HARYANA VIDHAN SABHA

PUBLIC ACCOUNTS COMMITTEE

(2016-2017)

SEVENTY FOURTH REPORT

ON THE

REPORTS OF THE

Comptroller and Auditor General of India

ON

Social, General and Economic Sectors
(Non- Public Sector Undertakings) and Revenue Sector

for the year ended 31st March, 2014

(Presented to the House on 10th March, 2017)

HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
2017

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIPERSON

1.	Shri Gian Chand Gupta, MLA.	Chairperson

MEMBERS

2.	Smt. Kiran Choudhry, MLA	Member
3.	Shri Parminder Singh Dhull, MLA	Member
4.	Shri Jai Tirath, MLA	Member
5.	Prof.Dinesh Kaushik, MLA	Member
6.	Dr. Pawan Saini, MLA	Member
7.	Shri Mahipal Dhanda, MLA	Member
8.	Shri Randhir Singh Kapriwas, MLA	Member
*9.	Shri Balwan Singh, MLA	Member
**10.	Shri Abhay Singh Chautala, MLA	Member

SECRETARIAT

1. Shri Sumit Kumar, Principal Secretary (now Retired)
2. Shri R.K.Nandal, Secretary
3. Dr. Purushottam Dutt, Under Secretary

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* Shri Balwan Singh, MLA, resigned from the membership of the Public Accounts Committee of Haryana Vidhan Sabha w.e.f. 17th May, 2016 vide this Secretariat notification No. HVS/PAC-1/2016/45, dated 17th May, 2016.

** Shri Abhay Singh Chautala, MLA, nominated as Member of the Public Accounts Committee in place of Shri Balwan Singh, MLA w.e.f. 18th May, 2016 vide this Office notification No. HVS/PAC-1/2016/49, dated 18th May, 2016

INTRODUCTION

I. I, the Chairperson of the Public Accounts Committee, having been authorized by the Committee in this behalf, present this Seventy Fourth Report on the Reports of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non- Public Sector Undertakings) and Revenue Sector for the year ended 31st March, 2014.

2. The Reports of the Comptroller and Auditor General of India on Social General and Economic Sectors (Non- Public Sector Undertakings) for the year ended 31st March, 2014 were laid on the Table of the House on 25th March, 2015 and the Report of the Comptroller and Auditor General of India on Revenue Sector for the year ended 31st March, 2014 were laid on the Table of the House on 10th March, 2015.

3. The Committee examined the Reports of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non- Public Sector Undertakings) and Revenue Sector for the year ended 31st March, 2014 and also conducted the oral examination of the representatives of the concerned departments.

4. The Committee considered and approved this Report in its sitting held on 22nd February, 2017.

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

6. I, as Chairperson of the Committee, place on record the appreciation for all the Members of the Committee for their cooperation and valuable suggestions for the consideration of CAG Paras.

7. The Committee places on record its appreciation for the assistance rendered to it by the Principal Accountant General (Audit), Haryana and her officers. The Committee would like to express its thanks to the Additional Chief 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 it for the co-operation in giving information to the Committee.

8. The Committee is also thankful to the Principal Secretary (now retired), Secretary, Under Secretary and officials of the Haryana Vidhan Sabha for the whole hearted co-operation and assistance given by them to the Committee.

CHANDIGARH
THE 22nd February, 2017

GIAN CHAND GUPTA
CHAIRPERSON

REPORT

GENERAL

1. The Committee for the year 2016-2017 was nominated on 25th April, 2016 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 15th March, 2016, authorizing him to nominate the Members of the Committee on Public Accounts for the year 2016-2017.

2. The Committee held total 82 meetings during the year at Chandigarh and other places upto 22nd February, 2017 till the finalization of the Report.

PART – I
SOCIAL, GENERAL & ECONOMIC SECTORS
(Non-Public Sector Undertakings)
for the year ended 31 March, 2014

EDUCATION DEPARTMENT

[3] 2.1.7.1 Funds lying unutilized:

Paragraph 2.10 (b) (5) of the Punjab Financial Rules, as applicable to Haryana, provides that no money should be withdrawn from the treasury unless it is required for immediate disbursement. Further, the Finance Department had banned (March 2011) drawing of money from the Consolidated Fund and keeping the same outside the Government Account in any shape. Test-check of records showed that the funds were drawn from the treasury without immediate requirement and were kept in bank accounts as discussed below:

- District Education Officers in the test-checked districts had drawn funds from the treasury in advance of requirement and kept the same in bank accounts. Funds amounting to Rs.8.87 crore including interest were lying in bank accounts as on 31 March 2014. It was also observed that out of these, four accounts which had Rs.1.32 crore were current accounts and no interest was being earned on these accounts.
- Funds of Rs.10 crore were placed (2008-09) at the disposal of the Department under head 2204-Sports and Youth Welfare for purchase of sports material (Rs.4.20 crore) and development of play grounds (Rs.5.80 crore). As there was ban for withdrawal of money after 15 March, the Finance Department allowed (March 2009) to withdraw money subject to the condition that the amount would be drawn ouly against supply orders already placed. Supply orders were placed for Rs.4.20 crore in March 2009 and the amount was also drawn from the treasury (March 2009). The Directorate issued sanctions also for the balance amount of Rs.5.80 crore to the DEOs with the directions that guidelines to utilise the money would be sent later on. This was in violation of the Finance Department instruction (March 2009). Thereafter, the DSE issued (May 2010) instructions to the field offices to refund the money to directorate. Out of Rs.5.80 crore, a sum of Rs.4.35 crore was drawn by 15 DEOs.Of which ouly Rs.0.62 crore was spent by seven DEOs, Rs.3.51 crore was refunded between May 2010 and November 2013 and Rs.0.22 crore was still lying with DEOs.
- The DSE released (March 2011) Rupees three crore to the field offices for the development and promotion of sports with the directions that the funds would be equally distributed among 174 Senior Secondary/High Schools where block level Rajiv Gandhi Sports Complexes had been completed or were being constructed. Out of rupees three crore released to field offices, an amount of Rs.2.63 crore was spent on sports activities and a sum of Rs.0.37 crore was still lying with DEOs, Ambala, Gurgaon, Hisar, Sirsa and Yamuna Nagar.
- Funds of Rs. 26.93 lakh released for construction of classrooms were lying with three schools as there was no space for construction of classrooms.

The D&AS, DSE while admitting the stated (November 2014) that the steps would be taken by the Department to avovid such type of irregularities in future.

The D&AS, DSE while admitting the facts stated (November 2014) that the steps would be taken by the Department to avoid such type of irregularities in future.

The department in its written reply stated **as under:**

DEOs drew funds from the Treasury in advance of requirement and kept the same in bank accounts. Funds amounting Rs. 8.87 crore including interest were lying in bank accounts as on 31.03.2014. Concerned DEOs have been directed by the Directorate to submit their reply in this regard. DEO Hisar, Kaithal, Karnal, Mewat, Rohtak and Yamunanagar submitted their reply and the present situation of the funds lying un-utilized in various Districts pointed out in the CAG report is as under:-

