether in other States also, no amount on this count is being recovered. If it is so then the department may go ahead to get the amount written off by Finance Department. If such an amount is being recovered by any other State, the Department should recover this amount from the Indian Oil Corporation.

[135] 5 2 8 (a) Under-assessment of claims due to non inclusion of different element of cost

As per provisions of Punjab Police Rules 1934 claim of police cost includes pay dearness allowance and other allowances as well as indirect charges in respect of the establishment for the period of deployment.

Test check of records in 16 offices revealed under assessment of revenue amounting to Rs 1.57 crore due to non inclusion of different elements of police cost as under

Number of offices	Nature of observation	period involved	Amount not included in the claim (Rupees in lakh)	Remarks
1	2	3	4	5
9	Contingency charges were not included in claims submitted to other states/private parties	1995-96 to 1999 2000	14.23	The department stated that the recovery would be made
5	Contributions towards leave salary and pension were not included in the amount preferred against other parties/bodies	1997 98 1998 99 1999 2000	6.89	Recovery of Rs 0.60 lakh had been made. Report on balance recovery was awaited.
5	Supplementary claims for increase in police cost due to revision of pay with effect from 1.1.1996 were not raised against other parties/bodies	1.1.1996 to 31.03.1998	9.89	The department accepted the audit observation. Further action was awaited.
1	Share payable by railways on account of arrears paid due to revision of pay with effect from 1.1.1996	1.1.96 to 31.3.1998	123.56	Department accepted the audit observation and raised the demand (February 2000) for the said amount.

1	2	3	4	5
14	Supplementary bills payable on account of increase in dearness allowance were not raised	1995 96 to 1999 2000	2 33	An amount of Rs 0 31 lakh was recovered in June 1999 Recovery in balance cases was awaited
Total			156 90	-

The department in their written reply stated as under

5 2 8(a)

The bills of claims for Rs 156 90 lacs has been raised to the concerned and an amount of Rs 155 97 lacs has since been recovered and the paras were settled by the Accountant General (Audit) Haryana. The balance amount of Rs 0 93 lacs is recoverable by the S P Ambala on account of claim of Revised Scale of Pay revised during January 1998 w e f 1 1 1996. No action has been taken against any official as the Pay Scales were revised by the Government during the year 1998 retrospectively w e f 1 1 1996. The original claims were raised from time to time and the supplementary claims of enhanced pay could only be raised after the fixation of pay in the year 1998.

After hearing the departmental representatives, the Committee desired that vigorous efforts may be made to recover the amount under intimation to the Committee

CO-OPERATIVE DEPARTMENT

[136] 1 7/5 1 Results of Audit

Test check of records of the departmental offices relating to revenues of Taxes on Sales Trade etc Stamp Duty and Registration Fee Taxes on Motor Vehicles passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co operation Medical Mines and Minerals Animal Husbandry Food & Supplies Industries and Public Health conducted during the year 2000 2001 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312 80 crore in 134974 cases During the course of the year 2000 2001 the concerned departments accepted under assessment etc of Rs 31 03 crore involved in 48885 cases of which 48809 cases involving Rs 30 27 crore had been pointed out in audit during 2000 2001 and the rest in earlier years An amount of Rs 4 16 crore was recovered in 1898 cases during 2000 2001 of which Rs 4 07 crore recovered in 812 cases related to earlier year

The report contains 22 paragraphs and 2 reviews relating to Recovery of Sales Tax in Arrears and Receipt of Sales Tax in Arrears and Receipt of Police Department involving Rs 100 33 crore The department accepted audit observations involving Rs 46 49 crore out of which Rs 6 84 crore had been recovered up to July 2001 No replies have been received in other cases

Test check of records in departmental offices relating to revenues of State Lotteries Forest home (Police) Public Works (Irrigation Buildings and Roads) Co operation Agriculture (Crop Husbandry) Medical Mines and Minerals Animal Husbandry Food and Supply Industries and Public Health conducted in audit during the year 2000 2001 revealed under assessments and losses of revenue amounting to Rs 6883 53 lakh in 17839 cases as depicted below -

Sr No	Heads of revenue	Number of cases	Amount (Rs in lakh)
F	Agriculture (Crop Husbandry)	92	18 40

The Department accepted under assessments/loss of revenue etc of Rs 2250 44 lakh in 223 cases which were pointed out during the year 2000-2001 of which an amount of Rs 0 84 lakh had been recovered in one case Besides an amount of Rs 219 37 lakh had been recovered in 238 cases pertaining to the earlier years

A few illustrative cases involving Rs 1480 56 lakh and a review Receipts of Police Department involving Rs 1866 38 lakh highlighting important observations are mentioned in the following paragraphs

The department in their written reply stated as under —

The audit fee is initially assessed provisionally on the basis of Profit and Loss A/Cs prepared by the societies in their annual statement. Later on audit fee is finalized on the basis of the audited Profit and Loss A/C. The position is reviewed in every case at the time of final assessment.

Progress in recovery of Audit Fee and settlement of cases is as under

	No of cases	Amount (Rs in lakhs)
Total Cases to be Settle & Amt recovered	708	1373 51
Cases settled & Amount recovered	236	153 93
Balance	472	1219 58

Efforts are being made to recover the remaining balance amount of Rs 1219 58 lakhs vide letters no 31/8/2002 Audit (6) 21070 69 dated 30/3/2006 and 27218 27228 dated 1 08 2006. A meeting of ARs and DRs was also called on 5 6 2006 regarding all CAG/PAC matters. Most of the amount of this para worth Rs 1176 06 Lakhs is related to the non redemption of share capital and potential earnings. Hence it is requested that the para may be dropped.

After hearing the departmental representatives, the Committee desired that vigorous efforts may be made to recover the amount in question under intimation to the Committee

[137] 5 3 Non-redemption of Government share capital

The State Government contributes towards the share capital of Co operative Societies registered with the Co operative Department. The share capital so contributed by Government is required to be redeemed in accordance with the instructions/terms and conditions stipulated in the sanctions issued by the Co operative Department/State Government in ten equal annual instalments commencing from the 6th anniversary of the drawal of amount.

During test-check of records of 13 offices of the Assistant Registrars Co operative Societies it was noticed (between October 1999 and January 2001) that share capital of Rs 13 17 crore had been invested by the Government of Haryana between 1963 64 and 1992-93 in 31 Co operative Societies. Of these share capital of Rs 7 67 crore due for redemption between 1969 70 and 1998 99 had not been redeemed till December 2000 in contravention of the terms and conditions stipulated in the sanctions.

On this being pointed out (between October 1999 and January 2001) the department recovered Rs 9 05 lakh in 13 cases out of which recovery in 5 cases was made in full. 6 societies/units had closed between March 1992 and July 2000 thus no recovery could be effected. The financial position of 2 sugar mills and one Co operative consumer store was stated to be too weak to pay the amount. Action to recover the amount in remaining cases was awaited (October 2001).

The department in their written reply stated as under

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Sr No	Name of Institution/	Share Capital to be redeemed		
		<u>Due</u>	<u>Recovered</u>	<u>Balance</u>
1	Coop Sugar Mill Kaithal Kaithal	55260000		55260000
2	Coop Sugar Mill Karnal	13600000		13600000
3	Coop Consumer Store Firozpur Zhirka (Cancelled)	405000		405000
4	do Gurgaon (Cancelled)	100000		100000
5	do- Karnal	929200		929200
6	do Narwana (Cancelled)	698280		698280
7	do Jind	664200	144200	520000
8	do Sonapat (U/W/UP)	082400	-	082400
9	Naraingarh (Cancelled)	727600		727600
10	do Dabwali (Cancelled)	96940		96940
11	do Faridabad	651600		6516
12	do Narnaul (Cancelled)	914643		914643
13	do- Yamuna Nagar (U/W/UP)	1137676	1137676	
14	do- Kurukshetra (cancelled)	870996	-	870996
15	Coop Society Anchrakalan	28500		28500
16	do Barod	28700	28700	Nil
17	Coop Society Dhidhwan	52241	52241	Nil
18	-do Malikpur	28700	26200	2500
19	do Malai	26250		26250
20	do Pillukhera	33700		33700
21	do Singara	54950	40000	14950
22	do Safidon Jatan	5000		5000
23	do Safidon	3800	3800	
24	do Consumer Store Safidon (Cancelled)	384600		384600
25	Coop Society Nimnabad	29359	-	29359
26	PARDB Safidon			
Total		768 24 Lacs	2 95 Lacs	765 29 Lacs

The latest position is being collected from all these Institutions/Societies about redemption of Share capital. The Consumer Coop Stores are not in position to redeem share capital being in financially bad position. Their write-off cases are under process with the office.

During the course of oral examination, the Committee was informed that to review the working and viability of the Cooperative Sugar Mills a Cabinet Sub-Committee under Chairmanship of Hon ble Finance Minister had been constituted and that Committee is examining all the aspects pertaining to the Cooperative Sugar Mills. The Committee desired that the decision taken by this Committee be informed to the Committee after which the Committee will review this matter of recovery.

As regards the Cooperative Consumer Stores and other Cooperative Societies, the Committee desired that efforts may be made to recover the amount and in case of possibility of non recovery of the amount the department may sort out the matter with the Finance Department.

IRRIGATION DEPARTMENT

[138] 5 6 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 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 water services division Safidon it was noticed (January 2001) that departmental receipts amounting to Rs. 3.42 lakh collected by three sub divisions during 1998-99 and 1999-2000 were not deposited into treasury/bank but were utilised to meet the departmental expenditure.

On this being pointed out (January 2001) the department intimated (January 2001) that the receipts were utilised for urgent petty works and the amount would be deposited into treasury on receipt of letters of credit (LOC) from Government. The reply of department is not tenable as the departmental receipts are required to be deposited into Government account immediately and their utilisation towards departmental expenditure is strictly prohibited.

The case was referred (February 2001) to Government and Engineer in Chief Haryana Irrigation Department. Their reply had not been received (October 2001).

The department in their written reply stated as under —

Utilisation of Departmental Receipts towards expenditure not the case of Embezzlement or misappropriation of Govt. funds. However, the officers have violated the State Financial rules for which S/Sh. Rajiv Chopra, SDO and M. P. Sharma, SDO (Now Xen Retd.) have been held responsible.

Departmental action under rule-8 of Punishment and Appeal Rules against Sh. Rajiv Chopra, SDO has been initiated but the same action against Sh. M. P. Sharma, SDO (Now Xen) could not be processed due to his Superannuation on 31-10-2002.

Para 5 6

After scrutinizing the reply of the department the Committee desired that latest position with regard to departmental action against Sh. Rajiv Chopra, SDO may be intimated to the Committee within a period of one month.

FOREST DEPARTMENT

[139] 1 8 Outstanding inspection reports and audit observation

(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 with a period of two months

(ii) The number of inspection reports and audit observations relating to revenue receipts issued upto 31 December 2000 and which were pending settlement by the departments as on 30 June 1999 2000 and 2001 are given below

Particulars	At the end of June		
	1999	2000	2001
Number of inspection reports pending settlement	2301	2517	2785
Number of outstanding audit observations	6092	6176	6560
Amount of revenue involved (Rupees in crore)	279 93	650 03	461 36

(iii) Department wise breakup of the inspection reports and audit observations upto December 2000 and outstanding as on 30 June 2001 is as follows

Department	Number of outstanding	Amount of receipts involved (Rupees in crore)	Number of inspection report to which even first replies had not been received
Revenue Deptt *800	1438	24 82	55
Excise & taxation 610	2680	233 08	28
Transport 329	587	8 87	4
Forest 51	134	10 58	8
Others 985	1721	184 01	77
Total	2785	461 36	172

* This includes Stamp Duty and Registration Fees and Land Revenue

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 2001)

The department in their written reply stated as under —

These paras contain 134 paras of revenue receipts and expenditure including 91 cases of revenue receipts outstanding against the various Divisions of this department during the year 2000 01. Reply of all the audit paras have already been submitted by the concerned Divisional Forest Officers directly to the Accountant General Haryana. A joint meeting was held with the representatives of the Accountant General Haryana in the month of August 2005 to finalize the audit paras. Till date 82 audit paras have been settled and efforts are being made to settle also the remaining 52 paras of revenue receipts and expenditure for the year 2000 01.

