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HARYANA VIDHAN SABHA

**PUBLIC ACCOUNTS COMMITTEE**

(2008-2009)

(SIXTY THIRD REPORT)

**REPORT**

ON THE

**REPORTS OF THE**

**Comptroller and Auditor General  
of India for the year ended**

- (i) 31st March, 2003 (Revenue Receipts)
- (ii) 31st March, 2006 (Civil)



(Presented to the House on February 2009)

HARYANA VIDHAN SABHA SECRETARIAT  
CHANDIGARH  
2009

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**COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE  
(2008-09)**

**CHAIRPERSON**

- 1 Shri K L Sharma

**MEMBERS**

- 2 Shri Venod Kumar Sharma
- 3 Shri Tejender Pal Singh Mann
- 4 Dr Sita Ram
- 5 Maj Nirpender Singh Sangwan
- 6 Smt Sumita Singh
- 7 Rao Yadvender Singh
- 8 Shri Kulvir Singh Beniwal
- 9 Shri Ramesh Kumar Gupta

**SECRETARIAT**

- 1 Shri Sumit Kumar Secretary
  - 2 Shri Kuldip Singh Additional Secretary
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## INTRODUCTION

1 I the Chairperson of the Public Accounts Committee having been authorized by the Committee in this behalf present this Sixty Third Report on the Reports of the Comptroller and Auditor General of India for the year ended 31st March 2003 (Revenue Receipts) and 31st March 2006 (Civil)

2 The Report of the Comptroller and Auditor General of India for the year ended 31st March 2003 (Revenue Receipts) and 31st March 2006 (Civil) were laid on the Table of the House on 13th February 2004 and 9th March 2007 respectively

3 The Committee examined the Reports of the Comptroller and Auditor General of India for the year ended 31st March 2003 (Revenue Receipts) and 31st March 2006 (Civil) and also conducted the oral examination of the representatives of the concerned departments. The Public Accounts Committee in its meeting held on 22.4.2008 under rule 231(9) has appointed its two Sub Committees from amongst its Members to liquidate the arrears with a view to identify/scrutinize all the paras of remaining Reports of the C & A G of India which involve huge financial irregularities and require to be discussed by the whole Committee and rest of the paras were to be decided on the basis of written replies and to scrutinize the replies received from the department in respect of implementation of recommendations made by the Committee in its various Reports and to make further observations thereon. The Sub Committee (A) has scrutinized the replies received from the department in respect of implementation of recommendations made by the Committee in its various Reports and made further observations thereon. The Sub Committee (B) has scrutinized/identified important paras of the C & A G Reports for the years 2002-2003 (Revenue Receipts) and 2003-2004 and 2004-2005 (Civil) and raised/made queries/observations on the Audit paras.

4 The Committee considered and approved this Report at their sitting held on 31st January 2009.

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

6 The Committee place on record their appreciation of the assistance rendered to them by the Accountant General (Audit) Haryana and his officers. The Committee would like to express their thanks to 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, Additional Secretary and officials of the Haryana Vidhan Sabha for the whole-hearted co-operation and assistance given by them to the Committee.

Chandigarh  
The 31st January 2009

**K L SHARMA**  
CHAIRPERSON

## **REPORT**

### **GENERAL**

1 The Committee for the year 2008-2009 was nominated on 1st April 2008 by the Hon ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 11th March 2008 authorizing him to nominate the Members of the Committee on Public Accounts for the year 2008-2009

2 The Committee held 50 meetings in all at Chandigarh and other places upto 31st January 2009

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**PART-I 2002-2003**  
**(Revenue Receipts)**

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## EXCISE & TAXATION DEPARTMENT

### [3] 18 Arrears of revenue

The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs 576 98 crore of which Rs 199 47 crore were outstanding for more than 5 years as detailed in the following table

Sr No	Heads of revenue	Amount outstanding as on 31 March 2003	Amount outstanding for more than 5 years as on 31 March 2003	Remarks
(Rupees in crore)				
1	2	3	4	5
1	Taxes on Sales Trade etc	440 49	140 91	Demand for Rs 30 02 crore was covered by recovery certificates Rs 166 20 crore were stayed by courts and other appellate authorities Rs 5 45 crore was held up due to dealer becoming insolvent and demand for Rs 15 53 crore was proposed to be written off Rs 0 94 crore was under rectification/review appeal and specific action taken to recover remaining amount of Rs 222 35 crore was not intimated
2	State Excise	28 48	7 14	Rs 1 28 crore were covered under recovery certificates Rs 1 82 crore were stayed by High Court and other Judicial Authorities and Rs 0 46 crore were proposed to be written off Action taken to recover the remaining amount of Rs 24 92 crore was not intimated by the department
3	Taxes on Goods and Passengers	29 33	8 13	Rs 0 22 crore were stayed by the courts and other Judicial Authorities Specific action taken to recover the remaining amount of Rs 29 11 crore had not been intimated
4	Other taxes and duties on commodities and services			
	Receipts under Entertainment duty and show tax	1 38	0 36	Rs 0 34 crore were stayed by court Rs 0 01 crore were likely to be written off and reasons for remaining amount of Rs 1 03 crore were not intimated by the department



The arrears outstanding for more than 5 years constituted 35 per cent of total arrears. Substantial accumulation of arrear of taxes shows that the State Government did not tackle the problem vigorously as observed by 10th and 11th Finance Commission. It is recommended that effective steps for collecting these arrears be taken to augment government revenue.

The department in its written reply stated as under —

#### **Taxes on Sales Trade etc**

This para is based on information supplied by the department to the A G (Audit) Haryana. Out of total arrear in revenue of Rs 440.49 crore, Rs 209.60 crore stands recovered/deleted up to 31.8.2008 leaving a balance of Rs 230.89 crore. The reasonwise details of balance arrear are given below —

		(Amount in crore)
1	Under Stay	65.59
2	Under Liquidation	63.48
3	Interstate arrear	37.63
4	Inter Distt Arrear	4.47
5	For writing off	14.82
6	Property attached	10.59
7	Under installments	1.40
8	Net recoverable	32.91
<b>TOTAL</b>		<b>230.89</b>

#### **State Excise**

The actual total arrear was Rs 30.38 crore instead of Rs 28.48 crore and out of Rs 30.38 crore, Rs 1.35 crore have been recovered upto 31.8.2008 leaving a balance of Rs 29.03 crore. The reasonwise breakup of balance arrear are as under —

		(Amount in crore)
1	Under Stay	15.19
2	Interstate arrear	0.46
3	Inter Distt Arrear	0.74
4	For writing off	0.43
5	Property attached	3.10

6	Under installments	0 03
7	Under Liquidation	0 14
8	Net recoverable	8 94

<b>TOTAL</b>	<b>29 03</b>
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#### **TAXES ON GOODS AND PASSENGER**

Out of total arrear in revenue of Rs 29 33 crores Rs 23 23 crores stands recovered upto 31 8 2008 leaving a balance of Rs 6 10 crores The reasonwise balance arrears are as under —

	(Rs in crores)
1 Under Stay	0 27
2 Inter State Arrear	2 02
3 Net recoverable	3 81
4 Writing off	0 002
<b>Total</b>	<b>6 10</b>

#### **ENTERTAINMENT DUTY AND SHOW TAX**

Out of total arrear of Rs 1 38 crore Rs 0 13 crore have been recovered upto 31 8 2008 leaving a balance of Rs 1 25 crore The reasonwise breakup of balance arrear are as under —

	(Amount in crore)
1 Under Stay	1 23
2 Net recoverable	0 02
3 Under Liquidation	0 002
<b>Total</b>	<b>1 25</b>

The Committee desired that latest position of recovery under all the heads of revenue be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee Quarterly Progress Report be sent to the Committee accordingly

**[4] 1 11 Evasion of tax**

The details of evasion of tax detected by the Sales Tax and State Excise Departments cases finalized and the demands for additional tax raised as reported by the departments are given below

Sr No	Head of revenue receipts	Cases pending as on 31 March 2002	Cases detected during the year 2002 03	Total (3+4)	Number of cases in which assessments/investigations completed and additional demand including penalty etc raised		Number of cases pending finalization as on 31 March 2003
					No of cases	Amount of demand (Rs in crore)	
1	2	3	4	5	6	7	8
1	Taxes on Sales Trade etc	171	1 530	1 701	1 580	3 23	121
2	State Excise	8	225	233	233	0 13	Nil

The department in its written reply stated as under —

**Evasion of tax (Sales Tax)**

Out of 121 cases 112 cases have been disposed off by creating an additional demand of Rs 168 99 lacs out of which Rs 157 52 lacs stands recovered leaving a balance of Rs 11 47 lacs Remaining 09 cases are still under review an concerned DETC s have been directed to dispose of these cases at the earliest

**The Committee desired that latest position of recovery under all the heads of revenue be intimated to the Committee and vigorous efforts may be made to recover the balance amount under intimation to the Committee Quarterly Progress Report be sent to the Committee accordingly**

**[5] 2 1 Result of Audit**

Test check of sales tax assessments refund cases and other connected records conducted during the year 2002 03 revealed under assessments etc of sales tax amounting to Rs 164 43 crore in 1 055 cases which broadly fall under the following categories

Sr No	Particulars	No of Cases	Amount (Rs in crores)
1	Incorrect computation of turnover	3	0 17
2	Application of incorrect rate of tax	85	2 42
3	Non-levy of interest	128	9 55
4	Non levy of penalty	47	3 61

5	Under assessment of turnover under CST Act	61	4 21
6	Other irregularities	730	41 58
7	Review on Pendency of appeals at various levels and its impact on revenue collection	1	102 89
<b>TOTAL</b>		<b>1 055</b>	<b>164 43</b>

During the year 2002 03 the department accepted under assessment of tax of Rs 2 35 crore involved in 111 cases of which 58 cases involving Rs 1 59 crore had been pointed out in audit during 2002 03 and the rest in earlier years. An amount of Rs 0 57 crore had been recovered in 50 cases during the year 2002 03 of which Rs 0 03 crore recovered in 21 cases related to earlier years.

A few illustrative cases involving Rs 19 38 crore and a review on Pendency of appeals at various levels and its impact on revenue collection involving Rs 102 89 crore highlighting important cases are mentioned in this Chapter. Of these the Department accepted 27 audit observations involving Rs 2 29 crore and recovered Rs 0 57 crore in 5 cases.

The department in their reply stated as under —

All the 1055 cases involving an amount of Rs 164 43 crore have been reviewed with the following results

<b>Number of cases</b>	<b>Amount pointed out by audit (Rs In crores)</b>	<b>Result of review</b>
174	3 03	Settled with additional demand
641	42 74	Settled without demand
239	15 77	Replies submitted To be reviewed in the next Audit Committee Meeting
<b>1054</b>	<b>61 54</b>	

As regards the remaining one case involving an amount of Rs 102 89 crores as per Sr No 7 of the table reply is given in succeeding para 2 2 5 to 2 2 16

After hearing the departmental representatives, the Committee desired that all out efforts may be made to settle the pending cases and recover the amount under intimation to the Committee

**[6] 2 2 5 Position of collection of revenue receipts and arrears**

The position of revenue receipts arrears of revenue revenue locked up in appeals

and their percentage to total revenue during the years 1999-2000 to 2001-02 was as under

Year	Arrears of revenue		Actual revenue receipts during the year	Revenue involved in appeals		%age of column (6) to (4)	%age of column (6) to (4)
	Pertaining to the year concerned	Commulative total arrears at the end of the year		Pertaining to the year concerned	Commulative revenue involved in appeals at the end of the year		

(Rupees in Crore)

1	2	3	4	5	6	7	8
1999-00	50.34	215.59	1967.38	2.84	77.85	4	36
2000-01	181.49	279.59	2573.39	5.97	72.14	3	26
2001-02	141.07	390.85	2944.81	12.28	92.39	3	24

Position of revenue blocked in appeals at various levels during the years 1999-2000 to 2001-02 was as under

Name of the authority	Revenue blocked in appeals			Revenue involved in appeals			%age revenue blocked up the appeals at the end of 2001-02
	1999-00	2000-01	2001-02	1999-00	2000-01	2001-02	

(Rupees in Crore)

1 JETC (Appeals)	1.16	1.80	2.70	2.77	3.45	5.34	6
2 Tribunals	1.44	1.34	0.18	18.02	10.09	16.19	18
3 Courts	0.18	2.54	9.17	55.32	55.88	68.27	74
4 Government and others	0.06	0.29	0.23	1.74	2.72	2.59	2
<b>Total</b>	<b>2.84</b>	<b>5.97</b>	<b>12.28</b>	<b>77.85</b>	<b>72.14</b>	<b>92.39</b>	

From the above data it is noticed that 74 per cent of revenue locked up in appeals was with the Courts and 18 per cent with Tribunals. The number of cases pending disposal at the above stages was not made available.

The department in their reply stated as under —

In reply to this para it is stated that there were approximately 816 cases which were pending for disposal at different stages out of which 433 cases have been disposed of thereby leaving a balance of 383 cases for which strenuous efforts are being made to clear the same as early as possible

**After hearing the departmental representatives, the Committee desired that the cases pending for disposal at different stages including the Courts and Tribunals may be pursued vigorously and outcome thereof be intimated to the Committee**

**[7] 2 2 16 Delay in finalization of remand cases**

ETC Haryana while issuing instructions in July 1997 had stated that government had taken a serious view of the delay in disposal of remand cases and had directed the Assessing Authorities to decide the remand cases within six months from the date of receipt of the copy of the remand orders. However an analysis of records for the period 1999-2000 to 2002-03 of remand cases of 12 districts test-checked revealed as under

		Number of cases	Amount (Rs. in crore)
1	Cases pending finalization for more than six months	191	16.59
2	Cases where whereabouts of persons are not known	56	1.80
3	Cases decided after six months	234	12.46
<b>Total</b>		<b>481</b>	<b>30.85</b>

It would be seen from the above that departmental instructions for finalization of cases were not being followed indicating lack of internal control in the department. A few instances are detailed below

Six instances involving Rs. 6.06 crore had not been finalized by the Assessing Authority though these had been remanded by the Appellate Authority as detailed below

Sirsa	1987-88/ July 1994 (35.29)	35.29	November 1994/February 1995	91 months	47.99
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**Remarks** The case was remanded in February 1995 for reconsideration of sales to registered dealers disallowed in the absence of ST-15 forms. It was required to be decided within one month from receipt of the remand orders i.e. March 1995 but not finalized (December 2003)

<b>Total</b>	<b>418.40</b>	<b>187.88</b>
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The department in their reply stated as under —

**M/s Sanjay Kumar Sumit Kumar Sirsa R C NO 6306 A Y 1987 88**

In an exparte decision the then Excise and Taxation Officer cum Assessing Authority Sirsa finalized the assessment of the firm vide his order dated 28 7 94 by creating an additional demand of Rs 35 04 278/ and Rs 20 560/ respectively under HGST Act 1973 and CST Act 1956 Against the order of Assessing Authority the dealer went in appeal before Jt ETC(A) Hisar who remanded this case back to the Assessing Authority vide his order dated 2 2 95 with the direction to decide the case within one month In the light of this decision the Assessing Authority started the proceeding to decide the remand case The dealer was issued necessary notices but he neither appeared before the Assessing Authority in respect to the contents of the notices nor did he request for adjournment Ultimately keeping in view the time limit the Assessing Authority was constrained to decide this case exparte by restoring the additional demand created earlier

Since the whereabouts of the dealer were not traceable tax demand notice along with copy of order had to be pasted on the last known business place of the dealer Now the whereabouts of the dealer have been located to be residing at Fatehabad Hence recovery certificate No 640/TI (MS) dated 21 08 2008 has been sent to Collector-cum DETC Fatehabad Efforts are on to complete the process as per HGST Act

**The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee**

**[8] 2 4 Under assessment of tax due to incorrect deduction of subsequent sale under CST**

Under the CST Act 1956 a dealer shall be liable to pay tax on sale of any goods effected by him in the course of inter state trade or commerce other than those generally exempted under the sales tax law of the appropriate state Goods purchased from an exempted unit with in the state and subsequently sold in the course of inter state trade or commerce is exigible to tax under the Act

During test check of records of 4 DETC s it was noticed in July and October 2002 that 5 dealers purchased goods valued at Rs 6 78 crore from exempted units and sold the same in the course of inter state trade or commerce but the Assessing Authority did not levy tax treating the goods as exempted goods This resulted in under assessment of tax of Rs 60 90 lakh as detailed below

Sr No	Name of DETC/ ETO	No of dealers/ cases	Assessment year/Month of assessment	Amount of turnover escaped (Rs in crore)	Amount of tax assessed short (Rs in lakh)
1	DETC Kurukshetra	1	1999 2000 and 2000 01/August and September 2001	2 44	24 43

**Remarks** The omission was pointed out to the Department reply was awaited (December 2003)

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2	DETC Karnal	1	2000 01/ August 2001	3 47	27 76
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**Remarks** On this being pointed out the Assessing Authority referred the case in August 2002 to the Revisional Authority for taking *suo motu* action Final reply was awaited (December 2003)

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3	DETC Faridabad (E)	2	1998 99/ June and July 2001 1999 2000/ July 2001	0 51 0 07	5 06 0 71
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**Remarks** On this being pointed out the Assessing Authority Faridabad (E) intimated in October 2002 that exemption was available in all the successive stages The reply was not tenable as goods sold in the course of inter state trade or commerce was not exempt under the Act

The department in their reply stated as under —

**M/s Madhu Shree Mill Products, Kurukshetra R C No 13994 A Y 1999 2000 & 2000 01**

In this para both cases were taken in *suo moto* action under section 40 by the Jt ETC (Range) cum Revisional Authority Ambala vide order dated 14 1 2004 which were remanded back to the Assessing Authority Kurukshetra Both the remand cases have been decided by creating an additional demand of Rs 9 29 114/ and Rs 15 14 049/- respectively under the Central Sales Tax Act 1956 The additional demand due against the dealer is still outstanding Recovery certificate has been sent to Collector cum Dy Excise & Taxation Commissioner (ST) Karnal on 7 04 08 vide memo No 601/KCS (ETO ward 1) Latest reminder in the case was sent vide memo No 2046/KCS (ETO ward 1) dated 6 10 08

**M/s Shivam Sales Corp , Karnal, R C No 28596 A Y 2000 01**

The case was referred to the Dy Excise & Taxation Commissioner—cum Revisional Authority Karnal who vide orders dated 29 05 2003 created additional demand of Rs 27 76 488/ The dealer preferred appeal and has deposited Rs 1 38 900/ vide TR No 6 dated 24 11 2003 on the directions of Hon ble Tribunal vide order dated 2 9 2003 in STA No 225/2003 04 and the balance amount of Rs 26 37 588/ is under stay by the Tribunal for which the dealer submitted surety bond Now stay has been vacated and Rs 19 76 500/ recovered from the dealer with a balance of Rs 6 61 088/ which will be recovered shortly

**2 M/s ABC Marketing and Consultants, Faridabad (E), R C NO 1209254 A Y 1998 99 and 1999 2000**

In this case the dealer has filed an appeal before the Hon ble Sales Tax Tribunal Haryana vide STA No 211 & 212 of 2003 04 and its orders dated 9 9 2003 allowed



the dealer to pay Rs 18235/- by 20.11.2003 and stayed the balance amount. The dealer has paid Rs 18235/- vide DD No 520266 dated 30.10.2003. Hence the para may please be dropped.

**M/S Madhu Shree Mill Products, Kurukshetra R C No 13994 A Y 1999 2000 & 2000 01**

**M/s Shivam Sales Corp , Karnal, R C No , 28596, A Y 2000 01**

**M/s ABC Marketing and Consultants, Faridabad (E) R C No 1209254, A Y 1998 99 and 1999 2000**

**The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee**

**[9] 2.5 Under assessment of tax due to inadmissible deduction**

Under the HGST Act 1973 every dealer shall be liable to pay tax on the sale or purchase of goods other than declared goods. Vitamin Feed Supplement being general goods was taxable at general rate of 8.8 per cent between the years 1992-93 and 1995-96, 7 percent during 1996-97 under HGST Act and at 10 per cent without C Form under CST Act 1956.

During test check of records of the DETC Ambala Cantt it was noticed between March 1998 and December 1999 that four dealers sold Vitamin feed supplement for Rs 1.69 crore during the years 1992-93 and between 1994-95 and 1996-97. The assessing authorities while finalizing the assessments between June 1996 and May 1998 erroneously allowed deduction of Rs 1.69 crore treating the sale as tax free goods. The omission resulted in under assessment of tax of Rs 14.29 lakh.

On this being pointed out in audit the department admitted the observation and raised in June and July 2002 an additional demand of Rs 14.29 lakh against the dealers. Further report on recovery is awaited.

The cases were referred to Government in December 2002 and January 2003. Reply was awaited (December 2003).

The department in their reply stated as under —

**1 M/s Glaxo India Ltd Ambala Cantt , R C No 9375 A Y 1994 95 and 1995 96**

The case was assessed by the then assessing authority vide D No 231/94-95 on 18.11.1997 and D No 436/95-96 on 27.3.1998 allowing tax-free sales of Rs 1847773/- and Rs 2671267/- respectively with regard to poultry feed supplements. The audit has objected that poultry feed supplement is not tax free in view of Hon'ble Sales Tax Tribunal Haryana Judgment dated 10.10.1996 in the case of M/s Ranbaxy Laboratories Ltd Faridabad (STANo 240 of 1994-95). The case was sent to the DETC(I) cum Revisional Authority Ambala who while deciding the case on 25.6.2002 created an additional demand of Rs 162604/- and Rs 235072/- respectively. Dealer filed an appeal before Haryana Tax Tribunal vide STANo 293-94 of 2002-03. Haryana Tax Tribunal vide its order dated 27.5.2004 set aside the order of the Revisional

authority. The state challenged the order of Haryana Tax Tribunal on the similar issue in the case of some other firms before Hon ble Punjab and Haryana High Court. Hon ble Punjab and Haryana High Court while dismissing the writ petition vide order dated 29.11.2005 observed that the matter is purely of interpretation of entry pertaining to poultry feed and observed that issue can be properly raised and dealt with in a reference application.

In this regard, it is further submitted that an application for reference U/s 42 of Haryana General Sales Tax Act has been filed before Haryana Tax Tribunal for referring the question of law to the Hon ble Punjab and Haryana High Court for its opinion in the matter. The case is still pending.

The Joint Director (Legal) has been requested to take up the matter with the Hon ble Haryana Sales Tax Tribunal on priority basis vide letter No. 2847 dated 3.11.2008.

## **2 M/s Alembic India Ltd, Ambala Cantt., R C No. 10392, A Y 1994-95**

The case was assessed by the then assessing authority vide D. No. 57/94-95 on 28.5.1997 allowing tax free sales of Rs. 2933249/- respectively with regard to poultry feed supplements. The audit has objected that poultry feed supplement is not tax free in view of Hon ble Sales Tax Tribunal Haryana Judgment dated 10.10.1996 in the case of M/s Ranbaxy Laboratories Ltd, Faridabad (STANCO 240 of 1994-95). The case was sent to the DETC(I) cum Revisional Authority, Ambala who while deciding the case on 25.6.2002 created an additional demand of Rs. 258126/-. Dealer filed an appeal before Haryana Tax Tribunal vide STANo 289 of 2002-03. Haryana Tax Tribunal vide its order dated 6.5.2004 set aside the order of the Revisional Authority. The State challenged the order of Haryana Tax Tribunal on the similar issue in the case of some other firms before Hon ble Punjab and Haryana High Court. Hon ble Punjab and Haryana High Court while dismissing the writ petition vide order dated 29.11.2005 observed that the matter is purely of interpretation of entry pertaining to poultry feed and observed that issue can be properly raised and dealt with in a reference application.

In this regard, it is further submitted that an application for reference U/s 42 of Haryana General Sales Tax Act has been filed before Haryana Tax Tribunal for referring the question of law to the Hon ble Punjab and Haryana High Court for its opinion in the matter. The case is still pending.

The Joint Director (Legal) has been requested to take up the matter with the Hon ble Haryana Sales Tax Tribunal on priority basis vide letter No. 2847 dated 3.11.2008.

## **3 M/s Amba Lal Sarabhai Enterprises, Ambala Cantt., R C No. 8167, A Y 1992-93**

In this para the case was assessed by the then assessing authority vide D. No. 41/92-93 on 21.6.1996 allowing tax free sales of Rs. 13,72,531/- with regard to poultry feed supplements. The audit has objected that poultry feed supplement is not tax free in view of Hon ble Sales Tax Tribunal Haryana Judgment dated 10.10.1996 in the case of M/s Ranbaxy Laboratories Ltd, Faridabad (STANCO 240 of 1994-95).

The case was sent to the DETC(I) Cum Revisional authority Ambala who while deciding the case on 27 6 2002 created an additional demand of Rs 1 20 783/ under HGST Act and Rs 5955/ under CST Act Dealer filed an appeal before Haryana Tax Tribunal vide STANo 288 of 2002 03 Haryana Tax Tribunal vide its order dated 6 5 2004 set aside the order of the Revisional Authority The State challenged the order of Haryana Tax Tribunal on the similar issue in the case of some other firms before Hon ble Punjab and Haryana High Court Hon ble Punjab and Haryana High Court while dismissing the writ petition vide order dated 29 11 2005 observed that the matter is purely of interpretation of entry pertaining to poultry feed and observed that issue can be properly raised and dealt with in a reference application

In this regard it is further submitted that an application for reference U/s 42 of Haryana General Sales Tax Act is being filed before Haryana Tax Tribunal for referring the question of law to the Hon ble Punjab and Haryana High Court for its opinion in this matter The case is still pending

The Joint Director (Legal) has been requested to take up the matter with the Hon ble Haryana Sales Tax Tribunal on priority basis vide letter No 2847 dated 3 11 2008

#### **4 M/s TTK Pharma Ltd Ambala Cantt R C No 22391 A Y 1995 96**

In this para the case was assessed by the then assessing authority vide D No 25/ 95-96 on 30 10 1996 allowing tax free sales of Rs 1982744/ with regard to poultry feed supplements

The audit has objected that poultry feed supplement is not tax free in view of Hon ble Sales Tax Tribunal Haryana Judgment dated 10 10 1996 in the case of M/s Ranbaxy Laboratories Ltd Faridabad (STA NO 240 of 1994 95) The case was sent to DETC(I) cum Revisional Authority Ambala who while deciding the case on 25 6 2002 created an additional demand of Rs 177650/ Dealer filed an appeal before Haryana Tax Tribunal vide STA No 287 of 2002 03 Haryana Tax Tribunal vide its order dated 6 5 2004 set aside the order of the Revisional Authority The State challenged the order of Haryana Tax Tribunal on the similar issue in the case of some other firms before Hon ble Punjab and Haryana High Court Hon ble Punjab and Haryana High Court while dismissing the writ petition vide order dated 29 11 2005 observed that the matter is purely of interpretation of entry pertaining to poultry feed and observed that issue can be properly raised and dealt with in a reference application

In this regard it is further submitted that an application for reference U/s 42 of Haryana General Sales Tax Act is being filed before Haryana Tax Tribunal for referring the question of law to the Hon'ble Punjab and Haryana High Court for its opinion in this matter The case is still pending

The Joint Director (Legal) has been requested to take up the matter with the Hon ble Haryana Sales Tax Tribunal on priority basis vide letter No 2847 dated 3 11 2008

1 M/s Glaxo India Ltd Ambala Cantt , R C No 9375 A Y 1994 95 and 1995 96

2 M/s Alembic India Ltd Ambala Cantt , R C No 10392, A Y 1994 95

3 M/s Amba Lal Sarabhai Enterprises Ambala Cantt , R C No 8167 A Y 1992 93

4 M/s TTK Pharma Ltd , Ambala Cantt , R C No 22391, A Y 1995 96

The Committee desired that the decision of the High Court/Tribunal as and when taken, be intimated to the Committee

**[10] 26 Non levy of purchase tax**

Under the HGST Act 1973 cotton is taxable at the stage of last purchase when purchased within the State while wheat is taxable at the stage of first purchase when purchased within the State. No deduction from dealer's gross turnover is allowable if such goods are indirectly exported out of India. Further a dealer is liable to pay purchase tax on goods other than declared goods purchased within the State and used in the manufacture of tax free goods or taxable goods which are disposed of otherwise than by way of sales. For non payment of tax along with the returns interest is also chargeable on the amount of tax due at one per cent for the first month and one and a half per cent per month thereafter so long as the default continues.

During test check of records of four DETCs it was noticed between August 1999 and November 2002 that assessing authorities did not levy purchase tax of Rs 31.97 lakh including interest of Rs 2.72 lakh in 7 cases of 4 dealers during the years 1994-95 to 1998-99 as detailed below

Sr No	Name of DETC	Assessment year/ Month of assessment No of dealers/ cases	Nature of irregularity	Turnover involved	Short/non levy of purchase tax
(Rs In lakh)					
1	DETC Sirsa	1997-98 and 1998-99 (October 2000) 1(2)	Purchased cotton from within the State without payment of tax and exported the same out of India through exporters There was no agreement between the dealers and foreign buyers for such export	512.03	20.46

**Remarks** On this being pointed out in audit the department referred the case to the Revisional Authority in June 2001 for taking *suo motu* action. The decision of the Revisional Authority was awaited (December 2003)

2	DETC Kurukshetra	1996 97 (March 1999) 1(1)	Purchased wheat from within the State without payment of tax and exported the same out of India through exporters. There was no agreement between the dealers and foreign buyers for such export.	41 59	2 38
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**Remarks** On this being pointed out in audit the department referred the case to the Revisional Authority in November 1999 who raised an additional demand of Rs 1 66 lakh in August 2002. The report of recovery and action taken on levy of interest and penalty had not been revised (December 2003)

The Department in their reply stated as under —

**M/s Biz World International, Sirsa R C No 10920 A Y 1997-98 & 1998 99**

In reply to this para it is submitted that the case has been sent to DETC(I) for taking *suo moto* action vide order dated 11 6 2001. Notices were issued on 11 6 01 8 8 01 and adjourned for 27 08 01 17 09 01 11 10 01 12 11 01 10 01 02 and 11 07 02. Again notice was issued for 27 08 03 9 06 08 5 9 08 which is still pending. The same will be decided within one month.

**M/s Aggarwal & Co Ladwa Kurukshetra, R C No 11889, A Y 1996 97**

The case was sent to the DETC cum-Revisional Authority Kurukshetra for taking *suo moto* action. As a result thereof an additional demand amounting of Rs 1 66 363/- was created vide order dated 6 8 2002 and out of this amount the dealer deposited Rs 30 000/-. Thereafter aggrieved with this order the dealer went in appeal before the Hon ble Sales Tax Tribunal Haryana which is still pending. The Hon ble Tribunal has stayed the recovery of the amount.

M/s Biz World International Sirsa R C No 10920 A Y 1997 98 & 1998 99

**The Committee desired that the final decision taken by the Revisional Authority may be intimated to the Committee**

M/s Aggarwal & Co Ladwa Kurukshetra R C No 11889 A Y 1996 97

**The Committee desired that the decision of the Tribunal as and when taken be intimated to the Committee**

**[11] 2 8 Non levy of interest and penalty**

Under the HGST Act 1973 a dealer is required to pay full amount of tax according to the returns required to be submitted on or before the prescribed dates. In the event of default the dealer is liable to pay interest at the prescribed rates. In addition penalty not exceeding one and half times the amount of tax is also leviable for non payment of tax along with the returns. In case of non payment of government revenue the amount can be recovered as arrears of land revenue.

**2 8 1** During test check of records of the DETC Faridabad (W) it was noticed between September and December 2001 that a dealer did not pay tax along with returns during the years 1995 96 and 1996 97. The Assessing Authority while finalizing the assessments in January and March 2001 created an additional demand of tax of Rs 4 90 lakh and stated in the assessment orders that interest would be levied separately but no such action was initiated. This resulted in non levy of interest of Rs 4 39 lakh besides penalty. On this being pointed out the Department created demand of Rs 9 09 lakh including penalty of Rs 3 50 lakh between June and July 2002.

The case was referred to the Government in January 2002. Reply had not been received (December 2003).

**2 8 2** In another case for the year 1992 93 remanded by the Appellate Authority in May 1999 it was noticed in August 2002 that the Assessing Authority Faridabad (W) created an additional demand of Rs 46 62 lakh in November 2001 but interest of Rs 44 52 lakh payable for the period from August 1996 to November 2001 was not levied. Besides no action was taken to recover the amount of tax of Rs 46 62 lakh as arrears of land revenue. This resulted in non recovery of tax and interest of Rs 91 14 lakh.

The case was referred to the Department in August 2002 and to the Government in June 2003. Reply has not been received (December 2003).

The department in their reply stated as under —

**M/s Bharat Rice Mills, Bhogola Faridabad (West) R C No 13103890  
A Y 1995-96, 1996 97**

In reply to this audit para it is submitted that as regards with the recovery of the demand no recovery has so far been made as the firm is lying closed. One of the partner has expired and the second partner is not available. Both the sureties have closed down their business. Further more the dealer has filed a writ petition in the Supreme Court of India against the order of the High Level Screening Committee constituted u/s 28A of Rule 1975 through Director of Industries Haryana Chandigarh. Decision is awaited.

**The Committee desired that the decision of the Supreme Court/Tribunal as and when taken, be intimated to the Committee**

**[12] 2 17 Non recovery of tax**

**2 17 1** The HGST Act 1973 and HGST Rules 1975 provide that on cancellation of eligibility certificate or exemption/entitlement certificate before it is due for expiry the entire amount of tax exempted shall become payable immediately in lump sum and the provision relating to recovery of tax interest and imposition of penalty shall be applicable in such cases. Further the amount of any tax interest and penalty imposed under this Act which remains unpaid after the due date shall be recoverable as arrears of land revenue.

During test check of records of the DETC Faridabad (East) and Faridabad(W) it was noticed in February 2003 that two dealers who were granted exemption/deferment from payment of tax discontinued their business during the currency of exemption period. Though their exemption/deferment certificates were cancelled in September 1998 and March 2002 the

department while raising demand of tax due did not levy/recover interest of Rs 0 33 crore Besides no action was taken by the department to recover an amount of tax of Rs 0 36 crore

On this being pointed out in audit DETC Faridabad (West) stated that interest was not leviable in the case of withdrawal of exemption certificate The reply was not tenable as the interest is leviable under the relevant Rule DETC Faridabad (East) stated in February 2003 that action was being taken to recover the tax and levy on interest

The cases were referred to the Government in May 2003 reply had not been received (December 2003)

The Department in their reply stated as under —

**M/s Atul Glass Industries Faridabad (E) R C No 1211657**

In this case the process of recovery of tax consequent upon the withdrawal of entitlement certificate of this unit is in progress Since the unit is in B I F R vide appeal No 30/2006 and hence recovery is not possible at this stage Lastly the case was fixed for 15 10 2008 and the same is still pending

**M/s Mohindra Foam (P) Ltd Hathin Faridabad (E) R C No 8988733 A Y 1992 93 1993 94, 1994 95, 1995 96 and 1996 97**

The firm being exempted unit and hence no tax was payable as per the returns filed by the unit thereby by the provision of section 25(5) is not attracted at all in view of the judgement of the Hon ble Supreme Court of India given in the case of M/s J K Synthetic Ltd versus Commercial Taxes officer cited as 1994 P & M Taxes 450 (SC)

Since the firm is closed and recovery is not possible the Haryana Financial Corporation Chandigarh has informed in their letter dated 9 01 2004 that the property of the firm has already been auctioned by them against the said recovery and at present there is no other property left with the firm It is further stated that at the time of registration of said firm a bank guarantee of Rs 2 50 lakh was obtained from the dealer which has been encashed by the assessing authority on 23 4 1997 against voluntary tax There were two sureties for Rs One lakh out of which a sum of Rs 20 000/ have been recovered Efforts are being made to recover the balance amount Since the Directors of the firm are resident of Delhi and they have furnished personal surety bond for entire liabilities and therefore the recovery certificate has been sent to Collector Delhi on 12 8 2004 for further necessary action in the matter

M/S/ Atul Glass Industries Faridabad (E) R C No 1211657

**The Committee desired that since the case is pending with the BIFR the outcome of BIFR be intimated to the Committee**

M/s Mohindra Foam (P) Ltd Hathin Faridabad (E) R C No 8988733 A Y 1992 93 1993 94 1994 95 1995 96 and 1996 97

**The Committee recommends that vigorous efforts may be made to recover the amount under intimation to the Committee**

**[13] 4.1 Other Tax Receipts**

Test check of records in departmental offices relating to revenue received from State Excise Duty Taxes on Motor Vehicles Passengers and Goods Tax Entertainment Duty Purchase Tax (Agriculture) and Electricity Duty conducted in audit during the year 2002-03 revealed under-assessment of taxes and duties and loss of revenue amounting to Rs. 29.92 crore in 1,48,111 cases as depicted below:

Sr No	Heads of revenue	No of cases	Amount (Rs. In crore)
1	State Excise Duty	69	5.21
2	Passengers and Goods Tax	583	3.10
3	Entertainment Duty and Show Tax	18	0.33

In the cases of Taxes on Motor Vehicle Purchase Tax (Agriculture) and State Excise Duty the department accepted under assessment of Rs. 4.71 crore in 984 cases which was pointed out during the year 2002-03 and recovered an amount of Rs. 1.50 crore in 130 cases during 2002-03 of which Rs. 1.18 crore recovered in 123 cases pertained to earlier years.