Sr. No.	Name of District	Balance as on 31.03.2014 (in Lacs)	Amount spent/deposited in treasury (in Lacs)	Present status
1.	Hisar	151.06	108.44	An amount of Rs. 108.44 Lacs has been spent and balance amount will be deposited in the Govt. treasury very soon.
2.	Kaithal	93.82	93.82	An amount of Rs. 93.82 lacs was lying in various accounts of the O/o DEO Kaithal out of which 44.71 lacs are meant for various funds (RCF/CCF/CWF etc.) which cannot be deposited. Balance of Rs. 66.00 lacs (Rs. 49.71 lacs + Rs. 16.29 lacs received after 31.3.2014) including interest has been deposited in Govt. Treasury.
3.	Karnal	141.8	141.8	DEO Karnal has deposited an amount of Rs. 73,09,441/- and the balance amount has been utilized.
4.	Kurukshetra	234.02	-	The matter has been repeatedly taken up with District Education Officer in written as well as orally but it has been informed by DEO Kurukshetra telephonically that the amount will be deposited shortly in Govt. Treasury.
5.	Mewat	100.12	100.12	An amount of Rs. 35,78,469/- and Rs. 40,52,435/- has been deposited in the Govt. Treasury on 26.4.2016 and 05.10.2016 respectively. An amount of Rs. 36,30,000/- have been utilized by Govt. Senior Secondary School, Saroli.
6.	Rohtak	81.24	81.24	A sum of Rs. 56,77,407/- has been deposited by DEO office in Govt. Treasury through Challans on various dates. The balance amount has been utilized for the purpose it was sanctioned.
7.	Yamunanagar	84.48	69.95	An amount of Rs. 23.44 lacs have been deposited in the Govt. Treasury. An amount of Rs. 46.51 lacs has been disbursed to the concerned School by the District Education Officer Yamunanagar and Rs. 14.53 lacs are lying with them for building fund. Interest earned on these amounts will be deposited soon in the Treasury.

Keeping in view the position explained above, para may kindly be dropped.

In this connection, it is submitted that funds of Rs. 10.00 crore was sanctioned for the purchase of sports material and development of pay grounds in the Govt. Schools in the State of Haryana. Out of which Rs. 4.20 crore was meant for the purchase of sports material and Rs. 5.80 crore was

meant for development of play grounds. Supply order of Rs. 4.20 crore were placed and the amount was also drawn from Treasury against the bills issued by the firms. Further, Directorate also issued sanction of Rs. 5.80 crore to the District Education Officers for development of play grounds. Out of Rs. 5.80 crore, an amount of Rs. 4.35 crore was drawn by the DEOs. Out of Rs. 4.35 crore, 0.62 crore was utilized by the DEOs and Rs. 3.51 crore was refunded by the DEOs to the Directorate in the account of the Secretary, Haryana Sports Fund. So far as, 0.22 crore is concerned, an amount of Rs. 20 lacs relates to DEO Jhajjar and Rs. 2 lacs relates to DEO Gurgaon. As per report of DEO Jhajjar Rs. 10 lacs was refunded to the Directorate and the same was deposited in the account of the Secretary, Haryana Sports Fund and the remaining 10 lacs was spent for organizing State Tournaments. Similarly, as per report received from DEO Gurgaon Rs. 2.15 lacs was refunded to the Directorate and the same was deposited in the account of the Secretary, Haryana Sports Fund. Keeping in view of the above the whole amount of Rs. 22 lacs has been accounted for and the same will be deposited in the treasury shortly.

Keeping in view the position explained above, para may kindly be dropped.

In this connection, it is submitted that fund of Rs. 3.00 crore was released to the DEOs for the development and promotion of sports in the schools. Out of Rs. 3.00 crore an amount of Rs. 2.63 crore was spent on sport activities and remaining Rs. 0.37 crore which was lying un-spent with the DEOs with the detail as under:-

Sr. No	Name of DEO	Amount (Rs. In lacs)
1.	Ambala	8.62
2.	Yamuna Nagar	5.17
3.	Fatehabad	2.00
4.	Sirsa	1.72
5.	Hisar	18.72
Total		**36.23**

The latest position of the un-spent amount is as under:-

Sr. No	Name of DEO	Principal Amount (Rs. In lacs)	Interest Amount (Rs. In lacs)	Total Amount received	Remarks
1.	Ambala	8.62	1.54	10.16	Received in the Directorate through drafts.
2.	Yamuna Nagar	5.17	1.06	6.23	Received in the Directorate through drafts.
3.	Fatehabad	2.00	---	2.00	Received on 07.05.2010
4.	Sirsa	1.72	---	1.72	Deposited in Receipt

					account on 30.01.16.
5.	Hisar	18.72	---	18.72	Deposited in Receipt account on 04.12.12.
Total		**36.23**	**2.60**	**38.83**	

The whole amount of Rs. 38.83 lacs including interest of Rs. 2.60 Lacs has been accounted for at the Directorate level. An amount of Rs. 22.44 Lacs has been deposited by the DEO Offices in the Government treasury and balance amount of Rs. 16.39 Lacs is lying in the account of the Secretary, Haryana Sports Fund and the same is being deposited in the Government treasury shortly.

Keeping in view the position explained above, para may kindly be dropped.

The Committee has desired that all unspent funds be deposited in the treasury accounts, get the same re-conciled with the office of PAG, Haryana and action taken report be submitted to the Committee within a period of three months.

[4] 2.1.8.1 (ii) Information and Communication Technology:

Information and Communication Technology {ICT) in schools was launched in December 2004 and revised in 2010 to provide opportunities to secondary stage students to build their capacity on ICT skills and make them learn through computer aided learning process. As against the budget provision of Rs.162.59 crore, an expenditure of Rs.125.16 crore was incurred on the implementation of the scheme during 2009-14.

- **Poor/unsatisfactory functioning of ICT laboratories:**

Feedback from the schools was obtained by Audit on random basis regarding functioning of ICT laboratories and quality of services provided. The details of feedback from 32 out of 72 schools in respect of Everon Education Limited and 123 out of 847 schools in respect of Core Project and Technologies Limited in test-checked districts are given in ***Appendix*** *2.2.* Briefly the position is as under:

- The services provided by Everon Education Limited were rated as poor by three schools and average by 14 schools out of 32 test-checked.
- The services provided by Core Project and Technologies Limited were poor in 102 of the 123 test-checked schools.
- Laboratory apparatus were not in working condition in 84 schools where services were provided by Core Project and Technologies Limited out of 123 test-checked.
- Consumables were not provided in 121 schools and internet connections were not working in 107 schools where services were provided by Core Project and Technologies Limited out of 123 test-checked.

The D&AS, DSE while admitting the facts stated (November 2014) that snitable instructions had been issued to the service providers pointing out the deficiencies in the services and failure to discharge the contractual liabilities with the directions to take remedial measures.

The department in its written reply stated **as under:**

So far as the poor functioning of the ICT labs is concerned the monitoring of the labs are done by the concerned principal on day to day basis. The principal of the schools never pointed out any deficiency in the notice of the department. However, the complaints lodged by the schools regarding nonfunctioning of lab are reported to the service provider and the service providers are taking the remedial measures. The school heads never pointed out to the Directorate regarding poor /unsatisfactory functioning of the ICT labs particularly in the case of Everonn Education Ltd. However, suitable instructions have already been issued to the service provider pointing out the deficiencies in the services and failure to discharge the contractual liabilities under intimation to the concerned DEOs with the request to take remedial measures and to point out the deficiency to the Headquarter for taking suitable action. The department is already monitoring the working of ICT Labs regularly on the receipt of MIS from the service provider and deductions as per terms of contract are being made from the claims of the service provider by the department.

Regarding poor /unsatisfactory functioning of ICT Labs setup by Core Education and Technologies Ltd., the department had pointed out deficiency regarding poor/ unsatisfactory functioning of labs and due to default in services, the contract of Core Education and Technologies Ltd. has been terminated w.e.f. 23.4.2014, besides blacklisting the service provider for a period of 5 years and forfeiture of bank guarantee. Presently, the matter is subjudice in the Hon'ble Supreme Court of India, New Delhi against the decision of the department. The department has released an amount of Rs.59.00 Crore being 20% payment of contractual value of Rs.295.00 Cr. against supply of computer hardware and allied items so far. The computer hardware equipment's are in the possession of the department and lying in the schools. The department is making earnest efforts to get the ICT Labs functional by taking help from the OEM/sub vendors of CORE Education and Technologies Ltd.