During the course of oral examination, the Committee desired the department to send complete details of 82 paras which have been stated to be settled within a period of one week

As regards remaining 52 paras, the Committee was assured that all out efforts will be made to settle these paras at the earliest

[14o] 1 7/5 1 Result of Audit

Test check of records of departmental offices relating to revenues of taxes on sales Trade etc Stamp duty and Registration Fee Taxes of Motor Vehicles Passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co operation Medical Mines and Minerals Animal Husbandry Foods and Supply Industries and Public Health conducted during the year 2000 2001 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312 80 crore in 134974 cases. During the course of the year 2000 2001 the concerned departments accepted under assessment etc of Rs 31 03 crore involved in 48885 cases of which 48809 cases involving 30 27 crores had been pointed out in audit during 2000 2001 and the rest in earliest years. An amount of Rs 4 16 crore was recovered in 1898 cases during 2000 2001 of which Rs 4 07 crore recovered in 812 cases related to earlier years.

The Report contains 22 paragraphs and 2 reviews relating to Recovery of sales tax in arrears and Receipts of Police Department involving Rs 100 33 crore. The department accepted audit observations involving Rs 46049 crore out of which Rs 6 84 crore had been recovered up to July 2001. No replies had been received in other cases.

Test check of records in departmental offices relating to revenues of State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co operation Agriculture (Crop Husbandry) Medical Mines and Minerals Animal Husbandry Food and Supply Industries and Public Health conducted in audit during the year 2000-2001 revealed under assessments and losses of revenue amounting to Rs 6883 53 lakh in 17839 cases as depicted below

Sl No	Heads of revenue	Number of cases	Amount (Rs in lakh)
A	Home (Police)		
	(i) Review Receipts of Police Department'	1	1866 38
	(ii) Other irregularities	26	21 96
B	Co operation	708	1373 51
C	Public Works		
	(i) Irrigation	512	1663 88
	(ii) Buildings and Roads	148	58 10
D	Forest	91	235 56
E	Finance (State Lotteries)	86	507 71
F	Agriculture (Crop Husbandry)	92	18 40
G	Medical	380	16 51
H	Public Health	14532	562 21
I	Animal Husbandry	01	1 90
J	Food and Supply	208	5 12
K	Industries	220	64 03
L	Mines and Minerals	834	488 26
Total		17839	6883 53

The departments accepted under assessments/loss of revenue etc of Rs 2250 44 lakh in 223 cases which were pointed out during the year 2000 2001 of which an amount of Rs 0 84 lakh had been recovered in one case Besides an amount of Rs 219 37 lakh had been recovered in 238 cases pertaining to the earlier years

A few illustrative cases involving Rs 1480 56 lakh and a review Receipts of Police Department' involving Rs 1866 38 lakh highlighting important observations are mentioned in the following paragraphs

The department in their written reply stated as under —

These paras contain 134 paras of revenue receipts and expenditure including 91 cases of revenue receipts outstanding against the various Divisions of this department during the year 2000 01 Reply of all the audit paras have already been submitted by the concerned Divisional Forest Officers directly to the Accountant General Haryana A joint meeting was held with the representatives of the Accountant General Haryana in the month of August 2005 to finalize the audit paras Till date 82 audit paras have been settled and efforts are being made to settle also the remaining 52 paras of revenue receipts and expenditure for the year 2000 01

The Committee desired that vigorous efforts may be made to settle the outstanding paras at the earliest under intimation to the Committee

GENERAL

[141] 1 7/5 1 *Result of Audit*

Test check of records of departmental offices relating to revenues of taxes on sales Trade etc Stamp duty and Registration Fee Taxes of Motor Vehicles Passengers and Goods Tax State Excise Duty Agriculture Land Revenue Electricity Duty State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co operation Medical Mines and Minerals Animal Husbandry Foods and Supply Industries and Public Health conducted during the year 2000 2001 revealed under assessments non/short levy of taxes and duties and losses of revenue amounting to Rs 312 80 crore in 134974 cases During the course of the year 2000 2001 the concerned departments accepted under assessment etc of Rs 31 03 crore involved in 48885 cases of which 48809 cases involving Rs 30 27 crores had been pointed out in audit during 2000 2001 and the rest in earliest years An amount of Rs 4 16 crore was recovered in 898 cases during 2000 2001 of which Rs 4 07 crore recovered in 812 cases related to earlier years

The Report contains 22 paragraphs and 2 reviews relating to Recovery of sales tax in arrears and Receipts of Police Department involving Rs 100 33 crore The department accepted audit observations involving Rs 46 49 crore out of which Rs 6 84 crore had been recovered up to July 2001 No replies had been received in other cases

Test check of records in departmental offices relating to revenues of State Lotteries Forest Home (Police) Public Works (Irrigation Buildings and Roads) Co operation Agriculture (Crop Husbandry) Medical Mines and Minerals Animal Husbandry Food and Supply Industries and Public Health conducted in audit during the year 2000 2001 revealed under assessments and losses of revenue amounting to Rs 6883 53 lakh in 17839 cases as depicted below

Sl No	Heads of revenue	Number of cases	Amount (Rs in lakh)
1	2	3	4
A	Home (Police)		
	(i) Review Receipts of Police Department	1	1866 38
	(ii) Other irregularities	26	21 96
B	Co operation	708	1373 51
C	Public Works		
	(i) Irrigation	512	1663 88
	(ii) Buildings and Roads	148	58 10

1	2	3	4
D	Forest	91	235 56
E	Finance (State Lotteries)	86	507 71
F	Agriculture (Crop Husbandry)	92	18 40
G	Medical	380	16 51
H	Public Health	14532	562 21
I	Animal Husbandry	01	1 90
J	Food and Supply	208	5 12
K	Industries	220	64 03
L	Mines and Minerals	834	488 26
Total		17839	6883 53

The departments accepted under assessments/loss of revenue etc of Rs 2250 44 lakh in 223 cases which were pointed out during the year 2000-2001 of which an amount of Rs 0 84 lakh had been recovered in one case Besides an amount of Rs 219 37 lakh had been recovered in 238 cases pertaining to the earlier years

A few illustrative cases involving Rs 1480 56 lakh and a review Receipts of Police Department involving Rs 1866 38 lakh highlighting important observations are mentioned in the following paragraphs

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 a period of three months

[142] 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 2000 and which were pending settlement by the departments as on 30 June 1999 2000 and 2001 are given below

Particulars	At the end of June		
	1999	2000	2001
Number of inspection reports pending settlement	2301	2517	2785
Number of outstanding audit observations	6092	6176	6560
Amount of revenue involved (Rupees in crore)	279.93	650.03	461.36

(iii) Department wise break up of the inspection reports and audit observations upto December 2000 and outstanding as on 30 June 2001 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
Revenue Deptt *	800	1438	24.82	55
Excise & Taxation**	610	2680	233.08	28
Transport	329	587	8.87	4
Forest	51	134	10.58	8
Others	985	1721	184.01	77
Total	2785	6560	461.36	172

The matter was brought to the notice of Government in June/July 2001 replies regarding steps taken to settle the outstanding inspection reports and audit observations have not been received (October 2001)

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 long 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.

(i)

Appendix — XII

(Refer to paragraph 3 1 2 4, page 43)

Statement showing details of difference in funds released by Government of India and received by District Blindness Control Societies (DBCSs) in district test checked

Sr No	Name of the DBCS	Release of funds by GOI during 1995 2000	As per Balance Sheets of the DBCSs	Net difference
(Rupees in lakh)				
1	Ambala	15 50	12 50	3 00
2	Fardabad	33 00	25 00	8 00
3	Hisar	15 00	6 00	9 00
4	Kurukshetra	11 00	6 00	5 00
5	Sonapat	13 00	10 00	3 00
6	Yamunanagar	15 00	11 00	4 00
Total		102 50	70 50	32 00

Appendix — X'II

(Refer to paragraph 3.5, page 66)

Year wise position of outstanding Inspection Reports and Paragraphs as of June 2001

Year	Number of Inspection Reports	Number of paragraphs	Amount (Rupees in crore)
Upto 1990	7	8	0.99
1990-91	3	9	2.24
1991-92	6	8	25.65
1992-93	3	5	0.23
1993-94	3	7	41.62
1994-95	2	9	20.35
1995-96	14	26	28.20
1996-97	3	9	14.36
1997-98	16	44	207.87
1998-99	4	19	79.89
1999-2000	13	55	190.27
2000-2001	13	37	105.37
2001-2002 (upto June 2001)	1	3	13.12
Total	88	239	734.25

Appendix — XIV
(Refer to paragraph 3 12, page 7 i)
Statement showing the details of arrears drawn and embezzled

Bill number and date	Voucher Number and month	Total amount of the Bill (in rupees)	Net Amount drawn In cash (in rupees)	Particulars of the bill	Date of passing by SDO(C)	Date of presentation/ passing by Treasury	Remarks
801/14 March 1999	8/June 1999	3 03 845	2 23 121	Revision of pay scale arrear bill 1 January 1996 to 31 July 1998 (15 officials)	14 March 1999	14 May 1999/ 4 June 1999(O)	The bill was resubmitted on 14 May 1999 after attending observations of Treasury and had actually been paid
968/22 December 1999	20/December 1999	89 127	89 127	Revision of pay scale arrear bill 1 January 1996 to 31 July 1998 (5 official)	22 December 1999	23 December 1999/ 23 December 1999(D)	18008 D 17998-D 18008 D 17105 D 18008-D 89127
9/20 January 2000	9/February 2000	1 09 428	1 09 428	Revision of pay scale arrear bill 1 January 1996 to 31 July 1998 (6 officials)	19 January 2000	28 January 2000/ 31 January 2000(D)	Dinesh Kumar Devinder Kumar Jai Dev Jishan Chand Jatm i Ram J arambir
22/14 February 2000	23/February 2000	88 763	88 763	Revision of pay scale arrear bill 1 January 1996 to 1 July 1998	11 February 2000	18 February 2000/ 24 February 2000(D/T)	evinder Kumar Jai Dev Onkar Dutt Sharma Suresh Kumar Rohtash Kumar
32/21 March 2000	23/March 2000	1 05 871	1 05 871	Revision of pay scale arrear bill 1 January 1996 to 31 July 1998 (6 officials)	21 March 2000	30 March 2000 (T/Q)	Dinesh Kumar Devinder Kumar Devinder Kumar Jai Dev Onkar Dutt Sharma Suresh Kumar
							17815 T 17958 T 17248 Q 16929 Q 17913 T 18008 T 105871
Total			6 16 310				
Less di bursed			4 23 121				
Undisbursed and embezzled			1 93 189				

Appendix - XV

(Refer to paragraph 3 16(i), page 78)

Statement showing the amount of Effective Development Charges due, received and balance outstanding (without surcharge) from the private colonisers as on 31 March 2001