A few illustrative cases involving Rs. 19.40 crore are mentioned in this Chapter. Of these the Department accepted 6 audit observations involving Rs. 2.86 crore and recovered Rs. 0.37 crore in 5 cases.

The department in their reply stated as under:—

**Result of Audit (Excise)**

All the 69 cases involving an amount of Rs. 5.21 Crore have been reviewed with the following results:

- (i) 46 cases involving an amount of Rs. 1.20 Crore have been settled with demand.
- (ii) 2 cases involving an amount of Rs. 1.48 Crore have been settled without demand.
- (iii) The replies of remaining 21 cases involving an amount of Rs. 2.53 Crore have been submitted and will be reviewed by the A.G. in the next audit.

All the 583 cases of passenger and goods tax involving an amount of Rs. 310.20 lac have been reviewed with the following results:

444 cases involving an amount of Rs. 239.98 lakh have been settled with demand.

The replies of remaining 139 cases involving an amount of Rs. 70.22 lac have been submitted and will be reviewed by the A.G. in the next audit.



**The latest position of this para is given here under**

1	Total amount due from 13 Video as under Cinematography Act are (Rs 4 50 + 2 20)	Rs 6 70 lacs
2	Less amount not to be collected as Entertainment Duty without obtaining clearance as per directions of District Magistrate Gurgaon vide his letter No 8852 dated 24 4 1997	Rs 4 50 lacs
3	Balance recoverable	Rs 2 20 lacs
4	Balance amount of Rs 2 20 lacs against which recovery made as under	
	(i) Recovery made	Rs 1 00 lacs
	(ii) Net recoverable	Rs 1 20 lacs

Efforts are being made to recover the said balance amount of Rs 1 20 lacs

4 cases regarding short/non recovery of entertainment tax from Cinema house owner at Gurgaon(W) which amount to Rs 25 50 lacs

The position of above cases is stated as under

1	Recovery made Rs 4000 (Rs 500 + 3500) R/o Raj Mehal Punhana and Shankuntala Gurgaon	= Rs 0 04 lacs
2	Amount transferred to DETC Mewat on creation of new district	= Rs 0 08 lacs
3	Amount pending with Hon ble Supreme Court of India relevant to M/s Apra Hotels Gurgaon	= 25 38 lacs

**The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee**

**State Excise Duty****[14] 4 3 Non recovery of penalties**

The Punjab Excise Act 1914 as applicable to Haryana provides that if penalty is not paid within the stipulated period the Collector or Deputy Excise and Taxation Commissioner (DETC) shall pass speaking orders for a confiscation of the means of transport which shall be put to auction within 30 days of the order of the confiscation. The auction amount shall be adjusted towards the payment of penalty. The unrecovered amount of penalty if any shall be recoverable as arrears of land revenue.

During test check of records of DETC Ambala for the year 2001 02 it was noticed in August 2002 that two vehicles carrying 2000 pouches of country liquor were detained on 29 May and 7 July 2001 and penalty of Rs 1 50 lakh was imposed in June and August 2001 by the Department but the offenders failed to deposit the amount within the specified period.

The vehicles used by both the offenders were confiscated in the month of October 2002 but these were not put to auction for recovery of government dues resulting in non recovery of penalty of Rs 1 50 lakh

On this being pointed out in audit DETC Ambala accepted the observation. However action taken to recover the amount had not been intimated (December 2003)

The matter was referred to the Government in May 2003 reply had not been received (December 2003)

The department in their reply stated as under —

In this case out of Rs 1 50 lacs Rs 0 42 lac have been recovered thereby a balance amount of Rs 1 08 lacs is outstanding for which notices have been issued to the offenders and efforts are being made to recover the same

**The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee**

**[15] 4 4 Non/Short realization of passengers tax**

As per notification issued in July 1994 by Haryana Government Excise and Taxation Department under the Punjab Passengers and Goods Taxation Act 1952 as applicable to Haryana permit holders plying buses on link routes of the State under the scheme of privatisation of passengers road transport are required to pay lump sum passengers tax based on the seating capacity of the bus on monthly basis at the rate of Rs 16 000 for 52/54 seater and Rs 10 000 for 30 seater buses

During test-check of records of 9 offices of the Deputy Excise & Taxation Commissioners (DETC) for the year 2001 02 it was noticed between May and December 2002 that 69 transport co operative societies who were granted permits for plying buses on link roads either did not deposit monthly passengers tax or deposit it short. This resulted in non/Short realization of passengers tax of Rs 46 54 lakh

On this being pointed out the department made recovery of Rs 0 64 lakh from 5 transport co operative societies and intimated between May and December 2002 that action to recover the balance amount was being taken. Further progress of recovery was awaited (December 2003)

The matter was referred between August 2002 and January 2003 to Government reply had not been received (December 2003)

The department in their reply stated as under —

Out of Rs 46 54 lacs of Non/Short realization of passenger tax an amount of Rs 43 53 lacs have been recovered leaving a balance of Rs 3 01 lacs. Efforts are being made to recover the balance amount as early as possible

**The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee**

**[16] 4.8 Short/non recovery of entertainment duty**

Under the Punjab Entertainment Duty Act 1955 and the Rules framed thereunder as applicable to Haryana the proprietor of a video house exhibiting video shows on payment is required to make advance payment of entertainment duty on first day of each quarter at the rates prescribed by the Government from time to time. Under Government notification issued in March 1989 entertainment duty is payable on the basis of population (as per the latest census) of the town in which the video house is located in the prescribed manner. In case the proprietor fails to pay the duty in advance the Entertainment Tax Officer shall be competent to forfeit the whole or part of his security.

During test check of records of the Deputy Excise and Taxation Commissioner (Entt.) Gurgaon (West) for the years 1999-2002 it was noticed in January 2003 that out of 13 video owners 8 video owners paid entertainment duty of Rs. 3.80 lakh on the basis of density of population as per 1991 census instead of Rs. 6.00 lakh on the basis of census of 2001. The Deputy Excise and Taxation Commissioner did not raise demand at the revised rates resulting in short payment of entertainment duty of Rs. 2.20 lakh during the year 2001-02. The remaining 5 video owners had not paid entertainment duty of Rs. 4.50 lakh due from them between January 2000 to March 2002. Though duty was payable in advance the video owners did not deposit the duty and DETC did not raise any demand or take action to adjust the amount from the security. This resulted in non/short recovery of entertainment duty of Rs. 6.70 lakh from 13 video owners.

On this being pointed out the department recovered Rs. 0.45 lakh from two video owners in February 2003 and issued notices to all the other parties for effecting recovery.

The matter was referred to the Government in February 2003. Reply had not been received (December 2003).

The department in their reply stated as under —

**The latest position of this para is given here under**

1	Total amount due from 13 Video houses under Cinematography Act are (Rs. 4.50 + 2.20)	Rs 6.70 lacs
2	Less amount not to be collected as Entertainment Duty without obtaining clearance as per directions of District Magistrate Gurgaon vide his letter No 8852 dated 24.4.1997	Rs 4.50 lacs
3	Balance recoverable	Rs 2.20 lacs
4	The position of balance amount of Rs. 2.20 lacs is as under	
	(i) Amount recovered	Rs 1.00 lac
	(ii) Net amount recoverable [Rs. 2.20(-) 1.00]	Rs 1.20 lacs

Efforts are being made to recover the said balance amount.

**The Committee desired that sincere and vigorous efforts may be made to recover the amount under intimation to the Committee**

## REVENUE DEPARTMENT

### [17] 3.1 Results of Audit

Test check of records of various registration offices conducted in audit during the year 2002-2003 revealed non/short levy of stamp duty and registration fee amounting to Rs. 8.40 crore in 3,296 cases which broadly fall under the following categories:

Sl No	Nature of irregularities	Number of cases	Amount (Rupees in crore)
1	Non/short levy of stamp duty and registration fee	144	0.52
2	Loss of stamp duty due to misclassification of release deeds	783	4.99
3	Non levy of stamp duty on exchange of property	32	0.26
4	Loss of stamp duty due to under valuation of properties	624	2.00
5	Loss due to irregular exemption of stamp duty and registration fee on mortgage deeds	1,713	0.63
<b>Total</b>		<b>3,296</b>	<b>8.40</b>

During the year 2002-2003 the Department accepted under assessment of Rs. 2.40 crore involved in 705 cases of which 218 cases involving Rs. 1.00 crore had been pointed out in audit during 2002-03 and the rest in earlier years. An amount of Rs. 0.26 crore in 157 cases had been recovered during 2002-03 of which Rs. 0.25 crore recovered in 156 cases pertained to earlier years.

A few illustrative cases involving Rs. 0.35 crore are mentioned in this Chapter. Of these the Department accepted 2 audit observations involving Rs. 0.19 crore.

The department in their reply stated as under —

Latest position regarding these cases is as under —

The latest position of para No. 3.1 is as under — Position as on 10.11.2008

	Cases	Amount (in lacs)	Case	Amount (in lacs)
1 Amount Recovered by the department	18	1.21	19	1.42
2 Amount dropped by D Cs/Collectors	5	3.46	10	5.38
3 Amount dropped by A G	19	14.42	19	14.42
4 Recovery already mentioned in CAG	3	0.74	3	0.74
5 Pending in various courts	11	10.63	23	17.61
6 Balance cases/Amount for recovery	88	21.59	70	12.47
<b>Total</b>	<b>144</b>	<b>52.06</b>	<b>144</b>	<b>52.06</b>

Efforts are being made by the Deputy Commissioners and Sub Registrars to settle the pending Inspection Reports and Audit Observations. All the Deputy Commissioners have been directed to take stock of the matter pertaining to recovery cases of stamp duty in the monthly meetings held for pending references with Divisional Commissioners. They have also been requested to review the progress of cases pertaining to stamp duty and registration fee under section 47 A bimonthly and send the review report to the Govt regularly.

In the meetings with all the District Revenue Officers of State held in November-December 2007 under the Chairpersonship of the Hon'ble Minister for Revenue, district wise progress of court cases and recovery of balance amount pertaining to stamp duty and registration fee was reviewed. It was impressed upon by the Financial Commissioner and Principal Secretary to Govt. Haryana Revenue & Disaster Management Department that the number of cases pending in various courts be decided expeditiously and strenuous efforts be made to recover the balance amount. FCR and JSR cum IGR have also held meetings at Divisional and District level for expeditious settlement of Audit/CAG Paras during 2008.

**The Committee desired that strenuous efforts may be made to recover the balance amount and pursue the cases pending in various courts. Quarterly progress report in this regard may be sent to the Committee.**

**[18] 3.2 Evasion of stamp duty due to under valuation of immovable property**

The Indian Stamp Act, 1899 as applicable to Haryana provides that the consideration and all other facts and circumstances affecting the chargeability of any instrument with duty or the amount of duty with which it is chargeable should be fully and truly set forth therein. Further, the Act provides that if any person who with intent to defraud the Government executes an instrument in which all the facts and circumstances required to be set forth in such instrument are not fully and truly set forth is punishable with a fine which may extend to five thousand rupees per instrument.

During test check of records of 13 registering offices, it was noticed between November 2001 and December 2002 that 25 conveyance deeds were registered between May 2000 and July 2002 on account of sale of immovable properties. The total value of properties set forth in all these conveyance deeds was Rs 85.44 lakh, whereas the total value as per agreements executed between affected parties during July 1999 to May 2002 and found recorded with the various document writers worked out to Rs 1.66 crore. Thus, the conveyance deeds were got executed and registered at a consideration less than that agreed upon between the parties. This resulted in evasion of stamp duty of Rs 10.37 lakh. Besides, penalty not exceeding Rs 1.25 lakh for under-valuation made with intent to defraud the Government was also leviable.

On this being pointed out in audit, seven registering authorities accepted the audit observations and one of them recovered stamp duty of Rs 0.17 lakh. No reply was received from the remaining 6 Sub Registrars (December 2003).

The cases were referred to the Government between March 2002 and February 2003 who directed Deputy Commissioners, Hisar, Jind, Bhiwani, Faridabad and Panipat between April 2002 and March 2003 to send replies within three weeks. Further progress of recovery

was awaited from the Government (December 2003) In other cases no reply had been received (December 2003)

The department in its written reply stated as under —

The latest position of para No 3 2 is as under —			Position as on 10 11 2008	
	Cases	Amount (in lacs)	Cases	Amount (in lacs)
1 Amount Recovered by the department	67	21 80	106	28 18
2 Amount dropped by D Cs/Collectors	115	94 37	129	106 42
3 Amount dropped by A G	64	53 07	66	55 37
4 Recovery already mentioned in CAG	0	0 00	0	0 00
5 Pending in various courts	271	141 41	251	136 55
6 Balance cases/Amount for recovery	266	188 83	231	172 94
<b>Total</b>	<b>783</b>	<b>499 46</b>	<b>783</b>	<b>499 46</b>

Efforts are being made by the Deputy Commissioners and Sub Registrars to settle the pending Inspection Reports and Audit Observations All the Deputy Commissioners have been directed to take stock of the matter pertaining to recovery cases of stamp duty in the monthly meetings held for pending references with Divisional Commissioners They have also been requested to review the progress of cases pertaining to stamp duty and registration fee under section 47 A bimonthly and send the review report to the Govt regularly

In the meetings with all the District Revenue Officers of State held in November December 2007 under the Chairpersonship of the Hon ble Minister for Revenue district wise progress of court cases and recovery of balance amount pertaining to stamp duty and registration fee was reviewed It was impressed upon by the Financial Commissioner and Principal Secretary to Govt Haryana Revenue & Disaster Management Department that the number of cases pending in various courts be decided expeditiously and strenuous efforts be made to recover the balance amount FCR and JSR cum IGR have also held meetings at Divisional and District level for expeditious settlement of Audit/CAG Paras during 2008

**The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months**

**[19] 3 3 Short levy of stamp duty on exchange of property**

As per Indian Stamp Act 1899 as applicable to Haryana stamp duty on exchange of property is chargeable as for a conveyance deed Government further clarified in 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 would require registration and is also chargeable with 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 of 12 offices of Sub Registrars it was noticed between December 2001 and December 2002 that 25 compromise decrees creating right title or interest for the first time in immovable properties valued at Rs 1 05 crore were registered between June 2000 and January 2002 without levying stamp duty resulting in short realisation of stamp duty amounting to Rs 14 03 lakh

On this being pointed out Sub Registrars Bhiwani Narnaund (Hisar) and Tohana admitted the audit observation and intimated between December 2001 and March 2003 that notices had been issued to effect recovery of Rs 0 07 crore Deputy Commissioner Yamunanagar intimated in March 2003 that all the 6 cases (SP Radaur 2 cases and SR Jagadhari 4 cases) were pending with Collector for decision No reply was received in other cases (December 2003)

The matter was referred between March 2002 and February 2003 to the Government who directed between October 2002 and March 2003 the Registrars Bhiwani Fatehabad Gurgaon Panipat and Yamunanagar to furnish reply within three weeks Further progress on action taken was awaited (December 2003) from the Government In respect of other offices no reply had been received (December 2003)

The department in its written reply stated as under —

The latest position of para No 3 3 is as under —

	Cases	Amount (in lacs)	Case	Amount (in lacs)
1 Amount Recovered by the department	1	0 71	2	1 04
2 Amount dropped by D Cs/Collectors	11	6 73	11	6 73
3 Amount dropped by A G	3	0 71	5	3 09
4 Recovery already mentioned in CAG	0	0 0	0	0 00
5 Pending in various courts	11	7 94	11	9 28
6 Balance cases/Amount for recovery	6	9 83	3	5 78
<b>Total</b>	<b>32</b>	<b>25 92</b>	<b>32</b>	<b>25 92</b>

**The Committee desired that balance amount be recovered at the earliest and the cases pending in various courts be pursued vigorously**

**[20] 3 4 Evasion of stamp duty on release deeds**

Under Article 55 of schedule I A of the Indian Stamp Act 1899 and further clarification/ instructions issued between October 1999 and September 2000 by Government Revenue Department stamp duty on any release of ancestral property made in favour of brother or sister (children of renouncer's parents) or son or daughter or father or mother or spouse grand children or nephew or niece or co parcenter of the renouncer is leviable at the rate of Rs 1 5 per instrument In any other case the stamp duty shall be charged at the rates as applicable to a conveyance for the amount equal to the market value of the share interest and part of claim renounced

During test check of records of 5 Registering Offices (Panipat District) for the year 2001-02 it was noticed in December 2002 that 25 releases of ancestral property valued at Rs 54 lakh were made in favour of relations other than those specified in Article 55 of schedule I of the Act by charging stamp duty of Rs 405 instead of Rs 6.75 lakh leviable as a conveyance for the amount equal to the market value. This resulted in short levy/recovery of stamp duty of Rs 6.75 lakh.

The matter was brought to the notice of the Department and to the Government in January and May 2003 respectively but the reply had not been received (December 2003).

The department in its written reply stated as under —

The latest position of para No. 3 & 4 is as under -		Position as on 10.11.2008			
		Cases	Amount (in lacs)	Case	Amount (in lacs)
1	Amount Recovered by the department	78	10.25	109	14.52
2	Amount dropped by D Cs/Collectors	133	68.43	140	69.26
3	Amount dropped by A G	93	33.06	96	33.91
4	Recovery already mentioned in CAG	0	0.00	0	0.00
5	Pending in various courts	161	43.21	147	40.69
6	Balance cases/Amount for recovery	155	45.30	132	41.85
<b>Total</b>		<b>624</b>	<b>200.24</b>	<b>624</b>	<b>200.24</b>

Efforts are being made by the Deputy Commissioners and Sub Registrars to settle the pending Inspection Reports and Audit Observations. All the Deputy Commissioners have been directed to take stock of the matter pertaining to recovery cases of stamp duty in the monthly meetings held for pending references with Divisional Commissioners. They have also been requested to review the progress of cases pertaining to stamp duty and registration fee under section 47-A bimonthly and send the review report to the Govt. regularly.

In the meetings with all the District Revenue Officers of State held in November-December 2007 under the Chairpersonship of the Hon'ble Minister for Revenue, district wise progress of court cases and recovery of balance amount pertaining to stamp duty and registration fee was reviewed. It was impressed upon by the Financial Commissioner and Principal Secretary to Govt. Haryana, Revenue & Disaster Management Department that the number of cases pending in various courts be decided expeditiously and strenuous efforts be made to recover the balance amount. FCR and JSR cum IGR have also held meetings at Divisional and District level for expeditious settlement of Audit/CAG Paras during 2008.

**The Committee desired that the latest information of all the District Offices in this regard be sent to the Committee within a period of two months.**



**[21] 3 5 Short levy of stamp duty**

As per Indian Stamp Act 1899 conveyance includes conveyance on sale and every instrument by which property whether movable or immovable is transferred. Further the Indian Registration Act 1908 provides that immovable property includes land, building and things attached to the earth. Government clarified in July 1994 that plant and machinery installed in the factory for permanent use when sold along with the factory land and building would constitute a part of immovable property.

During test check of records of Sub Registrar Panipat for the year 2001-02, it was noticed in January 2003 that two vendors purchased a factory for a consideration of Rs 27.66 lakh in auction conducted by the Haryana Financial Corporation. While executing the sale deeds in October 2001 and February 2002, the Registering Authority levied stamp duty of Rs 1.16 lakh on the cost of land and building valued at Rs 9.27 lakh but did not levy stamp duty on plant and machinery installed therein and valued at Rs 18.39 lakh, resulting in short levy of stamp duty of Rs 2.30 lakh.

This was pointed out to the Department, but the reply had not been furnished (December 2003). The matter was referred in February 2003 to the Government, reply had not been received (December 2003).

The department in its written reply stated as under —

↳ The latest position of para No. 3.5 is as under

Position as on 10-11-2008					
	Cases	Amount (in lacs)	Case	Amount (in lacs)	
1. Amount Recovered by the department	251	8.03	307	9.36	
2. Amount dropped by D Cs/Collectors	36	1.45	36	1.45	
3. Amount dropped by A G	270	8.43	270	8.43	
4. Recovery already mentioned in CAG	5	0.06	5	0.06	
5. Pending in various courts	13	11.04	13	11.04	
6. Balance cases/Amount for recovery	1138	34.02	1082	32.69	
<b>Total</b>	<b>1713</b>	<b>63.03</b>	<b>1713</b>	<b>63.03</b>	

**The Committee desired that balance amount be recovered at the earliest and the cases pending in various courts be pursued vigorously**

## TRANSPORT DEPARTMENT

### [22] 1 7 Cost of collection

The gross collections in respect of major revenue receipts expenditure incurred on their collection and the percentage of such expenditure to gross collections during the years 2000-2001 2001 2002 and 2002 03 along with the relevant all India average percentage for 2001 2002 are given below -

Sl No	Head of revenue receipts	Year	Collection	Expenditure on collection of revenue	Percentage Col 5 to Col 4	All India percentage for the year 2001 2002
1	2	3	4	5	6	7
(Rupees in crore)						
1	Taxes on Sales Trade etc	2000 01	2 573 39	35 21	1 37	
		2001 02	2 944 81	41 08	1 39	1 26
		2002 03	3 337 43	39 45	1 13	
2	Taxes on Vehicles	2000 01	85 69	5 74	6 70	
		2001 02	103 62	5 07	4 83	2 99
		2002 03	114 39	5 45	4 76	

It may be seen from the above that the percentage in respect of taxes on vehicles was high as compared to all All India percentage The reasons though called for had not been received (August 2003)

The department in its written reply stated as under

Efforts are being made to reduce the cost of collection

**The Committee desired that the details of the efforts which are being made to reduce the cost of collection and any success achieved so far, be intimated to the Committee within a period of three months**

### [23] 1 14 Results of Audit

Test check of records of departmental offices relating to Taxes on Sales Trade etc Stamp Duty and Registration Fee State Excise Duty Passengers and Goods Tax Taxes on Motor Vehicles Entertainment and Show Tax Agriculture (Purchase Tax and Crop Husbandry) Co operation Finance (State Lotteries and Guarantee Fee) Electricity Duty Public Works (Irrigation Public Health Buildings and Roads) Home (Police) Fisheries Mines and Geology Forest Medical Animal Husbandry and Industries conducted during the year 2002 03 revealed under assessments non levy and short levy of taxes duties and losses of revenue amounting to Rs 439 39 crore in 1 56 286 cases During the year 2002 03 the Departments concerned accepted under assessment etc of Rs 202 69 crore involving 1 924 cases Out of these 1 384 cases involving Rs 200 53 crore were pointed out by audit during 2002 03 and the rest in

earlier years. An amount of Rs 6.16 crore was recovered in 801 cases during 2002-03 of which Rs 3.25 crore recovered in 763 cases related to earlier years.

This Report contains 35 paragraphs including 3 reviews relating to non-levy/short levy of taxes, duties, interest and penalties etc. involving Rs 340.66 crore. The Department accepted audit observations involving Rs 193.96 crore out of which Rs 3.29 crore had been recovered upto July 2003. In respect of observations not accepted by the department, gist of reasons for Department's non-acceptance has been included in the related paragraph itself along with suitable rebuttal. However, replies from the Government had not been received (July 2003) except in the case of one paragraph and one review.

The department in its written reply stated as under:

Only 3 Draft paragraphs involving Rs 16 crore relates to this department. Reply of one paragraph amounting to Rs 15.21 crore was sent to AG (Audit) by this office Memo No. 20477/ST-1/AT 2 dated 22.7.04. Out of Rs 78 lakh in remaining two paragraphs, an amount of Rs 22.15 lakh has been recovered so far. Strenuous efforts are being made for early settlement of balance amounts.

This table shows the trend of outstanding reports/paras made upto December 2002 by A.G. (A) Haryana for which regular efforts are being made to settle these paras.

**The Committee observed that in the departmental reply it is mentioned that one paragraph amounting to Rs 15.21 crores was sent to AG (Audit) on 22.7.2004. The Committee desired that this amount may be reconciled with the AG (Audit) and the latest position regarding recovery of balance amount be intimated to the Committee within a period of three months.**

**[24] 1.17 Response of the departments to Draft Audit Paragraphs**

Department of Finance issued directions to all departments on 5 January 1982 to send their response to the Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India within six weeks. The Draft Paragraphs are forwarded by Accountant General to the Secretaries of the departments concerned through demi-official letters drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the departments are invariably indicated at the end of each paragraph included in the Audit Report. 56 Draft Paragraphs (clubbed in 32 paragraphs) and 3 Reviews included in the Report of the Comptroller and Auditor General of India for the year ended March 2003 were forwarded to the Secretaries of the departments concerned during January to July 2003 through demi-official letters. Replies were received only in two cases, one relating to Fisheries Department and the other to Review on Receipts from guarantee fee.

The department in its written reply stated as under -

Only 3 Draft paragraphs involving Rs 16 crore relates to this department. Reply of one paragraph amounting to Rs 15.21 crore was sent to AG (Audit) by this office Memo No. 20477/ST-1/AT 2 dated 22.7.04. Out of Rs 78 lakh in remaining two paragraphs, an amount of Rs 22.15 lakh has been recovered so far. Strenuous efforts are being made for early settlement of balance amounts.

The Committee observed that in the departmental reply, it is mentioned that one paragraph amounting to Rs 15.21 crores was sent to AG (Audit) on 22.7.2004. The Committee desired that this amount may be reconciled with the AG (Audit) and the latest position regarding recovery of balance amount be intimated to the Committee within a period of three months.

**[25] 4.6 Non deposit of token tax**

As per provisions of the Punjab Motor Vehicles Taxation Act, 1924, as applicable to Haryana, token tax shall be leviable on every motor vehicle in the prescribed manner. In case of omission to comply with the provisions, the Act further provides that the licensing officer may impose a penalty which may extend to twice the amount of tax due. Arrears of tax can be recovered as arrears of land revenue.

During test check of records of 10 District Transport Officers (DTOs) for the years 2000-2001 and 2001-2002, it was noticed between February and September 2002 that token tax in respect of 254 buses of transport co-operative societies for the period between October 1996 and March 2002 was neither deposited by the transport co-operative societies nor demanded by the department. This resulted in non payment of token tax of Rs 56.80 lakh. Besides penalty upto Rs 1.14 crore was leviable.

On this being pointed out in audit, 8 DTOs accepted the observations involving Rs 49 lakh. DTOs Ambala and Yamunanagar further intimated between June and August 2002 that Rs 3.74 lakh out of Rs 10.89 lakh had been recovered and efforts were being made to recover the balance amount. The DTOs Hisar, Karnal, Rohtak, Rewari, Bhiwani and Faridabad intimated between March and September 2003 that steps to recover the amount of Rs 37.72 lakh were being taken. No reply had, however, been received from DTOs Kurukshetra and Narnaul in respect of remaining amount of Rs 8.18 lakh.

The matter was referred between March 2002 and January 2003 to Government. Reply had not been received (December 2003).

The department in its reply stated as under:

It is submitted that the token tax for the period 2000-01 in respect of coop societies buses plying on the stage carriages had been worked out to Rs 56.80 lakh. Out of this, an amount of Rs 22.15 lakh had already been recovered from the concerned societies. Necessary efforts are being made to recover the balance amount.

**The Committee desired that strenuous efforts be made to recover the balance amount.**

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महाराष्ट्र सरकार  
अर्थ विभाग  
मुंबई

## AGRICULTURE DEPARTMENT

### [26] 1.8 Arrears in revenue

The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs 576 98 crore of which Rs 199 47 crore were outstanding for more than 5 years as detailed in the following table

Sr No	Heads of revenue receipts	Amount outstanding as on 31 March 2003	Amount outstanding for more than 5 years as on 31 March 2003	Remarks
		Rupees in crores		
7	Other taxes and duties on commodities and services (i) Receipts under the Sugarcane (Regulation of Purchase and Supply) Act	11 03	3 48	Four sugar mills (Yamuna Nagar Rs 5 02 crore Panipat Rs 3 49 crore Rohtak Rs 2 28 crore and Sonipat Rs 0 24 crore) did not deposit the tax
<b>Total</b>		<b>576 98</b>	<b>199 47</b>	

The arrears outstanding for more than 5 years constituted 35 per cent of total arrears. Substantial accumulation of arrear of taxes shows that the State Government did not tackle the problem vigorously as observed by 10th and 11th Finance Commission. It is recommended that effective steps for collecting these arrears be taken to augment government revenue.

The department in its written reply stated as under

As per details received from Accountant General (Audit) Haryana the department involved in 4 cases for Rs 11 03 crore. The mill wise detail is as under

S No	Name of office	No of cases	Amount (Rs in crore)
1	A C D O Yamunanagar	1	5 02
2	A C D O Panipat	1	3 49
3	A C D O Rohtak	1	2 28
4	A C D O Sonipat	1	0 24
<b>Total</b>			<b>11 03</b>

1. An amount of Rs 5 02 crore as purchase tax was due against the Saraswati Sugar Mills Yamunanagar. Out of this amount Rs 4 83 crore was deposited by the Sugar Mill vide challan No 1 A dated 3 10 2002, challan No 15 dated 7 8 2003 and challan No 1 C dated 13 11 2003. The efforts are being made to recover the balance amount of Rs 0 19 crores from

the sugar mill by calling meeting as well as issuing reminder Last meeting convened on 26 2004

2&3 An amount of Rs 5 77 crore was due against Cooperative Sugar Mills Panipat (Rs 3 49 crore) and Rohtak (Rs 2 28 crore)

4 As per record of A C D O Sonipat office concerned there is outstanding amount of interest Rs 779679 against Cooperative Sugar Mill Ltd Gohana under A C D O Sonipat as against Rs 0 24 crores

At present a sum of Rs 6 0379 crore is outstanding against the Sugar Mills as on 31 3 2003

For effecting the recovery Cane Commissioner Haryana Panchkula has issued certificate to the Collector of Panipat and Rohtak 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 his 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

Further a meeting was held on 29 3 2004 under the chairmanship of Worthy Principal Secretary to Chief Minister Haryana In the meeting it was decided that all the Cooperative Sugar Mills as well as private sugar mills will deposit the cane purchase tax and interest The Managing Director Sugar Federation was directed to submit plan before 10 4 2004 to Cane Commissioner Haryana Panchkula for depositing purchase tax along with interest Similarly private sugar mills were also directed for submitting plan for depositing cane purchase tax & interest The proceeding of the said meeting was issued to the concerned vide this office letter no 1610-16 dated 12 4 2004 A reminder was also issued vide this office letter No 1732 dated 29 4 2004 For follow up the decisions taken in the meeting held under the chairmanship of Worthy PSCM a meeting was called on 15 4 2004 by Additional Cane Commissioner Haryana for reviewing the progress The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon of Rohtak and Panipat Sugarmills otherwise a serious action will be taken against them Further a meeting was convened under the chairmanship of Cane Commissioner Haryana on 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 A Demi Official letter No 4177 dated 16 9 2004 has been written by Financial Commissioner & Principal Secretary to Government Haryana Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana Cooperative Department for depositing the purchase tax and interest thereon Thereafter a reminder No 1233 dated 13 3 2005 has been written by Cane Commissioner Haryana to Financial Commissioner & Principal Secretary to Government Haryana Cooperative Department for immediate action to recover the purchase tax from the defaulter sugar mills Thereafter vigorous efforts are being made to recover the amount

**The Committee desired the department to send complete year wise figures of arrears and the latest position of recovery of Purchase Tax from the Sugar Mills**

**[27] 4.1 Results of Audit**

Test-check of records in departmental offices relating to revenues received from State Excise Duty Taxes on Motor Vehicles Passengers and Goods Tax Entertainment Duty Purchase Tax (Agriculture) and Electricity Duty conducted in audit during the year 2002-03 revealed under assessment of taxes and duties and loss of revenue amounting to Rs 29.92 crore in 1,48,111 cases as depicted below

Sr No	Heads of revenue	Number of cases	Amount (Rupees in crore)
6	Purchase Tax (Agriculture)	8	4.95

In the cases of Taxes on Motor Vehicles Purchase Tax (Agriculture) and State Excise Duty the department accepted under-assessment of Rs 4.71 crore in 984 cases which was pointed out during the year 2002-2003 and recovered an amount of Rs 1.50 crore in 130 cases pertained to earlier years

A few illustrative cases involving Rs 19.40 crore are mentioned in this Chapter. Of these the Department accepted 6 audit observations involving Rs 2.86 crore and recovered Rs 0.37 crore in 5 cases

The department in its written reply stated as under

As per details received from Accountant General Haryana the department involved in 8 cases for Rs 494.77 lakh. The mill wise details of amount of Rs 494.77 lakh is as under -

Sr No	Name of office	Year	No of cases	Amount (Rs in lakhs)	Present position
1	2	3	4	5	6
1	A C D O Rohtak	2001-02	1	9.14	Amount of Rs 8,83,986.00 deposited vide challan No. 19 dated 12.4.2002. Balance amount of Rs 29629/- as interest is to be recovered
2	A C D O Panipat	2001-02	1	37.67	No recovery affected. action is being taken to recover the amount
3	A C D O Kaithal	2001-02	1	57.27	No recovery affected
4	A C D O Karnal	2001-02	1	48.35	Court case pending before Hon'ble Punjab & Haryana High Court. The case has been admitted and

1	2	3	4	5	6
					request was made for fixing the early date for hearing on 1 1 2004 but the same was rejected by the High court
5	A C D O Jind	2001 02	1	5 35	Amount of Rs 5 35 lakh deposited by the Sugar Mill and this para has been dropped by A G Haryana vide their letter No 1288 91 dated 13 2 2004
6	A C D O Yamunanagar	2001 02	1	280 70	Amount of Rs 280 70 lakh deposited vide challan No 1 A dated 3 10 2002 and challan No 15 dated 7 8 2003 Hence this para may please be dropped
7	A C D O Yamunanagar	2001 02	1	49 02	No recovery affected Efforts are being made
8	A C D O Yamunanagar	2001 02	1	07 27	No recovery affected Efforts are being made
<b>494 77</b>					

At present a sum of Rs 199 88 lakh is outstanding against the Sugar Mills for the period 2001 02

Further for affecting the recovery from the Sugar Mills the following efforts have been made

The certificates have been issued to the concerned Collectors for affecting the recovery as arrear of land revenue 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

Further a meeting was held on 29 3 2004 under the chairmanship of Worthy Principal Secretary to Chief Minister Haryana. In the meeting it was decided that all the Cooperative Sugar Mills as well as private sugar mills will deposit the cane purchase tax and interest. The Managing Director Sugar Federation was directed to submit plan before 10 4 2004 to Cane Commissioner Haryana Panchkula for depositing purchase tax alongwith interest. Similarly private sugar mills were also directed for



submitting plan for depositing cane purchase tax & interest. The proceeding of the said meeting was issued to the concerned vide this office letter No. 1610/16 dated 12.4.2004. A reminder was also issued vide this office No. 1732 dated 29.4.2004. For follow up the decisions taken in the meeting held under the chairmanship of Worthy PSCM, a meeting was called on 15.4.2004 by Additional Cane Commissioner Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon of Rohtak and Panipat Sugar mills otherwise a serious action will be taken against them.