Keeping in view the position explained above, the audit para may be dropped.

The Committee has desired that the State interest be protected meticulously before the Court.

[5] 2.1.8.2 Opening of Government Model Schools:

Opening of Government Model Schools scheme aims to provide quality education to talented rural children through setting up model schools at block level. In Haryana, 213 Government Senior Secondary Schools were upgraded as Model Schools. Under the scheme, the grants were provided for creation of infrastructure, development of stadiums, providing fans/duel desks, etc. The information regarding release of funds and expenditure thereagainst for the implementation of schemes was not available with the Directorate. A sum of Rs.19.67 crore was sanctioned for development of infrastructure, construction of stadiums and purchase of fans and desks in test-checked districts. Scrutiny of records of schools in test-checked districts showed the following shortcomings:

In 20 schools, funds amounting to Rs.2.91 crore provided for creation of infrastructure were lying unutilised. It was observed that neither the schools refunded the unspent grants nor the Department monitored the utilisation of funds. As a result of this, the funds remained blocked with the schools.

The D&AS, DSE while admitting the facts stated (November 2014) that the reasons for non-utilisation of funds would be investigated.

- Against the sanction of Rs.1.32 crore for stadium, a sum of Rs.0.87 crore was

released as first installment to test-checked DEOs. It was observed that none of the schools had constructed stadiums. It was further observed that DEO, Yamuna Nagar spent the entire amount of Rs. 0.12 crore on purchase of sports material instead of spending on construction of stadium which was against the sanction orders.

The department in its written reply stated as under:

In this connection, it is submitted that 213 Govt. Sr. Schools were upgraded as Govt. Model Schools. A sum of Rs. 19.67 crore was sanctioned for the development of infrastructure, construction of stadiums and purchase of fans and desks. During the audit of the schools by Principal Accountant General Haryana, it was revealed that funds of Rs. 2.91 crore was lying un-spent in the 20 schools. Further, a sum of Rs. 0.87 crore was released to DEOs. During audit it was observed that none of the schools had constructed stadiums for which the amount was released. Further, DEO Yamunanagar spent the entire amount Rs. 0.12 crore for the purchase of sports material instead of spending on construction of stadium which was against the sanction order. A detailed enquiry in this matter is being conducted by the department. The reply to this para will be submitted after the final outcome of the enquiry report.

The Committee has desired that the disciplinary proceedings against the District Edcuation Officer, Yamuna Nagar be concluded in a time bound manner and action taken report be submitted to the Committee.

[6] 2.1.8.3 Scheme for establishment of Government Model Sanskriti Schools:

The State Government declared 20 schools in the State as Model Sanskriti Schools. These schools were basically on the lines of Model Schools with better facilities to be run on socety mode. Lump-sum-grant of Rs.50 lakh for providing infrastructure and Rs.five lakh providing Science Museum was released by the Government in March 2007. The grants were received by DEOs and kept in the bank accounts. The purchases were made on the recommendations District Purchase Committees headed by the Additional Deputy Commissioners (ADCs). Test check of records in the selected districts showed the following points:

- DEO, Kurukshetra placed (September 2007) purchase order for supply of material for GMSSS, Ismailabad for Rs.10.42 lakh. The material was inspected by the ADC, Kurukshetra along with other members of the committee and reported (October 2007) to DSE that the material was purchased without giving any detailed specification, size, make, etc. and the material was of sub-standard quality. The DEO was asked (January 2008) to explain his position and the Principal was asked for not using the material till further orders. Inquiry report was finalised in June 2012. The DSE ordered (January 2013) that no disciplinary action can be taken against the DEO at such a belated stage and ordered that the material may be inspected and if the same were found satisfactory, payment may be released to the firm. The department released the payment (May 2014) to the agency in settlement of the claim petition filed by the agency in the District Court, Ambala. Audit observed that the department took a long time of seven years in inquiring the matter and the delay became the rationale for not taking disciplinary action. Further, entire material remained in store and had got damaged with the passage of time and vagaries of weather. Had the department followed up on the inspection report of

October 2007, the loss could have been avoided and accountability fixed.

The D&AS, DSE while admitting the facts stated (November 2014) that delay in inquiry was a lapse on the part of the department and preventive measures would be taken to avoid such an eventuality in future.

- **Suspected embezzlement**

DEO, Kaithal was provided funds to the extent of Rs.3.75 crore as grant for science material, development of Model Schools and Model Sanskiriti Schools during 2007-09. The funds were kept in two bank accounts (HDFC and Axis Bank). A sum of Rs.3.90 crore including interest and other deposits was available in these bank accounts. A cash book regarding transactions of HDFC Bank was maintained but no cash book was maintained for transactions of Axis Bank.

Scrutiny of the records and entries of bank statements of these two banks accounts showed that vouchers in support of expenditure of Rs.39.75 lakh as having been incurred were not available with the DEO office. Further, scrutiny of records disclosed that entries made in the cash book were not verified by the competent authority. Out of this amount, an amount of Rs.21.86 lakh was drawn from HDFC bank. However, it was observed that no entries for these withdrawals were made in the cash book. This may tantamount to misappropriation of funds of Rs.39.75 lakh.

On this being pointed out, a sum of Rs.39.05 lakh was deposited in Bank Accounts but no action had been taken by the department for recovery of balance amount. The D&AS, DSE while admitting the facts stated (November 2014) that an inquiry had been initiated in the matter and outcome thereof would be intimated to Audit.

Similarly, a sum of Rs. five lakh was drawn by DEO, Nuh in December 2007 for setting up of science Museum at Government Model Senior Secondary School (GMSSS), Saroli (Nuh) and deposited the same in Syndicate Bank. A bank draft was prepared by the DEO, Nuh on 11 January 2010 for Rs. 4.99 lakh in favour of Shri Shyam Enterprises, Panchkula for supply of floor darries of superfine quality. Scrutiny of the records showed that three bills amounting to Rs.4.99 lakh were neither passed for payment by the DDO nor approved by any of the members of the purchase committee. No stock entries were made in the stock register of DEO, Nuh. Further, Principal of the school also confirmed (July 2014) that no material was received from Shri Shyam Enterprises, Panchkula. This may tantamount to suspected embezzlement of Rs.five lakh.

The D&AS, DSE while admitting the facts stated (November 2014) that explanation had been called for from the concerned DEO and outcome thereof would be intimated to Audit.

The department in its written reply stated **as under:**

It is submitted that, enquiry officers has already been appointed in the matter. Any officer/official found guilty in the enquiry, disciplinary action will be taken against him/her as per rules and accordingly final reply will be submitted to drop the Audit paras.

As an interim reply, it is submitted that, DEO Kaithal has deposited an amount of Rs. 30,46,436 and 30,18, 893 vide Challan no. 21388484 dated 27-10-2016 and 21388516 dated 27-10-2016 respectively in Govt. receipt Head.

The Committee has desired that the inquiry be concluded within a period of three months and action taken report be submitted to the Committee.

[7] 2.1.8.4 Scheme of Aarohi Schools:

Aarohi schools were established in 2010 under the Centrally sponsored scheme in 36 educationally backward blocks in the State. The aim of the scheme was to develop students who are aware, socially responsible, creative, clear thinking and capable of contributing positively to the society. The schools had been established in society mode under Haryana Prathmik Shiksha Pariyojna Parshad (HPSPP). For construction work, the funds had been placed at the disposal of the HPSPP. The schools were made functional in the buildings of Government Schools. An expenditure of Rs.53.52 crore was incurred on establishment of these schools during 2010-14. Scrutiny of records of schools showed as under:

- Out of 36 school buildings, as of October 2014 only 10 had been completed and made functional and nine school buildings had also been completed but yet to be made functional for want of water and electricity connections, boundary wall, etc. Construction work of 17 school buildings was in progress, of which the work of 10 was behind the schednled date of completion by two to 30 months.