Sr No	Name of the coloniser's firm	Amount due	Amount received	Balance amount
		(Rupees in lakh)		
1	2	3	4	5
1	M/s DLF Universal Ltd Gurgaon	29 083 99	28 877 08	206 91
2	M/s Ansal Build Well Ltd Gurgaon	2 570 65	2 001 11	569 54
3	M/s Aadharshala Towners Ltd Gurgaon	3 188 88	1 727 79	1 461 09
4	M/s Malibu Estates Ltd Gurgaon	1 900 65	1 881 63	19 02
5	M/s Unitech Ltd Gurgaon	6 751 77	6 483 61	268 16
6	M/s Gulmohar Estates (Garden Estate) Gurgaon	1 702 86	659 88	1 042 98
7	M/s Saraswati Kunj Co op H B Society Gurgaon	1 877 85	1 786 00	91 85
8	M/s Sweta Estates Ltd H B Society Gurgaon	2 552 47	1 236 65	1 315 82
9	M/s GD Estates Ltd (Aar Dee City) H B Society Gurgaon	2 812 98	1 206 23	1 606 75
10	M/s Uppal Housing Ltd H B Society Gurgaon	1 922 55	1 368 12	554 43
11	M/s Puri Construction Co H B Society Gurgaon	2 481 14	1 728 14	753 00
12	M/s Aamazon India Ltd H B Society Gurgaon	831 66	180 98	650 68
13	M/s Anergetic Construction Co Ltd H B Society Gurgaon	823 27	57 72	765 55
14	M/s Saravmanglam Developers H B Society Gurgaon	207 29	206 28	21 01
15	M/s S B Developers Ltd H B Society Gurgaon	240 54	233 88	6 66
16	M/s Phoolwati and Ram Rati H B Society Gurgaon	201 66	64 65	137 01

1	2	3	4	5
17	M/s Sheetal International Ltd H B Society Gurgaon	4 642 91	1 862 46	2 780 45
18	M/s Gurgaon Technology Park H B Society Gurgaon	943 09	936 31	6 78
19	M/s Maman Singh and Other H B Soc ety Gurgaon	250 90	49 19	201 71
20	M/s NSP Farms (P) Ltd H B Society Gurgaon	231 41	55 56	174 85
21	M/s Man n Housing and Construction Gurgaon	255 72	24 33	231 39
22	M/s Sahara India Ltd Gurgaon	538 19	466 94	71 25
23	M/s Anumod Sharma Gurgaon	258 20	28 60	229 43
24	Sh Suknoir Singh Lotteries Gurgaon	58 30	16 00	42 30
25	M/s Durga Builders Ltd Fandabad	2 304 36	1 717 72	586 64
26	M/s FDB Ex Sainik Karamchari Society Gurgaon	1 172 86	302 71	870 15
27	M/s Urban improvement Co Gurgaon	2 468 32	2 458 55	9 77
28	M/s B P Jain and Sons Gurgaon	1 383 96	870 04	510 92
29	M/s Swastick Construction Panchkula	593 72	462 60	130 92
30	M/s NFL Employers Society Panipar	238 07	26 01	212 36
Total		74,510 55	58,981 17	15 529 38

Appendix — XVI

(Refer to paragraph 3 19, page 82)

Statement showing the names of departments where Action Taken Notes were awaited

Sr No	Name of the Administrative Department	Year of Audit Report	Number of Paragraphs
1	Revenue	1996-97	1
		1997-98	3
		1998-99	3
2	Buildings and Roads	1996-97	3
		1997-98	2
		1999-2000	1
3	Irrigation	1997-98	5
		1998-99	5
		1999-2000	3
4	Education	1997-98	1
		1998-99	2
		1999-2000	3
5	Housing	1996-97	2
		1999-2000	1
6	Town and Country Planning (HUDA)	1997-98	2
		1998-99	2
		1999-2000	2
7	Agriculture	1997-98	3
		1998-99	6
		1999-2000	2
8	Training	1995-97	1
9	Food and Supplies	1996-97	1
		1998-99	1
		1999-2000	1
10	Medical and Health	1997-98	2
		1998-99	1
		1999-2000	3
11	General	1997-98	1
		1998-99	2
		1999-2000	3
12	Public Works (Public Health) Department	1998-99	2
		1999-2000	4

1	2	3	4
13	Jail	1998-99	1
14	Co-operative	1998-99	1
		1999-2000	3
15	Science and Technology	1998-99	1
16	Technical Education	1998-99	1
17	Finance	1999-2000	2
18	Home	1998-99	2
		1999-2000	2
19	Social Welfare	1997-98	1
		1999-2000	1
20	Transport	1997-98	1
21	Fisheries	1998-99	1
22	Industries	1998-99	1
23	Printing and Stationery	1999-2000	1
24	Environment	1999-2000	1
25	Local Self Government	1999-2000	1
26	Rural Development	1999-2000	1
27	State Sanitary Board	1999-2000	1
Total			97

Appendix XVII
(Refer to paragraph 4.2.7, page 104)
Statement showing the position of stand posts

Sr No	Name of Division	Stand posts required	Actual number of stand posts installed	Shortfall () / excess	Percentage of excess/shortfall
1	Public Health Division No I Bhiwani	2744	13285	10542	384
2	Public Health Division No II Bhiwani	2883	18616	15733	546
3	Public Health Division Tosham	1375	12157	10782	784
4	Public Health Division Charkhi Dada	3048	6571	3523	116
5	Public Health Division Sonapat	4730	8055	3325	70
6	Public Health D&P Division Sonapat	1712	1594	() 118	(-) 7
7	Public Health Division Gohana	3301	3934	633	19
8	Public Health Division Narwana	3573	4709	1136	32
9	Public Health Division Jind	6121	6512	391	6
10	Public Health Division No I Karnal	1601	1226	(-) 375	() 23
11	Public Health Division No II Karnal	4957	6858	1901	38
12	Public Health Division No I Panipat	5587	10815	5228	94
13	Public Health Division Kurukshetra	6165	13511	7346	119
14	Public Health Division Rewari	5200	8884	3684	71
15	Public Health Division Narnaul	4097	11670	7573	185
16	Public Health Division Panchkula	1963	6745	4777	243
17	Public Health Division Kaithal	3135	8113	4978	159
18	Public Health Division No 1 Sirsa	3398	14640	11242	331
Total		65595	157896	92301	141

Appendix — XVIII
(Refer to paragraph 4.2.10(u)(a), page 110)

Statement showing details of cases of various diseases and deaths occurred during 1997 to 2000

Year (Calendar year)	Cholera		Gastro -enteritis		Diarrhea		Jaundice		Enteric Fever		M Meningitis	
	C	D	C	D	C	D	C	D	C	D	C	D
1997	21	-	67	-	185196	27	1461	32	409	1	19	-
1998	89	-	122	4	185757	27	618	6	433	1	9	-
1999	27	-	353	-	149952	38	1107	4	1023	-	30	-
2000	6	-	3560	-	79773	11	1504	8	369	1	4	-
Total	143	-	4102	4	600678	103	4690	50	2234	3	62	0

'C' Cases

D' Death

Appendix - XIX
(Refer to paragraph 6.1.7 page 145)
Statement showing the details of concentration of Suspended Particulate Matter (SPM)/Respirable Particulate Matter (RPM) in 8 cities

Sr No	Name of City	Phase	Residential area		Sensitive area		Industrial area	
			SPM/Excess percentage	RPM/Excess percentage	SPM/Excess percentage	RPM/Excess percentage	SPM/Excess percentage	SPM/Excess percentage
1	Gurgaon	I	325.60 (62.80)	154.10 (54.10)	421.10 (321.10)	200.00 (166.67)	271.70 ()	150.20 (0.13)
		II	488.81 (144.40)	318.25 (118.25)	507.13 (407.13)	269.15 (258.87)	309.42 ()	300.45 (100.30)
2	Fardabad	I	568.00 (314.00)	130.10 (30.10)	504.20 (404.20)	148.80 (98.40)	857.50 (71.50)	219.60 (46.40)
		II	295.24 (17.62)	149.11 (49.11)	315.18 (215.18)	133.33 (77.77)	349.42 ()	161.33 (7.55)
3	Sonapat	I	413.30 (106.65)	123.10 (23.10)	403.06 (303.06)	121.90 (62.53)	277.10 ()	104.20 ()
		II	158.34 ()	115.43 (15.43)	231.40 (131.40)	127.17 (69.56)	275.86 ()	158.29 (5.53)
4	Panipat	I	1920 (259.60)	171.00 (71.00)	243.90 (143.90)	78.20 (4.27)	318.50 ()	138.10 ()
		II	28.84 (14.42)	78.13 ()	335.15 (235.15)	118.22 (57.63)	151.66 ()	86.66 ()
5	Samana Nagar	I	87.40 (93.7)	146.90 (43.90)	252.30 (152.30)	113.50 (58.00)	1075.80 (115.16)	302.90 (101.93)
		II	06.59 (53.30)	128.98 (28.98)	221.70 (121.70)	103.65 (44.87)	807.62 (61.52)	298.39 (98.92)
6	Panchkula	I	86.50 (13.25)	80.20 ()	108.30 (8.30)	32.00 ()	318.50 ()	126.40 ()
		II	285.73 (12.87)	119.64 (19.64)	162.42 (62.42)	72.35 ()	51.37 (1.27)	116.03 ()
7	Bhiwani	I	271.70 (35.85)	117.00 (17.00)	215.20 (115.20)	111.10 (48.13)	157.30 ()	84.90 ()
		II	571.89 (135.95)	102.47 (2.47)	104.08 (4.08)	55.47 ()	98.93 ()	56.47 ()
8	Hisar	I	159.50 ()	61.70 ()	137.60 (37.60)	52.80 ()	210.43 ()	170.15 (13.43)
		II	182.86 (41.43)	103.61 (3.61)	313.96 (213.96)	122.52 (63.36)	210.43 ()	170.15 (13.43)

Figure shown in the brackets represent the excess percentage of SPM/RPM

Appendix — XX

(Refer to paragraph 6.2 (d), page 148)

Statement showing names of bodies and authorities the accounts of which had not been received

Sr No	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1	2	3	4
1	Municipal Committee Bahadurgarh	1985-87 1993-94 1996-97 1997-98 1999-2000 2000-2001	35.93 34.08 50.00 25.95 49.50 48.93
2	Municipal Committee Bhiwani	1987-88 1988-89 1989-90 1995-96 1997-98 1998-99 1999-2000 2000-2001	36.40 33.25 36.00 50.00 27.56 72.00 1156.87 247.58
3	Municipal Committee Karnal	1982-83 1988-89 1992-93 1997-98 1998-99 1999-2000 2000-2001	7.00 32.61 45.50 52.53 482.25 299.73 235.98
4	Municipal Committee Narnaul	1988-89 1989-90 1997-98 1998-99 2000-2001	25.50 28.63 36.12 26.25 60.08
5	Municipal Committee Rontak	1987-88 1988-89 1989-90 1996-97 1997-98 1999-2000 2000-2001	34.00 37.61 32.35 25.08 78.44 266.56 197.41

1	2	3	4
6	Municipal Committee Fardabad	1995-96	39 38
		1996-97	50 00
		1997-98	30 00
		1998-99	669 00
		1999-2000	394 00
		2000-2001	50 23
7	Municipal Committee Patiala	1995-96	50 00
		1998-99	30 00
		1999-2000	105 00
		2000-2001	62 75
8	Municipal Committee Sonapat	1997-98	69 93
		1998-99	326 25
		1999-2000	263 23
		2000-2001	167 82
9	Municipal Committee Charkhi Dadri	1995-96	33 33
		1999-2000	50 00
		2000-2001	43 14
10	Municipal Committee Rewari	1996-97	50 00
		1997-98	38 82
		1999-2000	229 73
		2000-2001	84 17
11	Municipal Committee Jagadhri	1996-97	50 00
		1998-99	26 25
		1999-2000	28 15
		2000-2001	108 53
12	Municipal Committee Panipat	1996-97	65 00
		1998-99	523 00
		1999-2000	306 30
		2000-2001	146 26
13	Municipal Committee Hisar	1996-97	50 00
		1997-98	48 31
		1998-99	58 25
		1999-2000	61 81
		2000-2001	176 93
14	Municipal Committee Barwala	1996-97	33 33
		1999-2000	50 00
		2000-2001	31 04