Further a meeting was convened under the chairmanship of Cane Commissioner Haryana on 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. A Demi Official letter No. 4177 dated 16.9.2004 has been written by Financial Commissioner & Principal Secretary to Government Haryana, Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for depositing the purchase tax and interest thereon. Thereafter a reminder No. 1233 dated 18.3.2005 has been written by the Cane Commissioner Haryana to Financial Commissioner & Principal Secretary to Government Haryana, Cooperative Department for immediate action to recover the purchase tax from the defaulter sugar mills. Thereafter vigorous efforts are being made to recover the amount.

**The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months.**

**[28] 4.9 Non recovery of purchase tax and interest**

According to the notification issued in 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 of Rs 1.50 per quintal on purchase of sugarcane latest by 14th of the following month and send a monthly return to the Cane Commissioner in a prescribed format. In the event of default in payments or for belated payments, interest at 15 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 Assistant Cane Development Officer (ACDO), Panipat for the year 2001-02, it was noticed in April 2002 that an assessee purchased 2148986.15 quintals of sugarcane between November 2001 and March 2002. Purchase tax and interest of Rs 37.57 lakh though payable by the mill was neither deposited by the mill nor demanded by the Department. This resulted in non recovery of purchase tax of Rs 32.23 lakh and interest of Rs 5.34 lakh till March 2003.

On this being pointed out in audit, Director Agriculture intimated in August 2003 that a sum of Rs 9.69 lakh had been deposited by Co-operative Sugar Mill, Panipat and efforts were being made to get the balance amount of Rs 27.88 lakh recovered as arrears of land revenue. Further progress on action to recover tax as arrears of land revenue had not been intimated till December 2003.

The matter was referred to the Government in June 2003, reply had not been received (December 2003).

The department in its written reply stated as under

An amount of Rs 37 57 lakh was due against Cooperative Sugar Mills Panipat (Rs 32 23 lakh as principal and Rs 5 34 lakh as interest)

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 dated 2 5 2001

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 the 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

Further a meeting was held on 29 3 2004 under the chairmanship of Worthy Principal Secretary to Chief Minister Haryana. In the meeting it was decided that all the Cooperative Sugar Mills as well as private sugar mills will deposit the cane purchase tax and interest. The Managing Director Sugar Federation was directed to submit plan before 10 4 2004 to Cane Commissioner Haryana Panchkula for depositing purchase tax alongwith interest. Similarly private sugar mills were also directed for submitting plan for depositing cane purchase tax & interest. The proceeding of the said meeting was issued to the concerned vide this office letter No 1610 16 dated 12 4 2004. A reminder was also issued vide this office letter No 1732 dated 29 4 2004. For follow up the decisions taken in the meeting held under the chairmanship of Worthy PSCM a meeting was called on 15 4 2004 by Additional Cane Commissioner Haryana for reviewing the progress. The representative of the Haryana Sugar Federation was directed to deposit the purchase tax and interest thereon of Panipat Sugar mills otherwise a serious action will be taken against them.

A meeting was convened under the chairmanship of Cane Commissioner Haryana on 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. A Demi Official letter No 4177 dated 16 9 2004 has been written by Financial Commissioner & Principal Secretary to Government Haryana Agriculture Department to Financial Commissioner & Principal Secretary to Government Haryana Cooperative Department for depositing the purchase tax and interest thereon. Thereafter a reminder No 1233 dated 18 3 2005 has been written by Cane Commissioner Haryana to Financial Commissioner & Principal Secretary to Government Haryana Cooperative Department for immediate action to recover the purchase tax from the defaulter sugar mills. Thereafter vigorous efforts are being made to recover the amount.

**The Committee desired that strenuous efforts may be made to recover the balance amount from the concerned Sugar Mills and the latest position in this regard be intimated to the Committee within a period of six months**

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## COOPERATION DEPARTMENT

### [29] 5.1 Results of Audit

Test check of records of various offices of Co operation Department conducted during the year 2002-2003 revealed non/short recovery of audit fee non redemption of dividend on share capital etc amounting to Rs 58.36 crore in 10 cases as depicted below

Sl No	Nature of irregularities	Number of cases	Amount (Rupees in crore)
1	Review on Receipts (other than interest) from Co operative Societies	1	56.81
2	Non redemption of share capital	8	1.36
3	Non/Short recovery of audit fee	1	0.19
<b>Total</b>		<b>10</b>	<b>58.36</b>

During the year 2002-2003 the Department accepted short recovery of Rs 52.75 crore in 8 cases which were pointed out during the year 2002-03. Besides Rs 0.36 crore recovered in 120 cases pertained to earlier years.

A review relating to Receipts (other than interest) from Co operative Societies involving Rs 56.81 crore highlighting important cases are mentioned in this Chapter. Of these the Department accepted 8 audit observations involving Rs 52.75 crore and made part recovery of Rs 0.11 crore in 1 case.

The department in its written reply stated as under

This para in CAG 2002-2003 is regarding Result of Audit and contains various irregularities like non/short recovery of audit fee non redemption of dividend on share capital etc. This is because the audit fee initially assessed on the basis of P/L A/c prepared by society later on it is re-assessed on the basis audited P/L A/c. Therefore difference occurs in initial and final assessment.

In its report AG has pointed out that Rs 56.81 crores were short charged on account of various irregularities. But the amount actually comes to Rs 53.81 crores as per detail given by the AG office vide its letter No RAW/2004 05/0425/827 dated 2.9.2004.

The separate replies of these paras of Cooperative Department are also being given in this report and an consolidate reply of this para is as follow

S No	Nature of irregularities	No of cases	Cases settled	Amount (Rs in crores)	Amt recovered	Balance
1	Review on Receipts (other than interest) from Cooperative Societies	1	—	53.81	10.46	43.35

2	Non redemption of Share Capital	8	6	1 36	0 33	1 03
3	Non/Short recovery of Audit Fee	1	1	0 19	0 19	—

Efforts are being made to recover the balance amount and directions have been given to AR s vide letter No 41/1/2003 04 (Audit 6)/7832 dated 11 08 2004 Hence it is requested that the para may please be dropped

**The Committee desired that strenuous efforts may be made to recover the balance amount under intimation to the Committee**

**[30] 5 2 5 Audit in arrears**

Under Section 95 of the Haryana Co operative Societies Act 1984 the RCS shall audit or cause to be audited by a person authorized by him the accounts of every co operative society at least once in each year

Year wise details of societies audited and those remaining un audited at the end of each year during the years from 1997-98 to 2001 02 were as under

Year	Total Number of societies in existence	Number of societies audited	Number of societies remained un audited	Percentage of unaudited societies
1997 98	17 613	11 687	5 926	34
1998 99	18 532	11 890	6 642	36
1999 2000	22 887	13 405	9 482	41
2000 01	23 059	12 870	10 189	44
2001 02	22 665	13 450	9 215	41

Above table shows that percentage of unaudited societies ranged between 34 and 44 Out of 22 665 co operative societies to be audited during the year 2001 2002 9 215 Societies remained unaudited as on 31 March 2002 The age wise position of these unaudited Societies was as under

Period for which audit was pending	Number of societies
Above 5 years	2 739
Above 4 years but less than 5 years	1 705
Above 3 years but less than 4 years	2 130
Above 2 years but less than 3 years	1 303
Above 1 year but less than 2 years	1 338
<b>Total</b>	<b>9 215</b>

On this being pointed out the RCSs stated in 7 February 2003 that audit of 5 408 labour and construction societies transport societies group housing societies handloom societies and industrial societies could not be completed due to non availability of records and 3807 societies remained unaudited due to shortage of staff

The department in its reply stated as under -

In this para of audit in arrears of CAG report 2002 03 9215 Societies remained unaudited out of total 22 665 Societies Now out of remaining 9215 Societies only 4091 Societies have been audited upto December 2004 and 5214 Societies remained unaudited There is shortage of about one third of the staff Department is trying its best to get audit done earlier Hence it is requested that the para may please be dropped

**The Committee observed that as there is imbalance in the societies audited versus un audited, more societies are yet to be audited Reason given by the Department about shortage of staff is not very much justified In this case special efforts be made to cover all societies because then only the Department can gauge its working In the absence of audit of societies, the Department cannot arrive at any decision regarding performance of the societies and the performance of the department Strenuous efforts be made by motivating the audit staff to finish the audit of all societies possible**

**[31] 5 2 6 Trend of revenue**

The position of audit fee estimated and actually realised during the five years ending 2001 02 was as under

Year	Budget Estimates	Actuals	Shortfall ( ) / Excess (+) over budget estimates	Percentage
(Rupees in lakh)				
1997-98	365	215 77	( ) 149 23	( ) 41
1998-99	650	389 74	( ) 260 26	( ) 40
1999 2000	565	218 90	(-) 346 10	(-) 61
2000 01	635	337 73	( ) 297 27	(-) 47
2001 02	400	264 00	( ) 136 00	( ) 34

The shortfall in realisation of audit fee ranged between 34 and 61 per cent This shows that estimates were not on realistic basis

The Department stated that the estimates could not be realistic due to non predictability of profit of the societies The reply is not tenable as there had been shortfall in revenue receipts as compared to the budget estimates during all the preceding financial years The Department should develop a system so that budget estimates are prepared in a more realistic manner

The Department did not send any reply to this para

**The Committee observed that all the actuals in all years are much less than the budget estimates prepared proving a point that budget estimates are prepared carelessly by the Department. The Department should develop a system so that budget estimates are prepared in a more realistic manner. The Committee desired that steps taken in this regard be intimated to the Committee**

**[32] 5 2 7 Non reconciliation of accounts**

As per chapter 4 of the Consolidated circulars (Revised 1968) of the Co-operative Department the audit fee deposited by the Department in treasury is to be reconciled every month by the ARCS with the treasury records. Further reconciliation of the consolidated amount is to be done by the RCS office with the Accountant General (A&E)

A test check of records for the year 2001-02 revealed that audit fee to the tune of Rs 2.49 crore had been misclassified under the Head 0425 Co operation 800 Other Receipts instead of 0425 Co operative 101 Audit Fee

On this being pointed out in audit the RCS stated in June 2003 that instructions were issued during October 1985 and November 1995 to the field staff for conducting reconciliation. However the fact remained that departmental receipts continued to be misclassified and there was an urgent need for reconciliation of the accounts with the treasuries and with the Accountant General (A&E)

The Department did not send any reply to this para

**The Committee observed that since the misclassification of audit fee is perpetual problem in the Department, it is suggested that a quarterly meeting should be held by the RCS's Office with the A.G.'s Office so that these ambiguities are pointed out well in time and all accounts are maintained properly. A compliance report in this regard may be submitted to the Committee**

**[33] 5 2 11 Short levy of audit fee due to incorrect computation of profit**

The Haryana Co-operative Societies Act and Byelaws of the Co-operative Bank do not provide for any deductions from profit of the society on account of provisions for gratuity fund, education fund, ex gratia (incentive) and bad and doubtful debts for working out audit fee

During test check of records of 8\* ARCS it was noticed between November 2002 and January 2003 that in the case of 8 central co-operative banks audit fee for the years 1997-98 to 2001-02 was charged on the net profit after incorrectly deducting an amount of Rs 24.15 crore on account of gratuity fund, co-operative education fund, ex gratia and bad and doubtful debts. This resulted in under-assessment of audit fee amounting to Rs 1.21 crore

On this being pointed out the Registrar Co-operative Societies admitted the mistake in May 2003 and directed the assessing officers to add back the deduction allowed incorrectly

The department in its reply stated as under -

In this para Rs 1.21 crore are due as under-assessment of audit fee because the audit fee of 8 CBs for the years 1997-98 to 2001-02 was charged on the net profit after incorrect deduction of gratuity fund, co-operative education fund, ex gratia and bad and doubtful debts

The recovery of this amount is as follows

<b>Total Amount (Rs in crore)</b>	<b>Recovery</b>	<b>Balance</b>
1 21	0 12	1 09

Therefore efforts are being made to recover the balance amount vide letter no 41/1/2003 04 (Audit 6) 7841 48 dated 11 8 2004 hence it is requested that the para may please be dropped

**The Committee observed that since the recovery has to be made from the RCS it should not be difficult for the Department to get the needful done The payment of Government audit fee should not be unnecessarily delayed and the management of cooperative banks should be directed to make the payment immediately under intimation to the Committee**

**[34] 5 2 14 Non deposit of Government share capital**

As per Haryana Co operative Societies Act 1984 the Government may for any co operative society or class of societies make rules to carry out the purpose of the Act Such rules may provide for the terms and conditions on which the Government may make share capital contribution However no such rules have been framed so far

A test-check of records of the RCS and 12 ARCS offices revealed that no uniform system was followed by the department for fixing terms and conditions while issuing sanctions for investment of Share capital in cooperative societies In some cases the terms and conditions were not fixed at all while in some cases these were fixed late and in some cases though fixed redemption of share capital had not been made These are discussed in the following paragraphs

**5 2 15 Non redemption of Government share capital due to non fixation of terms and conditions**

During test check of records of 11 ARCS offices it was noticed between July 2002 and February 2003 that share capital amounting to Rs 27 07 crore was invested by Haryana Government upto 1998 99 in 20 banks/mills with conditions that the share capital invested shall be retired according to such terms and conditions as may be fixed by the State Government from time to time But the Government did not fix the terms and conditions for the same The banks/mills also did not redeem any amount of the share capital till April 2003 This resulted in nonredemption of Government share capital of Rs 27 07 crore Age wise analysis of the investment is given below

<b>Sl No</b>	<b>Period of Investment</b>	<b>Amount (Rupees in crore)</b>
1	Above 3 years but less than 5 years	1 76
2	Above 5 years but less than 10 years	6 49
3	Above 10 years but less than 12 years	3 97
4	Above 12 years	14 85
<b>Total</b>		<b>27 07</b>

On this being pointed out the ARCS intimated between July 2002 and February 2003 that due to non receipt of terms and conditions and Kisht Bandi (Statement of repayment schedule) from the Government/Registrar Co operative Societies the amounts could not be redeemed

The department in its reply stated as under

The dividend has been deposited as per Govt of India instructions dated 15 07 1972 by the Cooperative institutions due to the Govt It has been deposited as per the recommendations of Board of Directors of these Central Cooperative Banks @ 2 or 3% There is upper limit suggested in the Haryana Cooperative Societies Act 1984 of 10% Hence this para may please be dropped

Sr No	Name of Institution	Amount	Deposited	Balance	Remarks
1	CB Ambala	150 00	61 35	89 65	
2	CB Faridabad	91 27	23 00	68 27	
3	CB Hisar	101 00	100 00	1 00	
4	CB Jind	140 00	75 00	65 00	
5	CB Kaithal	200 00	20 83	179 17	
6	CB Mohindergarh	120 89	44 20	76 49	
7	CB Rohtak	100 08	100 08	—	
8	CB Panipat	69 55	32 00	37 05	
9	CB Sirsa	142 47	—	142 47	
10	PARDB Ballabgarh & Faridabad	48 00	27 00	21 00	
11	PARDB Gurgaon	17 90	17 90		
12	PARDB Kaithal Pundri Kalayat Guhla	95 20	69 17	26 03	
13	PARDB Mohindergarh	138 93	17 00	121 93	
14	Sugar Mill Panipat	176 41	—	176 41	Govt has constituted a Committee for the rehabilitation of the Sugar Mills and it will also decide the issue of retirement of Govt share capital
15	Sugar Mill Rohtak	909 00	1 30	907 70	-do
16	Sugar Mill Sonapat	206 00	—	206 00	-do
<b>Total</b>		<b>2706 97</b>	<b>583 53</b>	<b>2123 44</b>	



The Committee observed that in the reply given by the Department it is mentioned that the Government has constituted a Committee for the rehabilitation of the sugar mills and it has to decide the issue of retirement of Government share capital. The Committee would like to know as to whether this Committee has taken some decision in this regard. If not, then the Committee should be asked to expedite their discussions and reach at some decision on the issue. Otherwise also there are ambiguities in the Government's initiative regarding fixing of share capital and system of redemption of the share capital. The Department is advised to make a firm policy regarding CCBs and cooperative sugar mills and other forms of cooperative societies so that there are no ambiguities and rules are same for all types of societies. However if there is any difficulty or justification it should be brought to the notice of the Committee.

**[3c] 5.2.16 Non redemption of Government share capital due to late fixation of terms and conditions**

During test check of records of 9 ARCS offices it was noticed between July 2002 and January 2003 that share capital of Rs 8.76 crore was invested by the Government upto the year 1997-98 in 9 central co-operative banks (CCBs) and one co-operative sugar mill and the amounts were released by the RCS without fixing the terms and conditions in the sanction orders. Age-wise analysis of the investment is given below:

Sl. No.	Period of Investment	Amount (Rupees in crore)
1	Above 3 years but less than 5 years	1.30
2	Above 5 years but less than 10 years	5.67
3	Above 10 years but less than 12 years	1.79
<b>Total</b>		<b>8.76</b>

The terms and conditions for redemption of share capital were fixed/issued late i.e. in December 2001 and January 2002 stipulating that the share capital would be retired in twelve years and the redemption would start from the expiry of third year. Scrutiny of records further revealed that out of this share capital of Rs 3.56 crore had become due for redemption but the amount had not been redeemed. This resulted in blockage of revenue of Rs 3.56 crore.

The omission was pointed out but no reply had been received (December 2003) from the Department.

The department in its reply stated as under -

Sr. No.	Name of Institution	Amount Deposited	Balance	Remarks
1	CB Ambala	121.23	61.35	59.88
2	CB Faridabad	99.15	23.00	76.15
3	CB Gurgaon	67.75	—	67.75
4	CB Hisar	99.00	99.00	—

5	CB Jind	59 99	—	59 99	
6	CB Mohindergarh	44 20	—		
7	CB Panipat	97 53	32 50	65 03	
8	CB Rohtak	100 00	100 00	—	
9	CB Sirsa	57 00	—	57 00	
10	Sugar Mill Panipat	130 00	—	130 00	Govt has constituted a committee under rehabilitation scheme for recovery of Govt share capital
<b>Total</b>		<b>875 85</b>	<b>365 05</b>	<b>510 80</b>	

The Committee observed that in the reply given by the Department it is mentioned that the Government has constituted a Committee for the rehabilitation of the sugar mills and it has to decide to issue of retirement of Government share capital. The Committee would like to know as to whether this Committee has taken some decision in this regard. If not then the Committee should be asked to expedite their discussions and reach at some decision on the issue otherwise also there are ambiguities in the Government's initiative regarding fixing of share capital and system of redemption of the share capital. The Department is advised to make a firm policy regarding CCBs and cooperative sugar mills and other firms of cooperative societies so that there are no ambiguities and rules are same for all types of societies. However, if there is any difficulty or justification it should be brought to the notice of the Committee.

**[36] 5.2.17 Non redemption of Government share capital as per terms and conditions**

During test check of records of RCSs and 5 ARCs it was noticed between July 2002 and January 2003 that share capital of Rs 19.19 crore was invested by the Government upto the year 1995-96 in 8 co-operative societies. Age-wise analysis of the investment is as given below:

Sl. No.	Period of Investment	Amount (Rupees in crore)
1	Above 5 years but less than 10 years	2.10
2	Above 10 years but less than 12 years	2.29
3	Above 12 years	14.79
<b>Total</b>		<b>19.18</b>

As per terms and conditions stipulated in the sanction orders, the entire amount of Rs 19.19 crore of share capital was to be redeemed in ten annual instalments commencing from the sixth anniversary of the grant of share capital. Out of Rs 19.19 crore share capital of Rs 15.70 crore had become due for redemption upto 31 March 2002 but no amount had been redeemed till July 2003.

On this being pointed out in audit the RCS/ARCS intimated between October 2002 and January 2003 that in case of three societies the share capital could not be redeemed due to their weak financial position and efforts were being made to recover the due amount from the remaining 5 Societies

The department in its reply stated as under

Sr No	Name of Institution	Amount	Deposited Balance		
1	HDDCF	972 24	—	972 24	Heavy losses
2	Confed	518 96	—	518 96	Recovery deferred up to the year 2006
2	HARCO Fed	13 04	—	13 04	
4	Consumer Store Bhiwani	7 97	4 85	3 12	Poor financial position
5	Consumer Store Rontak	10 94	10 94	—	Poor financial position
6	Consumer Store Hisar	19 12	—	19 12	Poor Financial position
7	Consumer Store Ambala	16 17	—	16 17	Poor financial position
8	Consumer Store Sirsa	11 29	—	11 29	Poor financial position
<b>Total</b>		<b>1570 43</b>	<b>15 79</b>	<b>1557 64</b>	

It has been pointed out that Sanction orders of Govt Share capital were issued without fixing the terms & conditions but now the terms and conditions of Govt share capital are being fixed With the sanction orders Govt has been requested to fix the terms and conditions of the amount under these paras vide memo No 2/2/2004 Cooperative institutions due to their poor financial position

**The Committee observed that in the Chart submitted by the Department in most of the cases it is submitted that the societies are in poor financial position The Committee would like to know as to what rules are applied in case of particular society even it redeem the Government share capital In this case what are provisions for recovery of this amount from the members of the society**

### **[37] 5.2.18 Conclusion/Recommendations**

The Department did not prepare budget estimate on realistic basis for audit fee receivable In some cases audit fees were not credited to proper head of account No reconciliation was done with the Accountant General (A&E) Besides there was short realization of audit fees and non redemption of government share capital in several cases There was lack of control in monitoring recovery of government dues The State Government may consider taking following steps to improve the effectiveness of the system

- Budget estimates should be prepared on realistic basis and reconciliation of accounts got done with the Accountant General (A&E) for audit fees

- ⑥ Department should prescribe appropriate controls to ensure correct computation of audit fees
- ⑦ Levy of interest and penalty should be provided for non/belated payment of audit fee
- ⑧ A suitable mechanism should be put in place for ensuring prompt receipt of dividends from profit earning co-operative societies
- ⑨ Rules are required to be framed for prompt redemption/retirement of share capital in the societies

The matter was referred to the Department and to the Government between July 2002 and February 2003

The department did not send any reply to this para

**The Committee observed that the Accountant General had made various suggestions for the total efficiency of the Department which are very valid. The Committee would like to know as to what action has been taken by the Department on these suggestions and whether these are being used to improve the financial health of the societies under the control of the Department**

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## FINANCE DEPARTMENT

### [38] 6.1 Result of Audit

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Buildings and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under-assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Finance		
	(i) State Lotteries	35	4.61
	(ii) Review on Receipts from guarantee fee	1	136.95

The Department accepted under assessments/loss of revenue etc. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

**The Committee would like to know the latest position in this regard**

### [39] 6.2.5 Incorrect classification/non collection of guarantee fee

Budget estimates in respect of guarantee fee were not being prepared by the Finance Department. Besides, no consolidated figure of guarantee fee received was available with the Department. However, information collected from Food and Supplies Department revealed that guarantee fee of Rs 5.62 crore received during 1997-98 to 1999-2000 was credited to the capital head 4408 Capital Outlay on Food Storage and Warehousing Procurement and Grain Supply Scheme Deduct Receipts and Recoveries on Capital Account instead of the revenue head 0075 Misc. General Services as detailed below

Year	Actual receipts (Rupees in crore)
1997-98	2.39
1998-99	2.96
1999-2000	0.27
<b>Total</b>	<b>5.62</b>

On this being pointed out, the Department intimated in April 2003 that budget provision for guarantee fee would be made in the revised estimates for the year 2003-04. No reasons

were given for not affording the credit of guarantee fee to the revenue head of account. No guarantee fee was deposited during the years from 2000-2001 and 2001-2002.

The department in its written reply stated as under:

The Guarantee fee was levied @ 2% w.e.f. 1-8-2001. Thereafter provision in respect of Guarantee fee is being made in the budget every year. As per RBI directions State Govt. has constituted Guarantee Redemption Fund. Total Guarantee fee being received by the State Govt. is deposited in GRF. The amount of guarantee fee deposited in GRF is furnished below:

Year	Amount deposited in GRF
2002-03	—
2003-04	2.38
2004-05	15.00
2005-06	20.00
2006-07	7.20
2007-08	0.51
<b>Total</b>	<b>45.09</b>

The Committee would like to know whether the State Government stood guarantee for any Board/Corporation during the years 2002-2003, if so, why the amount was not realized from the concerned Board/Corporation or State Agency.

**[40] 6.2.6 Government guarantees**

Year-wise details of guarantees given by the Government for repayment of loans and payment of interest etc. raised by statutory corporations, co-operative societies/banks, government companies, public sector undertakings (PSUs) etc. for the year 1997-98 to 2001-02 was not made available. However, outstanding amount of guarantees at the end of each financial year is given below:

Year	Maximum amount guaranteed	Outstanding amount of guarantees (Progressive totals)	Total revenue receipts of the State
(Rupees in crore)			
1997-1998	6,452.72	3,150.56	4,999.73
1998-1999	6,906.14	3,976.56	4,637.64
1999-2000	7,218.82	4,315.82	4,776.67
2000-2001	12,024.67	8,209.15	5,749.94
2001-2002	12,222.25	8,606.24	6,637.26

Above table shows that against an increase of 32.75 per cent (from Rs 4,999.73 crore to Rs 6,637.26 crore) in the State revenue receipts from March 1998 to March 2002, the maximum amount guaranteed increased by 89.41 per cent (from Rs 6,452.72 crore to Rs 12,222.25 crore) and the outstanding guaranteed amount by 173 per cent (from Rs 3,150.56

crore to Rs 8 606 24 crore) This indicated significant increase in contingent liabilities over this period It was also noticed that no limit for granting guarantees by the State Government was fixed

The department in its written reply stated as under

Prior to 01 08 2001 no guarantee fee was levied except for procurement of foodgrains by State agencies The guarantee fee on other loans have been levied obly w e f 01 08 2001 Hence the receipt of guarantee fee is on lower side upto 2001 02 Further the State Legislation has not fixed any ceiling for guarantees However the guaranteed amount within manageable limit and no guarantee has ever been evoked so far Hence no need was felt for fixing any ceiling on guarantees

**The Committee desired to know as to why the Finance Department has not submitted a proposal to the State Legislature for fixing any ceiling for guarantees, as it is the executive who submit such proposals to the State Legislature for its approval**

**[41] 6 2 12 Conclusion/Recommendations**

Budget estimates in respect of guarantee fee were not being worked out by the Finance Department Besides no consolidated figure of guarantee fee received was available with the Department No internal control system existed as would be evident from the facts that important documents viz guarantee register demand and collection register and treasury remittance register which were important tools for monitoring the receipt of guarantee fee had neither been maintained by the Finance Department nor by the concerned Administrative Departments No guarantee fee was levied in respect of some boards corporations institutions due to absence of any provision

The Government may consider taking following steps to improve the effectiveness of the system

- Budget estimate should be prepared so that receipts of government dues are watched properly and analysed from time to time
- A system should be put in place to ensure that no government guarantee is extended without conditions for levy and collection of guarantee fee
- A strong internal control system is requ red to be developed for levy and collection of guarantee fees This would also nclude submission of returns from field offices to higher officers

The matter was referred to the Government in May 2003

The deprtment in its written reply stated as under

The Administrative Departments are responsible for maintenance of the record of guarantees availed and guarantee fee deposited/to be deposited However now as earlier stated the guarantee register is being maintained in ERAMU/FD also w e f 01 04 2008 for proper monitoring

**The Committee observed that the recommendation made by the A G are valid and the same be implemented in letter and spirit The Committee desired that the action taken on these recommendations be intimated to the Coomittee within a period of six months**

## URBAN DEVELOPMENT DEPARTMENT

### [42] 6.1 Result of Audit

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Buildings and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Urban Development Department	1	3.87

The Department accepted under assessments/loss of revenue etc. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

**The Committee would like to know the latest position in this regard**

### [43] 6.4 Non recovery of supervision charges

Under Haryana Municipal Act, 1973, as amended from time to time and orders issued in February 1982 by Haryana Government, each Municipal Committee (MC) is required to reimburse the annual cost of supervision charges to the Directorate of Local Bodies at the rate of one per cent of its income accrued during the preceding financial year from Municipal Fund to be created by it under the Act. *ibid*

During test check of records of the Director, Local Bodies (now Director, Urban Department), it was noticed in April 2000 that the contribution towards supervision charges amounting to Rs 3.87 crore due from various Municipal Committees (MCs) for the years 1996-97 to 2001-2002 was neither paid by the MCs nor demanded by the Department. This resulted in non-recovery of government revenue amounting to Rs 3.37 crore.

On this being pointed out, the Director, Urban Development stated between October 2002 and January 2003 that an amount of Rs 20.37 lakh had been recovered and deposited into government treasury/bank and directions issued to all the Municipal Committees to deposit the supervision charges.

The matter was referred to the Government in May 2002; reply had not been received (December 2003).



The department in its written reply stated as under

In the CAG report ending 31.3.2003 (Revenue Receipt) Supervision charges to the tune of Rs. 3.87 crore have been shown due against the MCs for the year 1997-98 to 2001-02. Out of these Rs. 110.39 lacs have been received and deposited in Government Treasury by municipalities. Balance amount of Rs. 276.61 lacs are yet to be recovered from municipalities. Concerned municipalities have been directed to deposit the balance amount Rs. 276.61 lacs at the earliest. In this regard last reminder has been issued vide letter No. BA2/06/44802.76 dated 24-10-2008 to the concerned municipalities.

It is also cleared that financial position of municipalities is weak. As soon as their financial position is improved, supervision charges will be deposited in Govt. Treasury by the municipalities.

**The Committee desired that the balance amount due against Municipal Committees may be recovered at the earliest and latest position in this regard be intimated to the Committee within a period of three months**

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## FOREST DEPARTMENT

### [44] 6.1 Result of Audit

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Buildings and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Forest	50	2.29

The Department accepted under assessments/loss of revenue e.c. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

The department in its written reply stated as under

Reply of all the 50 outstanding cases involving an amount of Rs 2.29 crore for the year 2002-03 was submitted by the concerned Divisional Forest Officers directly to Accountant General Haryana.

To expedite settling of these cases, special efforts were made by the Department by holding a joint meeting in Feb. 2008 with the representatives of Accountant General Haryana. Concerned Divisional Forest Officers and other senior officers of the Forest Department also participated in the meeting. Consequent to this meeting 25 cases involving an amount of Rs 1.42 crores were settled.

Efforts are on to settle the remaining cases.

**The Committee would like to know the latest position in this regard**

## POWER DEPARTMENT

### [45] 1 8 Arrears of Revenue

SI No	Head of revenue receipts	Amount outstanding as on 31 March 2003	Amount outstanding for more than 5 years as on 31 March 2003	Remarks
(Rupees in crore)				
2	Taxes and duties on electricity	58.78	35.04	Rs 0.38 crore were recoverable from M/s Rama Fibres Bhiwani Rs 0.30 crore from M/s Dadri Cement Factory Charkhi Dadri Rs one crore from M/s Haryana Concast Hisar Rs 0.16 crore from M/s Competent Alloys Ballabhgarh and a sum of Rs 56.94 crore from consumers by Haryana Vidyut Prasaran Nigam

**The Committee would like to know the latest position in this regard**

### [46] 4 1 Results or Audit

Test-check of records in departmental offices relating to revenues received from State Excise Duty Taxes on Motor Vehicles Passengers and Goods Tax Entertainment Duty Purchase Tax (Agriculture) and Electricity Duty conducted in audit during the year 2002-03 revealed under assessments and taxes and duties and loss of revenue amounting to Rs 29.92 crore in 1,48,111 cases as depicted below

SI No	Head of revenue	Number of cases	Amount (Rupees in crore)
1	Electricity Duty	726	0.01

In the cases of Taxes on Motor Vehicles Purchase tax (Agriculture) and State Excise Duty the department accepted under assessments of Rs 4.71 crore in 984 cases which was pointed out during the year 2002-03 and recovered an amount of Rs 1.50 crore in 130 cases during 2002-03 of which Rs 1.18 crore recovered in 123 cases pertained to earlier years

A few illustrative cases involving Rs 19.40 crore are mentioned in this Chapter. Of these the Department accepted 6 audit observations involving Rs 2.86 crore and recovered Rs 0.37 crore in 5 cases

**The Committee would like to know the latest position in this regard**

## MINES & GEOLOGY DEPARTMENT

### [47] 1.8 Arrears of revenue

The arrears of revenue as on 31 March 2003 in respect of some principal heads of revenue amounted to Rs 576.98 crore of which Rs 199.47 crore were outstanding for more than 5 years as detailed in the following table

5	Non ferrous mining and metallurgical industries	6.29	3.59	Rs 0.82 crore were covered under recovery certificate Rs 0.16 crore stayed by High court and other Judicial authorities Rs 0.01 crore were proposed to be written off and detailed break up of remaining amount of Rs 5.30 crore was not available with the department
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The department in its written reply stated as under -

In this regard it is submitted that out of Rs 6.29 crore an amount of Rs 2.23 crore has already been recovered. An amount of Rs 1.73 crore is involved in Court cases. Recovery of Rs 35.68 lacs is under stay by Hon'ble Punjab and Haryana High Court. An amount of Rs 40.54 lacs is recoverable from the defaulters residing outside the state. Whereas efforts are being made to recover the outstanding amount of Rs 4.06 crore from large number of mining contractors. Brick Kiln owners and mining lessees contractor by Assistant Mining Engineer and Collector Grade I by initiating steps to recover the amount as arrears of land revenue.

It is also mentioned here that out of Rs 3.59 crore pertaining to recovery for more than 5 years as on 31.3.2003, an amount of Rs 88.21 lacs has already been recovered. An amount of Rs 1.72 crore is involved in Court cases out of which recovery of Rs 35.68 lacs has been stayed by the Hon'ble Punjab and Haryana High Court. An amount of Rs 33.86 lacs relates to defaulters residing outside of the State. Efforts are being made to recover balance of Rs 2.71 crore as arrears of land revenue. PAC is requested to drop this para.

**The Committee desired that strenuous efforts may be made to recover the balance amount and pursue the cases pending in various courts. Quarterly progress report in this regard may be sent to the Committee.**

### [48] 6.1 Result of Audit

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries, Public Works (Buildings and Roads), Public Health and Irrigation, Forest, Finance (State Lotteries and Guarantee Fee), Agriculture (Crop Husbandry), Medical, Animal Husbandry, Food and Supplies, Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Mines and Geology	779	8.08

The Department accepted under-assessments/loss of revenue etc of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

The department in its reply stated as under —

Out of Rs 8.08 crore involved in audit paras pointed out by Audit parties during the audit of 2001-02, an amount of Rs 6.56 crore has already been recovered in 594 cases. Whereas out of balance amount of Rs 1.52 crore, an amount of Rs 83.75 lacs pertains to recovery of additional amount of stamp duty pointed out by the A.G. Audit. In this regard, it is submitted that regarding 22 mining leases, audit parties pointed that additional stamp duty of Rs 1,10,50,000/- was to be recovered. In these cases, out of 22 mines, only 5 mines were operational and the remaining 17 mines were lying closed in compliance with orders of Hon'ble Supreme Court of India dated 6.5.2002/16.12.2002 stamp duty amounting to Rs 26,74,730/- had been recovered.

The 17 mines which are lying closed in compliance with orders of Hon'ble Supreme Court of India remained in operation even for a period less than one year. The Department issued notices to the lessees to give additional stamp duty. However, the lessees in response to notices have stated that annual dead rent was to be enhanced by 50% only after expiry of 3 year period of lease; therefore, the proportionate amount of additional stamp duty can be demanded at the time of enhancement of annual dead rent. Further, the mines are even otherwise lying closed as per order of Apex Hon'ble Court. The recovery of 83.75 lacs on account of the additional stamp duty from the mines lying closed could not be affected at this stage. Hence, the steps to settle the cases amounting to Rs 68.25 lacs are being taken.