- Shortage of teachers was noticed in Aarohi Schools at Mundheta and Nagina where only one (Hindi PGT) and two (one Principal and one Biology PGT) posts had been filled up against the sanctioned strength of 20 and 17 respectively.

- DEO, Mewat drew (December 2012) an amount of Rs.17.87 lakh for procurement of furniture and sent the draft (January 2013) to Forest Development Corporation, Kurukshetrainstead of Forest Department, Jagadhri. The Corporation returned (January 2013) the same as the amount did not pertain to his office. Thereafter, the department requested (13 February 2013) to the bank to deposit the amount in Forest Department's account but due to quoting of wrong account number the amount could not be transferred in Forest Department's account. Since then the funds were lying in bank account and no purchases had been made (October 2014).

The D&AS, DSE while admitting the facts stated (November 2014) that the problem of shortage of teachers would be sorted out very soon and DEO, Mewat had been directed to utilise the allocated fund for purchase of furniture immediately.

The department in its written reply stated **as under:**

- In this regard, it is intimated that G.O.I allotted funds @ Rs. 3.02 crore per school, thus the total project cost comes to Rs 108.72 crore for all 36 Aarohi Model Schools. As per funding pattern, 75% (i.e. Rs. 81.54 crore as Centre Share) of the total expenditure is to be borne by the G.O.I. and 25% (i.e.Rs.27.18 crore as State Share) will be borne by the State

Govt... Accordingly, Centre has released the total amount of Rs. 66.49 crore from 2010-11 to 2013.14 but the actual expenditure has been incurred to the tune Rs. 5 crore per school as per approved estimate. Accordingly the 22 schools were completed upto the year 2014. But no funds were released by the G.O.I. in the year 2014-15. But the G.O.I. had delinked the Scheme from the financial Year 2015-16 and the scheme was taken up by the State Govt. on State plan. Therefore there was requirement of additional funds of about Rs. 64 crore from State Project Director; accordingly, Rs. 31.62 crore has been given to the SPD as per approval accorded by the finance Department, Haryana. Thus, 30 school buildings have been completed and schools have been shifted to their own buildings out of 36 buildings. The construction of rest of 6 school buildings is in progress. So far as behind the schedule date of completion is concerned, which is due to the non-availability of sufficient fund in time. Keeping in view the position explained above, para may kindly be dropped.

- It is submitted that this office has invited applications from Regular PGTs working in Govt. Schools and who are willing to work in Aarohi Model Schools on deputation vide this office memo. No. 3/10-2015/Aarohi, dated 29.4.2016 and again on 06.07.2016 for filling up the vacant posts of PGTs in all Aarohi Model Schools including Mundheta and Nagina. In response to above, 110 applications were received from the regular PGTs, out of them 40 candidates have attended their interview held on 4.11.2016 and 13 PGTs who are working in Kisan Adarsh Vidyalaya have also been adjusted in Aarohi Model Schools and are being posted after their counselling. Further, written test for filling up 183 posts of PGTs has also been conducted in the year 2014, the case for conducting their interview was sent to the State Govt. for approval, which has now been approved. Therefore, the vacant posts will be filled up in all Aarohi Model Schools including Mundheta and Nagina very shortly. Keeping in view the position explained above, para may kindly be dropped.
- The para relates to DEO Mewat, who was requested vide memo No. 12/1-2015/Aarohi, dated 26.05.2015 regarding submitting the reply of an amount of Rs. 17.87 lac which was drawn for procurement of furniture. In response to above DEO Mewat vide his letter No. A.1/2015/2056, dated 13.07.2015 (copy enclosed) has stated that amount of Rs. 17,87,030/- has been transferred to the bank account of 5 Aarohi Model Schools in Mewat through SBI Nuh. Therefore, the procurement of furniture will be made by the respective Principals of Aarohi Model Schools as per their requirement according to the student's strength. Further, finalization of rate contract for purchase of dual desk in the State is under process with the Director, Supply and Disposal, Haryana. As soon as the rate is finalized, furniture will be purchased.

Keeping in view the position explained above, para may kindly be dropped.

The Committee has desired that vigiorous and pragmatic efforts be made to get the construction work of school buildings completed at the earliest possible and action taken report be submitted to the Committee.

[8] 2.1.8.5 Implementation of State Policy on safety measures in Schools:

The State Policy on Safety measures in Government, private (aided and unaided) schools was framed in December 2009. As a part of the policy, the Department took an initiative to remove the High Tension (HT) lines crossing over the Government schools in the State. In the meeting chaired by the Chief Minister (March 2013), the electricity companies were ordered to remove

the HT Lines crossing over 158 schools at their own cost. Scrutiny of records of test-checked districts showed that HT lines were removed only from five schools out of 13 schools where the HT lines were crossing over the schools. Information regarding removal of HT lines over the schools was not available in respect of rest of the test-checked districts although HT lines were crossing over 36 schools in these districts. Thus, the DSE and concerned DEOs had not monitored the removal of HT lines over the schools to ensure safety in schools.

The D&AS, DSE while admitting the facts assured (November 2014) that the high tension wire running over the schools would be removed on priority basis.

The department in its written reply stated as under:

A meeting has been held under the chairmanship of Hon'ble CM Haryana on 18.03.2013. In this meeting a decision has been taken for removal of High Tension Wire passing on the school premises/building from the budget of the Electricity Department with the deadline of 15 June 2013. After that the office has been written on letter vide Memo No 9/1-2013 w (1) dated 04.06.2013 to Additional Chief Secretary to Electricity Department for removing of High Tension Wire from 144 Govt. Schools. But no step has been taken by the Electricity Department to remove the High Tension Wires till yet. Various reminders have been issued on dated 07.01.2016, 23.02.2016, 29.02.2016, 04.08.2016, 31.08.2016, 19.09.2016, 11.11.2016 to the Electricity Department.

The Committee has desired that the department to conduct a special drive to ensure safety measures in Government as well as private schools not only regarding high tension electricity wires but other safety measures also.

[9] 2.1.8.6 Establishment of Satya Bharti Schools:

Bharti Foundation, New Delhi approached (June 2007 to January 2009) Panchayat Department for allotment of Panchayat land for establishment of Satya Bharti Schools in 83 villages. The foundation was committed to provide employment to the local inhabitants on whose land the schools were situated; free education, free uniform, free books, free mid-day meal, etc., to the children. The land was allotted by Government for opening of schools in 83 villages. The foundation set up schools at 46 places and the land allotted for 37 schools was surrendered by the foundation. These schools were not fullfilling the conditions of recognition and were functioning on the basis of provisional recognition.

Haryana School Education Rules 2003 provided for the norms for proper facilities such as classrooms, library, laboratory for computers, toilets, etc in schools. Out of 46 schools, 32 were inspected by the committees constituted under District Elementary Education Officers. The committee pointed out (March 2014) that the classrooms were less than the norms in all the 32 schools. There was lack of provision in 32 schools for library, laboratory for computers, etc. Toilets were not built in all the 32 schools inspected by the committees as per norms. Further, whether the staff appointed was adequately qualified or not was not on record in respect of three schools. As such, the objective of establishing Satya Bharti Schools was not fully achieved.

The D&AS, DSE stated (November 2014) that provisional recognition of 15 schools had been granted subject to the condition that school management would construct boundary wall by March 2015 and in the remaining 31 schools, additional classrooms were under construction as committed to the Government by the management. The fact remains that monitoring to ensure compliance of Haryana School Education Rules 2003 for establishment of schools was not ensured.