1	2	3	4
15	Municipal Committee Gurgaon	1996-97 1997-98 1998-99 1999-2000 2000-2001	31 69 42 78 471 25 235 76 170 38
16	Municipal Committee Thanesar	1997-98 1999-2000 2000-2001	31 81 26 76 60 81
17	Municipal Committee Ambala City	1998-99 1999-2000 2000-2001	70 25 51 04 676 27
18	Municipal Committee Ambala Cantt	1999-2000 2000-2001	460 97 84 63
19	Municipal Committee Kurukshetra	1998-99	33 75
20	Municipal Committee Kaithal	1998-99 1999-2000 2000-2001	62 25 638 42 98 95
21	Municipal Committee Gharonda	1999-2000	25 00
22	Municipal Committee Yamunanagar	1998-99 1999-2000 2000-2001	350 00 578 66 172 96
23	Municipal Committee Gorana	1999-2000	70 00
24	Municipal Committee Bhiwani Khera	1998-99 1999-2000	32 03 40 00
25	Municipal Committee Kharkhoda	1998-99	50 00
26	Municipal Committee Pehowa	1999-2000 2000-2001	56 16 41 81
27	Municipal Committee Jhajjar	1999-2000	180 00
28	Municipal Committee Safidon	2000-2001	81 62
29	Municipal Committee Sirsa	1999-2000 2000-2001	105 35 133 93
30	Municipal Committee Dabwali	1999-2000 2000-2001	98 83 73 25
31	Municipal Committee Taoru	1999-2000	40 00
32	Municipal Committee Uchana	1999-2000	30 00
33	Municipal Committee Asandh	1999-2000	120 00

1	2	3	4
34	Municipal Committee Naraingarh	1999-2000	34 79
35	Municipal Committee Kalanaur	1999-2000	40 00
36	Municipal Committee Tosham	1999-2000	28 40
37	Municipal Committee Ratia	1999-2000	30 00
38	Municipal Committee Shahabad	2000-2001	73 04
39	Municipal Committee Ladwa	2000-2001	45 16
40	Municipal Committee Samalkha	2000-2001	42 65
41	Municipal Committee Meham	2000-2001	31 06
42	Municipal Committee Sohna	2000-2001	37 58
43	Municipal Committee Narwana	2000-2001	60 58
44	Municipal Committee Hansi	2000-2001	108 50
45	Municipal Committee Mohindergarh	2000-2001	38 55
46	Municipal Committee Jind	2000-2001	135 63
47	Municipal Committee Faridabad Corporation	2000-2001	111 61
48	Municipal Committee Ellenabad	2000-2001	43 10
49	Shri Bhuteshwar Temple Tirath Jind	1994-95	25 29
50	Haryana Saahitya Academy Chandigarh	1994-95 1995-96 2000-2001	26 00 30 00 37 21
51	Aravali Vikas Sangathan Gurgaon	1995-96	100 00
52	Haryana Urdu Academy Panchkula	2000-2001	25 00
53	Haryana Migration Research and Management Institute Kurukshetra	1999-2000 2000-2001	20 00 321 00
54	Haryana Slum Clearance Board Chandigarh	1998-99	700 48
55	Rajaya Sainik Vocal Training Centre Panchkula	1998-1999	46 25
56	District Council for Child Welfare Pawan	1999-2000	38 75
57	Integrated Women's Employment and Development Project Haryana Chandigarh	1996-97 1997-98 1998-99 1999-2000	330 03 152 00 86 50 169 39
58	Fish Farm Development Agency Gurgaon	2000-2001	45 85
59	Sainik School Kurukshetra	2000-2001	56 85

1	2	3	4
Private Aided Colleges			
60	G M N College Ambala Cantt	2000-2001	133 45
61	S D College Ambala Cantt	2000-2001	200 70
62	Arya Girls College Ambala City	2000 2001	63 10
63	S A Jain College Ambala City	2000 2001	131 75
64	S L D A V College of Education Ambala City	2000-2001	38 65
65	SM Lubana Kha'sa Girls College Barara (Ambala)	1998-99 1999 2000 2000-2001	25 35 34 60 38 20
66	M P N College Mullana (Ambala)	2000-2001	34 00
67	Guru Nanak Khalsa College Yamunanagar	2000-2001	128 20
68	DAV College for Girls Yamunanagar	2000 2001	81 90
69	Guru Nanak Girls College Yamunanagar	2000 2001	110 05
70	Maharaja Aggarsein College Jagadhri	1999-2000 2000 2001	48 60 47 90
71	Hindu Girls College Jagadhri	2000-2001	72 17
72	DAV College Sadhaura	2000-2001	40 70
73	M L N College Radaur	2000 2001	42 70
74	Vaish College Bhiwani	2000-2001	121 05
75	Adarsh Mahila M V Bhiwani	2000 2001	88 75
76	K M College of Education Bhiwani	2000 2001	32 00
77	JVM GRR College Charkhi Dadri	2000 2001	107 40
78	APJ Saraswati College of Education Charkhi Dadri	2000 2001	32 50
79	B L J Suriwala College Tosham	2000 2001	25 25
80	YM Degree College Nunda (Gurgaon)	2000 2001	52 25
81	Nirankari Baba Gurcharan Singh Memorial College Sohna (Gurgaon)	2000 2001	50 70
82	RLS College of Education Sidhrawali (Gurgaon)	1999 2000 2000-2001	33 00 35 60
83	GGDSD College Palwal	2000 2001	128 00
84	Aggarwal College Ballabgarh	2000 2001	86 05

1	2	3	4
85	DN Collegel for Women Faridabad	1999-2000 2000-2001	86 00 80 20
86	DAV Centary College Faridabad	2000 2001	52 75
87	Saraswati Mahila Mahavidyalya Palwal	2000 2001	31 63
88	CRM Jat College Hisar	2000 2001	145 55
89	DAV Jat College Hisar	1999 99 1999-2000 2000 2001	121 90 185 00 225 15
90	FC College for Women Hisar	2000-2001	77 85
91	SD Mahila Mahavidyalya Hansi	1999-2000 2000 2001	40 50 47 20
92	CR College of Education Hisar	1999-2000 2000-2001	26 40 27 50
93	CR Kisan College Jind	2000-2001	85 00
94	Hindu Kanya Mahavidyalya Jind	1996 97 1997-98 1998 99 1999 2000 2000-2001	32 20 35 20 31 60 58 00 64 60
95	SD Mahila Mahavidvalya Narwana Jind	1999 2000 2000-2001	26 60 27 95
96	DAV College Karnal	1996-97 1997 98 1998 99 1999-2000 2000-2001	29 20 33 80 37 25 66 00 55 55
97	Guru Nanak Khalsa College Karnal	2000-2001	52 85
98	Dyal Singh College Karnal	2000-2001	170 75
99	KVA DAV College for Women Karnal	1996 97 1997 98 1998-99 1999 2000 2000 2001	48 35 59 80 46 35 76 40 93 95
100	Arya College Panipat	1999-2000 2000 2001	94 00 105 70
101	IB College Panipat	1999 2000 2000 2001	104 50 92 10

1	2	3	4
102	Gandhi Adarsh College Samalkha	1995-97 1997-98 1998-99 1999-2000 2000-2001	25 40 27 79 25 50 46 50 44 25
103	DAV College Pundri (Kaithal)	1999-2000 2000-2001	30 00 32 75
104	Kanya Mahavidyalaya Fatehapur Pundri	1999-2000 2000-2001	39 40 41 55
105	RK SD College Kaithal	1999-2000 2000-2001	133 00 154 25
106	IG Manila Mahavidyalaya Kaithal	1997-98 2000-2001	32 10 51 75
107	BMR Janta College Kauri (Kaithal)	1996-97 1999-2000 2000-2001	31 30 55 80 54 97
108	DAV College Cheeka (Kaithal)	1999-2000 2000-2001	42 70 43 35
109	Kanya Mahavidyalaya Dhand (Kaithal)	1999-2000 2000-2001	31 40 36 05
110	IG National College Ladwa (Kurukshetra)	1996-97 1997-98 1998-99 1999-2000 2000-2001	34 40 41 80 39 60 62 90 63 20
111	DN Mahila Mahavidyalaya Kurukshetra	2000-2001	66 00
112	M N College Shahbad	1999-2000 2000-2001	57 50 59 65
113	Arya Kanya Mahavidyalaya Shahabad	1999-2000 2000-2001	48 20 55 05
114	Bhagwan Parshu Ram College Kurukshetra	1999-2000 2000-2001	37 30 44 30
115	DAV College (Pehowa) Kurukshetra	1996-97 1997-98 1998-99 1999-2000 2000-2001	32 60 31 90 36 70 59 20 59 65
116	KLP College Rewari	2000-2001	163 30

1	2	3	4
117	Ahir College Rewari	2000-2001	59 15
118	RDS Public Girls College Rewari	1998-99	39 30
		1999-2000	30 40
		2000-2001	29 55
119	SP College of Education Rewari	2000-2001	25 80
120	GB Degree College Rewari	1996-97	29 90
		1997-98	31 70
		1998-1999	31 30
121	GB Degree College Rohtak	1999-2000	47 60
		2000-2001	55 05
122	Shri L N Hindu College Rohtak	1996-97	44 70
		1997-98	51 10
		1998-99	48 90
		1999-2000	78 00
		2000-2001	81 70
123	Vaish College Rohtak	1999-2000	106 00
		2000-2001	117 95
124	Vaish Girls College Rohtak	1999-2000	65 80
		2000-2001	64 85
125	SJK College Kalanaur (Rohtak)	2000-2001	67 05
126	CR College of Education Rohtak	1999-2000	31 00
		2000-2001	36 50
127	M K Jai Kanya Manavidyalaya Rohtak	2000-2001	26 80
128	Guru Hari Singh Mahavidyalaya Jagan Naga Sirsa	2000-2001	46 90
129	Central National Girls College Sirsa	2000-2001	61 95
130	MP College for Girls Dabwali	1996-97	26 80
		2000-2001	48 70
131	Vaish Arya Kanya Manavidyalaya Bhadurgarh Jhajjar	1999-2000	27 00
		2000-2001	35 75
132	M A College for Women Jhajjar	2000-2001	40 70
133	MM College Fatehabad	1999-2000	56 30
		2000-2001	68 75
134	CRA College Sonapat	2000-2001	138 80
135	Hindu College Sonapat	2000-2001	227 45

1	2	3	4
136	Hindi College of Education Sonipat	2000-2001	37 00
137	Hindu Mahila Mahavidyalya Sonipat	1996-97	96 10
		1997-98	105 30
		1998-99	97 55
		1999-2000	142 00
		2000-2001	174 65
138	TR College of Education Sonipat	2000-2001	29 10
139	Gita Vidya Mandir KMV Sonipat	2000-2001	86 95
140	TR Girls College Sonipat	1999-2000	33 10
		2000-2001	30 70
141	BPSM Girls College Kharpu, Kalan	2000-2001	59 90
142	BPS College of Education Khanpur Kalan	2000-2001	26 40
143	Viveka Nand MV Nangal Cnaudnry Mohindergarh	1996-97	26 29
144	MAIMRE Agroha	1999-2000	150 00

(11)