**The Committee desired that vigorous efforts may be made to recover the balance amount at an early date under intimation to the Committee**

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## HOME DEPARTMENT

**[49] 1 8 Arrears of Revenue**

Sr No	Head of revenue receipts	Amount outstanding as on March 2003	Amount outstanding for more than 5 years as on 31 March 2003	Remarks
6	Police	1 20	0 82	The amount of Rs 1 20 crore was due from 6 States

The department in its written reply state as under -

Efforts are being made regularly to get the reimbursement from the States. The Govt of India Ministry of Home Affairs has been requested on a couple of occasions to get the amount adjusted against the grants of said states and credit the amount to the state of Haryana

**The Committee desired that since the amount is very old, the Department should make special efforts to get the amount credited against the said States by the Government of India under intimation to the Committee**

**[50] 1 14 Result of Audit**

Test-check of records in departmental offices relating to Taxes on Sales Trade etc Stamp Duty and Registration Fee State Excise Duty Passengers and Goods Tax Taxes on Motor Vehicles Entertainment and Show Tax Agriculture (Purchase Tax and Crop Husbandry) Co operation Finance (State Lotteries and Guarantee Fee) Electricity Duty Public Works (Irrigation Public Health Buildings and Roads) Home (Police) Fisheries Mines and Geology Forest Medical Animal Husbandry and Industries conducted during the year 2002 2003 revealed under assessments non levy and short levy of taxes duties and losses of revenue amounting to Rs 439 39 crore in 1 56 286 cases During the year 2002-03 the departments concerned accepted under-assessments etc of Rs 202 69 crore involving 1924 cases Out of these 1 384 cases involving Rs 200 53 crore were pointed out by audit during 2002 03 and the rest in earlier years An amount of Rs 6 16 crore was recovered in 801 cases during 2002-03 of which Rs 3 25 crore recovered in 763 cases related to earlier years

This report contains 35 paragraphs including 3 reviews relating to non levy/short levy of taxes duties interest and penalties etc involving Rs 340 66 crore The Department accepted audit observations involving Rs 193 96 crore out of which Rs 3 29 crore had been recovered upto July 2003 In respect of observations not accepted gist of reasons for Department's non acceptance has been included in the related paragraph itself along with suitable rebuttal However replies from the Government had not been received (July 2003) except in the case of one paragraph and one review

The department in its written reply stated as under

No detail has been given as such the Govt Home Department is unable to furnish the reply on the facts

**The Department is advised to reconcile the facts with the A G's office by taking personal interest under intimation to the Committee**

**[51] 6.1 Result of Audit**

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Building and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-03 revealed under assessment and losses of revenue amounting to Rs. 178.28 crore in 3814 cases as depicted below

Sr No	Name of departments	Number of cases	Amount (Rupees in Crore)
1	Home (Police)	50	8.97

The Department accepted under assessments/loss of revenue etc. of Rs. 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs. 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs. 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs. 4.88 crore and a review on Receipts from guarantee fee involving Rs. 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs. 135.87 crore and made part recovery of Rs. 2.54 crore in 2 cases.

The department in its written reply stated as under:

There are 50 cases of short billing of Police cost, non-recovery of cost of Police Guards, non-auction of condemned vehicles & Misc. irregularities for Rs. 897.37 lacs. Out of 50 cases, 25 cases amounting to Rs. 510.74 lacs has been settled/recovered leaving 25 cases of Rs. 386.63 lacs. The action to settle these cases is under process. The category wise details of cases are given as under:-

(Amount in Lacs)							
Sr No	Category	No of cases pending	Amt	No of cases settled	Amt of cases settled	Outstanding cases	Amt
1	Short billing of Police cost due to non inclusion of Contingency charges	8	5.22	5	1.97	3	3.25
2	Non-recovery of cost of Police Guard	14	336.97	8	284.55	6	52.42
3	Non-auction of condemned vehicle	16	32.16	5	20.58	11	11.58
4	Misc. irregularities	12	523.02	7	203.64	5	319.38
		<b>50</b>	<b>897.37</b>	<b>25</b>	<b>510.74</b>	<b>25</b>	<b>386.63</b>

The Committee desired that strenuous efforts may be made to settle the outstanding cases and recover the balance amount under intimation to the Committee.

## PW (B&R) DEPARTMENT

### [52] 6.1 Result of Audit

Test-check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Building and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Public Works Department		
	(i) Buildings and Roads	892	1.49

The Department accepted under assessments/loss of revenue etc. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

**The Committee would like to know the latest position in this regard**

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## PW (PUBLIC HEALTH) DEPARTMENT

### [53] 6.1 Result of Audit

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Building and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Public Health	536	0.46

The Department accepted under assessments/loss of revenue etc. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

**The Committee would like to know the latest position in this regard**

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**IRRIGATION DEPARTMENT****[54] 6.1 Results of Audit**

Test check of records in Departmental offices relating to PWD (Irrigation) Conducted in the audit during the years 2002-2003 revealed under assessments and losses of Revenue amounting to Rs 9.63 crores in 853 cases

The department in its written reply stated as under —

Out of 853 cases amounting to Rs 9.63 crores the Department has got settled 759 cases amounting to Rs 8.12 crores leaving a balance of 94 cases amounting to Rs 0.51 crore. The Department has been directed to get these remaining cases settled as early as possible from A.G. (Audit) Haryana by sending justifiable reply.

**The Committee desired the department to reconcile with A.G. office and settle the matter under intimation to the Committee within a period of three months**

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## MEDICAL & HEALTH DEPARTMENT

### [55] 6.1 Result of Audit

Test check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Buildings and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Medical	168	0.09

The Department accepted under assessments/loss of revenue etc. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

The Department in its written reply stated as under -

There are 536 cases amounting to Rs 0.46 crore relating to this Department. Out of 536 cases, recovery in 534 cases amounting to Rs 38.42 lacs has been made as per detail below

Sr No	No of cases	Amount (Rs in lacs)	No of cases cleared	Amount cleared in lacs	Balance cases	Balance amount to be cleared
1	536	46.03	534	38.42	2	7.61

However, the efforts are being made to recover the balance amount.

**The Committee desired that balance amount may be recovered at the earliest and the Committee may be informed accordingly**

## ANIMAL HUSBANDRY DEPARTMENT

### [56] 6.1 Result of Audit

Test-check of records in departmental offices relating to revenues of Home (Police) Fisheries Public Works (Buildings and Roads Public Health and Irrigation) Forest Finance (State Lotteries and Guarantee Fee) Agriculture (Crop Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed under assessments and losses of revenue amounting to Rs 178.28 crore in 3814 cases as depicted below

Sl No	Name of departments	Number of cases	Amount (Rupees in crore)
1	Animal Husbandry	35	1.51

The Department accepted under assessments/loss of revenue etc. of Rs 140.48 crore in 116 cases pointed out during the year 2002-03. Besides, an amount of Rs 3.47 crore had been recovered in 344 cases during 2002-03 of which part recovery of Rs 1.43 crore recovered in 343 cases pertained to earlier years.

A few illustrative cases involving Rs 4.88 crore and a review on Receipts from guarantee fee involving Rs 136.95 crore highlighting important cases are mentioned in this Chapter. Of these, the Department accepted 5 audit observations involving Rs 135.87 crore and made part recovery of Rs 2.54 crore in 2 cases.

**The Committee would like to know the latest position in this regard**

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## INDUSTRIES DEPARTMENT

### [57] 6.1 Results of Audit

Test check of records in departmental offices relating to Revenues of Home (Police) Fisheries Public Works (Buildings and Roads Public Health and Irrigation) Forest Finance State Lotteries and Guarantee Fee Agriculture (Crops Husbandry) Medical Animal Husbandry Food and Supplies Industries and Mines and Geology conducted in audit during the year 2002-2003 revealed as under assessments and losses of revenue amounting to Rs. 178.28 crores in 3814 cases as depicted below

Sr No	Name of Department	No of cases	Amount (Rs in Crores)
10	Industries	3	0.01

The department in its written reply stated as under -

This para relates to number of department. As regards Industries Department the amount involved is Rs. 0.01 Crores (Actual Rs. 0.92 lacs). In fact this amount of Rs. 0.92 lacs relates to following Field Offices of the Industries Department

Sr No	Name of the office	Period	Para No	No of cases	Amount
1	Sr Tech Officer QMC Jagadhari	1997-2002	3	1	0.34
2	Sr Tech Officer IDC (T&D) Jagadhari	1999-2002	1	1	0.44
3	Sr Superintendent HTC Faridabad	1997-2002	1	1	0.14
<b>Total</b>				<b>3</b>	<b>0.92</b>

Sr Tech Officer QMC Jagadhari vide his letter dated 18.09.2004 has informed that no such Para is pending in the record of their office.

Sr Tech Officer IDC (T&D) Jagadhari vide his letter dated 10.09.2004 has informed that the amount of Rs. 0.44 lac has been recovered from M/s Vinod Paper Mills Sangrur (Punjab) along with interest.

The Sr Superintendent HTC Faridabad vide his Fax message dated 09.09.2004 has intimated that the outstanding amount of Rs. 0.14 lac has been recovered.

In view of the fact that the outstanding amount of Rs. 0.58 lac has since been recovered and Para No 3 of 1997-2002 amounting to Rs. 0.34 lac does not relate to Industries Department, it is proposed that the name of the Industries may please be deleted from CAG Para No. 6.1.

**The Committee desired the department to reconcile with A.G. office and settle the matter under intimation to the Committee within a period of three months.**

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**PART-II 2005-2006**  
**(Civil)**

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## EDUCATION DEPARTMENT

(Prathamik Shiksha Pariyojna Parishad)

**[58] 318 Major interventions under Sarva Shiksha Abhiyan**

**3181 Mis utilisation of teaching learning equipment funds**

Funds to the tune of Rs 50 000 per school were provided for the purchase of teaching learning equipment (TLE) in upper primary schools. As per the Manual of SSA teaching-learning material included a wide variety of items such as text books, teachers guide, teaching aids, learning aids, etc. which were either directly or indirectly to be used by the teachers/children in the class room. Further TLEs were to be purchased as per local specific requirement to be determined by teachers or school Committees.

It was noticed that the Parishad purchased (March 2004) 5 386 dustbins for Rs 25 31 lakh (at the rate of Rs 470 per dustbin) for 2 693 upper primary schools (at the rate of 2 dustbin per school) in violation of the codal provisions. It was further noticed that no specific requirements were obtained from teachers or school Committees for this item. Thus, the grant for TLE was not utilised for the purpose for which it was provided.

The department in its written reply stated as under —

It is submitted that teaching learning material include wide variety of items such as text books, teachers guide, teaching aids, learning aids, etc. which either directly or indirectly to be used by the teachers/children in the class room. A committee of the following officers was constituted for the selecting and reviewing the TLE list for upper primary schools —

- 1 Deputy Director Chairman
- 2 D D Verma DEO Sirsa
- 3 Sh Kuldeep Mehta HPSPP
- 4 Sh Rajnish Sachdeva Project Specialist (Plg Wing) -HPSPP
- 5 Sh Sat Prakash Sc Master GHS Farmana Sonapat Member
- 6 ASPO Convenor

During the year 2003-04, the procurement of dustbins as a part of TLE for the upgraded for upper primary schools was recommended by the above mentioned committee in its meeting held on 27-01-2004 for preparation of additional list of TLE items to be provided out of the amount of Rs 50 000/ per schools for newly upgraded and the schools not covered under OBB(2693 schools). The committee recommended the procurement of TLE items alongwith dustbin as a part for the upgraded upper primary schools based on the indicative list recommended by the teachers. The committee felt that the items recommended by it will facilitate the learning process of the students in respect of cleanliness in the schools. The provisions of dustbins in the schools will not only help in improving the overall outlook but also inculcate the habit of maintaining cleanliness among the students. The dustbin provided by SSA was useful TLM to give first hand experience of liver

system while teaching the topic of science. In view of the above submission the PAC is requested to drop the para

**During the course of oral examination, the departmental representatives agreed with the recommendation of the Committee made in para 32 of 61st Report which reads as under —**

**“The Committee is of the view that the prevailing purchase system which allows the authorities to purchase from the Government approved sources needs to be relooked afresh and a foolproof transparent system of the purchases being made be evolved by the higher authorities ”**

**The Committee desired that action as recommended above be taken under intimation to the Committee**

**[59] 3 1 8 3 Irregular Purchase of material**

As per schedule of delegation of powers approved by Executive Committee the DPC s were authorised to incur contingent expenditure upto Rs 2 000 at a time and upto Rs 10 000 at a time for organising workshops or on mobilization activities. Beyond this Additional Deputy Commissioner (ADC) State Project Director (SPD) and Vice Chairman or the Parishad were competent to sanction the expenditure under different components. In Faridabad districts the DPC made purchases of Rs 1 46 crore beyond his financial competence during the year 2004 05 as discussed below

- (a) Purchases of Rs 1 08 crore were made by DPC Faridabad out of grants of the various components without obtaining financial sanction of the competent authority as depicted in the following table

<b>Sr No</b>	<b>Name of components</b>	<b>Material Purchased</b>	<b>Amount (Rupees in Lakhs)</b>
1	Innovative activities	Computer material	18 24
2	Management Cost	Contigent expenditure	29 66
3	Intervention for disabled children	Wheel chairs	5 00
4	Alternate and innovative education/Early childhood care and education	Stationery	20 59
5	Teachers training	Books	12 57
6	TLE/TLM	Maps geomatry boxes etc	20 22
7	Community mobilisation	Posters/Stickers	1 53
<b>Total</b>			<b>107 81</b>

- (b) It was further noticed that DPC Faridabad also sanctioned (2004 05) an expenditure of Rs 20 92 Lakhs for purchase of teaching learning kits and Rs 17 26 lakhs for purchase of utensils. In all these cases of purchases though



the amount had exceeded his competence but no efforts were made for obtaining required financial sanctions of State Project Director/Vice Chairman of Parishad

The department in its written reply stated as under

A preliminary enquiry was conducted by the then Chief Accounts Officer SSA and based on his report dated 04 05 05 the matter was taken up with the Director Secondary Education Haryana for taking necessary action against the then DEO cum DPC Faridabad for the alleged irregularities committed by him. Consequently Sh. R. C. Dahiya was placed under suspension on 27 05 05 and was also chargesheeted on 28 01 06. A regular enquiry was conducted by Sh. H. P. Chaudhary (Retd. IAS) and he has submitted his report on 17 04 07. The matter is presently under the active consideration of the Government.

**The Committee desired that further action on the enquiry report be taken expeditiously under intimation to the Committee**

**[60] 3 1 8 6 Payment of teachers and school grant**

As per norms, teacher grant at the rate of Rs. 500 per teacher per year in primary and upper primary school and school grant of Rs. 2 000 per year per primary and upper primary school was to be given under the scheme. Test check of records of Barara II block of Ambala district revealed that though teacher grant to 214 teachers and school grant to 75 schools aggregating to Rs. 2 57 lakh were disbursed under the District Primary Education Programme during the year 2002 03, again teacher grant and school grant amounting to Rs. 2 57 lakh was disbursed to the same teachers and schools of Barara II block during the same year under SSA programme. This overlapping payment of grant under two different programmes was noticed only in the above block.

The department in its written reply stated as under —

It is submitted that double payment of teacher grant and school grant of Rs. 2 57 lacs was given to 214 teachers and 75 schools in Ambala district and not to Barara II block alone. Out of Rs. 2 57 lacs a sum of Rs. 136500 has been recovered leaving a balance of Rs. 120500/ as detailed below —

Sr No	Particulars	Amount paid	Amount recovered	Balance
1	School grant	150000	96000	54000
2	Teacher grant	107000	40500	66500

Some teachers to whom Teacher grant was given either retired, expired or gone to UT on deputation. The detail is given below —

Sr No	Particulars	No. or teachers	Amount to be recovered
1	Retired	32	16000
2	Expired	4	2000
3	U T Chd	1	500

Efforts are being made to recover the remaining amount

The Committee desired that vigorous efforts may be made to recover the balance amount under intimation to the Committee

During the course of oral examination also, the departmental representatives agreed to the recommendation of the Committee made in para 32 of 61st Report which reads as under —

‘ The Committee recommends that some special audit requires to be conducted to examine all these programmes/schemes throughout the State covering last 5 years by the A G Haryana or some independent audit machinery and submit a report to the Committee in this regard at the earliest ”

The Committee desired that special audit by AG as mentioned above be got conducted and a Report in this regard be sent to the Committee

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## PUBLIC WORKS DEPARTMENT

(Buildings and Roads Branch)

**[61] 3 2 8 Implementation of contracts and execution of works**

**3 2 8 1 Deficient agreements**

The terms of a contract should be precise and definite. There should be no room left for ambiguity or misconstruction therein. During test check of records, it was noticed that the agreements with the contractors were executed on the basis of estimated costs worked out in DNIT despite the fact that estimated costs of the projects based on contractors' offered rates were available with the divisions and could have been mentioned in agreement. Payment to the contractors against their bills were restricted to the amounts mentioned in the agreements till the approvals of higher competent authority were obtained for the extra cost of works i.e. over and above the agreement amount due to contractors' quoted rates being higher than the departmental rates. Test checked cases of this type are brought out in Appendix XX. Such defective agreements lead to delay in settlement of contractors' bills thereby providing an excuse to the contractors to leave the works incomplete.

The department in their reply stated as under —

Although DNIT and tenders are approved by Competent authority with every care but deficiencies are sometimes due to site requirements and increase in scope of work in exceptional cases. According to procedure of department agreements are executed at an estimated cost of work which is on the basis of scheduled rates but the contractor rates are generally higher than scheduled rates hence actual cost of work increases. It is also brought out that any extra cost is allowed by way of enhancement of agreement amount. However, all the works shown in Appendix 20 have been completed with some enhancement.

**After hearing the departmental representatives, the Committee recommended that tender should be accepted on the basis of the amount quoted by the lowest contractor. The Committee desired that steps taken to implement this recommendation as also final compliance report be intimated to the Committee within a period of six months.**

**[62] 3 2 8 4 Execution of works without technical sanctions**

Para 2.89 of the PWD Code provides that before the commencement of works, detailed cost estimates should be technically sanctioned by the competent authority after satisfying that the proposals are structurally sound and estimates are correct. Test check of records revealed that eight<sup>10</sup> divisions spent Rs. 89.75 crore against 23 road improvement works during 2002-06 without getting the estimates technically sanctioned, which was irregular.

Thus, these works were taken up by the EEs without ensuring soundness of structures and correctness of estimates. Obtaining technical sanction at this stage would be merely a formality rather than serving the intended purpose.

The department in their reply stated as under —

Although every effort is made that technical sanction is issued before calling tender and taking works in hand. But sometimes due to some reasons, it is not feasible to call tender/execution of work after technical sanction. However, in most of cases, technical sanctions have been arranged immediately after start of work.

**After hearing the departmental representatives the Committee desired that the department should check whether the technical sanctions in all these works have been issued or not and the Committee may be informed of the same within a period of three months**

**[63] 3 2 8 9 Cost of removing defects in road work not recovered from contractor**

In Provincial Division Hansi the work for periodical maintenance of Jind Mundhal Bhiwani Road was allotted (July 2002) to an Ahmedabad based firm which was damaged at various reaches even before the work was completed. The division asked the agency to remove the defects but the agency did not do so. To keep the road traffic worthy the division got the repairs done departmentally at a cost of Rs 16.68 lakh. It was made clear in April 2004 by the Superintending Engineer Hisar Circle that during discussion in March 2004 the agency had shown unwillingness to repair the road but promised to pay the cost of repair work from their pending dues. The SE also called for (June 2004) the details of repair expenses from the division but no further correspondence was available on record. Final bill of the agency (bill No. 11 for Rs 83.44 lakh) was paid in September 2004 without deducting Rs 16.68 lakh incurred by the division on repair of damaged road. No specific reasons/orders of the competent authority were found on record for non deduction of the amount.

The department in their reply stated as under —

Executive Engineer PD Hansi has intimated that the agency was tentatively informed about the approximate cost of removal of defects. And after removal of defects the actual cost was worked out as Rs 1014547/ and the amount was recovered from the agency vide Vr No. 2 dt 22.10.04.

As all the cost was recovered from the agency and no other action was required to be taken against the agency except recovery hence the para may kindly be settled.

**After hearing the departmental representatives, the Committee desired the department to reconcile the figures of actual cost for removing the defects with the A G office and to recover the balance amount, if any. The Committee may be informed of the outcome of the reconciliation and latest recovery position within a period of three months**

**3 2 9 Procurement of material**

**[64] 3 2 9 1 Loss due to failure to include sales tax clause in the contract document**

Under the provisions of Haryana General Sales Tax Act 1973 sales tax on bitumen was leviable at the rate of 10 per cent. In a meeting of Superintending Engineers and Executive Engineers held in August 2001 under the Chairmanship of the Financial Commissioner and Principal Secretary to Government of Haryana PWD (B&R) Department it was decided that where the contractors were arranging bitumen at their own level and were paying sales tax at the rate of four per cent the difference of six per cent would be recovered from their bills. It was also decided that it would be made clear to the contractor in advance and every tender case was to be supported with such undertaking from the concerned agency/contractor.

It was noticed during test check that in Provincial Divisions Kaithal and Karnal the agencies/contractors purchased 5 190.57 MT bitumen during 2002-05 and paid sales tax at the rate of four per cent in case of three works but the department failed to recover the difference of six per cent as no such clause for recovery was inserted in the contract.

agreements/allotment letters of the contractors concerned. This not only led to weak contract management but also caused financial loss of Rs 42.32 lakh to the Government.

The department in its written reply stated as under —

It is intimated that this sub para relates to Provl. Divn. Kaithal and Karnal regarding recovery of amount of Sales Tax difference on purchase of bitumen arranged by contractor at their own level. The difference of Sales Tax could not be recovered as Govt. has reviewed the position in the light of reply of Deptt. and provisions of section 26 (2) and section 15 sub section 133 of Haryana General Sales Tax Act Rules 1973 and write to Accountant General (Audit) Haryana vide letter No. 3/31/05 B&R(W) dt. 13.12.06 that recovery of Sales Tax more than 4% is not recoverable as per conditions of the contract agreement.

**During the course of oral examination, the Financial Commissioner & Principal Secretary to Govt., Haryana P.W.D. (B&R) sought time to send a revised reply to this para. The Committee desired that a revised reply be sent to the Committee within a period of three months.**

**[65] 3.2.9.2 Supply of portland pozzolona cement instead of ordinary portland cement**

The Department was using ordinary portland cement for construction of cement concrete (CC) roads. As portland pozzolona cement (PPZ) contains thermal ash content, its use had not been allowed for works executed by PWD. Entire requirement of cement was purchased through the Director, Supplies and Disposals (DS&D), Haryana. The supply orders placed by the Director, DS&D in July 2004 with the supplier agency were for 43 Grade ordinary Portland cement (OPC).

It was noticed during audit that M/S Birla Cement Corporation supplied 19,320 bags (966 MT) of PPZ (which had thermal ash content) valuing Rs 23.57 lakh during September-December 2005 to Provincial Division, Jhajjar instead of Ordinary Portland Cement ordered by the department. The cement was accepted by the division concerned in violation of the terms and conditions of supply order.

The department in its written reply stated as under —

It is intimated that this sub para relates to Executive Engineer, Provl. Divn. Jhajjar and related that cement was essentially required for execution of the works under different scheme. The ordinary Portland cement (OPC) was not available at that time. If Portland Pozzolona cement (PPC) was not purchased, the works running smoothly would have been held up. Hence cement (PPC) was purchased in the best interest of Govt. works under the proper terms and conditions of DS&D, paying the actual cost of PPC and not cost of OPC.

**After hearing the departmental representatives, the Committee desired the department to hold enquiry into the matter of using Portland Pozzolona cement instead of Portland cement and the Committee may be informed of the outcome of the enquiry as well as final action taken on the enquiry report within a period of six months.**

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## REVENUE DEPARTMENT

(Mewat Development Agency)

[66] 3 3 Working of Mewat Development Agency

3 3 5 Planning of schemes

3 3 5 1 *Policy for recovery of Beneficiaries share not formulated*

According to loan agreement with Government of India (GOI) and International Fund for Agriculture Development (IFAD) participating farmers were to contribute 3.2 per cent of total project outlay. Accordingly the Board decided in its 18th meeting (March 2002) to recover contribution from the participating farmers from April 2002 onwards. An amount of Rs. 2.20 crore (3.2 per cent of total project outlay of Rs. 70.19) was recoverable from the participating farmers but no amount had been recovered so far (March 2006). The Board had not formulated any policy regarding the manner in which the amount was to be recovered from the beneficiaries.

Thus non formulation of policy for recovery of farmers share resulted in non recovery of Rs. 2.20 crore from beneficiaries.

The department in their reply stated as under —

As per decision of MDB in its 18th meeting held in 3/2002 the community contribution @ 3.2% was to be collected from the beneficiaries from March 2002 onward. Recoveries of Rs. 30.58 lacs have been made from the canal irrigation component by Mewat Water Service Division from 1999-2000 onward and the same was deposited with Govt. Receipt Head. However from 3/2002 onward in 2003-04 and 2004-05 after making sincere efforts of the Agency a sum of Rs. 7.81 lacs was collected by the project implementing as beneficiary share from agriculture, dairy, off-farming, community development components and the same was deposited with MDA. Because of poor financial conditions of the farmers, irregular and insufficient supply of water, the efforts made could not yield the desired results; hence 100% recovery from them as beneficiaries share could not be made. In view of circumstances explain above, the para may please be dropped.

The Committee desired that the balance amount may be recovered at the earliest under intimation to the Committee. The Committee would further be informed whether any policy in this regard has been formulated; if so, a copy of the same be sent to the Committee for its information.

[67] 3 3 9 *Impact on women and child health, literacy and drinking water sectors*

3 3 9 3 *Inadequate supply of drinking water*

For improving drinking water supply, the annual work plans envisaged raising of water supply level to 40 litre per person per day (lpcd) by the end of the project period i.e. March 2005. Though Rs. 26.32 crore were spent during 2001-05 for increasing the level of water supply by installing 321 tubewells, providing 48 boosting stations and by laying pipelines for water distribution over a length of 659 km, the targeted water supply level of 40 lpcd was not achieved as it remained only 28 lpcd till the end of March 2005.

The department in their reply stated as under —

The water supply was to be increased to 40 lpcd by installing 321 tubewells during the period from 2001 to 2005. But due to less rain in the region, water level of the tubewell had gone down and the water of some tubewell also has become brackish. That's why targets of 40 LPCD could not be achieved. In view of the above facts, the para may please be dropped.

**The Committee is of the view that all out efforts may be made to provide the drinking water as per the target of 40 LPCD already fixed by the department and efforts made in this regard may be intimated to the Committee**

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## **FOOD AND SUPPLIES DEPARTMENT**

### **[68] 3 4 Food Security Subsidy and Management of Foodgrains**

#### **3 4 5 Financial arrangements**

Foodgrains procurement activity is financed through cash credit facility sanctioned by Reserve Bank of India to the State Government considering the expected procurement and already available stock of foodgrains. The facility is extended through State Bank of India on hypothecation of food stocks. Test check of records relating to this aspect brought out the following points

#### **3 4 5 1 Loss of interest due to non adjustment of advances**

The Department purchases gunny bales from the Director General of Supplies and Disposals (DGS&D) Kolkata for procurement of wheat and paddy. As per policy framed by GOI, the payment for the purchase of gunny bales was to be made in advance on the basis of estimated rates intimated by DGS&D Kolkata. Adjustment of advances was required to be made on receipt of gunny bales. Scrutiny of records revealed that huge advance payments were made but their adjustments were not reconciled with reference to actual receipt of gunny bales. As a result, outstanding advances accumulated to Rs. 11.42 crore at the end of September 2004.

At the instance of audit, reconciliation of account was done by the Department with DGS&D Kolkata and consequent thereto, Rs. 9.84 crore were adjusted in February 2005 and Rs. 1.34 crore adjusted in May 2005 against the indent of gunny bales of Rabi 2005. Still, an amount of Rs. 24 lakh was outstanding as of August 2005. Thus, failure to reconcile adjustment of advance payments resulted in blocking of funds during April 2001-April 2005, which led to loss of interest of Rs. 1.36 crore upto April 2005 (at the rate of 9.1 per cent per annum, the minimum rate of interest charged by SBI on cash credit).

Financial Commissioner and Principal Secretary to Government Haryana, Food and Supplies Department stated (December 2005) that the advances were made on demand from DGS&D Kolkata as per guidelines of Government of India and gunny bales accounts were being reconciled with Controller of Accounts, DGS&D Kolkata every year. Reply was not tenable as adjustment of huge advances was done in February and May 2005 only after being pointed out in audit. Thus, authenticity of Rs. 24 lakh shown as outstanding as of August 2005 was not verifiable in audit.

The department in its written reply stated as under —

In this regard, it is submitted that the department prepares the gunny bales account every year and the figures of gunny bales account are being regularly reconciled with the Controller of Accounts, O/o DGS&D Kolkata every year. After the preparation of the gunny bales account, the department takes up the matter with Controller of Accounts, Kolkata for releasing/adjusting the balance amount pending with them. It is further brought to the notice of the audit that as per policy framed by the Govt. of India, the payment is being made in advance for the purchase of gunny bales on the estimated rates intimated by DGSD Kolkata. Keeping in view the rates of previous



month the department and its state procuring agencies make the payment in advance on demand from the DGSD Kolkota to the extent of cost of indented gunny bales and final rates of the gunny bales for the indented month fixed later on by the Jute Commissioner. Some times there are variations in the estimated rates and actual rates of gunny bales and some amount of the State procuring agencies remains with the DGSD Kolkota for some duration. Later on the DGSD Kolkota either adjusts the balance amount against the next indent or release the payment. The department placed the indent in November 2003 for Rabi 2004 and made the advance payment on demand from DGSD Kolkota on the estimated rates between November 2003 to March 2004. After completion of supply of gunny bales the account was reconciled and on reconciliation it was found that about Rs 10.00 crore was excess amount with the DGSD Kolkota on account of differential cost between the estimated rates and actual rates and also due to non supply of some gunny bales by DGSD Kolkota. Further it is submitted that 1.42 crores was outstanding against the previous indents which amount is being kept by DGSD Kolkota for the adjustment of outstanding bills of the firms. However the department did not place indent for Kharif 2004 because the State Govt. and its agencies were having the sufficient stocks of gunny bales. Therefore the above said amount could not be adjusted. The department and its State Procurement Agencies placed an indent for Rabi 2005 in November 2004. Therefore the excess amount of Rs 9.84 crore was adjusted in February 2005 and May 2005 against the indent of Rabi 2005 at the first opportunity. Thus the above said amount was adjusted in time and there is no irregularity in adjusting the above said outstanding amount. It is further submitted that as per the Govt. of India instructions the interest is not payable on the excess amount as both the sides the money is in Govt. accounts and entire amount of cost of gunnies and interest on advances paid by Govt. of India through incidental to the State Govt. It is also submitted that the outstanding amount of Rs 38.25 lacs has also been adjusted by the DGSD Kolkota against the outstanding bills of the firms/millers upto the indent of Rabi 2004 and now no amount is pending with DGSD Kolkota of the previous indent upto Rabi 2004.

Moreover it may also be made clear that so far as food and supplies deptt. is concerned there was no excess payment and all the advances were adjusted and on date we have minus balance of Rs 6.48 crore with DGSD Kolkota. However the DGSD Kolkota has charged this minus balance against the advance paid by other procurement agencies of the state as per detail attached at Annexure A.

It is further submitted that the gunny bales accounts are regularly prepared and the figures are also reconciled with the DGSD Kolkota regularly. It is also assured that even in future the figures shall be reconciled with the DGSD Kolkota promptly and regularly. In view of the position explained above it is therefore requested that the para may kindly be dropped.

**During the course of oral examination the Financial Commissioner & Principal Secretary to Govt., Haryana Food & Supplies Department suggested that both the audit and accounts officials of the department should sit together and sort out the matter relating to non adjustment of advances, to DGSD Kolkota, to which the Committee agreed and desired that the matter may also be reconciled with the**

**Accountant General (Audit)** The Committee further desired that a compliance report in this regard be sent to the Committee within a period of three months

**[69] 3 4 5 2 Loss of interest due to delay in deposit of cheques**

The department makes procurement of food grains by arranging funds on cash credit basis from State Bank of India (SBI). The SBI charges interest at a rates fixed by Reserve Bank of India from time to time. Every receipt is required to be deposited in the Bank Account promptly to save burden of interest on cash credit.

Test check of records of District Food and Supplies Controller Jhajjar revealed that 34 cheques amounting to Rs 10.56 crore received from FCI were deposited in the bank account after a delay of 11 to 116 days during September 2002 to November 2003 because of which the Department suffered a loss of Rs 10.50 lac towards interest (interest worked out at the rate of interest charged on cash credit by SBI from time to time).

Financial Commissioner and Principal Secretary to Government Haryana Food and Supplies Department stated (February 2006) that in some cases bank delayed the crediting of funds in Department's account due to non availability of cash balance in FCI's account and in respect of remaining cases action would be taken against the delinquent officials. The reply regarding delay in crediting of cheques by bank was not acceptable since the cheques were actually deposited late by the Department.

Similarly scrutiny of records of District Food and Supplies Controllers Sonapat and Kaithal brought out that payments were released by FCI against 278 sale bills after a delay of 11 to 69 days during 2002-04. After allowing the grace period of 10 days the delay in receipt of payment ranged between 1 and 59 days which caused loss of interest of Rs 1.04 crore. The Department did not take up the matter with FCI to compensate the loss of interest.

The department in its written reply stated as under —

It is submitted that as per challans supplied by the DFSC Jhajjar the cheques were deposited after a delay of 1 to 25 days and not deposited late by 11 to 116 days as mentioned in this para. As regards delay in crediting of cheques by bank, it is submitted that SBI had given the credit in the account of the department after a delay of 8 to 111 days. Accordingly interest worked out comes to Rs 1.51 lac on account of late deposit of cheque by the official of the DFSC Jhajjar and loss of interest to the tune of Rs 8.20 lac was suffered due to late credit given by the SBI as non availability of cash balance in FCI's account. Thus total loss of interest comes to Rs 9.71 lac and not Rs 10.50 lac as shown in the Audit para. Accordingly a calculation sheet is prepared and enclosed as Annexure A. To recover the above loss of interest directions have been issued to Distt. Food and Supplies Controller Jhajjar to investigate the matter and locate the delinquent officials to recover the loss suffered by the department by taking administrative action against them. Distt. Food and Supplies Controller has also been directed to take up the matter with FCI/SBI to sort out the matter regarding loss of interest for giving late credit of cheques by bank.