The department in its written reply stated as under:

It is submitted that Bharti Foundation Trust, New Dehli has been running 46 Schools in the District Rewari, Mahendergarh, Jhajjar, Kaithal and Kurukshetra. In these schools approximately 6000 children are being given free education. In addition to it, for the welfare of the children, uniform, books, writing materiel and midday meal is being provided. The Department on 09-07-2008 and 06-01-2009 granted permission for establishing 46 schools in various villages of above districts. On the request of the Trust, provisional recognition was granted to the schools upto 31-03-2015.

With regard to 15 schools being run by the trust, it is stated that additional four class rooms and one room for Head Teacher were constructed. In a meeting held under the chairmanship of Principal Secretary to Government Education Department, a decision was taken that the permission was given for establishing these schools in the year 2008 under the norms laid down in Haryana Education Act, 2003 and amended in 2007. Accordingly 15 Schools were granted Provisional recognition vide letter dated 04.11.2014 on the condition that the school Management must construct boundary wall up to 31.03.2015 positively. As per report of District Elementary Education Officers, boundary wall has since been constructed.

For remaining 31 schools it is stated that keeping in view in welfare of children an undertaking was taken from the management of Bharti Foundation that all deficiencies will be removed before September, 2015. The provisional recognition was granted to these schools upto 31-03-2016. The approval of Hon'ble CM was taken for relaxation for the year 2016-17, no recognition has been granted so far. Recognition will be granted on completion of all the norms laid down. The matter is under correspondence between District Elementary Education Officer and Directorate of Elementary Education.

From the above, it is clear that the permission for establishing these schools and provisional recognition has been granted in accordance to rules after giving relaxation. The Government is fully competent for giving relaxation in Haryana Education Rules, 2003 amended rules 2004.

The Committee has recommended that a high level committee be constituted to conduct the special inspection of the Bharti Foundation Schools during the months of December, 2016 to January, 2017 with regard to the quality of education in these schools, availability of infrastructure and as to whether all norms are being complied with which are essential for the schools and the action taken report in the matter be submitted to the Committee by end of January, 2017.

[10] 2.1.9.2 Fees charged by the private schools:

Haryana School Education Rules 2003 (Rule 158) provide that the fees and funds to be charged from the pupils shall be notified by every recognised school. Further, the Manager of every recognised school shall submit the details of minimum facilities being provided and the maximum fee charged in form Vl. He shall before the commencement of each academic session, file with the Education Department a full statement of fees and all types of funds levied by such school with justification during the ensuing academic session.

Scrutiny of the records of the Directorate for the period 2009-14 showed that neither the management of the private recognised schools were submitting the required information to the Department nor the Directorate was insisting on the submission of information in this regard. As such, the Department was not monitoring the fees structure of private recognised schools

and it could not be ensured in audit that these schools were charging fees as per norms.

The D&AS, DSE stated during the exit conference (November 2014) that a fee committee headed by a retired judge of Punjab and Haryana High Court had been constituted in this regard.

The department in its written reply stated as under:

In the light of Court directions, in CWP No. 20545 of 2009, a committee under the Chairmanship of Hon'ble Mrs. Justice Kiran Anand Lall (Retired) was constituted for monitoring of Fees and Funds charged by the Private Schools. After that, Committee was dissolved.

Now, zone wise committees have been constituted vide this office memo no. 8/27-2013 PS (2) dated 04.03.2014 which will dispose off the issues in this regard.

As per rule 158 of Haryana School Education Rules 2003, it is mandatory for every private recognized schools that Manager of every recognized school shall submit the details of minimum facilities being provided and the maximum fee charged in form VI. He shall before the commencement of each academic session, file with the Education Department a full statement of fees and all types of funds levied by such school with justification during the ensuing academic session. All the Private recognized schools are being depositing the detail of fees and funds to be charged from the students in form VI to the respective District Education Officers. On scrutiny of form VI if it is found by the committee that the school is charging the excess fees. The committee takes the following actions:-

(i) directed the concerned institution to refund the capitation fee or fee in excess of the fee as notified by the school, as the case may be;

(ii) Recommend withdrawal of the recognition/affiliation of the school and the Director shall pass the orders accordingly.

All the District Education Officers were directed vide letter dated 08.08.16 and 16.08.16 to supply the list of such private schools which have supplied form VI and which have not supplied form VI. The information is still awaited from some of District Education Officers. As such the department is monitoring the fees structure of private recognized schools through Fee & Funds Regulatory Committee.

Keeping in view the position explained above, para may kindly be dropped.

The Committee has desired that the following information be supplied to the Committee at the earliest:

1. **List of those schools which have increased the fees after 2014 without submitting Form 6 with comparison of pre-increased and increased fees;**
2. **What action can be taken against such schools for the violation of the Rules; and**
3. **It may also be determined as to whether such increased fee in vilation of the Rules can be recovered from those schools.**

[11] 2.1.11 Internal control:

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control in the department was inadequate for implementation of the schemes, monitoring of construction works, etc.

- Rule 15.16 of Punjab Financial Rules as applicable to Haryana provided that a

physical verification of all stores should be done at least once in every year by the Head of the Department or any other officer authorised by him/her. In computer branch of the DSE, it was noticed that the stock registers prior to September 2009 were not available with the Directorate. Computer hardware and allied items prior to September 2009 had not been carried forward in new stock register. Physical verification of computer hardware and other allied items had not been conducted since April 2009.

The D&AS, DSE while admitting the facts stated (November 2014) that effective internal control system, internal audit system and monitoring system would be established in the Department in future.

The department in its written reply stated as under:

Physical verification of computers at head quarter was also conducted by a team headed by the Accounts Officer. Stock registers of the computer has also been prepared up-to-date by the IT Cell of the Directorate.

The Committee has desired that responsibiloity be fixed of the erring officer(s) for not maintaining the stock register and / or for not conducting stock verification under intimation of the Committee.

[12] 3.3 Avoidable expenditure on procurement of dual desks:

Purchase of dual desks at higher rates resulted in avoidable extra expenditure of Rs.7.61 crore.

Rule 2.10 (a) of the Punjab Financial Rules (PFR) Vol.-1, as applicable to the Haryana Government provides that every Government employee incurring or sanctioning expenditure from the revenues of the State should be guided by high standards of financial propriety. Rule 2.10 (a) (1) further provides that every Government employee is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money.

Scrutiny of records (November 2013) of Director Elementary Education (DEE), Haryana, showed that the DEE sent a demand to Director, Supplies and Disposals (DS&D) Haryana for rate contract for purchase of dual desks for school students amounting to Rs.40 crore. The DS&D invited tenders (February 2012) and five firms quoted their rates of which lowest rates offered by three firms were as given in Table 3.1.

Table 3.1 : Statement showing extra payment made due to excise duty

Name of the firm (M/s)	Gross rate offered by the firm (Includlng ED) (Rs. per unit)	Rate offered after negotiation (without ED) (Rs. per unit)	Excise duty payable (Rs. per unit)	Number of Dual Desks supplied	Extre payment due to excise duty (Rs. in lakh)
OK Play India Limited, Mewat	5,801.06	4,300	531.48	1,07,755	572.70
Spacewood Furnishers, Pvt. Ltd., Nagpur	5,880.00	4,300	531.48	35,448	188.40
Design Edge Interiors Pvt. Ltd, Baddi (situated in	5,745.00	4,300	Nil	35,448	--

SEZ)					
Total				1,78,651	761.10

(Source : Information derived from Departmental record)

Above table indicates that after negotiations, these three lowest firms quoted their rates Rs.4,300 (without excise duty) per dual desk. On the recommendations of indenting department, High Power Purchase Committee (HPPC) approved (May 2012) the purchase of dual desks at the rate of Rs.4,300 per dual desk plus excise duty as applicable with the allocation of quantity in the ratio of 60:20:20 among the above said firms respectively.