APPENDIX

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

Sr No	Name of Department	Paragraph	Brief Subject
1	2	3	4
7th Report			
1	PWD (B&R)	33	Payment of work done
9th Report			
2	Industries	5(2)	Credit facilities for development of small industries
11th Report			
3	Welfare of SC & BC	26	Loan for Social Welfare
14th Report			
4	Industries	16	Purchase of Cotton Yarn
15th Report			
5	Agriculture	6	Distribution of taccavi loan in the form of chemical fertilizers
16th Report			
6	Industries	2(a) and 2(d)	Subsidy or setting up industries units in selected Backward areas (Cases of M/s B K Steel Rolling Mill) Tohana and M/s Modern Industries Charkhi Dadri
18th Report			
7	Co-operation	39	Co-operative Consumer Stores
19th Report			
8	Public Relations	8	Setting up of an open area for age 100 (District of Jhansi)
9	Co-operation	25(ii)	Co-operative Consumer Store
10	Excise and Taxation	40	Loss of duty on excess wastage
21st Report			
11	PWD (Public Health)	12	Outstanding Recoveries against contractor
22nd Report			
12	Industries	10(ii)	Industrial Estate
13	Co-operation	16	Co-operative Consumer Stores
14	Irrigation	20	Penal recovery of cost of coal issued to Kila Contractors in excess requirement
15	Revenue	39(6 ii) (8)	Land holding tax

1	2	3	4
16	Revenue	40	Non levy of registration fee
17	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation
18	Excise and Taxation	53	Loss of duty on excess storage wastage
19	Excise and Taxation	54	Shrotfall in duty
20	Excise and Taxation	56	Recovery due from contractor
23rd Report			
21	Co-operation	34	Co-operative Consumer Stores
22	Food and Supplies	35	Haryana State Federation of Consumer Co-operative Wholesale Stores Limited Chandigarh
23	Excise and Taxation	47	Uncollected Revenue
24	Excise and Taxation	55	Result of tests and analysis
25	Excise and Taxation	57	Failure to initiate action to recover the licence fee
26	Excise and Taxation	58	Loss of duty on excess storage wastage
27	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
25th Report			
28	Co operation	5	Co-operative consumer Stores
29	Colonization	9	Encroachment of Land
30	Colonization	11	Recoveries from plot holders
31	Food and Supplies	15	Abnormal shortage/Quality cuts on damaged wheat stocks
32	Education	30	Embezzlement
33	Fisheries	31	Development of Fisheries
34	Excise and Taxation	54	Un collected revenue
35	Excise and Taxation	58	Incorrect computation of tax on interstate sales
36	Excise and Taxation	67	Irregular allowance for wastage
37	Excise and Taxation	69	Failure to enforce licence conditions
26th Report			
38	Revenue	0	Grazing revenue for crops/houses damaged
39	Irrigation	22	Faulty measurement of work resulting in over payment
40	Excise and Taxation	49	Uncollected revenue
41	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
42	Excise and Taxation	63	Non recovery of licence fee and interest

1	2	3	4
28th Report			
43	Education	5	Irregularities on release/utilisation of grant
44	Irrigation	10	Masani Barrage Project
45	PWD (B&R)	14	Shortage of Steel
46	Printing and Stationery	22	Stationery Branch
47	Development	30	Selection of works
48	Excise and Taxation	41	Registration of dealers under Sale Tax Act
49	Excise and Taxation	44	Non recovery of licence fee and interest
29th Report			
50	Forest	8	Afforestation Social Forestry & including Pural fuel wood plantation and farm forestry
51	Irrigation	17	Excess issue of coal
52	Irrigation	21	Misappropriation
53	Irrigation	22	Miscellaneous Public Works Advances
54	Development	32	Forestry sector
55	Excise and Taxation	47	Non levy of penalty
56	Excise and Taxation	50	Non levy of penalty
57	Excise and Taxation	51	Non levy of penalty
58	Excise and Taxation	53	Interest not charged
59	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
60	Transport	58	Results of Audit
61	Revenue	62	Results of Audit
62	Revenue	63	Undervaluation of immovable property
63	Mineral Resources and Geology	71	Results of Audit
32nd Report			
64	Industries	4	Development of small industries
65	Industries	6	Quadranting of coal
66	Irrigation	10	Excess measurement
67	Irrigation	12	Misappropriation
68	Irrigation	20	Shortage of Stores
69	Revenue	25	Inadmissible payment
70	Town and Country Planning (HUDA)	35	Alleged embezzlement
71	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
72	Public Health	41	Urban water supply and sewerage scheme
73	Public Health	42	Commencement of work without sanction

1	2	3	4
74	Mines and Geology	47	Uncollected revenue
75	Mines and Geology	48	Results of Audit
76	Mines and Geology	49	Short recovery or non recovery of royalty on bricks
77	Agriculture	56	Embezzlement of licence fee money
78	Excise and Taxation	61	Uncollected revenue
79	Excise and Taxation	69	Irregular levy of tax at concessional rate
80	Excise and Taxation	71	Interest penalty on tax due

34th Report

81	Development and Panchayats	8	Irregular and wasteful expenditure on books
82	Revenue	29	Land reforms
83	Revenue	30	Compensation to landowner
84	Revenue	31	Consolidation of holdings
85	Food and Supplies	47	Under Storage of wheat
86	Mines and Geology	55	Uncollected revenue
87	Mines and Geology	56	Non recovery short recovery of royalty
88	Excise and Taxation	63	Uncollected revenue
89	Excise and Taxation	66	Short levy/non levy of purchase tax
90	Excise and Taxation	69	Non levy of penalty
91	Excise and Taxation	70	Non filing the quarterly returns
92	Irrigation	72	Arrears of revenue
93	Irrigation	73	Short payment of water charges
94	Irrigation	74	Non raising of demand
95	Chief Electrical Inspector	78	Uncollected revenue
96	Chief Electrical Inspector	80	Arrears of electricity duty
97	Chief Electrical Inspector	81	Reconciliation of treasury receipts
98	Public Health	82	Results of Audit
99	Revenue	83	Results of Audit
100	Revenue	84	Under valuation of immovable property
101	Revenue	86	Short recovery of stamp duty on exchange

36th Report

102	Local Self Government	3	Non recovery of Government dues
103	Food and Supplies	7	Loss due to storage of wheat
104	Transport	9	Irregular payment of overtime allowance
105	Industries	13	Non utilization of loan
106	Town and Country Planning	16	Loss on auction of a shop cum flat
107	Revenue	18	Inadmissible gratuitous relief

1	2	3	4
108	Civil Aviation	19	Procurement operation and maintenance of aircraft
109	Public Health	23	Construction of a water tank
110	Haryana State Lotteries	25	Suspended misappropriation of Government money
111	PWD (B&R)	29	Excess measurement
112	PWD (B&R)	31	Misappropriation of stores
113	Revenue	37	Shortage of stores
114	Revenue	43	Results of Audit
115	Revenue	45	Irregular grant of exemption
116	Revenue	46	Misclassification of instruments
117	Revenue	48	Uncollected Revenue
118	Mines and Geology	50	Non recovery/Short recovery of royalty
119	PWD (B&R)	51	Results of Audit
120	Excise and Taxation	53	Uncollected Revenue (PGT)
121	Excise and Taxation	54	Uncollected Revenue (State Excise)
122	Excise and Taxation	58	Results of Audit (Sales Tax)
123	Excise and Taxation	59	Short levy/Non levy of purchase
124	Excise and Taxation	65	Exemption allowed in assessment

38th Report

125	Science and Technology	16	Evaluation and monitoring
126	Education and Health	9	Stores and Stock
127	Irrigation	28	Excess payment of Earth work
128	Irrigation	32	Surplus material
129	Irrigation	34	Other point of interest
130	Irrigation	35	Shortage/Misappropriation of material
131	Irrigation	36	Shortage of lines
132	Public Health	41	Excess payment to the contractor
133	Public Health	42	Excess Payment
134	Mines and Geology	49	Outstanding inspection reports
135	Mines and Geology	50	Results of Audit
136	Mines and Geology	51	Receipts from Mines and Minerals
137	Agriculture	56	Interest not charged on delayed payments
138	PWD (B&R)	61	Arrears of rent
139	PWD (B&R)	62	Sale of empty bitumens drum

1	2	3	4
140	Revenue	63	Outstanding inspection reports
141	Revenue	64	Results of Audit
142	Revenue	68	Misclassification of Instrument
143	Excise and Taxation	70	Assessments in arrears
144	Excise and Taxation	71	Uncollected revenue
145	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court
146	Excise and Taxation	77	On the /Short e , o purchase an
147	Excise and Taxation	79	Suppression of purchases
148	Excise and Taxation	80	Incorrect deduction from turnover
149	Excise and Taxation	81	Irregular stay of tax and interest
150	Excise and Taxation	85	Non recovery or loss on re auction or vend
151	Excise and Taxation	86	Loss of Excise Duty due to issue or permit
152	Excise and Taxation	87	Recovery at the instance of Audit

40th Report

153	Home	15	Non recovery or telephone calls
154	Town and Country Planning	18	Non realization of service charges
155	Town and Country Planning	19	Delay in land acquisition cases
156	Town and Country Planning	20	Extra contractual payment
157	Irrigation	25	Injudicious purchases
158	Public Health	32	Irregular expenditure
159	Public Health	33	Stores and stock
160	Public Health	34	Injudicious purchases
161	PWD (B&R)	37	Extra payment due to incorrect entries in Measurement Books
162	PWD (B&R)	38	Avoidable extra expenditure due to retendering
163	Co-operation	41	Embezzlemen
164	Food and Supplies	47	Damage caused to vehicle in So age
165	Supplies and Disposals	49	Extra expenditure due to retendering
166	Excise and Taxation	50	Assessment in arrears
167	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
168	Excise and Taxation	52	Uncollected Revenue (State Excise)
169	Excise and Taxation	54	Results of Audit
170	Excise and Taxation	55	Delay in re assessment of remand cases
171	Excise and Taxation	57	Appeals entertained without deposit of tax
172	Excise and Taxation	59	Other interesting cases
173	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax

1	2	3	4
174	Excise and Taxation	61	Application of incorrect rate to tax
175	Excise and Taxation	62	Non levy of tax
176	Excise and Taxation	64	Irregular grant of exemption
177	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
178	Excise and Taxation	68	Non levy of penalty
179	Excise and Taxation	69	Interest not charged
180	Excise and Taxation	7	Results of Audit Entertainment duty (cinema tax)
181	Excise and Taxation	74	Non recovery of duty on wastage in excess of 100 ms
182	Excise and Taxation	75	Interest not charged
183	Revenue	79	Outstanding Inspection Reports
184	Revenue	80	Results of Audit
185	Revenue	81	Under valuation of immovable property
186	Revenue	82	Misclassifications of instruments
187	Revenue	83	Irregular grant of exemption
188	Revenue	84	Non/Short levy of stamp duty
189	Revenue	85	Irregular registration of supplementary deeds
190	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
191	Revenue	89	Embezzlement of Government revenue
192	Mines and Geology	93	Outstanding Inspection Reports
193	Mines and Geology	94	Results of Audit
194	Co operation	95	Results of Audit
42nd Report			
195	Irrigation	11	Excess payment due to incorrect/incorrect measurements
196	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
197	Irrigation	16	Unfruitful expenditure due to non energisation of pumps
198	Irrigation	17	Defective execution of work
199	Irrigation	18	Unavoidable payment of penalties
200	Transport	26	Performance of minibuses
201	Local Bodies	31	Bodies and Authorities substantially financed by Government grants and loans
202	Agriculture	38	Unfruitful expenditure on idle equipment
203	Food and Supplies	42	Loss due to negligence
204	Public Health	52	Funding Pattern