In respect of loss of interest Rs 1.04 crore due to late realisation against 278 sale bills of wheat during the year 2002-04 after 1 to 59 days of Kaithal and Sonapat

Circle it is submitted that the details of 278 sale bills were not supplied by the A G Haryana with the para It was not possible to ensure correctness of delay and loss of interest without the details of the sale bills After collecting the details of sale bills personally from the A G Haryana the same were sent to the DFSCs Kaithal and Sonapat They were directed to send the detailed report in this regard As per information received from DFSC Kaithal and Sonapat an amount of Rs 2463191/- relating to Kaithal Circle and Rs 2594970/- relating to Sonapat Circle has been received from FCI Efforts are being made to recover the balance amount from FCI

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

**After hearing the departmental representatives, the Committee desired the department to evolve a method to avoid reoccurrence of such things in future and the Committee be informed of the same within a period of three months**

**The Committee further desired that the matter relating to recovery from the officers/officials held responsible who have retired may be got examined legally and the Committee may be informed of the outcome of the same within a period of three months**

**[70] 3 4 6 1 Loss due to non adherence of the instructions of FCI**

With a view to save incidental and carry over charges FCI gives directions every year to procurement agencies for direct delivery of central pool wheat stocks from mandis at those centers where storage space was available with FCI in order to avoid handling and storage charges In the event of failure of the procurement agencies to follow these instructions FCI disallows the payment of carry over or incidental charges

Scrutiny of records of DFSCs of three districts revealed that these offices did not follow the instructions of FCI in supplying the food grains directly to FCI from mandis as a result of which FCI disallowed the reimbursement of the carry over charges amounting to Rs 62.55 lac as detailed below

Office	Year	Amount of carryover charges disallowed by FCI (Rupees in lakh)
District Food and Supplies Controller Sirsa	2003-04	20.50
District Food and Supplies Controller Panipat	2003-04	32.90
	2004-05	3.06
District Food and Supplies Controller Jhajjar	2002-03	4.09
	2003-04	2.00
<b>Total</b>		<b>62.55</b>

Thus due to failure to observe the instructions of FCI the Department had to bear loss of Rs 62.55 lakh Financial Commissioner and Principal Secretary to Government Haryana Food and Supplies Department stated (March 2006) that appropriate action would be taken against the delinquent officials after getting the matter investigated

The department in its written reply stated as under

In this para A G Haryana has pointed out that the deductions amounting to Rs 62 55 lacs made by F C I on account of carry over charges from the sale bills of Sirsa Panipat and Jhajjar due to non supply of wheat directly from mandi to F C I as per their instructions In fact amount of deduction is Rs 61 92 lacs as per detail given below

Sirsa	Rs 20 50 lac
Panipat	
(2003 04)	Rs 32 90 lac
(2004 05)	Rs 2 43 lac
Jhajjar	Rs 6 09 lac
<b>Total</b>	<b>Rs 61 92 lac</b>

In this regard it is submitted that the linkage plan for delivery of wheat to F C I is prepared by F C I authorities each year Normally the linkage plan should be prepared by F C I 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 procurement season and the storage of wheat procured and sometimes FCI could not take the direct delivery due to non availability of space labour problems etc

Carry over Charges have two components one is interest on Capital and other is Storage Charges The portion of interest on Capital is about 80% and a storage charge is 20 % The portion of interest on Capital can't be deducted by the FCI as the investment for the purchase of wheat till dispatch is made by the deptt after taking loan from S B I through CCL Therefore the matter has been taken up with the GM Food Corporation of India Haryana Region/Govt of India to release the component of interest on capital It is also mentioned here that the investigation is still being made to locate delinquent official to recover the amount of storage charges In case it is found that any officer/official of the department is at fault for not giving the local delivery as per demand/linkage plan of F C I Administrative action against them will be taken To solve this matter promptly directions have already been issued to the concerned Distt Food and Supplies Controllers for taking action immediately to release the amount from F C I and to locate the delinquent officer/official

It is also brought to the notice that some times F C I could not take the direct delivery of stocks as per their linkage plan due to non availability of space labour problems etc and sometimes issues linkage plan for direct delivery when the procurement season is going to be closed and that time wheat stocks had been stored in the departmental godowns but the F C I deduct the carry over charges from the sale bills of the department without considering the above facts

It is also stated that at times it takes longer to release the deducted amount of carry over charges from FCI as the additional information asked by the FCI is to be obtained from the field offices and then made available to FCI. In this para that the FCI deducted Rs 61.92 lac on account of carry over charges for Sirsa, Panipat and Jhajjar (and not Rs 62.55 lac as indicated in the para). Out of this Rs 61.92 lac a sum of Rs 12.00 lac has already been released by FCI in respect of Panipat District of 2003-04. No amount in respect of Sirsa and Jhajjar Districts has yet been released. Efforts are being made to release the balance amount of Rs 49.92 lacs from FCI and also from the officers/officials of this department if found defaulters in the matter.

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

**After hearing the departmental representatives, the Committee desired that strenuous efforts may be made to recover the balance amount either from the FCI or from the officers/officials of the department, if found defaulters in the matter and a detailed report in this regard be sent to the Committee within a period of three months.**

**[71] 3.4.6.3 Millers had not supplied the rice after milling of paddy**

The Department procures paddy for central pool and delivers rice to FCI after getting it milled from rice millers. The State Government issued (September 2002) instructions that standard agreement must be signed with the millers. Terms and conditions of the standard agreement *inter alia* provided that paddy stored in the premises of the millers would be in joint custody of the millers and the Department and in no case paddy should be in exclusive custody of millers. No paddy should be issued for milling without obtaining bank guarantee or advance rice from millers. In the event of failure to supply rice within the stipulated period the miller would be liable to pay interest at the rate of cash credit limit fixed by SBI. In case a miller fails or neglects to observe or perform any of the obligations under the contract the department would get the work executed at miller's risk and cost.

The DFSC Kurukshetra entered (October 2002) into agreements with three millers and stored 21,349 MTs of paddy in the premises of millers. The millers were required to deliver 14,304 MTs of rice after milling the paddy to FCI by 28 February 2003. However, the millers delivered only 7,939 MTs of rice to FCI. Since rice was not received in full quantity the DFSC lodged (May 2003) FIRs against the millers. Meanwhile, FCI granted extension for delivery of rice upto November 2003. Before granting further extension upto November 2004, FCI confirmed (March 2004) that balance quantity of rice was physically available at the premises of the miller but it was not of acceptable quality and required upgradation. The millers deposited only Rs 22.99 lakh between July 2003 and July 2004 but did not deliver 6,365 MTs rice and Rs 5.72 crore (net value) were recoverable from them after adjusting their dues.

It was noticed during Audit that no bank guarantees or advance rice from the rice millers were obtained. Further, the remaining milling work was not got done at the risk and cost of the millers.

The Department appointed (November 2004) an Arbitrator for settlement of disputes between the millers and the Department who held (March 2006) that the millers had misappropriated the rice produced out of paddy supplied by the Department. The Arbitrator gave award (March 2006) in favour of the Department and made the Department entitled to recover Rs 7.96 crore including interest upto August 2005.

Thus failure of the Department in obtaining bank guarantee or advance rice from the millers as per the terms of agreements had put the recovery of Rs 7.96 crore including interest (Rs 5.72 crore + interest Rs 2.24 crore) at stake. Further there was no stock of rice of acceptable quality with the millers for delivery to the Department.

While admitting the fact the Financial Commissioner and Principal Secretary to Government Haryana Food and Supplies Department stated (December 2005) that the District Food and Supplies Controller Assistant Food and Supplies Officer, Inspector and Sub-Inspector concerned responsible for the lapses had been suspended and charge sheeted. Final action was awaited (June 2006).

The department in its written reply stated as under:

As is clear from the para that the Arbitrator has given award on 08.03.2006 (M/s Nagpal Rice Mill & M/s Sain Dass Rice Mill) and on 14.03.2006 (M/s Bharat Rice Mill) in favour of the District Food and Supplies Controller, Kurukshetra to recover the following amount including interest at the CCL prevailing rates upto the date of filing the claim i.e. 31.08.2005:

	(Fig in Rs )
M/S Nagpal Rice Mills	= 5 54 16 696
M/S Sain Das Rice Mills	= 1 05 67 679
M/S Bharat Rice Mills	= 1 35 90 184
<b>Total</b>	<b>= 7,95,74,559</b>

In view of the award of the Arbitrator, the District Food and Supplies Controller, Kurukshetra has filed execution applications in the Hon'ble Court of District & Session Judge, Kurukshetra on 08.06.2006 to recover the amount alongwith interest from the above rice millers. The Hon'ble District Court has given orders for attachment of properties of these rice mills and demanded the details of properties of these rice mills from the department and which has been given in the court. But as these rice millers have got stay from the Hon'ble High Court on 20.12.07, so the execution proceeding regarding implementation of Arbitrator Awards has been dismissed by the District Court. Against which the Deptt. has filed application in the Hon'ble High Court to vacate the stay for which the date is fixed 20.05.08 (for arguments) in the Hon'ble High Court.

These rice millers filed applications in the Hon'ble Court of Sh. Kuldeep Jain ACJ KKR to restrain P.V. and these rice millers have given affidavits (in 7/2005) in the Court that there is no stock of CMR in their rice mills and they have sold/removed the rotten rice and the court gave decision not to make P.V. As these rice millers have misappropriated/sold the Govt. stock of CMR/Paddy so the Deptt. again lodged

FIR against these rice millers in 5/2006 against which bails has been granted by the Distt Courts as well as the Hon ble High Court

It is further submitted that the District Food & Supplies Contro ler Kurukshetra Assistant Food and Supplies Officer Inspector Food and Supplies Sub Inspector Food and Supplies who failed to obtain bank guarantee or advance rice from the said rice millers and did not get the milling work done at the risk and cost of the said millers were suspended and charge sheeted for major penalties The Government has appointed the Commissioner Enquiry on 18 01 2007 to conduct joint proceedings against the above said employees

To improve in system following changes have been made in the policy of custom milling of paddy to make it more transparent effective and to avoid recurrence of such cases —

- 1 Security amount has been increased from 75000/ to Rs 200000/ per MT capacity The security may be obtained in the shape of FDR pledged in the name of concerned procurement agency and shall be valid till the final execution of agreement Guarantee in the shape of signed cheque drawn in favour of DFSC/ DM is being increased from Rs 10 lakh to 15 lakh for each tonne
- 2 The millers shall also provide two Third party sureties of the A htas/Commission Agents of the mandi/purchase center having reliability and good reputation from where the paddy is to be provided to the miller
- 3 The paddy stocks will remain in the joint custody of rice millers and agencies
- 4 Joint physical verification of paddy stocks shall be conducted on fortnightly basis
- 5 Allocation of paddy for custom milling has been restricted to only those rice mills which are not defaulters
- 6 District Milling Committee has been constituted under the chairmanship of Deputy Commissioner to allocate paddy to the millers and review the progress of custom milling of paddy
- 7 Month wise tight delivery schedule has been fixed as under —

October & November	20%
December	25%
January	25%
February	15%
March	15%

The earlier schedule of CMR delivery is as under —

October & November	20%
December	27%
January	27%
February	26%

8 The Miller has to maintain the ratio for delivery of Custom Milled and Levy Rice In view of the position explained above it is requested that the para may be dropped The deliveries of CMR reviewed/ monitor at Hqrs as well as by Govt that s why no CMR is pending in Kurukshetra after 2002 03

These three rice mills are Black listed and they are not working under different names

**After hearing the departmental representatives the Committee desired that the decision of the Court as and when received, be sent to the Committee**

**[72] 3 4 6 5 Loss due to damage of wheat**

Due to prolonged storage in the open three lakh MTs of wheat stock valuing Rs 331 43 crore pertaining to crops for the years from 1998 99 to 2000 01 was damaged which had to be disposed of through auction during 2003 05 Rupees 189 46 crore were realised by disposal of this damaged wheat resulting in net loss of Rs 141 97 crore Besides there was shortage of 24 733 MTs wheat valuing Rs 17 crore Reasons attributable to this loss as analysed in Audit were prolonged storage failure to implement the First in First out (FIFO) principle indelivery of wheat to FCI failure to clear or deliver the stock from open storage on priority basis non segregation of damaged wheat wherever necessary and improper maintenance of stock The losses could have been minimized with regular monitoring of foodgrains stock due concern for their deteriorating quality and timely decision for their disposal

Though GOI had asked (February 2004) State Government for furnishing the justification for damage of wheat and consequent loss of Rs 141 97 crore the department had not investigated the matter so far (June 2006) The Director stated (December 2005) that deterioration in the stock was attributable to the prolonged storage coupled with extraordinary volume of inventory of wheat stock and slow despatches as per FCI s directions

The State Government had taken up (September 2005) the matter for reimbursement of the entire loss (including loss due to shortage of wheat) with GOI final decision was awaited

The department in its written reply stated as under —

The State Procurement Agencies i.e. Food & Supplies Department Hafeed HWC HAIC and Confed procure wheat under Minimum Support Price Scheme and dispatch the stocks to FCI as per movement plan provided by FCI In rabi crop years 1998 1999 2000 and 2001 the procurement by the State Agencies was made to the tune of 26 85 LMT 32 22 LMT 40 94 LMT and 55 77 LMT respectively However the movement plan of the stocks was tardy Consequently the State Procuring Agencies were forced to maintain these stocks from one to five years because FCI failed to take delivery of the purchased wheat stocks in time In view of unprecedented situation the State Govt had taken up the matter for early liquidation of old wheat stocks with GOI / FCI from time to time at various levels Meetings were held with senior officers of Ministry of Food GOI Even the then Chief Minister Haryana had written three D O communications to the then Union Food Minister on 10 12 99 10 6 2002 and 15 1 2006 In addition Chief Minister Haryana also requested the then Prime Minister by D O communication dated 20 2 2002 for delivery of balance



wheat stocks with the state agencies. It is pertinent to mention here that only GOI / FCI was competent to take a final decision for the disposal of wheat stocks of the State agencies. State Govt. and its agencies made due efforts to liquidate the stocks by approaching FCI and Government of India. Ultimately GOI agreed to the disposal of old wheat stocks pertaining to the crop years 1998 to 2002 vide letter no. 156/2002 PY IV(Pt) dated 16.2.2004 (copy enclosed). These stocks were categorized as non-issueable in association with FCI and were disposed of through a transparent open tender process. Tendered rates were got approved from GOI before the disposal of stocks. Reasons for deterioration of stocks were investigated by the respective Agency in association with FCI and were finally considered by the Heads of respective agencies with Financial Commissioner and Principal Secretary to Govt. Haryana Food & Supplies Department in a meeting held on 4.8.2005. SRM FCI also participated in the said meeting. The main reasons for deterioration of the stocks as enumerated in the proceedings of the meeting held on 4.8.2005 are as under: —

- 1 That problem of procurement of wheat by the state procurement agencies had abnormally increased from RMS 1998 onwards and the movement of stocks of agencies to FCI was slow
- 2 That due to increase in procurement and slow dispatches the state agencies had to store 68% to 98% stocks in open
- 3 That there were heavy rains during RMS 2000 and some of the stocks had been affected in rains in the mandis during procurement
- 4 That FCI could not follow FIFO system for movement of wheat stocks of agencies
- 5 That the state had made record procurement of about 65 LMT wheat during Rabi 2001 and these stocks had been affected in rains. These stocks were given priority in movement with the result the stock of Rabi 1998 to 2000 remained stored for a longer period
- 6 That in certain cases due to lack of commensurate storage space the agencies had to store their stocks on the unscientific plinths

It is submitted that the matter regarding liquidation of stocks of crop years 1998-2001 was taken up at different levels with the GOI and the FCI. It was apprised time and again to them about slow movement of the food grains from Haryana. It was specifically brought to the notice of the GOI that owing to longer and cap storage and also because of the fact that wheat stocks were having luster lost grains, there was an imminent danger of the quality of stocks going down. It was earnestly requested to move the stocks early. Even the GOI was informed in the year 2002 that there was a major constraint in increasing dispatches in view of the limited storage space in the recipient states. Further, stocks of the year 2001 being luster lost were given higher priority. The FCI also gave priority in taking delivery from covered godowns to make arrangement to store their on rice. Timely movement was also not given. The FCI did not take the delivery of the stocks and forced the agencies to store the stocks for a very long period. This resulted into partial damage of the stocks.

The total stocks procured and stored by the agencies during Rabi 1998 to 2001 was about 156 LMT wheat. Out of these stocks, only about 3.60 LMT wheat was damaged which comes to about 2.30% of the total stocks procured. This can not be said to be an extraordinary damage. It is nominal keeping in view the long storage and open storage. Further, the stocks can not be maintained for a period of 3 to 5 years. Whereas stocks of Rabi 1998, Rabi 1999 & Rabi 2000 had to be stored by the agencies for more than 3 years in open. Then the FIFO system for movement of wheat stocks was not strictly followed in case of agencies stocks. The FCI cherry-picked from the agencies stocks of several years. Hence, the stocks were damaged due to longer storage and storage in open for which the State Agencies are not responsible.

There were heavy rains in the years 2000 and 2001 during procurement season itself. The agencies had to procure rain-affected wheat with due permission of the GOI. As this stock was rain-affected, therefore, this stock could not be kept in storage for a long period as the quality of the wheat was affected due to rain. However, the agencies had to store this stock for a period of several years.

It is also submitted that the stocks of the year 2000 were mainly damaged and the quantity of the damaged wheat during the year 1998-99 was very small. The quantity for the year 1999-2000 and 2000-01 could not be delivered to the FCI because the higher priority was given to the stocks pertaining to the crop year 2001-02 being rain-affected (lustre lost) wheat by the GOI and this stock remained in storage for 4-5 years. The stocks were mainly damaged in district Kaithal, Karnal, Kurukshetra and Jind because there was heavy procurement in these centres during the years 1998-99 to 2003-04 and the adequate movement of the stocks was not given in comparison to the procurement.

All types of preventive and curative treatments, i.e., fumigants and spray were provided to the stocks during storage as per prescribed schedule / requirement of the stocks. The state agencies were holding sufficient quantity of fumigants, stock articles, i.e., polythene covers, tarpaulins, wooden crates etc. The stock articles and fumigants were arranged and provided as per the requirements. Timely covering and un-covering of polythene covers was made for proper preservation. The State Agencies made adequate arrangement of stock article and fumigants. However, due to longer it was not possible to maintain the quality of the stocks even after taking all type of preventive and curative measures.

As per the State Govt. instructions, every grain that conforms to specifications is to be purchased by the state agencies at MSP and delivery of the same is to be given to the FCI on their demand and choice. There was heavy and unprecedented procurement in the year 1999 to 2001 and movement of the stocks was very slow. Therefore, the state agencies had no alternative except to store the stocks in open on katcha phar, make shift plinths. At that point of time, the Scientific godowns/plinth were not available in adequate quantity and agencies were forced to store wheat on the available space. The godown capacity and open capacity in the State was 21.54 LMT and 9.39 LMT respectively in the year 2000-01. Furthermore, even this capacity could not be fully utilized because this capacity is / was available

where the procurement of wheat is low and there is no storage of wheat at these places like Mahendergarh Rohtak Rewari Bhiwani Ambala Gurgaon Jhajjar Narnaul and Panipat Furthermore districts like Kaithal Karnal Kurukshetra Jind Sirsa Hissar where the procurement is heavy the paddy production is also heavy and most of the covered storage capacity in these places is being used for the storage of rice Further this covered capacity is also being used by the farmers for storage of cotton bales and other items especially in the godowns of CWC HWC Marketing Board Faced with this situation of abnormal procurement and storage thereof the state govt floated a scheme in the year 2001 for construction of plinths under 3 year guarantee scheme for private parties Further the FCI also got constructed plinths under 7 years guarantee scheme from the agencies The godown capacity has now been increased from 21 54 LMT to 35 42 LMT and open capacity has been increased from 9 39 LMT to 13 78 LMT Now the State Agencies can handle a huge stock in a better way in comparison to the earlier situation of 2001

Needless to emphasize that State Procuring Agencies in Haryana have been actually participating in the procurement operations for the purchase of grains for central pool stock These agencies have been taking all possible steps to maintain and preserve the stocks till these got evacuated as per movement plan of GOI / FCI The damage to the wheat was less than 2% of the total procurement during these years The deterioration of stock was attributable to prolonged storage coupled with extra ordinary volume of inventory of wheat stocks which had to be carried forward during these years and was beyond the control of State Govt as the dispatches were controlled by GOI (FCI) State Govt and its agencies were regularly monitoring the food grains stocks to avoid any deterioration in the quality of the stocks and early disposal of the stocks

This matter was taken up with the GOI for reimbursement of differential cost of Rs 141 97 crores and Rs 17 crores on account of shortage in the disposal of old and damaged wheat pertaining to the above said crop years to the State Govt and its agencies vide this office letter no SB 1 2005/17022 dated 15 9 2005 The matter has been subsequently taken up by Chief Minister and Chief Secretary to Govt of Haryana through D O letters dated 7 3 2006 and 28 3 2006 respectively Chief Minister Haryana also sent a D O letter dated 7 9 2006 and lastly D O letter dated 14 11 2007 to Sh Sharad Pawar Minister of Agriculture & Consumer Affairs GOI New Delhi The matter was also taken up at the level of FCFS The meetings were also held with GOI at different level to sort out this issue The last meeting was taken place on 20 12 2007 with the Secretary Food GOI regarding pending claims with the GOI The matter is still under consideration with GOI and FCI It is also informed that the action will also be taken against the defaulting officers / officials if in any case they are found guilty

**After hearing the departmental representatives, the Committee desired that more vigorous efforts may be made to recover the amount from the FCI and the quarterly progress report in this regard be sent to the Committee till the amount is recovered from the FCI**

**[73] 3 4 6 6 Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain**

The department procures wheat on behalf of FCI for Central pool during the months of April to June each year. Wheat so procured is delivered directly to FCI and in case immediate dispatch is not feasible it is stored in godowns and is delivered on demand. During storage in godowns the wheat gains weight during the rainy months on account of absorption of moisture. With a view to avoid pilferage of increased weight of wheat the norms for gain in quantity due to moisture were fixed by State Government in April 1999 at 700 grams 800 grams and 900 grams per bag of wheat (95 kg) for dispatches during July August and September respectively 1 300 grams for dispatches from October to December and 1 400 grams for dispatches from January to March. The norms for stocks dispatched from April of succeeding year till clearance was 1 200 grams. In case of packing in 50kg per bag the moisture gain would be at 50 percent of these norms. The Department however issued revised lower norms in March 2005 only for the crop year 2001 02 for luster lost wheat as a special case according to which norm for excess in quantity were reduced to 500 gms in July August and September 650 gms from October to December 700 gms from January to March and 600 gms from April of the succeeding year. According to the instructions (January 1989) of Director Food and Supplies responsibilities for the shortages were to be fixed for recovery of loss on the DFSC DFSO AFSSO Inspectors and Sub Inspectors concerned.

During scrutiny of records of 10 DFSCs it was noticed that 30 21 lakh qtls of wheat was dispatched during the period 1999 2005 whereas according to norms 30 44 lakh qtls wheat was to be despatched after taking into account the requisite moisture gain. The shortage of 23 thousand qtls of wheat valuing Rs 1 40 crore strongly indicated misappropriation/pilferages (Appendix XXIV). No responsibility for the shortages was fixed by the Director Food and Supplies (June 2006).

The department in its written reply stated as under

No the norms of moisture gain in wheat were fixed for despatches from September 1993 onward. It was further decided that the excesses should be seen with reference to despatches and not according to stocks or godowns. There were a number of representations against the norms so fixed w e f 1 4 1993 and the government appointed high level officers committee consisting of the following

- |  |          |
|--|----------|
| 1 Chief Secretary of Haryana                                 | Chairman |
| 2 Financial Commissioner and Principal Secretary Finance     | Member   |
| 3 Financial Commissioner and Principal Secretary Agriculture | Member   |
| 4 Commissioner Food & Supplies                               | Member   |

This Committee was to examine the matter in detail and submit its recommendations on the subject to the State Govt. This Committee met on 2 8 2005 and gave its recommendations which were accepted by Government. As per recommendations of this committee norms of storage gain in respect of wheat stocks have been rectified w e f 16 9 1993 and instructions have also been issued vide letter no SH G 2005/20763 dated 13 10 2005 (copy attached). CAG has calculated the excess/less gain on the basis of instructions prevailing prior to 13 10 2005 where as these

instructions were made applicable w e f 16 9 1993 Hence in the changed circumstances the gain was to be calculated afresh on crop year wise and not on month wise where as the CAG has made calculation of the basis of monthly despatches which is not correct and thus the whole calculations has to be done again As per revised calculations made by this office in view of the latest instructions the position of less excess is as under

(Figures in MTs)

Corp Year	Wheat Purchased	Excess Required as per norms	Excess actually given	Less excess in the audited centres as per norms	Qty of wheat damaged	Excess required in damaged wheat
1999 2000	185959 99	2068 26	1900 85	319 20	22093	279 07
2000-2001	379707 62	4243 83	3686 53	769 04	22891	289 14
2001 2002	780493 92	5021 51	7309 39	70 45	4924	62 19
2002 2003	208672 84	2404 65	2375 86	282 12	2744	34 66
2003 2004	199584 55	2225 27	1892 33	386 61	0	0
<b>G. Total</b>	<b>1754418 93</b>	<b>15963 54</b>	<b>17164 98</b>	<b>1827 44</b>	<b>52652</b>	<b>665 06</b>

Out of the total purchase of 1754418 93 MTs Wheat in the audited centers 52652 MTs of wheat was damaged Government of India vide their D O No 1 56/2002/Py IV(pt) dated 16 02 2004 authorized the State Government to take up sale of the damaged wheat under Open Market Sale Scheme at the notified FCI prices from time to time Accordingly tenders were called and the wheat was disposed off as per directions of the Government of India contained in their letter dated 16 02 2004 The State Government vide their letter No SB 1 2005/17C22 dated 15 09 2005 requested Government of India for the realization of balance claims of the old damaged wheat stocks relating to the years 1998 2001 It was clearly mentioned that the State Procurement Agencies in Haryana have been actively participating in the procurement operations for purchase of grains for Central Pool stocks These Agencies have been taking all necessary steps to maintain and preserve the stocks till these get evacuated as per movement plan of Government of India/FCI It was further stated that the deterioration in stocks was attributable to prolonged storage coupled with extra ordinary volume of inventories of wheat stocks which had to be carried forward during these years the reimbursement of differential cost of Rs 141 97 crores has been requested Similarly the shortage of 25 000 MTs which is just 0 16% of the total quantity procured during these years is also within reasonable limits and is required to be compensated with the equivalent value of the economic cost which has been estimated as Rs 17 00 crores Government of India was reminded from time to time Matter was also taken up with Food Corporation of India vide our Memo No SB 5 2006/11980 dated 13 07 2006 Joint investigations were carried out for all the downgraded wheat stocks pertaining to the crop years

Rabi 1998 to 2001 at each centre by the respective procurement agency in association with FCI and centre wise investigation reports were got prepared these investigation reports were viewed in detail in the meeting of the Heads of all Procurement Agencies including GM FCI Haryana Region held on 04 08 2005. The matter was also discussed in the meeting of the Officers Committee of the State Procurement Agencies held on 22 06 2006 in which representatives of FCI were also present and same were the views of the Officers Committee. From the detailed investigation reports conducted by the State Procurement Agencies in association with FCI the main reasons for damage of wheat stocks as identified by the Committee were as under

- 1 That volume of procurement of wheat by the State Agencies had abnormally increased from rabi 1998 onwards
- 2 That the movement of stocks of the agencies to the FCI was slow and due to high volume of procurement and slow movement of wheat stocks there remained high level of stocks with the State Procurement Agencies
- 3 That due to increase in procurement and slow dispatches the State Agencies had to store 68% to 90% of stocks in open
- 4 That in certain cases due to lack of commensurate storage space the agencies had to store their stocks on the unscientific plinths
- 5 That there were heavy rains during rabi 2000 and some of the stocks had been affected in rains in the mandis during procurement
- 6 That FIFO (First in first out) system for movement of wheat stocks was not strictly followed in case of agency's stocks. FCI chose preferential evacuation of their own stocks instead of agency's stocks vis a vis FCI could not be followed because of practical constraints to make space for receipt of rice in the covered godowns because at that time only a total of approximately 10 lac MT covered space was available with FCI in Haryana Region and hence there was need to evacuate stocks from FCI godowns on priority to accommodate rice stocks but FIFO in case of FCI stock was maintained
- 7 That the State had made record procurement of 65 lac MT of wheat during rabi 2001 and these stocks had been affected in rains (further loss). These stocks were given priority in movement with the result stocks of rabi 1998 rabi 1999 and rabi 2000 remained stored for a longer period

The sanction of Government of India with regard to the reimbursement of the cost of damaged wheat is still awaited. Similarly sanction for disposal of old and damaged stocks of wheat pertaining to the crop years 2002 03 2003 04 and 2004 05 was conveyed by Government of India vide their letter No 8 16/2205 PY-IV dated 27 01 2006. In view of the position explained above it was not possible to obtain any excess in wheat as per instructions of the state government referred to above which was damaged due to the reasons stated above. Out of the above 1754418 93 MTs of wheat purchased at these centres 52652 MTs of wheat got damaged as per details given above. Thus out of the total excess of 15963 54 MTs required as per

norms of the department 665.06 MTs of excess was not possible due to the damage to the wheat. Rather there were actual shortages to the tune of 3922 MTs which was also attributed to damage of wheat. Therefore the net less/excess of only 15298.48 MTs was to be obtained whereas the total excess of 17164.98 MTs could be obtained which is more than the excess required. If summed up for all the 5 years. However centre wise and crop wise there was less/excess in these audited centres to the tune of 1827.44 MTs. Moreover the norms fixed by the State Government were for normal storage of wheat which can not *facto* be applied in all cases and under all circumstances. Government of India brought down the scale of norms for the year 2001-2002 to 0.5 percent for the covered godown and 0.35 percent for the open storage vide their letter no. 176(2)/95 FY 1 dated 17.10.2002. Accordingly the State Government revised the norms for the crop year 2001-2002 vide memo no. SH/G/2005/4424 dated 15.3.05 but the CAG has not taken this fact in view at the time of calculating the loss. A.G. Haryana has been requested vide our letter no. SH/G/2007/19009 dated 4.6.2007 to confirm these figures in view of the latest instructions dated 13.10.2005 and 1.3.2007. Thus each case has to be judged on merit. Centre wise investigations are being made and in case it is found that some official(s) was responsible for the damage to wheat, action against the delinquents will be initiated as per service rules.

**After hearing the departmental representatives, the Committee desired that the matter of suspected pilferage of wheat worth Rs 1.40 crores and the recovery of the amount in this regard be taken up with the FCI/Govt. of India and outcome thereof be intimated to the Committee within a period of six months.**

**[74] 3.4.8 Supervision mechanism of PDS**

For proper monitoring of the PDS, GOI asked the State Government to constitute Advisory Committees at State, District, Block and Village/Ward levels. It was, however, observed that State, District and Block level committees had not been constituted thus affecting monitoring of the system and redressal of public grievances relating to the working of the FPSs.

As per GOI's guidelines (September 2001) the State Government was required to ensure monitoring of the functioning of PDS at FPSs level through the computer network of National Informatics Centre (NIC) installed in the districts. For this purpose, computerized codes were also to be issued to each FPSs. Scrutiny of the offices of DFSCs of districts test checked revealed that no computer network was installed for the purpose.

The department in its written reply stated as under —

The State Govt. has constituted vigilance committees for each Fair Price Shop in Rural and Urban areas. The composition of which is as under

**Rural**

- 1 Sarpanch
- 2 S.C. Panch (if sarpanch of SC category then Panch of other caste)
- 3 Village Patwari

**Urban**

- 1 Member MC
- 2 Ex Member MC
- 3 One female member of the locality nominated by SDM

Panchayati Raj Institutions have been empowered to supervise and monitor the working of PDS in their respective jurisdiction as under -

### **Gram Panchayat**

- Recommendation for the allocation of depots
- Attesting powers of D I (Application form of issuing of ration cards and making additions and deletion in ration cards)
- In proper distribution of PDS commodities
- To hear and settle local complaints on PDS
- Village level committees which supervise the distribution of PDS commodities like wheat rice sugar K Oil etc
- On PDS the PRIs are authorized to certify arrival of PDS item at FPS verifying the entries in stocks registers and proper distribution of PDS items
- Gram Panchayat should make a report once in the month to the Panchayat Samiti about the functioning of PDS

### **PANCHAYAT SAMITI**

- The Panchayati perform the supervisory functions about the functioning of the PDS in the village and hear complaints etc under jurisdiction
- The Panchayat Samiti should make a report about the functioning of PDS to Zila Prishad once in three months

### **ZILA PARISHAD**

- Supervision and monthly review of availability of PDS items and distribution thereof in their jurisdiction with the concerned Distt Food and Supplies Controller

So far as constitution of advisory committees at State Distt level is concerned the matter regarding its reconstitution is under process

**After hearing the departmental representatives the Committee desired that latest position regarding constitution of advisory committees be sent to the Committee within a period of three months**

### **[75] 3 4 9 Conclusions**

Aim of the programme was to procure and store foodgrains for central pool at minimum support price in an efficient manner and its distribution to the public particularly to the weaker section of the society at affordable prices. As brought out in audit, the programme did not function efficiently. There was substantial loss of interest due to failure of the Department in adjustment of advances made for purchase of gunny bales, delay in deposit of cheques in bank account and late receipt of payments from FCI. There were inefficiencies in procurement of foodgrains. The department failed in following the standard terms and conditions of agreements leading to non receipt of rice from millers. Foodgrains storage arrangements were not satisfactory as storage capacity of foodgrains was inadequate. Storage of foodgrains in open and prolonged storage due to non observance of first in and first out principle from



stores led to damage of large quantities of wheat short accounting of moisture gain resulting in pilferage of wheat etc Public Distribution System was not effective as allocated quantities of wheat were short lifted under APL BPL and AAY schemes Besides there were cases of issue of foodgrains at the fag end of the month instead of in the first week of month non obtaining of certificates by depot holders from village/ward level committees regarding food items having issued to card holders properly sale of wheat meant for APL in open market etc supervision mechanism of PDS was inadequate as State District and Block level committees were not constituted and computer networking was not introduced for monitoring the distribution of foodgrains

The department in their reply stated as under —

Reply to various paras have already covered this para

**After hearing the departmental representatives, the Committee desired that the latest position in this regard be sent to the Committee within a period of three months**

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## FINANCE DEPARTMENT

(Directorate of Treasuries and Accounts)

**[76] 3 5      *Information Technology Audit of Online Treasury Information System***

**3 5 7      *Analytical review of data***

**3 5 7 2      *Mismatch of expenditure data in OTIS database***

Head of Account wise (up to object codes) commulative expenditure against budget allocations is maintained at each treasury in the database in Budget File. Each TO sends Head wise expenditure data daily through ISDN line to the Director Treasuries and Accounts in as a transaction file of the database. Thus the expenditure in two sets of files of the database should be equal over the financial year.

A comparison of expenditure figures of transaction file and the budget file for the year 2004-05 revealed that the amounts in both the files were not equal. In Chandigarh, Karnal and Hisar treasuries, there was mismatch between expenditure figures of both the files in respect of 1,235, 1,372 and 612 records respectively.

It was noticed that expenditure figures as per transaction file was more than that of in budget file in 828 records to the extent of Rs. 787.48 crore (Chandigarh 184 records, Rs. 371.66 crore; Karnal 357 records, Rs. 67.56 crore; and Hisar 287 records, Rs. 348.26 crore). Further, cumulative expenditure figure was more than the expenditure figure in Transaction file in 2,391 records to the extent of Rs. 1,596.15 crore (Chandigarh 1,051 records, Rs. 1,066.80 crore; Karnal 1,015 records, Rs. 165.68 crore; and Hisar 325 records, Rs. 363.67 crore).

Reasons for the same were called for from the respective TOs; their reply had not been received (July 2006).

The department in its written reply stated as under —

Each Treasury Officer has to send receipt and expenditure data to Head Quarters through ISDN/PSTN lines at the end of the day. Similarly, at the end of month, each Treasury Officer has to send detailed accounts to A.G. Haryana. At the time of finalization of Accounts for submission to A.G. Haryana, any discrepancy between the expenditure figures supplied by bank and expenditure figures in the OTIS database is rectified. In such situations, the expenditure figures of Transaction files and budget files may not match.

Here it is also mentioned that for Pension, RD/CCD, GPF, Loans, LOC, PLA etc., there is no DDO wise budget provision.

Treasury Officers have been directed vide letter no. 15960/TA/HR(SA)/2006/24534 dated 13.9.2006 to follow complete procedure regarding passing/rejecting of bills so as to avoid any mismatch in the expenditure figures of transaction files and budget files.

A test check has shown that these instructions are being followed in the treasury offices.