It is also evident from above table that no excise duty was payable in case of M/s Design Edge Interiors Pvt. Ltd., Baddi being situated in Special Economic Zone (SEZ). But, while preparation of the comparative statement of rates offered by the three firms, ED had not been taken into account due to which the FOR rate/gross rate was much more in case of two firms namely M/s OK Play India Limited, Mewat and M/s Spacewood, Nagpur than the basic rate which was arrived at after doing negotiations. Thus, comparative statement of rates offered by all the three firms was not prepared correctly and the authorities had erred in taking the said decision based on a defective comparative statement of rates.

The Principal Secretary, School Education Department stated (December 2014) that there was no loss to the public exchequer because excise duty paid by the Department had gone in the account of Government of India and not in the account of any private party. Therefore, there is no 'net loss' to the public exchequer. The Department had placed the orders strictly in accordance with the decisions taken by the HPPC.

The reply was not tenable as decision of HPPC as well as indenting department to allocate purchase in the ratio of 60:20:20 from above three firms was not in order, as M/s Design Edge Interiors Pvt. Ltd., Baddi (HP) had not shown its inability to handle the complete supply order. M/s Design Edge Interiors Pvt. Ltd., Baddi (HP) was the lowest tenderer on FOR basis thus 100 *per cent* purchase order should have been allotted to it The Director, Elementary Education and Secondary Education purchased 1,43,203 dual desks from these two ineligible firms which resulted in avoidable extra expenditure Rs.7.61 crore. Had the department issued the entire supply order to the lowest eligible tenderer it could have saved the amount Rs.7.61 crore.

The department in its written reply stated as under:

In this connection, it is submitted that the meeting of High Powered Purchase Committee was held on 02.05.2012 under the Chairmanship of Hon'ble Finance Minister, Haryana for arranging Rate Contract for the purchase of Dual Desks required by the Department of School Education, Haryana. High Powered Purchase Committee approved the following three firms on Rate Contract basis with allocation of quantity mentioned against their names:-

Sr. No.	Name of Firm	Allocation of quantity

1.	M/s O.K Play India Ltd., Mewat	60% of the total quantity
2.	M/s Spacewood Furnishers Pvt. Ltd., Nagpur	20% of the total quantity
3.	M/s Design Edge Interior Pvt. Ltd, Baddi (HP)	20% of the total quantity

Consequent upon the approval of High Powered Purchase Committee Director Supplies & Disposals, Haryana put a supply order to the concerned firms vide their letter No. 5014, dated 26.06.2012. As the extra payment made by the department in the shape of excise duty had gone in the account of the Govt. of India and not in the any private party. So, the amount of Rs. 7.61 Crore pointed out in the CAG report cannot be termed as the loss to the Public Exchequer.

Keeping in view the position explained above, para may kindly be dropped.

The Committee has desired the Additional Chief Secretary, School Edcuation Department to give further clarification on the issue of complaints made against some bidders/companies and action taken by the department.

[13] 3.4 Extra expenditure due to de-centralized purchase of containers:

Non-observance of financial rules and procurement policy and failure to analyze the rates resulted in an extra expenditure of Rs.1.06 crore.

Rule 15.2 of Punjab Financial Rules, Volume I as adopted by State of Haryana provides that purchases should be made in most economical manner. Purchase orders should not be split up to avoid obtaining sanction from a higher authority. When stores are purchased from the open market, the system of open competitive

tender should be adopted and purchase should be made from the lowest tenderer uuless there are any special reasons to the contrary.

Scrutiny of the records (November 2013) of the office of the Director General, Elementary Education (EE), Haryana showed that the department made a proposal for purchase of containers for storage of food grains, two for each school in 5,285 primary schools and 3,875 upper primary schools under Mid Day Meal Scheme. The Director General, EE directed (June 2011) all the District Elementary Education Officers (DEEOs) of the State to send their requirements. On the basis of demand and quotations received from the field offices, department transferred (April 2013) an amount of Rs.3.30 crore to the bank accounts of respective school heads for purchase of containers. Purchases were made at School level across the State.

Audit observed that instead of open tenders by giving advertisement in leading newspapers, quotations were obtained by all the DEEOs at the district level and forwarded to the Director General, EE, Haryana for obtaining approval. Scrutiny of the relevant papers showed the following:-

- No technical specifications were fixed before obtaining quotations and different specifications were quoted in the offers at district level and there was no uniformity in specifications of containers. Rates of 22 gauge containers for three districts (Palwal,

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Panchkula and Rohtak), 20 gauge for Panipat district and 18 gauge for Kaithal were approved by the Department.

- District wise rates were approved by the department. In twelve districts rates of 24 gauge containers having three quintal capacity varied between Rs.1,100 and Rs.1,900 in case of primary schools. There was a maximum difference of Rs.800 in price per container for primary schools.
- In twelve districts rates of 24 gauge containers having five quintal capacity varied between Rs.1,400 and Rs.2,500 in case of upper primary schools. There was a maximum difference of Rs.1,100 in price per container for upper primary schools.

Thus, the department purchased 18,320 containers at a cost of Rs.3.30 crore on higher rates resulted in extra expenditure of Rs.1.06 crore (as detailed in ***Appendix*** *3.2),* which could have been saved had the department opted for centralised purchase through DS&D, Haryana.

Director, EE stated (November 2014) with the approval of the Additional Chief Secretary, School Education, Haryana that as per instructions of Government of India and the Chief Secretary to Government of Haryana, the containers were immediately required for the schools, the quotations from DEEDs were called for and lowest rates were approved by authorities and purchases were made at school level. But the reply was not acceptable as the process of purchase was initiated in June 2011 and purchases were made after lapse of two years.

The matter was referred to the Principal Secretary, School Education Department in July 2014; the reply was awaited (January 2015).

The department in its written reply stated as under:

The decision of purchase of containers for Mid Day Meal was taken in the meeting of the Chief Secretary: Haryana and quotations called by Districts were collected by Directorate and approved the least rates according to the quotation of each district. As per the directions of the Govt. of India/the Chief Secretary. Haryana Govt. schools should be provided container for storage of food grain. If the containers could not be provided, there would be a spoilage of food grain in schools which would cause a huge loss as well as interruption of mid day meal in the schools.

Quotations called by Districts were collected by Directorate and approved the least rates according to the quotation of each district. The rates varied because the quotations were from different markets and districts. The amount received from Govt. of India should be spent in the same financial year. As per the directions of the Govt. of India, schools should be provided container for storage of food grain. If the containers could not be provided, there would be a spoilage of food grain in schools which would cause a huge loss as well as interruption of mid day meal in the schools.

Explanation regarding high rates was called from District Elementary Education Officer, Bhiwani and they replied that quotations were called by o/o DEEO Bhiwani and the rates were according to contemporary market rates.

Further it is also mentioned here that higher rate in Bhiwani itself is indication that as lead for supply (transportation) receivers rates increase.

Quotations and rates were analyzed district wise. In a meeting, the matter of rates was discussed with the District Elementary Education Officers and it was told by them that they have sent the

quotations to the Directorate and rates mentioned in quotations were according to contemporary market rates.

The district wise rates were approved on the basis of the quotations received from districts.

As the quotations were called by the Districts separately, therefore, the different technical specifications/rates were approved in different districts for purchase of containers.

The quotations were called at district level but the Directorate observed the process to make sure transparency in the entire process.

If the purchase was to be made through centralized process. The transportation expenses from one corner to another corner could be afforded by the state. Therefore, at that time it seemed appropriate and Department tried to save the transportation cost of the containers from one corner to another corner of the state, which could be spent through centralized purchasing.