1	2	3	4
205	Public Health	53	Targets and achievements
206	Public Health	54	Arrears due from municipalities
207	Public Health	55	Other points
208	Public Health	60	Inflated/Fictitious measurement
209	Public Health	61	Outstanding Inspection Reports and Paragraphs
210	Public Health	63	Infructuous expenditure on abandoned work
211	PWD (B&P)	71	Shortage of Tools and Plant
212	PWD (B&R)	74	Sub standard execution of work
213	Education	82	Fraudulent drawal of Leave Travel Concession
214	Education	84	Operation Blackboard
215	Social Welfare	88	Outstanding Inspection Reports
216	Co-operation	95	Outstanding Inspection Reports/Paragraphs
217	Co operation	99	Results of Audit
218	Revenue	101	Outstanding Inspection Reports
219	Revenue	102	Land Revenue
220	Revenue	103	Results of Audit
221	Revenue	104	Irregular exemption of stamp duty
222	Revenue	106	Recovery at the instance of Audit
223	Excise and Taxation	108	Uncollected Revenue
224	Excise and Taxation	109	Frauds and evasion of taxes
225	Excise and Taxation	110	Outstanding Inspection Reports
226	Excise and Taxation	111	Results of Audit
227	Excise and Taxation	112	Details of appeals pending on 31.3.90
228	Excise and Taxation	113	Delay in taking up of appeal cases
229	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
230	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
231	Excise and Taxation	118	Non recovery of arrears due to delay in assessment
232	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
233	Excise and Taxation	120	Irregular grant of exemption certificate
234	Excise and Taxation	121	Delay in initiating/pursuance of recovery proceedings
235	Excise and Taxation	122	Other interesting cases
236	Excise and Taxation	123	Evasion of tax

1	2	3	4
237	Excise and Taxation	125	Application of incorrect rate of tax
238	Excise and Taxation	126	Non/Short levy of interest
239	Excise and Taxation	127	Results of Audit
240	Excise and Taxation	128	State Excise Duty
241	Excise and Taxation	129	Loss of revenue due to re auction of vends
242	Excise and Taxation	130	Short recovery of composite fee
243	Excise and Taxation	131	Non recovery of license fee and interest
244	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
245	Excise and Taxation	133	Interest not recovered
246	Excise and Taxation	134	Non recovery of penalties
247	Excise and Taxation	135	Assessments in arrears
248	Excise and Taxation	136	Uncollected Revenue
249	Excise and Taxation	138	Results of Audit
250	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers
251	Excise and Taxation	140	Under assessments due to short/non levy of purchase tax
252	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
253	Excise and Taxation	144	Short levy of penalty
254	Excise and Taxation	145	Results of Audit

44th Report

255	Public Health	3	Sub Standard execution of work
256	Public Health	4	Recovery due from contractor
257	Public Health	6	Surplus materials
258	Public Health	8	Excess issue of materials
259	Irrigation	12	Surplus materials
260	Irrigation	17	Shortage of T&P articles
261	Labour and Employment	20	Cost of sub standard medicines not recovered
262	Social Welfare	21	Old Age Pension
263	Social Welfare	23	Payment of pension to ineligible persons
264	Social Welfare	26	Liberation of scavengers
265	Medical and Health	27	Family Welfare programme including India Population Project
266	Local Government and Housing	32	Financial outlay and expenditure
267	Local Government and Housing	33	Scheme of Employment through Housing and Shelter Upgradation (SHASU)

1	2	3	4
268	Rural Development	35	Non recovery of subsidy misutilised
269	Rural Development	36	Integrated Rural Development Programme
270	Town and Country Planning	38	Unfruitful Expenditure
271	Town and Country Planning	41	Functioning of State Planning Cell
272	Town and Country Planning	42	Idle investment
273	Town and Country Planning	43	Avoidable payment of interest
274	Printing and Stationery	44	Avoidable extra expenditure of bus tickets
275	Revenue	46	Mewat Development Board
276	Sports and Youth Welfare	47	Embezzlement of funds
277	Mines and Geology	48	Uncollected Revenue
278	Mines and Geology	49	Outstanding inspection Reports
279	Mines and Geology	50	Results of Audit
280	Mines and Geology	51	Short recovery of royalty and interest
281	Mines and Geology	52	Loss of revenue due to defective execution of lease deed
282	Mines and Geology	53	Short Calculation of interest
283	Mines and Geology	54	Uncollected Revenue
284	Mines and Geology	55	Outstanding Inspection Reports
285	Mines and Geology	56	Results of Audit
286	Mines and Geology	57	Non realisation of contract money and interest
287	Mines and Geology	58	Non recovery of dead rent and interest thereon
288	Mines and Geology	59	Interest not charged on delayed payments
289	Mines and Geology	60	Uncollected revenue
290	Mines and Geology	61	Results of Audit
291	Mines and Geology	62	Non recovery of contract money and interest
292	Mines and Geology	63	Non recovery/Short recovery of royalty
293	Mines and Geology	64	Interest not charged
294	Revenue	65	Uncollected Revenue
295	Revenue	66	Uncollected Revenue (Land Revenue)
296	Revenue	67	Result of Audit
297	Revenue	68	Short levy of Stamp duty
298	Revenue	69	Under valuation of immovable property
299	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
300	Revenue	71	Irregular exemption of Stamp duty and registration fee

1	2	3	4
301	Revenue	72	Misclassification of instruments
302	Revenue	73	Uncollected Revenue
303	Revenue	74	Uncollected Revenue (Land Revenue)
304	Revenue	76	Results of Audit
305	Revenue	77	Short recovery of stamp duty on mortgage deed
306	Revenue	78	Irregular exemption of stamp duty
307	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
308	Revenue	80	Misclassification of instruments
309	Transport	81	Outstanding Inspection Reports
310	Transport	83	Review on taxes on motor vehicles
311	Transport	87	Short realisation of registration fee/transfer of ownership fee/hire purchase agreement fee
312	Transport	88	Short realisation of permit/counter signature fee
313	Transport	89	Results of Audit Permit/Counter signature fee
314	Transport	90	Short realisation of permit/ Counter signature fee
315	Prohibition Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
316	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
317	Prohibition Excise and Taxation	94	Results of Audit
318	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
319	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
320	Prohibition Excise and Taxation	97	Non-observance of departmental instructions regarding crossverifications
321	Prohibition Excise and Taxation	98	Non-observance of prescribed procedures for receipt and issue of declaration forms
322	Prohibition Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
323	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
324	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
325	Prohibition Excise and Taxation	102	Incorrect levy of Con cessional rate of Tax
326	Prohibition Excise and Taxation	103	Other points of interest
327	Prohibition Excise and Taxation	104	Non/short levy of purchase tax

1	2	3	4
328	Prohibition Excise and Taxation	106	Results of Audit
329	Prohibition Excise and Taxation	107	Interest not charged
330	Agriculture	108	Non recovery of purchases tax and interest
331	Agriculture	109	Non recovery of purchase tax and interest
332	Power	111	Uncollected Revenue
333	Power	113	Shortfall in statutory inspection of electrical installations
334	Power	114	Non Reconciliation of treasury receipts
335	Irrigation	116	Under assessment of water charges
46th Report			
336	Housing	5	Infructuous expenditure
337	Housing	6	Loss owing to construction of houses on unapproved layout plan
338	P W D (B & R)	18	Extra expenditure
339	P W D (B & R)	23	Surplus materials
340	P W D (B & R)	25	Short receipt of material
341	P W D (B & R)	27	Procurement of sub standard cement
342	Public Health	29	Unfruitful expenditure
343	Public Health	30	Outstanding Inspection Reports
344	Irrigation	34	Procurement of sub standard cement
345	Haryana State Lotteries	36	Appointment of main stockists
346	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
347	Haryana State Lotteries	39	Out standings against Sales Officers
348	Haryana State Lotteries	40	Other points of interest
349	Prohibition and Excise	41	Arrears in revenue
350	Prohibition and Excise	42	Results of Audit
351	Commercial Taxes	43	Arrears in revenue
352	Commercial Taxes	44	Arrears in assessment
353	Commercial Taxes	46	Outstanding inspection reports and audit observations
354	Commercial Taxes	47	Results of Audit
355	Commercial Taxes	48	Sales Tax Check Barriers
356	Commercial Taxes	50	Short levy of Purchases Tax
357	Commercial Taxes	51	Non/Short levy of interest and penalty
358	Commercial Taxes	52	Results of Audit
48th Report			
359	Rural Development	3	Implementation and Achievement
360	Agriculture	4	Arrears in revenue

1	2	3	4
361	Animal Husbandry	8	Frauds and evasion of taxes/duties
362	Co-operation	11	Arrears in revenue
363	Mines and Geology	14	Arrears in revenue
364	Mines and Geology	15	Outstanding inspection reports and audit observations
365	Industries	18	Outstanding inspection reports and audit observations
366	Transport	19	Outstanding inspection reports and audit observations
367	Transport	20	Outstanding audit objections in Internal Audit
368	Transport	21	Results of Audit
369	Agriculture	23	Outstanding inspection reports/paragraphs
370	Food and Supplies	25	Extra expenditure
371	Housing	27	Avoidable liability of interest
372	Animal Husbandry	28	Uneconomical working of Liquid Nitrogen Gas Plants
373	Education	29	Purchases without assessment of requirement
374	P W D (B&R)	31	Irregular/Excess expenditure on execution of works
375	Excise and Taxation	33	Arrears in revenue
376	Excise and Taxation	34	Arrears in assessment
377	Excise and Taxation	35	Frauds and evasion of taxes/duties
378	Excise and Taxation	36	Outstanding inspection reports and audit observations
379	Excise and Taxation	37	Results of Audit
380	Excise and Taxation	39	Non/Short levy of tax
381	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
382	Excise and Taxation	44	Loss of revenue due to defray in finalisation or assessment
383	Excise and Taxation	45	Non levy of interest and penalty
384	Excise and Taxation	46	Results of Audit
385	Excise and Taxation	47	Non observance of internal control mechanism
386	Excise and Taxation	50	Short recovery of entertainments duty
50th Report			
387	Finance (Lotteries)	3	Printing of lottery tickets
388	Industries	5	Capital investment subsidy
389	Industries	6	Irregular release/ non recovery of assistance
390	Social Welfare	8	Panjin Plants
391	Home (Jail)	9	Injudicious purchase

1	2	3	4
392	Public Health	11	Rural water supply schemes
393	Public Health	12	Other points
394	Public Health	13	Recovery due from contractor
395	Immigation	18	Stores and Stock
396	Immigation	20	Tools and plants returns
397	Immigation	21	Physical verification
398	Immigation	22	Surplus materials
399	Town and Country Planning	24	Construction of Building and Roads by HUDA
400	Town and Country Planning	25	Construction of Building
401	Town and Country Planning	26	Test check of records relating to construction of roads
402	Town and Country Planning	27	Other points of interest
403	Town and Country Planning	28	Non recovery of compounding fee
404	Town and Country Planning	29	Avoidable payment of interest
405	Transport	30	Material Management and Inventory control
406	Transport	31	Loss on wreckers
407	Transport	32	Purchase of Sub standard tubes of butyl rubber
408	Transport	35	Avoidable payment of compensation and interest thereon
409	Forest	36	Generation of employment
410	Forest	38	Alkali/saline land plantation
411	Social Welfare	46	Outstanding inspection reports
412	P W D (B&R)	47	Construction of Major Building including Staff Quarters
413	P W D (B&R)	48	Time overrun
414	P W D (B&R)	49	Execution of works without technical sanction of cost estimates
415	P W D (B&R)	52	Undue financial favour to the contractors
416	P W D (B&R)	53	Other points of interest
417	P W D (B&R)	55	Fictitious debit to work
418	P W D (B&R)	56	Monitoring
419	P W D (B&R)	57	Reimbursement claims
420	P W D (B&R)	58	World Bank and Asian Development bank loan
421	P W D (B&R)	59	Physical targets and achievements
422	P W D (B&R)	60	Execution
423	P W D (B&R)	61	Release of advances not covered by agreement
424	P W D (B&R)	62	Non-deduction of un conditional rebate and irregular payment to compensate income tax/sales tax deductions at source
425	P W D (B&R)	63	Excess payment of price increase on diesel
426	P W D (B&R)	64	Under utilisation/idle machinery
427	P W D (B&R)	65	Irregular adjustment of expenditure