**The Committee desired the department to reconcile with A.G. office and settle the matter under intimation to the Committee within a period of three months.**

## HOME DEPARTMENT

### **[77] 4 2 2 Wasteful expenditure on creation of Haryana State Industrial Security Force**

Recruitment of personnel in Haryana State Industrial Security Force without an assessment of demand resulted in wasteful expenditure of Rs 12 63 crore incurred on their pay and allowances

The State Government created the Haryana State Industrial Security Force (HSISF) through the HSISF Act 2003 (Act) to cope with the demand for protection and security of treasuries institutions and autonomous bodies and ease the pressure on the Haryana police force which was required for maintaining law and order

The Director General of Police (DGP) proposed (August 2003) creation of HSISF and requested to State Government to sanction 4 149 posts of different categories based on requirement received from all districts. The State Government accorded sanctions (February and March 2004) for raising of five battalions of HSISF with the conditions that the expenditure incurred on personnel of HSISF would be recovered by way of user charges from the indenting agencies and the Department would chalk out a plan for proper deployment of force so that there may not be any financial burden on the State exchequer

Test check of records (April-December 2005) of Director General of Police Haryana (DGP) Director Haryana Police Academy Madhuban and eight offices 3 of Superintendents of Police revealed that selections for recruitment of 60 Sub Inspectors of HSISF were made (December 2004) by Haryana Staff Selection Commission and 2 960 Constables and 187 Class IV personnel by Selection Boards consisting of Superintendents/Deputy Superintendents of Police authorised by the then DGP. A sum of Rs 12 63 crore was spent towards pay and allowances of these officers/officials from December 2004 to July 2005 but force was never deployed for the purpose for which it was established

As there was no demand or requisition for deployment of HSISF from any State/Central or Private undertakings nor there was any possibility of any such demand arising in future because of the prohibitive cost of deployment of HSISF vis-à-vis availability of services of private security agencies the Government repealed the Act in June 2005 and disbanded the HSISF Battalions. Consequently services of all Sub Inspectors Constables and Class IV personnel recruited against HSISF were dispensed with in July 2005

Audit scrutiny revealed that the Department did not conduct any demand survey of the actual requirement for HSISF personnel. Prior to recruitment the department should have conducted the demand survey and agreements should have been executed with Public Sector Undertakings regarding their deployment as was being done in the case of Central Industrial Security Force by Government of India

Thus decision of the Department to recruit personnel in the HSISF without assessing the demand was injudicious and resulted in wasteful expenditure of Rs 12 63 crore incurred on pay and allowances of the personnel recruited during the training period as the HSISF was disbanded immediately after completing the training course. Moreover the work pressure on Haryana police force was not eased as the Act enacted for the purpose repealed. The Financial Commissioner and Principal Secretary Government of Haryana Home Department stated (June 2006) that a commission has been constituted to inquire into the irregular creation of HSISF and their findings will be intimated on receipt. Further progress was awaited (July 2006)

The department in its reply stated as under —

The Government sanctioned five Battalions of HSISF on the following terms and Conditions

- (i) Department may ensure there will be no burden on the state exchequer and the expenditure incurred will be by way of user charges from indenting agencies
- (ii) Department will chalk out a plan for proper deployment of Force so that there is no net expenditure on the exchequer
- (iii) The Financial implication on the creation of posts involved will be met out of sanctioned budget of the department and if any additional amount is required same will be done in the Revised Estimates for the year 2004-05 on the basis of Actual Expenditure

The HSISF was established in view of the Government sanction and the expenditure for the creation and for the period of training was paid in view of condition (iii) of Government sanction. As regard the deployment of the force for protection and security of Autonomous Bodies Industrial Undertaking etc. the deployment can only be made after training is over and the expenditure upto the period of training was to be borne by the department.

The Government repealed the State Industrial Security Force Act, 2003 (Haryana Act No. 21 of 2003) vide notification dated 29.6.2005.

At present the matter is under consideration of Hon'ble Court and also Govt. has constituted a Bhalla Commission vide its notification dated 28.7.2005 to enquire into the matter. The report submitted by the Commission is under consideration of Government.

**During the course of oral examination, the Financial Commissioner & Principal Secretary informed the Committee that the enquiry report submitted by the Commission has been sent to the Advocate General for comments. The Committee desired that the outcome in this regard be intimated to the Committee.**

**[78] 4.2.8 Unfruitful expenditure on Mobile Forensic Science Units**

Rupees 1.80 crore spent on the purchase of 20 vans and laboratory equipment were rendered unfruitful as Mobile Forensic Science Units were not operational for want of staff and other required equipment. While conveying the recommendations of XIth Finance Commission, the Ministry of Home Affairs, Government of India advised (September 2000) the Director, State Forensic Science Laboratory (FSL), Madhuban, Haryana to make full use of central funds for creating Mobile Forensic Science Units (MFSUs) for scientific and effective investigation of criminal cases at district level. Accordingly, central assistance of Rs. 1.80 crore was provided for establishing 15 MFSUs at each district headquarter. It was also desired to make arrangements for manpower recruitment to man MFSUs to be established in the State. For establishment of each MFSU, one tempo, traveller, 6 staff members and 13 equipment were required.

As there were 19 districts in the State at that time, the Director, FSL, Madhuban sent (May 2001) the requirement for setting up of 20 MFSUs (one each for 19 districts and one for

Government Railway Police Headquarters) to the Director General of Police Haryana Panchkula

Test check of records (October 2005) of the Director FSL revealed that the Department procured 20 tempo travellers (eight in May 2003 and 12 in December 2004) for all the 20 MFSUs at a cost of Rs 1.03 crore and also purchased equipment worth Rs 76.59 lakh (Rs 31.95 lakh during 2002-03 and Rs 44.64 lakh during 2003-04). But against the requirement of six staff members for each MFSU only eight Senior Scientific Officers, four Senior Scientific Assistants and four Scientific Assistants (Photography) were put to job in 16 MFSUs and no staff was posted in remaining four MFSUs while no equipment was provided in seven MFSUs and only 2-11 equipments were provided (against 13 projected) in 12 MFSUs as required. Thus neither sufficient staff was posted nor the required equipment were provided in four MFSUs, no equipment was provided in three other MFSUs. Though MFSU Rohtak was provided with the required 13 equipment but only one staff member (a Senior Scientific Officer) was provided against requirement of six.

The SPs Faridabad, Kaithal, Karnal and Panchkula admitted (August 2005-February 2006) the facts and stated that the vans remained unused or were used for other purposes because of non-availability of staff to operate MFSUs.

Thus Rs 1.80 crore spent on the purchase of 20 vans and laboratory equipment was rendered unfruitful as MFSUs were not operational in any district because of non-recruitment of staff and non-procurement of all the required equipment.

The matter was duly officially referred to the Financial Commissioner and Principal Secretary to Government Haryana, Home Department in March 2006. Reply had not been received (June 2006).

The department in its reply stated as under —

The Government of India, MHA, New Delhi had sanctioned Rs 1.80 crore to Police Department Haryana for the purchase of Tempo Travelers and instruments in regard to establishment of Mobile Forensic Units of District Headquarters during 2000-05 under 11th Finance Commission Grants. The Department had purchased 8 Tempo travelers during 2003-04 and 12 Tempo travelers during 2004-05 which were supplied to 20 District Forensic Units during May 2003 and December 2004. The purchase of above mentioned 20 Mobile Forensic Units has been made and Ballistic Spot Kit, Blood Testing Kit, Semen Testing Kit, A.S.P. Toll Kit and Testing Kit have been provided to District Ambala, Yamunanagar, Sonapat, Hisar, Rohtak, Sirsa, Gurgaon, Narnaul, Jhajjar, Panipat, Kurukshetra, Panchkula and Karnal and to the remaining Units i.e. District Jind, Kaithal, Faridabad, Bhiwani, Rewari and Railway Police Headquarters equipments would be provided as and when the staff is posted in these Units. Further search light and Detective Kit, Narcotics Kit, Generator set, UV lights and Explosive arms have also been provided to District Kurukshetra and the other remaining Kits/equipments would be provided after posting of staff case of districts Jind, Kaithal, Faridabad and Rewari.

The Staff Selection Commission has been requested for making appointment of Technical Staff for vacant post and on filling of vacant posts, staff will be provided in 10 Mobile Forensic Units. In view of above, the vehicles are being utilized by both

district i.e. Kaithal and Fardabad for General duties and it is felt that it is better to put these vehicles to some official use so that the tyres Batteries and body of the vehicles will be maintained in proper working order otherwise the vehicles will deteriorate and not be road worthy

It is therefore requested that the para under reference may kindly be dropped keeping in view the above explanation

**During the course of oral examination, the Financial Commissioner & Principal Secretary assured the Committee that all the Mobile Forensic Units will be started after six months. The Committee desired that a compliance report in this regard be sent to the Committee after six months**

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## FOREST DEPARTMENT

### [79] 4 2 7 *Nugatory expenditure*

**Non adherence to provisions of the Industrial Disputes Act 1947 resulted in payment of idle wages of Rs 24 31 lakh**

Section 25 F of Industrial Disputes Act 1947 (Act) *inter alia* lays down that a workman who has been in continuous service for one year can be retrenched after giving one month's notice in writing indicating reasons for retrenchment or in lieu thereof payment of one month's wages. Section 25 B of the Act *ibid* provides that a workman shall be deemed to be in continuous service for one year if the workman has actually worked for not less than 240 days during a period of 12 calendar months.

Test check of records (May 2002-March 2006) of five Divisional Forest Officers revealed that the services of 32 daily wage workers were terminated by the Department between March 1992 and January 1999 without following the laid down procedure for retrenchment and without assigning any reason even when they had worked for more than 240 days in 12 calendar months. Against these termination orders, daily wage workers filed cases before the concerned Industrial Tribunal cum Labour Courts (ITLCs) with the request for reinstatement with continuity of services and full back wages. The ITLCs announced the award between March 1995 and March 2005 in favour of the workers on the ground that their services were not terminated in accordance with Section 25 F of the Act. The ITLCs ordered the Department to reinduct the workers in service with continuity of service alongwith back wages. Accordingly, State Government accorded sanction (September 1999 to December 2005) of Rs 24 31 lakh for the payment of back wages for the period March 1992 to May 2003 to the daily wage workers subject to the condition that whole amount would be recovered from those defaulting officers/officials who terminated their services without taking recourse to Section 25 F of the Act. An amount of Rs 24 31 lakh was paid to the workers during May 1999-January 2006 but neither the defaulters were identified nor the recovery was effected from the concerned officers/officials by the Department (April 2006).

Thus, failure of the Department to adhere to the relevant provisions of the Industrial Disputes Act before terminating the services of daily wage workers and to (May 2006) effect recovery from the defaulters resulted in an avoidable payment of idle wages of Rs 24 31 lakh.

Conservator of Forest Rohtak had appointed (January 2006) an enquiry officer to verify the veracity of the cases in respect of Sonapat division before effecting the recovery from the defaulters. The enquiry officer had submitted (May 2006) the enquiry report to the Conservator of Forest Rohtak. Further progress was awaited (July 2006). Divisional Forest Officers Kaithal and Mahendergarh stated (February-March 2006) that action was being taken against the defaulters. Reply from Divisional Forest Officers Bhiwani and Panipat had not been received (July 2006). The matter was referred to the Financial Commissioner and Principal Secretary to Government Haryana, Forest Department in April 2006; reply had not been received (July 2006).

The department in its reply stated as under

In this para Govt. has approved back wages to 32 labourers related to Bhiwani, Kaithal, Mahendergarh, Panipat and Sonapat Divisions subject to condition that

amount of backwages to be recovered from concerned officials at fault. In some cases enquiry was conducted so that responsibility of the officials might be fixed. Enquiry Officers went through various documents. It was found that time and again Forest Department was included in or was excluded from the definition of Industry by Hon ble Supreme Court/Hight Court. Thus the matter whether the Forest Department is an Industry or not remained controversial. In reference to it Financial Commissioner and Principal Secretary to Govt of Haryana Forest Department asked for opinion of Advocate General Haryana and sent a note to Principal Chief Conservator of Forest through his memo no 3111 Ft 5 2004/11611 dated 30 06 2004. In it Advocate General has opined that it would be appropriate if the Department while defending the legal cases takes effective steps to produce the evidence to show that the functions of Forest Department come within the purview of the Sovereign Functions of State. Therefore this para may please be dropped.

**During the course of oral examination, the Commissioner & Secretary sought three months time to look into what action has been taken and what action is possible to be taken or what is not possible, to which the Committee agreed. The Committee desired that a compliance report in this regard be sent to the Committee, within a period of three months.**

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## TRANSPORT DEPARTMENT

### **[80] 4 2 9 Loss due to non receipt of lease money**

The State exchequer suffered a loss of Rs 31 44 lakh by way of lease money due to non leasing out of the shops

As per policy guidelines issued by Transport Commissioner (TC) the concerned General Managers (GMs) were empowered to auction shops at Haryana Roadways bus stands with the assistance of depot level committees consisting of Works Manager Transport Manager Accounts Officer and a representative of the District Administration. The auction money of each shop was required to be higher than that of the last year's auction. In case certain shops could not be auctioned at a higher rate after repeated attempts and the committee was satisfied to accept the bid (lower than the last year) in public interest the committee may temporarily accept the bid subject to approval of the Government.

Test check of records (March 2006) revealed that the Ambala depot had earmarked 19 shops/sites at Ambala Cantonment bus stand to lease out for various Commercial activities. The GM conducted repeated open auctions in March 2004 to lease out shops for a period of two years (April 2004 to March 2006). The highest bids received in respect of fruit shop and restaurant cum tea shop was Rs 0 51 lakh and Rs 0 80 lakh per month respectively. The successful bidders deposited the advance rent for one month. As these bids were lower than those of previous year (Rs 0 76 lakh and Rs 1 39 lakh per month) the GM referred (March/April 2004) the bids to TC for approval. The TC referred (May 2004) the matter to Financial Commissioner and Principal Secretary Transport Department. As the matter remained under correspondence among the GM, TC and Government the shops could not be leased out and remained vacant for two years. The advance rent received from the bidders was refunded by the GM in March 2005. The sites were however leased out afresh in April 2006.

Thus due to slackness on the part of Government in according approval for accepting lower bids the department suffered a loss of Rs 31 44 lakh on account of lease money from April 2004 to March 2006. The Transport Commissioner while confirming the facts (June 2006) stated that the shops remained vacant as the approval of the Government could not be obtained.

The matter was semi officially referred to the Financial Commissioner and Principal Secretary to Government Haryana Transport Department in May 2006. Reply had not been received (July 2006).

The department in its written reply stated as under

Under Rule 19 7 of PFR Vol I the Head of Department is competent to lease only those shops where the auction bid is higher than the last year. In case the bid is lower than the last year sanction of the Govt is required. However as per the guidelines issued by the Department after approval from the Govt if after repeated attempts certain shop can not be auctioned at a higher rate and the Depot Level Committee is satisfied that it would be in the interest of the department to accept the bid (which is lower than the last year) the committee may temporarily accept the bid and temporarily allot the shop subject to approval of the Govt. The matter should then be referred to the Govt for sanction with full justification as required under rule 19 7 of PFR Vol I.

In the instant case the comments are given as under

- 1 The fruit shop at bus stand Ambala Cantt was given on lease on 20 3 2003 for the year 2003 04 @ Rs 76 000/ p m but the contractor run the shop for 2 months only The shop was again put on auction on 29 3 04 and maximum bid of Rs 51 000/- was received As the bid was lower than that of previous bid as such case was referred to Govt for approval The contractor was not ready to run the business in anticipation of the approval from Govt as such the shop remained vacant
- 2 As regards the Restaurant at Bus Stand Ambala Cantt there is a provision for a canteen on Delhi side as well as a restaurant on Chandigarh side The articles to be sold at both these shops are almost the same During the year 2003 04 canteen on Delhi side was leased out @ Rs 1 42 000/ p m whereas maximum bid of restaurant on Chandigarh side was Rs 80 000/ p m which was very low as compared to that for the canteen Case was referred to Govt for according approval The contractor was not ready to run the business in anticipation of approval from Govt

The approval of the Govt in both cases could not be obtained till March 06 The fruit shop was again put to auction in March 06 The fruit shop for a period 1 4 2006 to 31 3 2007 was leased out @ Rs 22 100/ p m and for 1 4 2007 to 31 3 2008 @ Rs 25 000/- p m The rate during the year 2006 07 and 2007 08 are lower as compared to the rates during the year 2003 04 and 2004 05 due to the reasons that Groundnuts Rewries etc were also sold at fruit shop during the year 2003 04 and 2004 05 whereas only fresh fruits and fresh fruits juice are to be sold at fruit shops as per new policy approved by the Govt

The restaurant/canteen were also put to auction in March 06 The restaurant (on Chandigarh side) was leased out @ Rs 1 26 000/ for a period of three years from 1 4 2006 to 31 3 2009 and the canteen under new name of fast food eating joint has been leased out @ Rs 1 01 000/ p m from 1 4 06 to 31 3 09 The Govt sanction has been received for leasing out the canteen @ Rs 1 01 000/

The audit para may therefore kindly be dropped

**During the course of oral examination, the departmental representatives promised to supply the details of the whole case togetherwith the dates of action taken by the department/sending the case for approval to the Finance Department**

**After hearing the departmental representative, the Committee desired that the information as promised above be sent to the Committee at the earliest and at the same time, the department in consultation with the Finance Department should evolve a system for speedy approval of the Government in such cases or evolve any other mechanism so that such types of huge losses to the State Exchequer may not re occur in future and the Committee may be informed of the same**

**[81] 4 3 3 Avoidable expenditure due to non adjustment of insurance premium**

Insurance of buses likely to be condemned during the year and non adjustment of the premium against new buses resulted in avoidable expenditure of Rs 26 16 lakh

Transport Department was getting its buses insured with National Insurance Company Limited (Company) As per policy of the company the premium paid in respect of those insured buses which were condemned during the same year could be adjusted against the premium for the insurance of new buses at a nominal fee of Rs 50 Buses likely to be condemned during the year could also be insured only for a part of the year

Thst check of records (March 2006) of General Manager Ambala Depot and information collected subsequently (May 2006) from eight depots revealed that the depots while getting the buses insured with the company did not keep in view the likely condemnation of buses during the year and got them insured for full year During the period December 2003 to June 2006 128 buses which remained off the road for two/three quarters during the year after condemnation were got insured by paying premium of Rs 26 23 lakh for the full year but the premium pertaining to the period after condemnation was not got adjusted against other buses

Thus getting insurance of buses for full year which were likely to be condemned during the year and getting non adjustment of the premium of condemned buses with new buses from company resulted in avoidable expenditure of Rs 26 16 lakh

The matter was demi officially referred to the Financial Commissioner and Principal Secretary to Government Haryana Transport Department in June 2006 reply had not been received (July 2006)

The department in its written reply stated as under

The buses of Haryana Roadways were got insured annually after obtaining the sanction from the Govt (copy enclosed) The buses of Haryana Roadways were got insured from M/s National Insurance Company for the year in 2006 It is also pointed out that as per Motor Vehicle Act the period of insurance was for full one year because no bus can be put on the road without insurance cover even for a single day Earlier the Insurance Company adjusted the amount on condemnation of buses prior to one year but from the year 2003 the National Insurance Company refused to adjust the amount or to refund the amount on account of condemnation/ deposit of Registration Certificate (RC) before the expiry of insurance period In this regard a copy of the letter dated 04 03 2003 written by National Insurance Company to Haryana Roadways Bhiwani is enclosed herewith which may kindly be seen for kind perusal Further it is also pointed out that reply of this para was already sent to the Accountant General (Audit) Haryana Chandigarh vide this Department Memo No 5249 SO II/Audit/2006 dated 14th July 2006

Keeping in view the above reply the para may kindly be dropped

**During the course of oral examination, the departmental representatives informed the Committee that there was a change in the policy of Insurance Companies issued in 2003 whereas the AG Office based the Audit para on the earlier policy letter of 2002 The AG Office intimated that they did not have the letter of 2003**

**After hearing the departmental representatives the Committee desired that the matter may be clarified and sorted out with the A G Office under intimation to the Committee**

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## IRRIGATION DEPARTMENT

### **[82] 4 2 10 Unfruitful expenditure on incomplete Irrigation projects**

**The Planning and Irrigation Departments could not install sprinkler sets after the closure of Haryana State Minor Irrigation Tubewells Corporation, which resulted in an unfruitful expenditure of Rs 73 52 lakh**

The Additional Deputy Commissioner cum Chief Planning and Development Officer Panchkula (ADC Cum CPDO) sanctioned (April 1999 and April 2000) drilling of five tubewells to provide irrigation water to five villages<sup>13</sup> in Panchkula district at an estimated cost of Rs 55 62 lakh (revised to Rs 58 03 lakh) under Member of Parliament Local Area Development (MPLAD) Scheme. The work for drilling of tubewells was allotted to Haryana State Minor Irrigation Tubewells Corporation (HSMITC).

Test check of records (April 2003) of ADC Cum CPDO and information collected subsequently in January 2006 revealed that the work of drilling and development of tubewells was completed in May 2001 after incurring an expenditure of Rs 58 03 lakh. As the water yield of these tubewells was low and not found adequate for laying underground pipeline for bringing water to the fields for irrigation purposes, department decided to install sprinkler sets on these tubewells. The ADC cum CPDO released Rs 18 80 lakh during 2001-02 to HSMITC for installation of sprinkler sets. State Government, however, decided subsequently to close the HSMITC with effect from 30 June 2002 but an expenditure of Rs 15 49 lakh had already been incurred by that time on incomplete works and the balance amount of Rs 3 31 lakh was lying unspent with HSMITC. The ADC cum CPDO intimated (June 2003/January 2006) that the HSMITC neither installed sprinkler sets nor handed over charge of incomplete works to any other department. He further added that the sprinkler sets would be installed as and when State Government issues directions for completion of pending incomplete works by another department. Though the matter remained under correspondence between CPDO, HSMITC and Irrigation Department upto September 2004 but no final decision in this regard was taken by the Government. Resultantly, these tubewells could not be commissioned (January 2006). The Deputy Commissioner Panchkula while confirming the facts stated (June 2006) that matter was pursued with HSMITC but they could not decide as to which department will execute the pending incomplete works. Reply was not acceptable as the matter was not pursued with higher authorities/Government after September 2004.

Thus, failure of Planning and Irrigation Departments to get the sprinkler sets installed through another agency after the closure of HSMITC and non-pursuance with higher authorities after September 2004 resulted in unfruitful expenditure of Rs 73 52 lakh (drilling and development of tubewells Rs 58 03 lakh plus sprinkler sets Rs 15 49 lakh). Besides, purpose of providing irrigation water to the intended area and to the desired level was also defeated. The matter was demeritally referred to the Financial Commissioners and Principal Secretaries, Government of Haryana, Planning and Irrigation Departments in May 2006; reply had not been received (June 2006).

The department in its reply stated as under -

In this respect it is submitted that 5 No. Tubewells were drilled at the cost of Rs 58 03 846/- in Village Naggal Rottal, Kheranwali, Bakshiwalla, Jallah and Trilokpur.

of Pinjore block under the MP LAD Scheme by the Minor Irrigation & Tubewell Corporation. The works of drilling and development of Tubewells were completed.

The estimate cost for Commissioning and laying under ground pipes were valued Rs 4.68 lakh each. Executive Engineer, Minor Irrigation & Tubewell Corporation, Ambala during May 2001 suggested the installation of sprinkler sets on these low yielding Tubewells and to procure monoblock pumps sets and construction of D Tanks to store water first in these D Tanks and then the water will be supplied to sprinkler irrigation sets so that it may reach in far of area.

The then Haryana Government ordered to shut down the Minor Irrigation & Tubewell Corporation and till then time these sprinkler irrigation sets were not installed. The charge of all these 5 No. Tubewells were taken by Executive Engineer W.S. Divn, Ambala after the shut down of Minor Irrigation & Tubewell Corporation.

All the works of 5 No. Tubewells in Kheranwali, Nangal Rootal, Jullah Bokshiwala & Trilokpur have been completed at the cost of Rs 73,52,163/- (Rs 58,02,846 on drilling & Rs 15,49,323 on commissioning & sprinkler sets etc.) out of which 3 No. Tubewells were commissioned & work of one No. Tubewell is under progress but the members of Cooperative society of Trilokpur village are not willing for installation of sprinkler sets on their tubewell. Executive Engineer, SYL W/S Division, Ambala has requested to Haryana State Minor Irrigation & Tubewell Corporation, Panchkula to deposit the balance amount of Rs 3.31 lakh to Additional Deputy Commissioner, Panchkula vide his letter No. 5543-44/MITC dated 31.7.07.

**During the course of oral examination, the Committee was not satisfied with the replies of the departmental representatives. Therefore, the Financial Commissioner and Principal Secretary to Govt. Haryana, Irrigation Department suggested that the para may be deferred and the department will inform the Committee the dates on which the sprinkler sets were installed and to which Society these were given togetherwith the reason of not installing the fifth sprinkler. The Committee desired that the said information may be supplied to the Committee within a period of one month.**

**[83] 4.5.1 Lack of response to audit findings and observations resulting in erosion of accountability**

After periodical inspection of the Government Departments, Accountant General (Audit) (AG) issues the Inspection Reports (IRs) to the heads of offices inspected with a copy to the next higher authorities. The executive authorities are to rectify promptly the defects and omissions pointed out and report compliance to the AG within six weeks. A half yearly report of IRs pending for more than six months is sent to the concerned Administrative Secretary of the Department to facilitate monitoring of the Audit observations in the pending IRs. A review of IRs issued upto March 2006 to 89 divisions, 25 Superintending Engineer's offices (SEs) and Engineer in Chief (EIC) of the Public Works Department (PWD) Irrigation Branch disclosed that 742 paragraphs of 267 IRs (as per **Appendix XXVII**) remained outstanding at the end of June 2006. Of these, 24 IRs containing 46 paragraphs were more than five years old. Divisional Officers/SEs of 57 divisions, 16 Circles and EIC failed to submit even the initial replies to 352 paras of 74 IRs issued during April 2005 to March 2006.

The Administrative Secretary of the Department who was informed of the position through half-yearly reports failed to ensure prompt and timely action by the Departmental officers. Even serious irregularities such as loss due to theft, misappropriation and embezzlement amounting to Rupees nine lakh, recoverable amounts of Rs 11.53 crore from officers and contractors due to shortage of material, excess payments and other reasons in respect of PWD Irrigation Branch as categorised in **Appendix XXVIII** remained unsettled as of June 2006.

The matter was demi-officially referred to the Financial Commissioner and Principal Secretary, Public Works Department (Irrigation Branch) in May 2006. Reply had not been received (July 2006).

The department in its reply stated as under —

No reminders were issued but the complete reply was not received from the field officers.

After that this para converted into C&AG para 4.5.1 for the year 2005-06. Field officers were again requested to send the reply of para 4.5.1 vide letter No. 1376/1406/3PAC/349/06 dated 30.03.2007. 3 Nos reminders were also issued. As per direction of Financial Commissioner & Principal Secretary, Finance Department, Special Review Audit party was deputed to some Circle Head Quarters of Irrigation Department for review of outstanding paras. Most of the Audit observation outstanding since long time were complied with as per guide lines of Senior Accounts Officer of Accountant General (Audit) Haryana. A huge No. of Audit paras have been dropped by the special review party headed by Senior Accounts Officer of Accountant General Haryana. Financial Commissioner & Principal Secretary, Irrigation, Haryana and Engineer in chief are also taking quarterly meetings of all Chief Engineers and Superintending Engineers of Irrigation Department for reviewing the over all progress of Irrigation Department Schemes/works including Audit observations. All the Chief Engineers and Superintending Engineers have also been directed to send the justifiable reply of all the remaining audit paras to get them settled from Accountant General (Audit) Haryana.

Out of 742 paragraphs of 267 inspections reports involving the amount of Rs 1829.55 crore, the department has got settled 583 Nos para of 167 inspection reports involving Rs 1556.11 crore leaving a balance of 159 paragraphs of 100 inspections reports for the sum of Rs 273.44 crore. In the case of loss due to theft, misappropriation and embezzlement about 70 Nos cases have also been solved and will be discussed orally by the Public Account Committee, Haryana.

Now the Special Review Audit Party is reviewing one Circle quarterly. Field officers have also been directed to prepare the justifiable replies of all remaining Audit paras for submission at the time of Audit from the routine Audit party of Accountant General (Audit) Haryana so all the paras may kindly be dropped.

**The Committee desired that vigorous efforts may be made to settle the outstanding paras/inspection reports and recover the balance amount at an early date.**

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**GENERAL****[84] 172 Financial assistance to local bodies and other institutions**

Autonomous bodies and authorities perform non commercial functions of public utility service. These bodies/authorities receive substantial financial assistance from Government. Government also provides substantial financial assistance to other institutions such as those registered under the respective State Co operative Societies Act, Companies Act, 1956 etc. to implement various programmes of Government. The grants are given by Government mainly for maintenance of educational institutions, hospitals, charitable institutions, construction and maintenance of schools and hospital buildings, improvement of roads and other communication facilities under municipalities and local bodies.

The quantum of assistance provided to different Bodies etc. during the period of five years ending 2005-06 was as follows:

**Table 15**

(Rupees in crore)

Sl No	Bodies/authorities, etc	2001-02	2002-03	2003-04	2004-05	2005-06
1	Universities and Educational Institutions	215.59	190.14	242.31	72.91	244.06
2	Municipal Corporations and Municipalities	144.03	158.95	175.96	180.00	Nil
3	Zila Parishads and Panchayati Raj Institutions	35.77	5.02	59.25	29.42	73.12
4	Development Agencies	128.32	116.82	114.68	121.28	303.31
5	Hospitals and other Charitable Institutions	16.04	16.26	10.55	22.32	25.28
6	Other Institutions (including statutory bodies)	128.71	120.61	124.46	92.19	196.29
<b>Total</b>		<b>668.46</b>	<b>607.80</b>	<b>727.21</b>	<b>518.12</b>	<b>842.06</b>
	Percentage increase (+)/ decrease ( ) over previous year	31	( ) 9	20	( ) 29	63
	Assistance as a percentage of revenue receipts	9	7	7	5	6
	Percentage of assistance to revenue expenditure	8	7	7	5	7

\* No grant in-aid was given under Capital outlay on water supply and sanitation

### **1 7 3 Delay in furnishing utilisation certificates**

The financial rules 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 verifications these should be forwarded to Accountant General (AG) within 15 months from the date of sanction of the grant unless specified otherwise

Of 3 486 utilisation certificates due in respect of grant in aid of Rs 1 310 93 crore paid during 1991-92 to 2004 05 only 651 utilisation certificates for Rs 326 98 crore were furnished to AG by 30 June 2006 and 2 835 certificates for Rs 983 95 crore were in arrears Department wise and age wise break-up is given in **Appendix II**

### **1 7 4 Delay in submission of accounts by Autonomous Bodies**

The status of submission of accounts by the autonomous bodies and submission of separate Audit Reports thereon to the State Legislature as of June 2006 is given in **Appendix III**

### **1 7 5 Audit arrangements**

The audit of local bodies (Zila Parishads Nagar Palikas and Town Area/ Notified Area Committees) Educational Institutions Panchayati Raj Institutions and others was conducted by the Director Local Fund Audit Haryana Audit of Co operative Societies is conducted by the Registrar Co operative Societies Haryana

The accounts of 70 bodies/authorities which were received for the year 2004 05 attracted audit by Comptroller and Auditor General of India All of these 70 bodies/authorities audit of which was due were audited during 2005 06

Three hundred and forty annual accounts of 103 autonomous bodies/authorities for 2005 06 and earlier years had not been received as of July 2006 by the Accountant General (Audit) The details are given in **Appendix IV** Of these bodies/authorities 20 Municipal Committees and five Aided Colleges did not submit their accounts for five years or more

### **1 7 6 Non furnishing of accounts of utilisation of grants**

Out of 225 autonomous bodies to whom various Government departments released grants in aid of Rs 339 24 crore during the year 2004 05 as detailed in **Appendix V** 190 did not render the accounts for the utilisation of grants to the concerned departments as of July 2006

The Committee observed that this para is regarding non furnishing of utilisation certificates by various departments/autonomous bodies The Finance department gives grants to different departments on the basis of allocation It is the responsibility of the concerned departments to submit utilisation certificates well in time

The Committee recommends that all outstanding utilisation certificates be furnished and Finance department should ensure before the release of further grants to the departments that they have furnished all the outstanding utilisation certificates of previous grants



**[85] 177 Misappropriations defalcations, etc**

The State Government reported 257 cases involving Rs 1 69 crore on account of misappropriations defalcations etc of Government money These cases pertained to the period from 1971 72 to the end of March 2006 on which final action was pending at the end of June 2006 The department wise/year wise and category wise break up of pending cases is given in **Appendix VI and VII** respectively

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 earlier 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

**[86] 178 Write off of losses etc**

During 2005 06 Rs 2 87 lakh representing losses due to theft fire and irrecoverable revenue etc were written off in two cases by competent authorities as reported to audit The relevant details are given in Table 16

**Table 16**

Sl No	Department	Number of cases	Amount (Rupees in lakh)
1	Education	1	0 08
2	Finance	1	2 79
<b>Total</b>		<b>2</b>	<b>2 87</b>

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

**Appendix II**  
**(Refer paragraph 17.3)**

**Details of utilisation certificates required, received and outstanding**

Sr No	Name of the department	Year	Utilisation certificates due		Utilisation certificates received		Utilisation certificates outstanding	
			Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)	Items	Amount (Rs in lakh)
1	2	3	4	5	6	7	8	9
1	Housing	2001 02	8	58 17	8	58 17	—	—
		2003 03	8	52 26	8	52 26	—	—
		2003 04	7	41 15	7	41 15	—	—
		2004 05	8	39 15	8	39 25	—	—
2	Urban Development	1998 99	17	579 21	2	10 00	15	569 21
		1999 2000	130	704 05	6	26 38	124	677 67
		2000 01	142	1 122 17	10	28 17	132	1094 00
		2001 02	460	1 513 83	3	35 57	457	1478 26
		2002 03	325	3 648 46	26	159 38	299	3489 08
		2003 04	233	3 583 16	31	183 31	202	3399 85
		2004 05	212	4 837 81	18	76 30	194	4761 51
3	Irrigation	1998 99	2	100 00	—	—	2	100 00
		1999 2000	2	120 00	—	—	2	120 00
		2000 01	3	321 68	—	—	3	321 68
		2001 02	3	382 69	—	—	3	382 69
		2002 03	3	1 638 61	2	1 495 61	1	143 00
		2003 04	4	2 932 62	1	650 00	3	2 282 62
		2004 05	10	2 875 12	3	313 26	7	2 561 86
4	Power	2001 02	5	2 537 36	—	—	5	2 537 36
		2002 03	5	1 880 30	—	—	5	1 880 30
		2003 04	8	5 392 87	—	—	8	5 392 87
		2004 05	60	995 38	—	—	60	995 38
5	Agriculture	2004 05	6	1 881 00	—	—	6	1 881 00
6	Rural Employment	2000 01	2	22 36	—	—	2	22 36
		2001 02	12	1 335 62	4	1 257 76	8	77 86
		2002 03	12	6 19	1	13 44	11	102 75
		2003 04	11	1 916 66	2	150 23	9	1 766 43
		2004 05	41	4 518 96	34	3 398 31	7	1 120 65
7	Development and Panchayat	2002 03	3	502 06	—	—	3	502 06
		2003 04	16	10 095 18	—	—	16	10 095 18
		2004 05	14	6 891 70	1	6 80	13	6 884 90
8	Economical and Statistical Advisor	2001 02	10	25 22	—	—	10	25 22
		2002 03	36	12 43	36	12 43	—	—
		2003 04	36	15 00	36	15 00	—	—
		2004 05	36	15 00	7	2 85	29	12 15