It is further clarified that:

1. If the purchase could be made through single firm, it could cause delay and the food grain stored in schools might be damaged.
2. The purchase was made at school level through the committee not at Directorate/District level. In this regard, Directorate had ordered that the purchase was to be done through the committee of following members:

i.	President of SMC:	President
ii.	Head Master/School In-charge:	Member
iii.	Female member of SMC (non-govt. employee)	Member

3. RTE Act promotes greater role for SMCs in School Management and it is an excellent way to involve them, give them responsibility and make them watch-dogs. Local Monitoring and supervision are best ways of ensuring quality procurement and administration.
4. There is no evidence to say that centralized purchase would be cheaper.
5. Higher rate in Bhiwani itself is indication that as lead for supply (transportation) increases rates increase.
6. Amount was directly transferred by the Directorate to the accounts of the Schools.

The Directorate observes the process for maintaining transparency; no purchase was made by the Directorate.

On admitting by the Additional Chief Secretary, School Education that prescribed procedures for procurement have not been followed in the instant case, the Committee had desired that concerned officer be asked to explain as to why he departed from the prescribed procedures for procurement and action taken report be submitted to the Committee within a period of two months.

[14] 3.5 Misappropriations, losses, defalcations etc:

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per rule 2.34, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 137 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.58 crore on which final action was pending as of June 2014. The department wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6** The age-profile of the pending cases and the number of cases pending in each category theft and misappropriation/loss as emerged from these appendices is summarized in **Table 3.**

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Age- profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. In Lakh)		Number of cases	Amount involved (Rs. In Lakh)
0-5	17	25.88	Case pending as of June 2013	144	160.45
5-10	30	39.22			
10-15	34	60.72	Cases added during the year	1	--
15-20	13	12.17			
20-25	19	15.62	Total	145	160.45
25 and above	24	4.65	Case of losses written off during the year	8	2.19
Total	**137**	**158.26**	**Total pending cases as of June 2014**	**137**	**158.26**

Reason for pendency of cases are listed in **Table 3.5**

Table 3.5: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reason for the delay/outstanding pending cases		Number of cases	Amount (Rs. In lakh)
i)	Awaiting departmental and criminal investigation	4	8.05

ii)	Departmental action initiated but not finalized	68	53.00
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending.	11	8.79
iv)	Awaiting orders for recovery or write off	4.	36.50
v)	Pending in the courts of law	14	51.92
Total		**137**	**158.26**

Out of the total loss cases, 65 per cent cases related to theft of Government money/store. Further, in respect of 50 per cent cases of losses, department action had not been finalized and 29 per cent cases were outstanding for want of orders of the competent authority for recovery or write off losses. It was further noticed that out of 137 cases of losses due to theft/misappropriation etc. 120 cases were more than 5 year old including 24 cases which were more than 25 years old. The lackadaisical approach of departments in finalization of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The department in its written reply stated **as under:**

Out of total 35cases of misappropriation, losses and defalcations etc., 21 cases upto 2002-03 amounting to Rs.13.87 lacs have been dropped by PAC in its meeting held on 03.3.2008 and further 9 cases upto 2005-06 amounting to Rs.3.21 lacs have also been dropped in PAC meeting held on 03.3.2008. Moreover the para No.1.6. of CAG Report for the year ended upto 31.3.2007 (civil), comprising all the pending 5 cases of misappropriation/losses and defalcation has been dropped by PAC in its meeting held on 10.7.2012.

So far as the total 28 pending cases as shown in para 3.5 of the CAG report on State Finances for the year ending 31st March, 2014 is concerned, it is submitted that all the 28 cases have been dropped by the PAC in its various meetings as mentioned above. Now out of these 28 cases 13 cases involving an amounting of Rs.10.77 lacs have been closed in the books of PAG after having necessary write off sanction from the Finance Department. Out of the balance 15 cases 7 cases have been sent to finance Department to seek write off sanction, 4 cases are pending with the Principal Accountant General Haryana and 4 cases are pending with our Department on which necessary action is being taken.

(List of 15 cases with latest position is attached herewith).

Keeping in view the position explained above, para may kindly be dropped.

The Committee has desired that the after completing the pending cases at the earliest, same be got compiled in the office of PAG, Haryana under intimation of the Committee.

HEALTH DEPARTMENT

[15] 2.2.8.2 Construction of CHCs, PHCs and SCs:

To bridge the gap, the NRHM had set a target of construction of 22 new CHCs, 78 new PHCs and 282 new SCs in the State targeted to be completed during 2013-14. It was observed that the targets of construction of these centres had not been achieved (November 2014) as per details given in Table 2.2.3.

Table 2.2.3:Details of target and achievement of construction of CHCs, PHCs and SCs

Category	Target	Achievement	Percentage	In progress	orks not started
	(In numbers)				
CHC	22	19	86	03	0
PHC	78	71	91	06	1
Sc	282	202	82	32	11
Total	382	292		41	12

Source: Information provided by SHS

The Public Works Department (Buildings and Roads) was the executing agency for the execution of works of Health Department. As per information available with the Mission Director, NRHM, as against the administrative approvals of Rs.332.66 crore, the total expenditure was Rs.170 crore upto October 2013. Scrutiny of the records indicated the following:

- Though the target date of completion of works was indicated, the actual date of completion was not specified in any of the cases. In the absence of this, it was not possible to ascertain the time overrun. From the available data in the test checked districts, audit observed that nine works were completed at a cost of Rs.9.76 crore as against the estimated cost of Rs.8.15 crore resulting in cost overrun of Rs.1.61 crore i.e. increase by 20 *per cent.* In case of PHC, Haodali, cost overrun was to the extent of 64 *per cent.* There was no evidence on record to indicate monitoring or analysis by the Health Department of the time and cost overruns by the executing agencies.
- Though the administrative approval for construction of CHC, Mulana was accorded in September 2011, tendering process for allotment of work had not yet been started (January 2014). The administrative approvals for construction of PHC, Barna (Kurukshetra district) and PHC, Guryani (Rewari District) were accorded August 2009 and September 2008 respectively but the construction could not be started due to non-availability of land/ dispute of land. Similarly, buildings of SCs could not be started due to land disputes and non-availability of land. The department had not made any efforts to get the alternate sites.

The Mission Director stated (November 2014) that construction ofCHC, Mulana could not be taken up due to cost escalation from Rs.1.71 crore to Rs.6.58 crore. As regards PHC, Barna, it was stated that the land for construction of PHC had now been released by the Director, Development and

Panchayat Department and permission of the construction of PHC, Guryani had been obtained from Environment and Forest Miuistry, GOI to remove trees. The fact, however, remains that there were substantial delays in getting the land released.

The Department in its written reply stated as under:

The revised status of achievements in respect of construction of these Health Institutions as per PWD B&R record is as under:-

Category	Target	Withdrawn	Balance Target	Achievements	%age
CHC	22	-	22	19	86
PHC	78	-	78	72	92
SHC	282	37	245	214	87

An amount of Rs 230.65 crore deposited with Haryana State Roads and Bridge Development Corporation under NRHM has been fully utilized upto June 2015 for various works sanctioned by Health Department under NRHM **Annexure (D)**. A Utilization Certificate for the same has been received **Annexure (E)**.

Delay in construction of CHCs building.

Sr. No.	Name of the Projects	Status
1	CHC Mullana (Ambala)	The reason for delay in construction of CHC Mullana is because of new construction planned. An administrative approval amounting to Rs. 171.18 lacs was issued on dated 17.11.2009 for adding an additional floor on existing building but PWD (B&R) informed that there is no provision kept for adding additional floor on existing building so they planned a new three storyed separate block connecting the old block. Accordingly drawing was approved and revised A/a amounting to Rs. 657.81 lacs was given on 19.03.2015. Now it is at the tendering stage.
2	CHC Badoli (Palwal)	The construction of the building has been completed upto roof level.
3	CHC-cum-GH Pataudi (Gurgaon)	The delay was due to some technical issue of contractor with Executing Agency PWD (B&R) which was later on solved and now the building is near completion.