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428	P W D (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road
429	P W D (B&R)	67	Infructuous expenditure on construction of swimming pool
430	Irrigation	70	Loss and avoidable extra expenditure due to non fulfilment of contractual obligations
431	Irrigation	71	Outstanding inspection reports
432	Public Health	72	Stores and Stock
433	Rural Development	75	Payment of wages
434	Rural Development	76	Quality Controls
435	Rural Development	77	Other points
436	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
437	Rural Development	79	Non recovery of misutilised subsidy
438	Town and Country Planning	80	Non levy of Penalty
439	Town and Country Planning	81	Non recovery of auction money
440	Town and Country Planning	82	Non transfer of developed sectors
441	Transport	83	Infructuous expenditure on printing of tickets
442	Transport	86	Avoidable payment of compensation due to delay in renewal of insurance policy
443	Transport	87	Avoidable payment of compensation due to incorrect filing to affidavit before the tribunal
444	Food and Supplies	88	Loss due to wrong charging of cost of gunny bags
445	General	89	Misappropriation defalcations etc
446	General	90	Write off of losses etc
447	General	91	Final assistance to local bodies and others
448	Revenue	92	Arrears in revenue
449	Revenue	93	Frauds and evasion of taxes/duties
450	Revenue	94	Results of Audit
451	Revenue	95	Internal Audit
452	Revenue	96	Results of Audit
453	Revenue	97	Stamp duty and Registration Fees
454	Revenue	98	High Pendency of cases of undervaluation with Collectors
455	Revenue	99	Misclassification of instruments
456	Revenue	100	Short levy of stamp duty
457	Revenue	101	Pre audit of registrable documents
458	Revenue	102	Arrears in Revenue
459	Revenue	103	Frauds and evasion of taxes/duties
460	Revenue	104	Results of Audit
461	Revenue	105	Outstanding audit objections in Internal Audit
462	Revenue	106	Results of Audit
463	Revenue	107	Short recovery of stamp duty on mortgage deed
464	Revenue	108	Evasion of stamp and registration fees through power of attorney

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465	Revenue	109	Evasion of Stamp Duty
466	Chief Electrical Inspector	110	Arrears in revenue
467	Transport	111	Results of Audit
468	Mines and Geology	112	Results of Audit
469	Mines and Geology	113	Non recovery of interest for late deposit of contract money
470	Co-operation	114	Arrears in revenue
471	Animal Husbandry	115	Frauds and evasion of taxes/duties
472	Excise and Taxation	116	Arrears in revenue
473	Excise and Taxation	117	Arrears in assessment
474	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
475	Excise and Taxation	119	Under assessment
476	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
477	Excise and Taxation	121	Under assessment
478	Excise and Taxation	122	Under assessment
479	Excise and Taxation	123	Under assessment
480	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
481	Excise and Taxation	125	Non short levy of purchase tax
482	Excise and Taxation	126	Results of Audit
483	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
484	Excise and Taxation	128	Low yield of spirit
485	Excise and Taxation	129	Loss of spirit due to re-distillation
486	Excise and Taxation	130	Non recovery of excise duty where verification reports are not received
487	Excise and Taxation	131	Non recovery of cost of supervisory excise staff
488	Excise and Taxation	132	Other points of Interest
489	Excise and Taxation	133	Interest short charged
490	Excise and Taxation	134	Short realisation of composite fee
491	Revenue	135	Results of Audit
492	Revenue	136	Short levy of stamp duty due to misclassification of instruments
493	Revenue	137	Arrears in revenue
494	Transport	138	Results of Audit
495	Mines and Geology	139	Arrears in revenue
496	Mines and Geology	140	Results of Audit

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497	Agriculture	141	Arrears in revenue
498	Agriculture	142	Results of Audit
499	Agriculture	143	Non recovery of purchase tax and Interest
500	Irrigation	144	Results of Audit
501	Finance (Lotteries)	146	Results of Audit
502	General	147	Outstanding inspection reports and audit observations
503	General	148	Recoveries of interest of Loans and Advances

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504	Rural Development	3	MP Local Area Development Scheme
505	Education	4	Total literacy Campaign
506	Education	5	Colour television under Education Technology Scheme lying unused
507	Education	6	Extra expenditure on purchase of paper
508	Agriculture	9	Loans to Companies/Corporations
509	Agriculture	10	Outstanding Inspection Reports/paragraphs
510	Agriculture	12	Chaudhary Charan Singh Haryana Agriculture University Hisar
511	Agriculture	13	Other points of interest
512	Agriculture	14	Irregular Adhoc appointments
513	Agriculture	15	Non recovery of principal and interest from Sugar Mills
514	Revenue	16	Withdrawal of funds twice against one sanction and keeping of the funds outside the Government accounts
515	Revenue	17	Misutilisation of funds meant for flood relief
516	Technical Education	18	Central grant for establishment of Community Polytechnics lying unused for 10 years
517	Technical Education	19	Incomplete and defective supply of machinery to Polytechnics
518	Forest	20	Payment of Rs 12.74 lakh for fictitious earth work for plantation
519	Industries	21	Outstanding Inspection Reports
520	Transport	22	Sanction Procurement and Utilisation of Government vehicles
521	Transport	23	Maintenance and repairs of vehicles
522	Transport	24	Inventory of stores
523	Transport	25	Miscellaneous irregularities and avoidable expenditure
524	Irrigation	30	Other points of interest
525	Irrigation	35	Unfruitful expenditure due to non commissioning of an irrigation channel
526	Irrigation	38	Outstanding audit observations

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527	Irrigation	39	Miscellaneous Public Works Advances
528	P W D (B&R)	40	Infructuous expenditure on construction of a road
529	P W D (B&R)	41	Blocking of funds due to non utilisation of a road constructed without railway level crossing
530	P W D (B&R)	43	Miscellaneous Public Works Advances
531	P W D (B&R)	44	Stores and Stock
532	P W D (B&R)	45	Purchase without sanctions
533	P W D (B&R)	46	Short receipt of material
534	Public Health	48	Outstanding audit observations
535	Public Health	49	Miscellaneous Public Works Advances
536	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgement
537	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
538	Town & Country Planning	53	Non recovery of rent from the lessees due to non observance of conditions of lease deed
539	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis appropriation of material
540	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
541	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
542	Housing	59	Blocking of funds due to improper planning in construction of shops and amenities
543	Social Welfare	60	Embezzlement of Rs 3 99 lakh
544	Printing and Stationery	62	Loss due to return of waste paper against unused good quality paper
545	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
546	General	64	Misappropriations defalcations etc
547	General	65	Write off of losses etc
548	General	66	Financial Assistance to Local Bodies and others
549	Animal Husbandry	67	Arrears in revenue
550	Revenue	68	Arrears in revenue
551	Revenue	69	Results of Audit
552	Revenue	70	Short levy of Stamp Duty due to misclassification of instruments
553	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property

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554	Power (Chief Electrical Inspector)	72	Arrears in revenue
555	Power (Chief Electrical Inspector)	73	Results of Audit
556	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
557	Power	76	Non charging of electricity duty on extended
558	Power	77	Short realisation of electricity duty due to (Chief
559	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
560	Transport	79	Results of Audit
561	Transport	80	Non recovery of token tax
562	Co-operation	81	Arrears in revenue
563	Co-operation	82	Results of Audit.
564	Co operation	83	Revenue receipts (other than interest) from Co- operative Societies
565	Co-operation	84	Arrears in realisation of audit fee
566	Co operation	85	Non-deposit of dividend on Share Capital of State Government
567	Haryana State Lotteries	86	Results of Audit
568	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
569	Agriculture	88	Arrears in revenue
570	Agriculture	89	Results of Audit
571	Irrigation	91	Results of Audit
572	Mines and Geology	92	Results of Audit
573	Public Health	93	Results of Audit.
574	Excise and Taxation	94	Arrears in revenue
575	Excise and Taxation	95	Arrears in assessment
576	Excise and Taxation	96	Frauds and evasions of taxes/duties
577	Excise and Taxation	97	Results of Audit
578	Excise and Taxation	98	Exemption/deferment from payment of tax to new industries
579	Excise and Taxation	99	Non recovery of tax
580	Excise and Taxation	100	Under assessment due to irregular exemption
581	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/consignment sale
582	Excise and Taxation	102	Under assessment due to non submission of declaration forms
583	Excise and Taxation	103	Under assessment due to application of incorrect rates of tax
584	Excise and Taxation	104	Arrears in assessments
585	Excise and Taxation	105	Evasion of tax due to suppression of purchases
586	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
587	Excise and Taxation	107	Incorrect levy of concessional rate of tax
588	Excise and Taxation	108	Inadmissible deduction from turnover

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589	Excise and Taxation	109	Non levy of purchase tax
590	Excise and Taxation	110	Irregular stay of tax
591	Excise and Taxation	111	Application of incorrect rate of tax
592	Excise and Taxation	112	Non levy of tax
593	Excise and Taxation	113	Short levy of tax
594	Excise and Taxation	114	Under assessment due to excess rebate
595	Excise and Taxation	115	Non levy of penalty
596	Excise and Taxation	116	Non reconciliation of revenue deposits into treasury
597	Excise and Taxation	117	Results of Audit
598	Excise and Taxation	118	Short/non recovery of passenger tax
599	General	119	Outstanding Inspection Report and audit observations
54th Report			
600	Animal Husbandry	3	Working of Animal Husbandry Department
601	Animal Husbandry	6	Poultry Development Programme
602	Animal Husbandry	7	Implementation of Centrally sponsored schemes
603	Animal Husbandry	9	Outstanding Inspection reports/paragraphs
604	Home	12	Recoverable outstanding amounts against additional police supplied
605	Finance (Development and Panchayat	14	Non submission of utilisation certificates of
606	Medical and Health	15	National Malana Eradication Programme
607	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
608	Revenue	18	Fictitious payment of gratuitous relief
609	Revenue	19	Drawal of funds without requirement
610	Technical Education	20	Outstanding Inspection Reports
611	Public Health	21	Urban Water Supply and Sewerage Schemes
612	P W D (B&R)	22	Avoidable payment of interest
613	P W D (B&R)	23	Outstanding audit observations
614	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
615	Irrigation	25	Unfruitful expenditure on silt clearance
616	Industrial Training and Vocational Education	27	Stores and Stock
617	Agriculture	29	Unfruitful expenditure due to non acquisition of land and execution of work without transfer of land
618	Agriculture	30	General
619	Education	31	Nugatory expenditure due to payment of idle wages
620	Town and Country Planning	32	Land Acquisition transfer of land and utility thereof
621	Town and Country Planning	33	Non allotment and non handing over of land
622	Town and Country Planning	34	Non utilisation of land
623	Town and Country Planning	35	Loss due to non recovery of rebate

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624	Printing and Stationery	36	Pilferage of Paper
625	Transport	37	Accidents in Haryana Roadways
626	Transport	38	Accidents
627	Transport	39	Payment of Compensation
628	Transport	40	Loss of operational revenue due to accidents
629	Transport	41	Training of drivers in safe driving
630	Transport	42	Motor accident claim pending cases
631	Transport	43	Purchase of sub standard engine oil
632	General	44	Misappropriations defalcations etc
633	General (Financial Assistance to Local Bodies and others)	45	General
634	Animal Husbandry	46	Arrears in revenue
635	Animal Husbandry	47	Frauds and evasions of taxes/duties
636	Chief Electrical Inspector	48	Arrears in revenue
637	Revenue	49	Arrears in revenue
638	Revenue	50	Results of Audit
639	Revenue	51	Results of Audit
640	Revenue	52	Non/Short recovery of stamp duty
641	Revenue	53	Incorrect exemption of stamp duty
642	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
643	Revenue	55	Short levy of stamp duty due to misclassification of instruments
644	Revenue	56	Incorrect refund of stamp duty
645	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
646	Revenue	58	Short recovery of stamp duty on exchange deeds
647	Revenue	59	Results of Audit
648	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
649	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
650	Revenue	62	Return of RRCs
651	Excise and Taxation	63	Impact of prohibition on Revenue of the State
652	Excise and Taxation	64	Arrears in revenue
653	Excise and Taxation	65	Arrears in assessment
654	Excise and Taxation	66	Frauds and evasions of taxes/duties
655	Excise and Taxation	67	Results of Audit