1	2	3	4	5	6	7	8	9
9	Medical	1991 92	1	5 00	1	5 00	—	—
		1992 93	2	35 00	2	35 00	—	—
		1993 94	13	250 15	13	250 15	—	—
		1994 95	16	232 96	16	232 96	—	—
		1995 96	9	74 82	9	74 82	—	—
		1998 99	2	18 93	2	18 93	—	—
		2002 03	1	100 00	—	—	1	100 00
		2003 04	10	113 98	7	36 20	3	77 78
10	Education	2004 05	21	525 36	15	395 68	6	129 68
		2003 04	282	15 750 52	46	11 837 89	236	3 912 63
		2004 05	13	4 472 25	6	4 252 12	7	220 13
11	Revenue	2001 02	8	372 72	—	—	8	372 72
		2002 03	3	0 45	—	—	3	0 45
		2004 05	5	2 40	5	2 40	—	—
12	Social Security and Welfare	1998 99	1	96 21	1	96 21	—	—
		1999 2000	6	526 32	6	526 32	—	—
		2000 01	13	659 86	3	6 00	10	653 86
		2001 02	8	611 25	2	4 70	6	606 55
		2002 03	18	298 57	7	17 76	11	280 81
		2003 04	53	748 01	30	212 73	23	535 28
		2004 05	28	1 706 66	8	64 00	20	1 642 66
13	Technical Education	2004 05	44	2 474 68	41	1 069 68	3	1 405 00
14	Sports	2001 02	3	23 75	2	22 10	1	1 65
		2002 03	3	36 58	—	16 08	3	20 50
		2003 04	9	239 25	2	90 69	7	148 56
		2004 05	32	341 31	7	20 61	25	320 70
15	Science and Technology	2003 04	4	376 20	—	—	4	376 20
		2004 05	19	379 89	13	131 04	6	248 85
16	Ecology and Environment	2003 04	1	2 41	1	2 41	—	—
		2004 05	5	15 74	—	—	5	15 74
17	Tourism	2004 05	2	42 00	2	42 00	—	—
18	Public Health	2001 02	10	1 331 26	6	770 55	4	560 71
		2002 03	81	3 664 31	41	1 168 48	40	2 495 83
		2003 04	242	11 168 13	8	483 39	234	10 684 74
		2004 05	457	17 999 08	—	—	457	17 999 08
19	Art and Culture	2003 04	1	4 00	1	4 00	—	—
		2004 05	4	3 27	4	3 27	—	—
20	Animal Husbandry	2004 05	16	628 50	16	628 50	—	—
21	Fisheries	2001 02	1	1 45	—	—	1	1 45
		2002 03	19	275 14	—	—	19	275 14
		2004 05	37	354 92	—	—	37	354 92

1	2	3	4	5	6	7	8	9
22	Non Conventional Sources of Energy	1993 94 2003 04 2004 05	1 7 12	1 99 163 48 108 79	— 2 2	— 19 90 1 08	1 5 10	1 99 143 58 107 71
23	Village and Small Scale industries	1998 99 1999 2000 2000 01 2001 02 2002 03 2003 04 2004 05	4 4 4 2 10 4 21	39 41 116 67 131 00 64 50 997 55 100 00 662 45	3 4 3 2 10 4 20	27 56 116 67 130 86 64 50 997 55 100 00 652 45	1 — 1 — — — 1	11 85 — 0 14 — — — 10 00
24	Civil Aviation	2004 05	24	40 00	24	40 00	—	—
Total Say			3 486 1 31	092 66 1 310 93 crore	651	32 697 87 326 98 crore	2 835	98 394 79 983 95 crore

**Appendix III**  
**(Refer paragraph 174)**

**Details with status of accounts submitted by Autonomous bodies  
to State Legislature**

Sr No	Name of the body	Period of entrustment of audit of accounts to CAG	Year for which accounts due	Year upto which accounts submitted	Year upto which Audit Report issued	Year upto which Audit Report submitted to State Legislature	Reasons for non finalisation of Audit Reports
1	Haryana Khadi and Village Industries (Board) Manimajra Chandigarh	2002 03 to 2006 07	2003 04 to 2005 06	2002 03	2002 03	2001 02	
2	Haryana Labour Welfare Board Chandigarh	2002 03 to 2006 07	2005 06	2004 05	2004 05	2001 02	
3	Haryana Urban Development Authority Panchkula	2002 03 to 2006 07	2005 06	2004 05	2004 05	2002 03	
4	Haryana Housing Board Panchkula	2004 05 to 2008 09	2005 06	2004 05	2004 05	2003 04	*
5	Haryana State Agricultural Marketing Board Panchkula	2000 01 to 2004 05 2005 06 to 2009 10	2005 06	2004 05	2004 05 SAR under process	Not yet submitted	
6	Mewat Development Agency Nuh (Gurgaon)	2000 01 to 2004 05	2004 05	2003 04	2003 04	Not applicable	Reminder issued on 30.5.06 for further entrustment of audit of its accounts
7	Haryana State Legal Service Authority Chandigarh	1996 97 to 2000 01 <sup>1</sup>	2005 06	1996 97 to 2004 05	SAR under process	—	
8	Haryana Urdu Akademi Panchkula	2001 02 to 2005 06	1996 97 to 2004 05	—	—	—	

Matter reported to the Financial Commissioner and Principal Secretary to Government Haryana Finance Department for submission of approved accounts/non laying of certified accounts on the table of State Legislature

- 1 No further entrustment is required as the audit is required to be undertaken under section 19 (2) of CAG's Act 1971

**Appendix IV**  
**(Refer paragraph 1 7 5)**

**Statement showing names of bodies and authorities the accounts of which had not been received**

<b>Sr No</b>	<b>Name of the body/ authotry</b>	<b>Year for which accounts had not been received</b>	<b>Grants received (Rupees in lakh)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	Municipal Committee Bahadurgarh	1986 87	35 93
		1993 94	34 08
		1996 97	50 00
		1997 98	25 95
		1999 2000	49 50
		2000-01	48 93
		2003 04	304 10
		2004-05	33 12
		2005-06	221 34
2	Municipal Committee Bhiwani	1987 88	36 40
		1988 89	33 25
		1989 90	36 00
		1995 96	50 00
		1997 98	27 56
		1998 99	72 00
		1999 2000	1 156 87
		2000 01	247 58
		2002 03	169 48
		2003 04	182 25
		2004 05	47 90
		2005 06	118 21
3	Municipal Committee Karnal	1982 83	7 00
		1988 89	32 61
		1997 98	36 12
		1998 99	26 25
		2000 01	60 08
		2001 02	57 73
		2002 03	62 67
		2003 04	39 84
		2004 05	52 72
		2005 06	138 41

1	2	3	4
4	Municipal Committee Narnaul	1988 89	25 30
		1989 90	28 63
		1997 98	36 12
		1998 99	26 25
		2000 01	60 08
		2001 02	75 88
		2004 05	49 30
		2005 06	192 58
5	Municipal Committee Rohtak	1987 88	34 00
		1988 89	37 61
		1989 90	32 35
		1996 97	25 08
		1997 98	78 44
		1999 2000	266 56
		2000 01	197 41
		2001 02	101 20
		2002 03	155 48
		2003 04	162 45
		2004 05	140 58
		2005 06	301 32
6	Municipal Corporation Faridabad	1995-96	39 38
		1996 97	50 00
		1997 98	30 00
		1998 99	669 00
		1999 2000	394 00
		2000 01	111 61
		2002 03	93 29
		2003 04	175 14
		2004 05	121 80
		2005-06	404 28
7	Municipal Committee Sonapat	1997 98	69 93
		1998 99	326 25
		1999 2000	263 23
		2000 01	167 82
		2002 03	132 73
		2003 04	70 77
		2004 05	50 43
		2005 06	206 72
8	Municipal Committee Jagadhari	2004 05	33 46
		2005 06	54 92

1	2	3	4
9	Municipal Committee Panipat	1996-97	65 00
		1998 99	528 00
		1999 2000	306 30
		2000 01	146 26
		2002 03	55 65
		2003 04	78 09
		2004 05	57 06
		2005 06	238 95
10	Municipal Committee Gurgaon	1996 97	31 69
		1997-98	42 78
		1998-99	471 25
		1999 2000	235 25
		2000 01	170 38
		2002 03	34 96
		2003 04	86 01
		2004 05	42 32
		2005 06	217 18
11	Municipal Committee Yamuna Nagar	1998 99	350 00
		1999-2000	578 66
		2000 01	172 96
		2001 02	273 05
		2002 03	419 51
		2003 04	26 77
		2004 05	43 33
		2005 06	104 61
12	Municipal Committee Palwal	1995 96	50 00
		1998 99	30 00
		1999 2000	105 00
		2000 01	62 75
		2003 04	41 49
		2004 05	38 05
		2005 06	214 68
13	Municipal Committee Charkhi Dadri	1995 96	33 33
		1999 2000	50 00
		2000-01	43 14
		2001 02	50 00
		2004 05	26 33
		2005 06	53 65



1	2	3	4
14	Municipal Committee Rewari	1996 97	50 00
		1997 98	38 82
		1999 2000	229 73
		2000 01	84 17
		2003 04	48 40
		2004 05	35 70
		2005 06	133 45
15	Municipal Committee Barwala	1996 97	33 33
		1999 2000	50 00
		2000-01	31 04
		2001 02	70 54
		2005 06	40 98
16	Municipal Committee Thanesar	1997 98	31 81
		1999 2000	26 76
		2000 01	80 81
		2002 03	126 28
		2003 04	31 01
		2004 05	163 32
		2005 06	89 72
17	Municipal Committee Ambala City	1998 99	70 25
		2000 01	676 27
		2002 03	145 80
		2003 04	208 56
		2005 06	148 50
18	Municipal Committee Ambala Cantt	2002 03	26 43
		2005-06	239 80
19	Municipal Committee Kurukshetra	1998 99	33 75
		2005 06	133 48
20	Municipal Committee Kaithal	1998 99	62 25
		1999 2000	638 42
		2000 01	98 95
		2003 04	198 12
		2004 05	33 98
		2005 06	103 66
21	Municipal Committee Gannaur	2002 03	41 16
22	Municipal Committee Gohana	2003 04	119 24
		2005-06	69 99

1	2	3	4
23	Municipal Committee Bawani Khera	1998 99 1999 2000	32 03 40 00
24	Municipal Committee Kharkhoda	1998 99 2005 06	50 00 46 41
25	Municipal Committee Pehowa	1999 2000 2000 01 2001 02 2002 03	36 16 41 81 32 67 50 00
26	Municipal Committee Jhajjar	1999 2000 2004 05 2005 06	180 00 21 48 169 09
27	Municipal Committee Safidon	2000 01 2003 04 2004-05	81 62 110 28 95 15
28	Municipal Committee Sirsa	2001 02 2002 03 2003 04 2004 05 2005 06	48 66 127 27 26 06 29 47 297 76
29	Municipal Committee Dabwali	2002 03 2003-04	140 23 158 58
30	Municipal Committee Taoru	1999 2000 2005 06	40 00 59 95
31	Municipal Committee Uchana	1999 2000	30 00
32	Municipal Committee Asandh	1999 2000 2003 04 2004 05	120 00 74 54 44 06
33	Municipal Committee Naraingarh	1999 2000 2002 03 2005-06	34 79 59 62 70 10
34	Municipal Committee Kalanaur	1999-2000 2005 06	40 00 42 32
35	Municipal Committee Tosham	1999 2000	28 40
36	Municipal Comm ttee Ratia	1999 2000 2005 06	30 00 141 32

1	2	3	4
37	Municipal Committee Sahahabad	2000 01 2003 04 2005 06	73 04 158 64 43 99
38	Municipal Committee Ladwa	2000 01	45 16
39	Municipal Committee Tohana	2001 02 2005-06	137 98 25 21
40	Municipal Committee Meham	2001 02 2003 04 2005 06	31 06 64 41 54 02
41	Municipal Committee Sohna	2000 01	37 58
42	Municipal Committee Narwana	2000 01 2003 04 2004 05 2005 06	60 58 51 00 48 61 79 92
43	Municipal Committee Hansi	2000 01 2001 02 2002 03 2003 04 2004 05 2005 06	108 50 105 25 83 89 138 08 32 70 108 10
44	Municipal Committee Mohindergharh	2000 01 2005 06	38 55 61 26
45	Municipal Committee Jind	2000 01 2001 02 2002 03 2003 04 2004 05 2005 06	135 63 73 50 57 39 25 01 41 85 133 74
46	Municipal Committee Fatehabad	2000 01 2002 03 2004 05 2005 06	50 23 40 16 89 71 222 22
47	Municipal Committee Ellenabad	2000 01 2005 06	43 10 41 22
48	Municipal Council Panchkula	2001 02 2005 06	116 06 160 54
49	Municipal Committee Cheeka	2003 04 2004 05	158 28 81 00

1	2	3	4
50	Municipal Committee Indri	2003 04 2005 06	74 01 54 21
51	Municipal Committee Pinjore	2003 04	34 60
52	Shri Bhuteshwar Temple Tirath Jind	1994 95	25 29
53	Aravali Vikas Sangathan Gurgaon	1995-96	100 00
54	Software Technology Park of India New Delhi	2002 03	250 00
55	Haryana Slum Clearance Board Chandigarh	1998 99	700 48
56	Rajaya Sainik Vocal Training Centre Panchkula	1998 99 2003 04	46 25 54 91
57	District Council for Child Welfare Rewari	1999 2000	38 75
58	Fish Farm Development Agency Gurgaon	2000 01	45 85
59	Charitable Endowment Haryana Manimajra	2001 02 2002 03	478 00 478 00
60	Society for I T Initiative fund for e Governance Chandigarh	2002-03 2003 04 2004 05	165 55 60 00 25 00
61	Haryana Engery Development Agency Chandigarh	2001 02 2002 03 2003-04 2004 05	67 30 41 50 384 37 25 00
62	Maharaja Aggarsain Institute of Medical Education & Research Agroha (Hisar)	2003 04 2004 05	69 48 80 00
63	Board of Trustees (SOS) Children Villages Bal Gram Rai (at Chd )	2003 04	240 00
64	Saket Hospital Panchkula	2004 05	50 00
65	Director Haryana Institute of Rural Development Nilotkheri	2004 05	40 00
66	Fish Farm Dev Agency Hisar	2005 06	42 54
67	Haryana State Council of Science and Technology	2005 06	170 00
68	Blood Transfusion Council Panchkula	2005 06	150 00
<b>Private Aided Colleges</b>			
69	S L D A V College of Education Ambala City	2003 04 2005 06	33 49 40 93

1	2	3	4
70	SM Lubana Khalsa Girls College Barara (Ambala)	2000 01 2001 02 2002-03 2003 04 2004 05 2005 06	38 20 40 55 33 65 44 20 53 03 49 72
71	M P N College Mullana (Ambala)	2005 06	54 29
72	Maharaja Aggarsein College Jagadhri	2003 04 2004 05 2005 06	49 13 41 68 44 55
73	DAV College Sadhaura	2000 01 2001 02 2002 03 2003 04 2004-05 2005 06	40 70 53 06 50 75 60 23 57 28 65 35
74	M L N College Radaur	2005 06	52 31
75	APJ Saraswati College of Education Charkhi Dadri	2003 04 2005 06	40 73 43 99
76	B L J Suwala College Tosham	2003 04 2005 06	30 20 30 63
77	RLS College of Education Sidhrawati (Gurgaon)	2005-06	50 69
78	DAV Centenary College Faridabad	2005 06	66 70
79	Saraswati Mahila Mahavidyalya Palwal	2005 06	57 30
80	SD Mahila Mahavidyalya Hansi	2002 03 2003 04 2004 05 2005 06	54 66 61 26 49 93 56 85
81	CR College of Education Hisar	1999 2000 2000 01 2003 04 2004 05	26 40 27 50 31 37 31 44
82	SD Mahila Mahavidyalya Narwana (Jind)	2004 05 2005 06	35 39 35 26
83	DAV College Pundri (Kaithal)	2005 06	55 91
84	DAV College Cheeka (Kaithal)	2005 06	60 31

1	2	3	4
85	Kanya Mahavidyalaya Dhand (Kaithal)	1999 2000 2000 01 2001-02 2002 03 2003 04 2004 05 2005 06	31 40 36 05 34 60 40 78 50 24 46 97 55 87
86	Bhagwan Parshu Ram College Kurukshetra	1999 2000 2000 01 2002 03 2003 04 2004 05 2005 06	37 30 44 30 44 30 67 43 56 99 68 09
87	RDS Public Girls College Rewari	1998 99 1999 2000 2000 01 2001 02 2002-03 2003 04 2004 05 2005 06	39 30 30 40 29 55 38 55 30 42 67 50 43 28 57 92
88	S P College of Education Rewari	2003 04 2004-05 2005 06	26 95 26 99 25 33
89	GB Degree College Rewari	1996 97 1997 98 1998 99	29 90 31 70 31 30
90	CR College of Education Rohtak	2005 06	36 35
91	MK Jat Kanya Mahavidyalaya Rohtak	2005-06	73-51
92	Guru Hari Singh Mahavidyalaya Jiwan Nagar Sirsa	2005-06	42 86
93	Vaish Arya Kanya Mahavidyalaya Bahadurgarh (Jhajjar)	2003 04 2004 05 2005-06	44 02 33 22 36 60
94	M A College for Women Jhajjar	2005 06	56 58
95	TR College of Education Sonapat	2000 01 2003 04 2004 05 2005 06	29 10 26 09 27 68 31 34

1	2	3	4
96	BPS College of Education Khanpur Kalan	2000 01 2003 04	26 40 25 00
97	T R Girls College Sonapat	1999 2000 2003 04 2004 05 2005 06	33 10 46 60 32 85 37 51
98	DAV College of Education for Women Karnal	2003 04 2005 06	118 62 112 25
99	CIS Kanya Mahavidhalya Fatehpur Pundri (Kaithal)	2004 05 2005 06	62 01 63 12
100	DAV College Naneola (Ambala)	2004 05 2005 06	26 88 33 52
101	APJ Saraswati KMV Charkhi Dadri	2004 05 2005 06	43 15 43 99
102	Vaish College of Education Rohtak	2004 05	26 61
103	Hindu College of Education Sonapat	2004 05 2005 06	41 67 49 22

**Appendix V**  
**(Refer paragraph 176)**  
**Details and status of grants-in aid released by State Government**

Sr No	Name of the Department	Total number of bodies	Did not render the accounts year of accounts	Did not render the accounts in prescribed format	Did not utilise 50 per cent of grants given in a year	Which diverted/ misutilised the funds (including grants released by GOI)/ amount diverted/ misutilised	Defaulted repayment of loans/ amount overdue (Rupees in crore)	Which did not maintain c-sh book/ maintained irregularly	Which did not invest its surplus fund/ retained huge balance in cash chest/ average amount of surplus funds	Any other interesting point noticed from the audit of accounts	Grant paid (Rupees in crore)
1	2	3	4	5	6	7	8	9	10	11	12
1	Medical	12	-	-	-	-	-	-	-	Nil	304
2	Technical Education	9	9	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3298
3	Sports	8	8	Nil	Nil	Nil	Nil	Nil	Nil	Nil	106
4	Urban Development	69	69	Nil	Nil	Nil	Nil	Nil	Nil	Nil	15671
5	Rural Development	19	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4779
6	Education	100	100	Nil	Nil	Nil	Nil	Nil	Nil	Nil	8576
7	Science and Technology	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	730
8	Animal Husbandry	4	4	Nil	Nil	Nil	Nil	Nil	Nil	Nil	458
9	Public Relations & Cultural Affairs	2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	002
<b>Total</b>		<b>225</b>	<b>190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33924</b>



**Appendix VI**  
**(Refer paragraph 1 7 7)**

**Department wise/year wise break up of the cases in which final action was pending at the end of June 2006**

<b>Name of the Department</b>	<b>Upto 5 years</b>	<b>5 to 10 years</b>	<b>10 to 15 years</b>	<b>15 to 20 years</b>	<b>20 to 25 years</b>	<b>25 years to more</b>	<b>Total</b>
Animal Husbandry	3 (7 04)	—	3 (3 22)	—	—	—	6 (10 26)
Education	13 (4 69)	6 (4 70)	4 (2 30)	3 (1 72)	3 (1 87)	3 (1 80)	32 (17 08)
Fisheries	1 (8 06)	—	—	—	—	—	1 (8 06)
Food and Supplies	—	1 (1 22)	1 (0 27)	2 (4 75)	—	—	4 (6 24)
Forest	1 (0 15)	9 (14 01)	1 (0 55)	6 (1 12)	1 (0 15)	—	18 (15 95)
Irrigation	17 (13 03)	14 (3 33)	21 (4 99)	30 (2 15)	27 (7 53)	2 (0 10)	111 (31 13)
Labour and Employment	—	—	1 (0 02)	1 (0 14)	—	—	2 (0 16)
Medical	4 (2 04)	—	1 (1 50)	2 (11 92)	—	—	7 (15 46)
Police	1 (3 79)	—	—	—	—	—	1 (3 79)
Public Health	5 (3 54)	4 (0 24)	2 (—)	14 (2 22)	10 (1 79)	5 (1 48)	40 (9 27)
Public Relations	1 (0 08)	—	—	—	—	—	1 (0 08)
Public Works (B&R)	5 (0 71)	1 (—)	1 (0 40)	3 (2 35)	1 (0 03)	—	11 (3 49)
Revenue	2 (10 52)	—	—	—	—	—	2 (10 52)
Social Welfare	—	—	—	1 (—)	—	—	1 (—)
Sports and Youth Welfare	1 (0 87)	—	—	—	—	—	1 (0 87)
Technical Education	12 (31 62)	2 (1 22)	1 (0 19)	—	1 (0 03)	—	16 (33 06)
Transport	—	1 (3 16)	—	1 (0 60)	—	1 (0 22)	3 (3 98)
<b>Total</b>	<b>66 (86 14)</b>	<b>38 (27 88)</b>	<b>36 (13 44)</b>	<b>63 (26 97)</b>	<b>43 (11 40)</b>	<b>11 (3 38)</b>	<b>257 (169 43)</b>

(Figures in bracket are Rupees in lakh)

## Appendix VII

(Refer paragraph 1 7 7)

Department wise details in respect of cases relating to theft, misappropriations/ loss of Government material and fire/accident at the end of June 2006

Name of the Department	Theft cases		Misappropriations/ loss of Government material		Fire/Accident	
	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)	Number of cases	Amount (Rs in lakh)
Animal Husbandry	3	9 43	3	0 83	—	—
Education	24	12 80	7	4 21	1	0 07
Fisheries	—	—	—	—	1	8 06
Food and Supplies					4	6 24
Forest	3	4 70	1	0 15	14	11 13
Irrigation	72	10 46	31	8 72	8	11 95
Labour and Employment	2	0 16	—	—	—	—
Medical and Public Health	4	2 04	1	1 50	2	11 92
Police	—	—	—	—	1	3 79
Public Health	29	4 65	9	3 96	2	0 66
Public Relations	—	—	—	—	1	0 08
Public Works (B&R)	8	1 15	3	2 34	—	—
Revenue	—	—	2	10 52	—	—
Social Welfare	—	—	1	—	—	—
Sports and Youth Welfare	1	0 87	—	—	—	—
Technical Education	13	21 19	2	11 58	1	0 29
Transport	—	—	2	3 38	1	0 60
<b>Total</b>	<b>159</b>	<b>67 45</b>	<b>62</b>	<b>47 19</b>	<b>36</b>	<b>54 79</b>

# Appendix XX

(Refer paragraph 3 2 8 1)

## Statement showing details of cases where the amount of agreement varied from the actual cost of work to be executed by the Contractor

Sr No	Name of Division	Name of work	Estimated cost on which agreement was made	Cost of work required to be executed as per rates quoted by contractor	Allotment
1	Bhiwani	1 Work of the annual maintenance (By Providing 20 mm thick premix carpet with paver) in Siwani Singhani Road km 64 36 to 74 26 in Bhiwani district	34 10	35 28	Allotted vide No 1936 dated 9 3 06
		2 S/R of Jind Bhiwani road by providing surface dressing km 83 87 to 88 80 91 80 to 92 70 93 85 to 95 00 96 60 to 97 75 in Hisar District	13 72	14 94	3450 dated 11 11 05
2	Fatehabad	3 Providing and laying surface dressing on Budladha Ratia Fatehabad Bhattu Bhadra Road (SH 21)	49 41	53 57	Allotted vide No 3509 dated 30 11 05
3	Hansi	4 Hansi Jind road by providing removing of slush/slips raising and reconstruction in km 5 to 30 805 various roads in Narnaund Town in Hisar District	237 85	269 39	Allotted vide No 78 dated 10 1 06
4	Kaithal	5 Improvement by providing strengthening and Hard shouldering on Ambala Hisar road in km 123 18 to 125 28 in Kaithal District	85 00	89 18	No 263 dated 10 3 05
		6 Reconstruction on Kaithal Karnal road km 46 50 to 48 75 in Kaithal District	81 70	91 06	Agreement No 5 of 2004 05 (HHUP II)
		7 Laying CC pavement on Kaithal Jind road in city area Panchayat Bhawan to Pehowa Chowk in Kaithal District km 199 50 to 199 93 and 200 53 to 200 825	104 50	125 77	SE Jind No R/5376 dated 26 7 04
		8 Providing and strengthening with lean Bitumen Macadam and 25 mm thick SDBC on Kaithal Jind Road in city area Panchayat Bhawan to Pehowa Chowk in Kaithal District (RD 199 930 to 200 250 and 200 825 to 201 2300)	82 00	85 13	No 5618 dated 7 5 04
5	Naraingarh	9 Periodic maintenance of Sadhaura Naraingarh Raipur Rani Mouli road (Length 38 00 km)	750 02	790 58	Agreement No HHUP/M 25
Total			1 438 30	1 554 80	

## Appendix XXIV

(Refer paragraph 3 4 6 6)

Statement showing pilferage of wheat due to short accounting of  
moisture gain during the period 1999 2005

	Quantity despatched	Quantity to be despatched	Wheat less despatched	Amount
	(Quntal)			(Ruppes in lakh)
Faridabad	52 353 63	52 609 60	255 97	1 61
Fatehabad	2 84 584 71	2 85 864 11	1 279 40	7 88
Hisar	2 27 529 59	2 32 545 57	5 015 98	30 50
Jind	2 44 732 52	2 46 144 04	1 411 52	8 53
Kaithal	9 64 422 75	9 72 346 93	7 924 18	47 52
Karnal	5 19 326 72	5 22 779 14	3 452 42	20 91
Panipat	66 993 39	67 383 12	389 73	02 42
Rewari	1 26 245 71	1 27 008 00	762 29	4 65
Sirsa	2 83 349 29	2 84 701 47	1 352 18	8 33
Sonapat	2 51 473 79	2 52 736 42	1 262 63	7 76
<b>Total</b>	<b>30,21,012 08</b>	<b>30,44,118 40</b>	<b>23,106 32</b>	<b>140 11</b>

## Appendix XXVII

(Refer paragraph 4 5 1)

Statement showing the year wise break up of outstanding  
Inspection Reports and Paragraphs

Sr No	Year	Inspection Reports	Paragraphs	Amount (Rupees in crore)
1	1998 99	1	2	0 004
2	1999-2000	5	12	0 13
3	2000 01	18	32	32 15
4	2001 02	19	31	8 07
5	2002 03	35	60	54 13
6	2003-04	46	91	63 41
7	2004 05	53	154	205 94
8	2005 06	90	360	1 465 72
<b>Total</b>		<b>267</b>	<b>742</b>	<b>1,829 554</b>

## 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
<b>7th Report</b>			
1	PWD (B&R)	33	Payment of work done
<b>9th Report</b>			
2	Industries	5(2)	Credit facilities for development of small industries
<b>14th Report</b>			
3	Industries	6	Purchase of Cotton Yarn
<b>16th Report</b>			
4	Industries	2(a) and 2(d)	Subsidy of setting up industries Units in selected Backward areas (Cases of M/s B K Steel Rolling Mill) Tohana and M/s Modern Industries Charkhi Dadri
<b>18th Report</b>			
5	Co operation	39	Co operative Consumer Stores
<b>19th Report</b>			
6	Public Relations	8	Setting up of an open air theatre in village Kaul (District Kurukshetra)
7	Excise and Taxation	40	Loss of duty on excess wastage
<b>21st Report</b>			
8	PWD (Public Health)	12	Outstanding Recoveries against contractor
<b>22nd Report</b>			
9	Industries	10(ii)	Industrial Estate
10	Co operation	16	Co operative Consumer Stores
11	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
12	Revenue	40	Non levy of registration fee
13	Excise and Taxation	52	Loss of duty on excess wastage in bottling operation
14	Excise and Taxation	53	Loss of duty on excess storage wastage
15	Excise and Taxation	54	Shrotfall in duty
16	Excise and Taxation	56	Recovery due from contractor

1	2	3	4
<b>23rd Report</b>			
17	Co operation	34	Co operative Consumer Stores
18	Food and Supplies	35	Haryana State Federation of Consumer Co operative Wholesale Stores Limited Chandigarh
19	Excise and Taxation	47	Uncollected Revenue
20	Excise and Taxation	55	Result of test audit n general
21	Excise and Taxation	57	Failure to initiate action to recover the licence fee
22	Excise and Taxation	58	Loss of duty on excess storage wastage
23	Excise and Taxa ion	59	Loss of duty on excess wastage in bottling operation
<b>25th Report</b>			
24	Co operation	5	Co operative consumer Stores
25	Coloniza'ion	9	Encroachment of Land
26	Colonization	11	Recoveries from plot holders
27	Fisheries	31	Development of Fisheries
28	Excise and Taxation	54	Un collected revenue
29	Excise and Taxation	58	Incorrect computation of tax on interstate sales
30	Excise and Taxation	67	Irregular allowance for wastage
31	Excise and Taxation	69	Failure to enforce licence condit ons
<b>26th Report</b>			
32	Revenue	10	Gratuitous relief for crops/houses damaged
33	Irrigation	22	Faulty measurement of work resulting in over payment
34	Excise and Taxation	49	Uncollected revenue
35	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
36	Excise and Taxation	63	Non recovery of licence fee and interest
<b>28th Report</b>			
37	PWD (B&R)	14	Shortage of Steel
38	Excise and Taxation	41	Registration of dealers under Sale Tax Act
39	Excise and Taxation	44	Non recovery of licence fee and interest
<b>29th Report</b>			
40	Forest	8	Afforestation Social Forestry & including Rural fuel wood plantation and farm forestry
41	Irrigation	17	Excess issue of coal
42	Irrigation	21	Misappropriation

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43	Development	32	Forestry sector
44	Excise and Taxation	47	Non levy of penalty
45	Excise and Taxation	50	Non levy of penalty
46	Excise and Taxation	51	Non levy of penalty
47	Excise and Taxation	53	Interest not charged
48	Excise and Taxation	55	Non levy of duty on spirit lost in redistillation or conversion
49	Revenue	62	Results of Audit
50	Revenue	63	Under valuation of immovable property
51	Mines and Geology	71	Results of Audit
<b>32nd Report</b>			
52	Industries	4	Development of small Industries
53	Industries	6	Outstanding recover es of loan
54	Irrigation	12	Misappropriation
55	Irrigation	20	Shortage of Stores
56	Revenue	25	Inadmissible payment
57	Town and Country Planning (HUDA)	35	Alleged embezzlement
58	Town and Country Planning (HUDA)	36	Loss due to defective storage of cement
59	Public Health	42	Commencement of work without sanction
60	Mines and Geology	47	Uncollected revenue
61	Mires and Geology	48	Results of Audit
62	Mines and Geology	49	Short recovery or non recovery of royalty on bricks
63	Agriculture	56	Embezzlement of licence fee money
64	Excise and Taxation	61	Uncollected revenue
65	Excise and Taxation	69	Irregular levy of tax at concessional rate
66	Excise and Taxation	71	Interest penalty not charged
<b>34th Report</b>			
67	Development and Panchayats	8	Irregular and wasteful expenditure on books
68	Revenue	29	Land reforms
69	Revenue	30	Compensation to landowner
70	Revenue	31	Consolidation of holdings
71	Food and Supplies	47	Under Storage of wheat
72	Mines and Geology	55	Uncollected revenue
73	Excise and Taxation	63	Uncollected revenue



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74	Excise and Taxation	66	Short levy/non levy of purchase tax
75	Excise and Taxation	69	Non levy of penalty
76	Excise and Taxation	70	Non filling the quarterly returns
77	Irrigation	72	Arrears of revenue
78	Irrigation	74	Non raising of demand
79	Chief Electrical Inspector	78	Uncollected revenue
80	Chief Electrical Inspector	80	Arrears of electricity duty
81	Public Health	82	Results of Audit
82	Revenue	83	Results of Audit
83	Revenue	84	Under valuation of immovable property
84	Revenue	86	Short recovery of stamp duty on exchange
<b>36th Report</b>			
85	Local Self Government	3	Non recovery of Government dues
86	Food and Supplies	7	Loss due to storage of wheat
87	Transport	9	Irregular payment of overtime allowance
88	Industries	13	Non utilization of loan
89	Revenue	18	Inadmissible gratuitous relief
90	Public Health	23	Consturction of a water tank
91	Haryana State Lotteries	25	Suspended misappropriation of Government money
92	PWD (B&R)	29	Excess measurement
93	PWD (B&R)	31	Misappropriation of stroes
94	Revenue	43	Results of Audit
95	Revenue	46	Misclassification of instruments
96	PWD (B&R)	51	Results of Audit
97	Excise and Taxation	53	Uncollected Revenue (P G T)
98	Excise and Taxation	54	Uncollected Revenue (State Excise)
99	Excise and Taxation	58	Results of Audit (Sales Tax)
100	Excise and Taxation	59	Short leavy/Non levy of purchase fax
<b>38th Report</b>			
101	Science and Technology	16	Evaluation and monitoring
102	Medical and Health	18	Stores and Stock
103	Irrigation	28	Excess payment of Earth Work
104	Irrigation	32	Surplus material
105	Irrigation	34	Other point of interest
106	Irrigation	35	Shortage/Misappropriation of material

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107	Irrigation	36	Shortage of tiles
108	Public Health	41	Excess payment to the contractor
109	Public Health	42	Excess Payment
110	Mines and Geology	50	Results of Audit
111	Mines and Geology	51	Receipts from Mines and Minerals
112	Agriculture	56	Interest not charged on belated payments
113	PWD (B&R)	61	Arrears of rent
114	PWD (B&R)	62	Sale of empty bitumens drum
115	Revenue	63	Outstanding inspection reports
116	Revenue	64	Results of Audit
117	Revenue	68	Misclassification of Instrument
118	Excise and Taxation	70	Assessments in arrears
119	Excise and Taxation	7	Uncollected revenue
120	Excise and Taxation	76	Stay of Sales Tax demands against bank guarantee by the High Court/Supreme Court
121	Excise and Taxation	79	Suppression of purchases
122	Excise and Taxation	81	Irregular stay of tax and interest
123	Excise and Taxation	85	Non recovery of loss on re auction of Vend
124	Excise and Taxation	87	Recovery at the instance of Audit
<b>40th Report</b>			
125	Town and Country Planning	19	Delay in land acquisition cases
126	Irrigation	25	Injudicious purchases
127	Public Health	32	Irregular expenditure
128	Public Health	33	Stores and stock
129	Public Health	34	Injudicious purchases
130	PWD (B&R)	37	Extra payment due to incorrect entries in Measurement Books
131	PWD (B&R)	38	Avoidable extra expenditure due to retendering
132	Co operation	41	Embezzlement
133	Food and Supplies	47	Damage caused to wheat in Storage
134	Supplies and Disposals	49	Extra expenditure due to retendering
135	Excise and Taxation	50	Assessment in arrears
136	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
137	Excise and Taxation	52	Uncollected Revenue (State Excise)
138	Excise and Taxation	54	Results of Audit
139	Excise and Taxation	55	Delay in re assessment of remand cases

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140	Excise and Taxation	57	Appeals entertained without deposit of tax
141	Excise and Taxation	59	Other interesting cases
142	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
143	Excise and Taxation	61	Application of incorrect rate to tax
144	Excise and Taxation	62	Non levy of tax
145	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
146	Excise and Taxation	68	Non levy of penalty
147	Excise and Taxation	69	Interest not charged
148	Excise and Taxation	74	Non recovery of duty on wastage in excess norms
149	Excise and Taxation	75	Interest not charged
150	Revenue	79	Outstanding Inspection Reports
151	Revenue	80	Results of Audit
152	Revenue	81	Under valuation of immovable property
153	Revenue	82	Misclassifications of instruments
154	Revenue	83	Irregular grant of exemption
155	Revenue	84	Non/Short levy of stamp duty
156	Revenue	85	Irregular registration of supplementary deeds
157	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
158	Revenue	89	Embezzlement of Government revenue
159	Mines and Geology	93	Outstanding Inspection Reports
160	Mines and Geology	94	Results of Audit
<b>42nd Report</b>			
161	Irrigation	11	Excess payment due to inflated/fictitious measurements
162	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
163	Irrigation	16	Unfruitful expenditure due to non energisation of pumps
164	Irrigation	17	Defective execution of work
165	Irrigation	18	Avoidable payment of interest
166	Transport	26	Performance of minibuses
167	Agriculture	38	Unfruitful expenditure on idle equipment
168	Food and Supplies	42	Loss due to negligence
169	Public Health	53	Targets and achievements
170	Public Health	55	Other points