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656	Excise and Taxation	68	Disposal of appeal cases
657	Excise and Taxation	69	Delay in finalising assessments
658	Excise and Taxation	70	Delay in finalisation of remand cases
659	Excise and Taxation	71	Collection of sales tax demands in arrears
660	Excise and Taxation	72	Recovery certification cases
661	Excise and Taxation	73	Incorrect levy of concessional rate of tax
662	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
663	Excise and Taxation	75	Inadmissible deduction from turnover
664	Excise and Taxation	76	Short levy of tax on sales to Non-government bodies
665	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
666	Excise and Taxation	78	Under assessment due to excess rebate
667	Excise and Taxation	79	Results of Audit
668	Excise and Taxation	80	Incorrect levy of entertainments duty
669	Transport	81	Results of Audit.
670	Transport	82	Non-deposit of token tax
671	Irrigation	83	Results of Audit.
672	Irrigation	84	Recovery of Water rates from canal water
673	Irrigation	85	Arrears of revenue
674	Irrigation	86	Less measurement of area Irrigated
675	Irrigation	87	Non imposition of penalty for unauthorised supply of water
676	Irrigation	88	Excess credit to an industrial unit
677	Irrigation	90	Short recovery of lease rent
678	Agriculture	91	Arrears in revenue
679	Agriculture	92	Results of Audit.
680	Agriculture	93	Non recovery of purchase tax and interest
681	Public Health	94	Results of Audit
682	Public Health	95	Non recovery of penalty charges
683	Home	96	Results of Audit
684	Mines and Geology	97	Arrears in revenue
685	Mines and Geology	98	Results of Audit
686	Mines and Geology	99	Short recovery of contract money and interest
687	Cooperation	100	Arrears in revenue
688	Cooperation	101	Results of Audit (Non Tax Receipts)
689	General	102	Outstanding Inspection Reports and Audit Observations
56th Report			
690	Education	3	Introduction of 10+2 pattern of education
691	Education	4	Nutritional Support to Primary Education
692	Forest	5	Rehabilitation of common lands in Aravalli Hills

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693	Medical and Health	6	Working of Medical and Health Department including Manpower Management
694	Medical and Health	7	Hospitals and dispensaries
695	Medical and Health	8	Community Health Centres (CHCs)
696	Medical and Health	9	Hospital Waste Management
697	Medical and Health	10	Drug Control Programme
698	Medical and Health	11	Outstanding Inspection Reports
699	Social Welfare	12	Integrated Child Development Service
700	Social Welfare	13	Training and orientation of ICDS personnel
701	Finance	14	Overpayment of pensionary benefits
702	Finance	15	Personal Ledger Accounts
703	Home	16	Non realisation of cost of police force supplied to other states/parties
704	Home	18	Stores and Stock
705	Prohibition Excise and Taxation	20	Fraudulent drawals and embezzlement of Government money
706	Revenue	21	Loss of interest due to delayed refund of unspent amount
707	Revenue	22	Excess payment of Gratuitous Relief
708	Sports and Youth Welfare	23	Non responsiveness to Audit findings and observations resulting in erosion of accountability
709	Irrigation	28	Wasteful expenditure
710	Irrigation	30	Non responsiveness to Audit findings and observations resulting in erosion of accountability
711	Irrigation	32	Defects in procedure treasury and financial rules
712	Irrigation	34	Undue retention of heavy Cash Balances
713	P W D (B&R)	35	Defects in procedure treasury and financial rules
714	Agriculture	36	Wasteful expenditure on construction of road
715	Co-operation	37	Loss due to negligence and improper maintenance of cold storage plant
716	Town and Country Planning	38	Payment of loan to Sugar Mill from the funds of H U D A
717	Town and Country Planning	39	Avoidable loss due to delay in allotment of plots
718	Food and Supplies	40	Public Distribution System
719	Printing and Stationery	41	Diversion and loss of funds
720	Supplies and Disposals	42	Extra expenditure due to finalisation of tenders after validity period

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721	General	43	Misappropriations defalcations etc
722	Financial Assistance to Local Bodies and others	44	General
723	Commercial Activities	45	General
58th Report			
724	Forest	3	Rehabilitation of common lands in Aravalli Hills
725	Excise and Taxation	4	Arrears in revenue
726	Excise and Taxation	5	Arrears in assessment
727	Excise and Taxation	6	Frauds and evasions of taxes/duties
728	Excise and Taxation	7	Outstanding inspection reports and audit observations
729	Excise and Taxation	8	Results of Audit
730	Excise and Taxation	9	Cross verification by Audit
731	Excise and Taxation	10	Incorrect deduction from turnover
732	Excise and Taxation	11	Incorrect levy of concessional rate of tax
733	Excise and Taxation	12	Non levy of Purchase tax
734	Excise and Taxation	13	Non recovery of tax
735	Excise and Taxation	14	Inadmissible deduction from turnover
736	Excise and Taxation	15	Non/short levy of purchase tax
737	Excise and Taxation	16	Non levy of tax
738	Excise and Taxation	17	Results of Audit
739	Excise and Taxation	18	Short realization of passenger tax
740	Mines and Geology	19	Arrears in revenue
741	Mines and Geology	20	Result of Audit
742	Mines and Geology	21	Receipts from Mines and Minerals
743	Mines and Geology	22	Non/short recovery of dead rent royalty and interest
744	Mines and Geology	23	Non/short recovery of royalty from Brick Kiln Owners
745	Mines and Geology	24	Non recovery of lease fee on short term permits
746	Mines and Geology	25	Non recovery of interest on belated payments
747	Animal Husbandry	26	Arrears in revenue
748	Animal Husbandry	27	Frauds and evasions of taxes/duties
749	Home	28	Arrears in revenue
750	Revenue	29	Results of Audit
751	Revenue	30	Stamp Duty and Registration Fees
752	Agriculture	31	Arrears in revenue
753	Agriculture	32	Result of Audit.
754	Transport	33	Results of Audit.
755	Transport	34	Non deposit of token tax
756	Transport	35	Short levy of penalty
757	Irrigation	36	Results of Audit
758	Irrigation	37	Utilisation of departmental receipts observations resulting in erosion of accountability

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759	Co-operative	38	Results of Audit
760	Finance	39	Non charging of interest and penal interest
761	Finance	40	Loans to Municipal Councils/Municipal Committees
762	Forest	41	Short recovery of royalty on forest produce
763	Power	43	Arrears in revenue
764	General	44	Results of Audit
765	General	45	Outstanding inspection reports and audit observations
766	Education	46	Working of Education Department (Primary Education Wing) including Manpower Management
767	Education	47	Incentives to scheduled castes and weaker section students
768	Education	48	Pass percentage in class V
769	Education	49	Literacy rate
770	Education	50	Internal Audit
771	Education	51	Sanctioned posts and actual strength
772	Education	52	Deployment of teachers beyond norms
773	Education	53	Outstanding inspection reports
774	Education	54	Monitoring and evaluation
775	Education	55	District Primary Education Programme
776	Education	56	Management cost in excess of norms
777	Education	57	Programme management
778	Education	58	Civil Works
779	Education	59	Appointment of teachers/instructors/staff
780	Education	60	Training
781	Education	61	Monitoring and Evaluation
782	Medical and Health	62	National Family Welfare Programme
783	Medical and Health	63	Programme implementation
784	Medical and Health	64	Performance indicators of maternal health services
785	Medical and Health	65	Information education and communication
786	Medical and Health	66	Manpower position
787	Medical and Health	67	Monitoring and evaluation
788	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak
789	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
790	Co operative	70	Avoidable payment of interest

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791	Co operative	71	Storage gain on account of moisture in wheat stocks below norms
792	Finance	72	Overpayment of pensionary benefits
793	Home	73	Non responsiveness to Audit findings and observations resulting in erosion of accountability
794	Irrigation	74	Water Resources Consolidation Project
795	Irrigation	75	Modernisation
796	Irrigation	76	Unauthorised excess execution of work in post tender stage
797	Irrigation	77	Hathnikund Barrage
798	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates
799	Irrigation	79	Unfruitful expenditure on extension of existing channel
800	Public Health	80	Non responsiveness to Audit findings and observations resulting in erosion of accountability
801	Printing and Stationery	81	Excess payment due to failure in internal control system
802	Printing and Stationery	82	Excess issue of paper to private printers
803	Environment	83	Implementation of Environmental Acts and Rules relating to Water Pollution
804	Environment	84	Status of water pollution
805	Environment	85	Treatment of Industrial effluent
806	Environment	86	Domestic sewage treatment plants
807	Purpose		
808	Environment	88	Environment training education and awareness
809	Environment	89	Monitoring and evaluation
810	Urban Development	90	Urban Employment Generation Programme
811	Rural Development	91	Loss of Central assistance under Integrated Rural Development Programme
812	Town and Country	92	Payment of loan to HSEB from the funds of HUDA
813	Town and Country	93	Non recovery of enhanced compensation of land
814	Food and Supplies	94	Pilferage of large quantity of wheat due to manipulation of weight

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815	Transport	95	Operation of Personal Ledger Accounts
816	General	96	Misappropriations defalcations etc
817	General	97	Write off of losses etc
818	General	98	Follow up on Audit Reports
819	General	99	Financial Assistance to Local Bodies and others
820	General	100	Commercial Activities
821	Excise and Taxation	101	Arrears in revenue
822	Excise and Taxation	102	Arrears in assessment
823	Excise and Taxation	103	Frauds and evasions of taces/duties
824	Excise and Taxation	104	Outstanding inspection reports and audit observations
825	Excise and Taxation	105	Results of Audit
826	Excise and Taxation	106	Evasion in sales tax
827	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification
828	Excise and Taxation	108	Under assessment of notional sales tax liability computed on taxable turnover
829	Excise and Taxation	109	Non levy of purchase tax
830	Excise and Taxation	110	Non recovery of tax
831	Excise and Taxation	111	Non levy of interest
832	Excise and Taxation	112	Under assessment due to excess rebate
833	Excise and Taxation	113	Results of Audit
834	Excise and Taxation	114	Short realization of passengers tax towards expenditure
835	Excise and Taxation	115	Non recovery of licence fee
836	Revenue	116	Results of Audit
837	Revenue	117	Short levy of stamp duty on exchange of property
838	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
839	Revenue	119	Evasion of stamp duty
840	Revenue	120	Short levy of stamp duty
841	Transport	121	Taxes on Motor Vehicles
842	Transport	122	Embezzlement of token tax and registration fees
843	Transport	123	Short realization of permit/countersignature fee
844	Transport	124	Lack of co-ordination between Transport and Excise and Taxation Departments
845	Transport	125	Non recovery of token tax in respect of Stage Carriage buses
846	Finance	126	Results of Audit

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847	Finance	127	Printing of lottery tickets Non realization of penalty from printer
848	Finance	128	Loss of interest due to delayed transfer of money to Government account
849	Forest	129	Results of Audit
850	Forest	130	Loss due to delay in harvesting of poplar trees
851	Forest	132	Absence of physical verification of timber
852	Forest	133	Loss due to excess unit cost
853	Home	134	Non/short recovery of cost of police
854	Irrigation	135	Results of Audit
855	P W D (B&R)	136	Utilization of departmental receipts towards expenditure
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