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171	Public Health	60	Inflated/Fictitious measurement
172	Public Health	63	Infructuous expenditure on abandoned work
173	PWD (B&R)	71	Shortage of Tools and Plant
174	Revenue	101	Outstanding Inspection Reports
175	Revenue	103	Results of Audit
176	Revenue	104	Irregular exemption of stamp duty
177	Excise and Taxation	108	Uncollected Revenue
178	Excise and Taxation	109	Frauds and evasion of taxes
179	Excise and Taxation	111	Results of Audit
180	Excise and Taxation	112	Details of appeals pending on 31 3 90
181	Excise and Taxation	113	Delay in taking up of appeal cases
182	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
183	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
184	Excise and Taxation	118	Non recovery of arrears due to delay in assessment
185	Excise and Taxation	119	Failure to verify the genuineness of dealers/ sureties
186	Excise and Taxation	120	Irregular grant of exemption certificate
187	Excise and Taxation	121	Delay in initiating/non pursuance of recovery proceedings
188	Excise and Taxation	122	Other interesting cases
189	Excise and Taxation	123	Evasion of tax
190	Excise and Taxation	125	Application of incorrect rate of tax
191	Excise and Taxation	126	Nor /Short levy of interest
192	Excise and Taxation	127	Results of Audit
193	Excise and Taxation	128	State Excise Duty
194	Excise and Taxation	129	Loss of revenue due to re auction of vends
195	Excise and Taxation	130	Short recovery of composite fee
196	Excise and Taxation	131	Non recovery of license fee and interest
197	Excise and Taxation	132	Loss due to non observance of prescribed procedure regarding auction of vends
198	Excise and Taxation	133	Interest not recovered
199	Excise and Taxation	134	Non recovery of penalties
200	Excise and Taxation	136	Uncollected Revenue
201	Excise and Taxation	138	Results of Audit
202	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non manufacturers

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203	Excise and Taxation	140	Under assessments due to short/non levy of purchase tax
204	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
205	Excise and Taxation	144	Short levy of penalty
206	Excise and Taxation	145	Results of Audit
<b>44th Report</b>			
207	Public Health	3	Sub Standard execution of work
208	Public Health	4	Recovery due from contractor
209	Irrigation	12	Surplus materials
210	Irrigation	17	Shortage of T&P articles
211	Labour and Employment	20	Cost of sub standard medicines not recovered
212	Social Welfare	21	Old Age Pension
213	Social Welfare	23	Payment of pension to ineligible persons
214	Social Welfare	26	Liberation of scavengers
215	Medical and Health	27	Family Welfare programme including India Population Project
216	Rural Development	35	Non recovery of subsidy misutilised
217	Rural Development	36	Integrated Rural Development Programme
218	Town and Country Planning	38	Unfruitful Expenditure
219	Town and Country Planning	41	Functioning of State Planning Cell
220	Town and Country Planning	42	Idle investment
221	Town and Country Planning	43	Avoidable payment of interest
222	Revenue	46	Mewat Development Board
223	Mines and Geology	48	Uncollected Revenue
224	Mines and Geology	50	Results of Audit
225	Mines and Geology	53	Short Calculation of interest
226	Mines and Geology	54	Uncollected Revenue
227	Mines and Geology	56	Results of Audit
228	Mines and Geology	57	Non realisation of contract money and interest
229	Mines and Geology	58	Non recovery of dead rent and interest thereon
230	Mines and Geology	59	Interest not charged on delayed payments
231	Mines and Geology	60	Uncollected revenue
232	Mines and Geology	61	Results of Audit
233	Mines and Geology	62	Non recovery of contract money and interest
234	Mines and Geology	63	Non recovery/Short recovery of royalty

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235	Mines and Geology	64	Interest not charged
236	Revenue	66	Uncollected Revenue (Land Revenue)
237	Revenue	67	Result of Audit
238	Revenue	68	Short levy of Stamp duty
239	Revenue	69	Under valuation of immovable property
240	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
241	Revenue	71	Irregular exemption of Stamp duty and registration fee
242	Revenue	72	Misclassification of instruments
243	Revenue	73	Uncollected Revenue
244	Revenue	74	Uncollected Revenue (Land Revenue)
245	Revenue	76	Results of Audit
246	Revenue	78	Irregular exemption of stamp duty
247	Revenue	79	Short realisation of stamp duty due to under valuation of immovable property
248	Revenue	80	Misclassification of instruments
249	Prohibition Excise and Taxation	91	Arrears in assessment of sales tax and passengers and goods tax
250	Prohibition Excise and Taxation	92	Uncollected Revenue (Sales Tax)
251	Prohibition Excise and Taxation	94	Results of Audit
252	Prohibition Excise and Taxation	95	Non registration of dealers liable to registration
253	Prohibition Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
254	Prohibition Excise and Taxation	97	Non observance of departmental instructions regarding cross verifications
255	Prohibition Excise and Taxation	98	Non observance of prescribed procedures for receipt and issue of declaration forms
256	Prohibition Excise and Taxation	99	Non observance of prescribed procedures for receipt and issue of declaration forms
257	Prohibition Excise and Taxation	100	Irregular deduction allowed against stolen forms
258	Prohibition Excise and Taxation	101	Incorrect deduction from turnover
259	Prohibition Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
260	Prohibition Excise and Taxation	103	Other points of interest
261	Prohibition Excise and Taxation	104	Non/short levy of purchase tax
262	Prohibition Excise and Taxation	106	Results of Audit
263	Prohibition Excise and Taxation	107	Interest not charged

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264	Agriculture	108	Non recovery of purchases tax and interest
265	Agriculture	109	Non recovery of purchase tax and interest
266	Power	113	Shortfall in statutory inspection of electrical installations
267	Irrigation	116	Under assessment of water charges
<b>46th Report</b>			
268	Housing	6	Loss owing to construction of houses on unapproved layout plan
269	PWD (B & R)	25	Short receipt of material
270	PWD (B & R)	27	Procurement of sub standard cement
271	Irrigation	34	Procurement of sub standard cement
272	Haryana State Lotteries	36	Appointment of main stockists
273	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
274	Haryana State Lotteries	40	Other points of interest
275	Prohibition and Excise	41	Arrears in revenue
276	Prohibition and Excise	42	Results of Audit
277	Commercial Taxes	43	Arrears in revenue
278	Commercial Taxes	44	Arrears in assessment
279	Commercial Taxes	46	Outstanding inspection reports and audit observations
280	Commercial Taxes	47	Results of Audit
281	Commercial Taxes	48	Sales Tax Check Barriers
282	Commercial Taxes	50	Short levy of Purchases Tax
283	Commercial Taxes	51	Non/Short levy of interest and penalty
284	Commercial Taxes	52	Results of Audit
<b>48th Report</b>			
285	Rural Development	3	Implementation and Achievement
286	Agriculture	4	Arrears in revenue
287	Animal Husbandry	8	Frauds and evasion of taxes/duties
288	Mines and Geology	14	Arrears in revenue
289	Mines and Geology	15	Outstanding inspection reports and audit observations
290	Transport	20	Outstanding audit objections in Internal Audit
291	Housing	27	Avoidable liability of interest
292	Animal Husbandry	28	Uneconomical working of Liquid Nitrogen Gas Plants
293	Education	29	Purchases without assessment of requirement

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294	PWD (B&R)	31	Irregular/Excess expenditure on execution of works
295	Excise and Taxation	33	Arrears in revenue
296	Excise and Taxation	37	Results of Audit
297	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
298	Excise and Taxation	44	Loss of revenue due to defray in finalisation of assessment
299	Excise and Taxation	45	Non levy o interest and penalty
<b>50th Report</b>			
300	Finance (Lotteries)	3	Printing of lottery tickets
301	Industries	5	Capital investment subsidy
302	Industries	6	Irregular release/ non recovery of assistance
303	Social Welfare	8	Panjin Plants
304	Home (Jail)	9	Injudicious purchase
305	Public Health	13	Recovery due from contractor
306	Irrigation	18	Stores and Stock
307	Irrigation	20	Tools and plants returns
308	Irrigation	21	Physical verification
309	Irrigation	22	Surplus materials
310	Town and Country Planning	24	Construction of Building and Roads by HUDA
311	Town and Country Planning	25	Construction of Building
312	Town and Country Planning	26	Test check of records relating to construction of roads
313	Town and Country Planning	27	Other points of interest
314	Town and Country Planning	28	Non recovery of compounding fee
315	Town and Country Planning	29	Avoidable payment of interest
316	Transport	30	Material Management and Inventory control
317	Transport	32	Purchase of Sub standard tubes of butyl rubber
318	Forest	36	Generation of employment
319	Forest	36	Alkali/saline land plantation
320	PWD (B&R)	47	Construction of Major Building including Staff Quarters
321	PWD (B&R)	40	Execution of works without technical sanction of cost estimates
322	PWD (B&R)	52	Undue financial favour to the contractors
323	PWD (B&R)	57	Reimbursement claims
324	PWD (B&R)	58	World Bank and Asian Development bank loan



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325	PWD (B&R)	60	Execution
326	PWD (B&R)	61	Release of advances not covered by agreement
327	PWD (B&R)	62	Non deduction of un conditional rebate and irregular payment to compensate income tax/ sales tax deductions at source
328	PWD (B&R)	63	Excess payment of price increase on diesel
329	PWD (B&R)	64	Under utilisation/idle machinery
330	PWD (B&R)	65	Irregular adjustment of expenditure
331	PWD (B&R)	66	Unfruitful expenditure due to rejection of proposal for metalling service road
332	PWD (B&R)	67	Infructuous expenditure on construction of swimming pool
333	Rural Development	77	Other points
334	Rural Development	78	Non recovery/non adjustment of advances to Ex Sarpanches
335	Rural Development	79	Non recovery of misutilised subsidy
336	Town and Country Planning	80	Non levy of Penalty
337	Town and Country Planning	81	Non recovery of auction money
338	Town and Country Planning	82	Non transfer of developed sectors
339	Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the tribunal
340	Revenue	92	Arrears in revenue
341	Revenue	93	Frauds and evasion of taxes/duties
342	Revenue	94	Results of Audit
343	Revenue	95	Internal Audit
344	Revenue	96	Results of Audit
345	Revenue	97	Stamp duty and Registration Fees
346	Revenue	98	High Pendency of cases of undervaluation with Collectors
347	Revenue	99	Misclassification of instruments
348	Revenue	100	Short levy of stamp duty
349	Revenue	101	Pre audit of registrable documents
350	Revenue	102	Arrears in Revenue
351	Revenue	103	Frauds and evasion of taxes/duties
352	Revenue	104	Results of Audit
353	Revenue	105	Outstanding audit objections in Internal Audit
354	Revenue	106	Results of Audit
355	Revenue	107	Short recovery of stamp duty on mortgage deed

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356	Revenue	108	Evasion of stamp and registration fees through power of attorney
357	Revenue	109	Evasion of Stamp Duty
358	Chief Electrical Inspector	110	Arrears in revenue
359	Mines and Geology	112	Results of Audit
360	Co operation	114	Arrears in revenue
361	Animal Husbandry	115	Frauds and evasion of taxes/duties
362	Excise and Taxation	116	Arrears in revenue
363	Excise and Taxation	117	Arrears in assessment
364	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
365	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
366	Excise and Taxation	121	Under assessment
367	Excise and Taxation	122	Under assessment
368	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
369	Excise and Taxation	125	Non/short levy of purchase tax
370	Excise and Taxation	126	Results of Audit
371	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries
372	Excise and Taxation	128	Low yield of spirit
373	Excise and Taxation	129	Loss of spirit due to re distillation
374	Excise and Taxation	131	Non recovery of cost of supervisory excise staff
375	Excise and Taxation	133	Interest short charged
376	Excise and Taxation	134	Short realisation of composite fee
377	Revenue	135	Results of Audit
378	Revenue	137	Arrears in revenue
379	Mines and Geology	139	Arrears in revenue
380	Agriculture	141	Arrears in revenue
381	Agriculture	142	Results of Audit
382	Agriculture	143	Non recovery of purchase tax and Interest
383	Finance (Lotteries)	146	Results of Audit
<b>52nd Report</b>			
384	Education	5	Colour television under Education Technology Scheme lying unused
385	Education	6	Extra expenditure on purchase of paper

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386	Agriculture	15	Non recovery of principal and interest from Sugar Mills
387	Forest	20	Payment of Rs 12.74 lakh for fictitious earth work for plantation
388	Transport	22	Sanction Procurement and Utilisation of Government vehicles
389	Transport	23	Maintenance and repairs of vehicles
390	Transport	24	Inventory of stores
391	Transport	25	Miscellaneous irregularities and avoidable expenditure
392	Irrigation	35	Unfruitful expenditure due to non commissioning of an irrigation channel
393	Irrigation	39	Miscellaneous Public Works Advances
394	PWD (B&R)	40	Infructuous expenditure on construction of a road
395	PWD (B&R)	41	Blocking of funds due to non utilisation of a road constructed without railway level crossing
396	PWD (B&R)	43	Miscellaneous Public Works Advances
397	PWD (B&R)	44	Stores and Stock
398	PWD (B&R)	45	Purchase without sanctions
399	PWD (B&R)	46	Short receipt of material
400	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgement
401	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
402	Town & Country Planning	53	Non recovery of rent from the lessees due to non observance of conditions of lease deed
403	Town & Country Planning	54	Recovery due from Junior Engineer owing to misappropriation of material
404	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
405	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
406	Social Welfare	60	Embezzlement of Rs 3.99 lakh
407	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
408	General	65	Write off of losses etc
409	Animal Husbandry	67	Arrears in revenue
410	Revenue	69	Results of Audit
411	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property

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412	Power (Chief Electrical Inspector)	72	Arrears in revenue
413	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
414	Power (Chief Electrical Inspector)	76	Non charging of electricity duty on extended load
415	Power (Chief Electrical Inspector)	77	Short realisation of electricity duty due to application of incorrect rates
416	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
417	Transport	79	Results of Audit
418	Haryana State Lotteries	86	Results of Audit
419	Haryana State Lotteries	87	Short deposit of sale proceeds of lottery tickets
420	Agriculture	88	Arrears in revenue
421	Agriculture	89	Results of Audit
422	Excise and Taxation	94	Arrears in revenue
423	Excise and Taxation	95	Arrears in assessment
424	Excise and Taxation	96	Frauds and evasions of taxes/duties
425	Excise and Taxation	97	Results of Audit
426	Excise and Taxation	101	Under assessment due to non levy of tax on branch transfers/consignment sale
427	Excise and Taxation	102	Under assessment due to non submission of declaration forms
428	Excise and Taxation	104	Arrears in assessments
429	Excise and Taxation	105	Evasion of tax due to suppression of purchases
430	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
431	Excise and Taxation	107	Incorrect levy of concessional rate of tax
432	Excise and Taxation	108	Inadmissible deduction from turnover
433	Excise and Taxation	109	Non levy of purchase tax
434	Excise and Taxation	111	Application of incorrect rate of tax
435	Excise and Taxation	112	Non levy of tax
436	Excise and Taxation	114	Under assessment due to excess rebate
437	Excise and Taxation	115	Non levy of penalty
438	Excise and Taxation	116	Non reconciliation of revenue deposits into treasury
439	Excise and Taxation	117	Results of Audit
440	Excise and Taxation	118	Short/non recovery of passenger tax

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<b>54th Report</b>			
441	Medical and Health	15	National Malaria Eradication Programme
442	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
443	Revenue	18	Fictitious payment of gratuitous relief
444	Revenue	19	Drawal of funds without requirement
445	PWD (B&R)	22	Avoidable payment of interest
446	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
447	Agriculture	29	Unfruitful expenditure due to non acquisition of land and execution of work without transfer of land
448	Agriculture	30	General
449	Education	31	Nugatory expenditure due to payment of idle wages
450	Town and Country Planning	32	Land Acquisition transfe of land and utility thereof
451	Town and Country Planning	33	Non allotment and non handling over of land
452	Town and Country Planning	34	Non utilisation of land
453	Town and Country Planning	35	Loss due to non recovery of rebate
454	Printing and Stationery	36	Pilferage of Paper
455	Transport	37	Accidents in Haryana Roadways
456	Transport	38	Accidents
457	Animal Husbandry	47	Frauds and evasions of taxes/duties
458	Chief Electrical Inspector	48	Arrears in revenue
459	Revenue	49	Arrears in revenue
460	Revenue	50	Results of Audit
461	Revenue	51	Results of Audit
462	Revenue	52	Non/Short recovery of stamp duty
463	Revenue	53	Incorrect exemption of stamp duty
464	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
465	Revenue	55	Short levy of stamp duty due to misclassification of instruments
466	Revenue	56	Incorrect refund of stamp duty
467	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
468	Revenue	58	Short recovery of stamp duty on exchange deeds

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469	Revenue	59	Results of Audit
470	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
471	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
472	Revenue	62	Return of RRCs
473	Excise and Taxation	63	Impact of prohibition on Revenue of the State
474	Excise and Taxation	64	Arrears in revenue
475	Excise and Taxation	65	Arrears in assessment
476	Excise and Taxation	66	Frauds and evasions of taxes/duties
477	Excise and Taxation	67	Results of Audit
478	Excise and Taxation	68	Disposal of appeal cases
479	Excise and Taxation	69	Delay in finalising assessments
480	Excise and Taxation	70	Delay in finalisation of remand cases
481	Excise and Taxation	71	Collection of sales tax demands in arrears
482	Excise and Taxation	72	Recovery certification cases
483	Excise and Taxation	73	Incorrect levy of concessional rate of tax
484	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
485	Excise and Taxation	75	Inadmissible deduction from turnover
486	Excise and Taxation	76	Short levy of tax on sales to Non government bodies
487	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
488	Excise and Taxation	78	Under assessment due to excess rebate
489	Excise and Taxation	79	Results of Audit
490	Excise and Taxation	80	Incorrect levy of entertainments duty
491	Transport	81	Results of Audit
492	Irrigation	84	Recovery of Water rates from canal water
493	Irrigation	85	Arrears of revenue
494	Irrigation	86	Less measurement of area irrigated
495	Irrigation	88	Excess credit to an industrial unit
496	Irrigation	90	Short recovery of lease rent
497	Agriculture	91	Arrears in revenue
498	Agriculture	92	Results of Audit
499	Agriculture	93	Non recovery of purchase tax and interest
500	Mines and Geology	97	Arrears in revenue

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501	Mines and Geology	98	Results of Audit
502	Mines and Geology	99	Short recovery of contract money and interest
503	Cooperation	100	Arrears in revenue
<b>56th Report</b>			
504	Education	3	Introduction of 10+2 pattern of education
505	Education	4	Nutritional Support to Primary Education
506	Forest	5	Rehabilitation of common lands in Aravalli Hills
507	Medical and Health	6	Working of Medical and Health Department including Manpower Management
508	Medical and Health	7	Hospitals and dispensaries
509	Medical and Health	8	Community Health Centres (CHCs)
510	Medical and Health	9	Hospital Waste Management
511	Medical and Health	10	Drug Control Programme
512	Medical and Health	11	Outstanding Inspection Reports
513	Social Welfare	13	Training and orientation of ICDS personnel
514	Finance	14	Overpayment of pensionary benefits
515	Home	18	Stores and Stock
516	Prohibition Excise and Taxation	20	Fraudulent drawals and embezzlement of Government money
517	Revenue	21	Loss of interest due to delayed refund of unspent amount
518	Revenue	22	Excess payment of Gratuitous Relief
519	Irrigation	28	Wasteful expenditure
520	Irrigation	34	Undue retention of heavy Cash Balances
521	Agriculture	36	Wasteful expenditure on construction of road
522	Co operation	37	Loss due to negligence and improper maintenance of cold storage plant
523	Town and Country Planning	38	Payment of loan to Sugar Mill from the funds of H U D A
524	Food and Supplies	40	Public Distribution System
525	Supplies and Disposals	42	Extra expenditure due to finalisation of tenders after validity period
<b>58th Report</b>			
526	Forest	3	Rehabilitation of common lands in Aravalli Hills
527	Excise and Taxation	4	Arrears in revenue

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528	Excise and Taxation	5	Arrears in assessment
529	Excise and Taxation	6	Frauds and evasions of taxes/duties
530	Excise and Taxation	8	Results of Audit
531	Excise and Taxation	9	Cross verification by Audit
532	Excise and Taxation	10	Incorrect deduction from turnover
533	Excise and Taxation	12	Non levy of Purchase tax
534	Excise and Taxation	13	Non recovery of tax
535	Excise and Taxation	15	Non/Short levy of purchase tax
536	Excise and Taxation	16	Non levy of tax
537	Excise and Taxation	17	Results of Audit
538	Excise and Taxation	18	Short realization of passenger tax
539	Mines and Geology	19	Arrears in revenue
540	Mines and Geology	20	Result of Audit
541	Mines and Geology	21	Receipts from Mines and Minerals
542	Mines and Geology	22	Non/Short recovery of dead rent royalty and interest
543	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
544	Mines and Geology	24	Non recovery of lease fee on short term permits
545	Mines and Geology	25	Non recovery of interest on belated payments
546	Animal Husbandry	27	Frauds and evasions of taxes/duties
547	Revenue	29	Results of Audit
548	Revenue	30	Stamp Duty and Registration Fees
549	Agriculture	31	Arrears in revenue
550	Agriculture	32	Result of Audit
551	Transport	33	Results of Audit
552	Transport	34	Non deposit of token tax
553	Transport	35	Short levy of penalty
554	Irrigation	36	Results of Audit
555	Co operative	38	Results of Audit
556	Finance	39	Non charging of interest and penal interest
557	Finance	40	Loans to Municipal Councils/Municipal Committees
558	Forest	41	Short recovery of royalty on forest produce
559	Power	43	Arrears in revenue



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560	General	44	Results of Audit
561	Education	46	Working of Education Department (Primary Education Wing) including Manpower Management
562	Education	47	Incentives to scheduled castes and weaker section students
563	Education	48	Pass percentage in class V
564	Education	49	Literacy rate
565	Education	50	Internal Audit
566	Education	51	Sanctioned posts and actual strength
567	Education	52	Deployment of teachers beyond norms
568	Education	53	Outstanding inspection reports
569	Education	54	Monitoring and Evaluation
570	Education	55	District Primary Education Programme
571	Education	56	Management cost in excess of norms
572	Education	57	Programme management
573	Education	58	Civil Works
574	Education	59	Appointment of teachers/instructors/staff
575	Education	60	Training
576	Education	61	Monitoring and Evaluation
577	Medical and Health	62	National Family Welfare Programme
578	Medical and Health	63	Programme implementation
579	Medical and Health	64	Performance indicators of maternal health services
580	Medical and Health	66	Manpower position
581	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences Rohtak
582	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
583	Co operative	71	Storage gain on account of moisture in wheat stocks below norms
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585	Irrigation	75	Modernisation
586	Irrigation	76	Unauthorised excess execution of work in post tender stage
587	Irrigation	77	Hathnikund Barrage
588	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates

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589	Irrigation	79	Unfruitful expenditure on extension of existing channel
590	Public Health	80	Non responsiveness to Audit findings and observation resulting in erosion of accountability
591	Printing and Stationery	81	Excess payment due to failure in internal control system
592	Printing and Stationery	82	Excess issue of paper to private printers
593	Environment	83	Implementation of Environmental Acts and Rules relating to Water Pollution
594	Environment	84	Status of water pollution
595	Environment	85	Treatment of Industrial effluent
596	Environment	86	Domestic sewage treatment plants
597	Environment	88	Environment training education and awareness
598	Environment	89	Monitoring and Evaluation
599	Urban Development	90	Urban Employment Generation Programme
600	Rural Development	91	Loss of Central assistance under Integrated Rural Development Programme
601	Town and Country Planning	93	Non recovery of enhanced compensation of land
602	Food and Supplies	94	Pilferage of large quantity of wheat due to manipulation of weight
603	General	97	Write off of losses etc
604	Excise and Taxation	101	Arrears in revenue
605	Excise and Taxation	102	Arrears in assessment
606	Excise and Taxation	103	Frauds and evasions of taxes/duties
607	Excise and Taxation	105	Results of Audit
608	Excise and Taxation	106	Evasion in sales tax
609	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification
610	Excise and Taxation	108	Under assessment of notional sales tax liability computed on taxable turnover
611	Excise and Taxation	109	Non levy of purchase tax
612	Excise and Taxation	110	Non recovery of tax
613	Excise and Taxation	111	Non levy of interest
614	Excise and Taxation	112	Under assessment due to excess rebate
615	Excise and Taxation	113	Results of Audit
616	Excise and Taxation	114	Short realization of passengers tax towards expenditure

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617	Excise and Taxation	115	Non recovery of licence fee
618	Revenue	116	Results of Audit
619	Revenue	117	Short levy of stamp duty on exchange of property
620	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
621	Revenue	119	Evasion of stamp duty
622	Revenue	120	Short levy of stamp duty
623	Transport	121	Taxes on Motor Vehicles
624	Transport	123	Short realization of permit/countersignature fee
625	Transport	124	Lack of co ordination between Transport and Excise and Taxation Departments
626	Transport	125	Non recovery of token tax in respect of Stage Carriage buses
627	Finance	126	Results of Audit
628	Forest	129	Results of Audit
629	Forest	130	Loss due to delay in harvesting of poplar trees
630	Forest	132	Absence of physical verification of timer
631	Forest	133	Loss due to excess unit cost
632	Irrigation	135	Results of Audit
633	PWD (B&R)	136	Utilization of departmental receipts towards expenditure
634	Co operative	137	Non charging of interest and penal interest
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636	Medical and Health	4	Preventive intervention for the general Community
637	Medical and Health	5	Role of voluntary organizations
638	Medical and Health	6	Training
639	Architecture	14	Fraudulent drawals and embezzlement of Govt money by a Cashier
640	Animal Husbandry	16	Non recovery of cost of land
641	Co operative	17	Non responsiveness to Audit findings and observations resulting in erosion of accountability
642	Education	18	Unutilized girls hostel
643	Revenue	24	Fraudulent drawal and embezzlement of Government money

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644	Revenue	25	Drawal of funds in advance of requirement
645	Social Welfare	26	Fraudulent payment of Old Age Pension
646	Town and Country Planning	27	Non collection of External Development Charges (EDCs)
647	Town and Country Planning	28	Loss of interest due to short transfer of funds
648	Town and Country Planning	29	Less recovery of plan scrutiny fee
649	Town and Country Planning	30	Avoidable loss due to delay in handing over possession of plots
650	Town and Country Planning	31	Unnecessary purchase of RCC pipes
651	Irrigation	34	Formulation of Schemes
652	Irrigation	36	Implementation of Schemes
653	Irrigation	39	Land under unauthorized possessions
654	Irrigation	41	Recoverable Amount
655	Irrigation	42	Store Management
656	Irrigation	43	Complaint Cases
657	Irrigation	44	Introduction of selection grade of Engineers
658	Irrigation	46	Recoverable amount from HUDA
659	Irrigation	50	Incomplete project Hathnikund Barrage Project
660	Irrigation	51	Monitoring
661	Irrigation	54	Wasteful expenditure on construction of Irrigation channels
662	Public Health	56	Execution of works
663	Public Health	57	Water quality and testing
664	Public Health	58	Information education and communication (IEC)
665	Public Health	59	Huge payments made for unexecuted items of work
666	PWD (B&R)	63	Extra expenditure
667	PWD (B&R)	64	Non responsiveness to Audit findings and observations resulting in erosion of accountability
668	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management
669	Environment	66	Environment laboratories grossly underutilized
670	Environment	67	Status of industrial pollution
671	Environment	68	Stone crushing units

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672	Environment	69	Rice shelling units/solvent extraction plants
673	Environment	70	Vehicular pollution
674	Environment	71	Training/mass education programme
675	Environment	72	Waste management
676	Environment	73	Prosecution under Air Act
677	Agriculture	74	Non recovery of extension fee from allottees
678	Agriculture	75	Loss due to non realization of enhanced rent
679	Agriculture	76	Non recovery of expenditure on fire service charges
680	Rural Development	77	Irregular/excess release of grant
681	Urban Development	78	Avoidable loss due to delay in utilization of loan
682	Transport	80	Deployment of staff
683	Transport	81	Expenditure on store
684	Transport	82	Purchase procedure and irregularities in purchases
685	Transport	83	Extra expenditure on purchase of conversion kits
686	Transport	86	Non disposal of dead stock
687	Transport	88	General lack of accountability for the use of public funds in departmental commercial undertakings
688	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
689	Printing and Stationery	90A	Overpayment to private printer
690	General	91	Misappropriations defalcations etc
691	General	92	Write off losses etc
692	General	93	Follow up on Audit Reports
693	General	94	General
694	Excise and Taxation	95	Arrears in revenue
695	Excise and Taxation	96	Arrears in assessment
696	Excise and Taxation	97	Frauds and evasions of taxes/duties
697	Excise and Taxation	98	Results of Audit
698	Excise and Taxation	99	Outstanding inspection reports and audit observations
699	Excise and Taxation	100	Follow up on Audit Reports Summarized position
700	Excise and Taxation	101	Results of Audit
701	Excise and Taxation	102	Recovery of sales tax in arrears

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702 Excise and Taxation	103	Non recovery due to delay in assessment
703 Excise and Taxation	104	Non delay in raising of demands for the assessed dues
704 Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
705 Excise and Taxation	106	Disposal of recovery certificates
706 Excise and Taxation	107	Demands under stay
707 Excise and Taxation	108	Non inclusion of interest in the demand sent to the liquidator
708 Excise and Taxation	109	Under assessment of notional sales tax liability
709 Excise and Taxation	110	Application of incorrect rate of tax
710 Excise and Taxation	111	Non levy of purchase tax
711 Excise and Taxation	112	Non recovery of tax
712 Excise and Taxation	113	Results of audit
713 Revenue	114	Results of audit
714 Revenue	115	Out standing inspection reports and audit observations
715 Revenue	116	Results of Audit
716 Revenue	117	Short levy of stamp duty on exchange of property
717 Revenue	118	Short levy of stamp duty on plant and machinery
718 Revenue	119	Short levy of stamp duty on lease deed
719 Revenue	120	Embezzlement/evasion of stamp duty
720 Revenue	121	Incorrect exemption of stamp duty
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722 Agriculture	123	outstanding inspection reports and audit observations
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724 Agriculture	125	Non/short recovery of purchase tax and interest
725 Agriculture	126	Non realization of lease money
726 Agriculture	127	Results of Audit
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728 Transport	129	Non/short charging of fitness fee (passing fee)
729 Transport	130	Non realisation of fees
730 Home	131	Arrears in revenue

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731	Home	134	Arrears of revenue
732	Co operative	136	Results of Audit
733	Co operative	137	Non redemption of Government share capital
734	Forest	139	Outstanding inspection reports and audit observations
735	Forest	140	Result of Audit
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736	Development and Panchayat	3	Non responsiveness to audit findings and observations resulting in erosion of accountability
737	Small Savings	4	Misutilisation of incentive/award money
738	PWD (B&R)	5	Negative Audit including Manpower or Building and Roads Branch of Public Works Department
739	PWD (B&R)	6	Nugatory expenditure
740	PWD (B&R)	7	Programme Management
741	PWD (B&R)	8	Execution of Works
742	Water Supply and Sanitation	9	Tool and plant returns
743	Water Supply and Sanitation	10	Other points of interest
744	Water Supply and Sanitation	12	Shortage of material
745	Rural Development	15	Allotment of houses to ineligible families
746	Rural Development	16	Other irregularities
747	Rural Development	18	Swaranjayanti Gram Swarozgar Yojna
748	Rural Development	20	Diversion of funds
749	Rural Development	21	Physical verification of assets not conducted
750	Rural Development	22	Reclamation work not taken up for 2 ½ years
751	Rural Development	23	Idle wages
752	Animal Husbandry	24	Non recovery of lease money
753	Town and Country Planning	26	Non recovery of external development charges
754	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
755	General	28	Misappropriations defalcations etc
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758	General	31	Lack of accountability
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760	Excise and Taxation	4	Arrears in assessment

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761	Excise and Taxation	5	Frauds and evasions of taxes/duties
762	Excise and Taxation	6	Results of Audit
763	Excise and Taxation	7	Assessments in arrear
764	Excise and Taxation	8	Irregularities in the grant of eligibility certificates
765	Excise and Taxation	9	Incorrect acceptance of applications
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767	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
768	Excise and Taxation	12	Excess availing of tax deferment
769	Excise and Taxation	13	Irregularities in assessments of exempted/deferred units
770	Excise and Taxation	14	Under assessment due to application of concessional rate of tax
771	Excise and Taxation	15	Under assessment tax of due to irregular deduction
772	Excise and Taxation	16	Under assessment of notional sales tax liability
773	Excise and Taxation	17	Non monitoring of exempted/deferred units
774	Excise and Taxation	18	Non levy of purchase tax
775	Excise and Taxation	19	Non levy of tax on lease rent
776	Excise and Taxation	20	Non levy/under assessment of purchase tax due to application of incorrect rate of tax
777	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
778	Excise and Taxation	22	Non levy of interest and penalty
779	Excise and Taxation	23	Non raising of demands for interest
780	Excise and Taxation	24	Non realization of tax
781	Excise and Taxation	25	Results of Audit
782	Excise and Taxation	26	Receipts of excise duty from auction of vendors
783	Excise and Taxation	27	Short recovery of licence fee and interest
784	Excise and Taxation	28	Loss of revenue due to re auction of vends
785	Excise and Taxation	29	Non recovery due to incorrect adjustment of security
786	Excise and Taxation	30	Loss due to late credit/realization of demand drafts
787	Excise and Taxation	31	Improper fixation of minimum license fee/ reserve bid money
788	Excise and Taxation	32	Short levy of excise duty on excess lifting of additional quota of IMFL



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789	Excise and Taxation	33	Results of Audit
790	Excise and Taxation	34	Non/short realization of passengers tax
791	Excise and Taxation	35	Non recovery of entertainment duty
792	Revenue	36	Results of Audit
793	Revenue	37	Results of Audit
794	Revenue	38	Evasion of stamp duty due to under valuation of immovable property
795	Revenue	39	Non levy of stamp duty on exchange of property
796	Revenue	40	Evasion of stamp duty
797	Revenue	41	Short levy of stamp duty
798	Revenue	42	Inadmissible exemption of stamp duty
799	Transport	43	Non realization of token tax
800	Agriculture	44	Arrears in revenue
801	Agriculture	45	Results of Audit
802	Agriculture	46	Outstanding inspection reports and audit observations
803	Agriculture	47	Non/short recovery of purchase tax and interest
804	Cooperation	48	Results of Audit
805	Cooperation	49	Non redemption of Government share capital
806	Agriculture	50	Recovery from Patedars
807	Agriculture	51	Insecticides/pesticides
808	Agriculture	52	Unjustifiable expenditure on staff salary
809	Agriculture	53	Salary without work
810	Agriculture	54	Internal audit
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816	Social Justice and Empowerment	61	Budget provision and expenditure
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818	Social Justice and Empowerment	63	Non maintenance of record
819	Social Justice and Empowerment	64	Monitoring
820	Urban Development	65	Non enactment of Fire Force Bill

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822	Education	67	CBI inquiry
823	Finance and Justice	68	Recovery regarding appointment of daily wage workers
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827	Irrigation	72	Non responsiveness to Audit findings and observations resulting in erosion of accountability
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831	Public Works (Buildings and Roads)	76	Non adjustment of storage charges
832	Public Works (Buildings and Roads)	77	Irregular/un authorized expenditure of storage charges
833	Public Works (Buildings and Roads)	78	Non recovery of difference of sales tax
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