Buildings of 3 PHCs namely Mandpura, Bichhore & Bai are near completion & reason for delay in construction for PHC Barna, Guryani & Pakshma is as under:-

1	PHC Barna (Kurukshetra)	The delay was due to change of site as the earlier land offered by Gram Panchayat was not suitable. Now it is at the tendering stage.

2	PHC Guryani (Rewari)	An administrative approval amounting to Rs. 207.27 lacs was issued on dated 26.09.2008. The delay in this case was due to the land falling in Arawali plantation area under forest. Much time was consumed in getting clearance form Ministry of Environment & Forest GoI. But now PWD (B&R) has informed that rock covers 75% of the area so it is not fit & feasible for construction of PHC building. Now Civil Surgeon, Rewari has been directed to get alternate land for the PHC building or if Gram Panchayat doesn't provide land then proposal may be sent to withdraw the administrative approval.
3	PHC Pakshma	The delay is due to pending court case of land.

282 SHCs were sanctioned out of which A/a of 37 SHCs has been withdrawn due to non availability of land. 214 SHCs have been completed. 6 SHCs are in progress from remaining 31 SHCs & land not provided of 25 (3 of Palwal, 10 of Kurukshetra, 2 of Sonepat, 3 of Ambala & 7 of Mewat) SHCs. Concerned Civil Surgeons have been directed to get alternate land for the construction of the buildings or if Gram Panchayat doesn't provide land then proposal may be sent to withdraw the administrative approval.

The Committee has desired that the latest status of the construction of CHC/PC/SC alongwith the provision of funds for the same be submitted to the Committee.

[16] 2.2.8.3 Improper-functioning of PHCs/Sub-Centres:

A total of 29 SCs were completed between September 2009 and April 2012 at a cost of Rs.3.99 crore in Fatehabad and Sirsa districts but these SCs were not functioning properly (January 2014) as only one Auxiliary Nurse Midwife (ANM) was provided against the norm of three ANMs. It was further observed that the manpower was not sanctioned by the Director General, Health Services (DGHS). Similarly, buildings of two PHCs in Bhiwani district were completed in July 2013 at a cost of Rs.2.20 crore but these had not been handed over to the Health Department for want of various facilities i.e. doors, windows, water supply, boundary walls, etc (October 2014).

During joint physical verification, it was noticed (August 2014) that staff quarters and doctors' residences of PHCs, Rohi and Badopur in Fatehabad and SC, Natar under CHC, Madhosinghana in Sirsa district were in bad condition and were lying abandoned. The boundary wall of PHC, Sehlang was also in broken condition.

The ACS stated during the exit conference that the matter would be looked into and corrective steps would be taken soon.

The Department in its written reply stated as under:

Fatehabad:

Distt Fatehabad has 28 newly constructed Sub Centre . Now these Sub Centres have been operational since Nov 2013 with contractual ANM sanction under NRHM.

Staff Quarter at PHC MP Rohi are not liveable and have been declare condemn as per letter No. 4534 Dated 20.08.08 from The Executive Er, Provincial Division PWD B & R, Fatehabad

Annexure (F).

Staff Quarter at PHC Badopal was not liveable and construction work of new quarter was in progress till March 2014. PHC Badopal have been upgraded as CHC and construction work was in progress till March 2014. At present building of CHC Badopal and staff Quaters have been taken over by health department as on 25/05/2015.

Sirsa:

Rajpuramajra is a village under S/C shergarh in CHC Dabwali & not a Sub Centre. Letter has been sent to XEN Panchayati Raj regarding preparation of repair estimate of Sub Centre Nattar.

Bhiwani:

The PHC Santokhpura and Balkara have now shifted to new building with electricity connection. But water connection has not been properly installed. In PHC Santokhpura in residential quarters water fitting repair is pending and some doors have been broken. Exhaust fans and power plugs are not installed. It has been intimated to PWD B&R. In PHC Balkara Boosting Station is under construction. Severage facility is poor, electricity fitting and some minor repair is also pending. It has been intimated to PWD B&R.

Narnaul:

It is stated that Rs. 245100/- has been alloted to PHC Sehlang for the construction of Boundary wall out of TFC fund, whose estimate has now increased upto Rs. 460000/-, but this amount is not available in TFC account as of now, so position still remains the same.

The Committee has desired to know the latest status of the matter and the department should take sincere efforts to improve the functioning of the PHCs and Sub Centres.

[17] 2.2.8.5 Lack of basic amenities in Sub-Centres:

During physical inspection of SCs in selected districts, it was noticed that the SCs as per details given in Table 2.2.4 were functioning without basic amenities like water, electricity, toilets, etc.

2.2.4: Details of SCs functioning without basic amenities

Name of the district	Number of sub-centres functioning without basic amenities				
	Water supply	Water storage	Electricity	Availability of bathroom, toilet	Condemned/poor condition of buildings
Narnaul	20	17	24	6	6
Palwal	12	10	8	7	4

Source: Data provided by DHFWS concerned

The ACS took a serious note of the issue of lack of basic facilities in SCs during the exit conference and directed the departmental officers to take immediate steps to resolve the problems.

The Department in its written reply stated as under:

Fatehabad:

All Sub-centre has basic amenities in Distt Fatehabad

Narnaul:

The facilities of ANC and PNC only are provided at Sub-Centers. The facilities of Water supply, water storage, electricity and bathroom/toilets are not available due to construction of 18 new Sub centres and 2 sub centers are running in non Govt. Buildings. As regards facility of toilet in 2 sub centres, funds are being arranged for this purpose.

Palwal:
These facilities are being availed adjoining area.

The Committee has desired that latest status of the basic amenities being provided in the Sub Centres in the State be supplied to the Committeee at the earliest possible.

[18] 2.2.10.3 Procurement of Absorbent Cotton Wool from a black listed firm:

Drugs and Cosmetics Act, 1940 and the rules made thereunder provides that regular and random testing of drugs will be undertaken from Government/ Government approved laboratories at the time of supply and at any time during the shelf life or whenever any defect is noticed. If a major defect is found in the standard of a medicine/ medicines, use of that medicine is required to be stopped immediately and the firm which had supplied substandard medicine should be blacklisted/debarred.

Scrutiny of records of SHS showed that M/s Jind Surgical, Hansi Road, Jind a supplier of Absorbent Cotton Wool was blacklisted by the Tamil Nadu Medical Services Corporation on 13 October 2011 for the period from 9 November 2011 to 8 November 2016. However, scrutiny of records of SHS and test-checked DHFWSs showed that Absorbent Cotton wool worth Rs.1.08 crore was purchased between November 2011 and May 2013 from this supplier i.e. after the date of blacklisting of the firm. No guidelines were framed to deal with cases where a firm has been blacklisted by another Corporation/State.

The Mission Director stated (November 2014) that the purchases were made on rate contract basis entered into by Director General, Supplies and Disposal. The reply was not convincing as the Health Department should have framed guidelines to deal with cases where a firm has been blacklisted by another Corporation/State. The ACS assured during the exit conference that a system of obtaining affidavit from suppliers about their non-blacklisting would be introduced.

The Department in its written reply stated as under:

All the eligibility conditions as per the indent were specified in the NIT. In response, M/S Jind Surgicals, Jind submitted Non Conviction Certificate issued by the State Drug Controller, Haryana certifying that the firm had not been convicted under Drugs and Cosmetics Act,1940 and Rules there under in Haryana State during the last three years.

The firm submitted all other requisite licenses/documents as per requirement of NIT. Thus the firm was considered technically qualified.

The rate contract has already expired on 19.07.2013. No complaint has been received against the firm during this rate contract.

Opinion of DS&D was taken in case of blacklisting of a firm by state of J&K which was on rate contract with Haryana also, DS&D opined that such an action by other state government should have no impact on Haryana, **Annexure (N)**.

However new policy dated 16.04.2015 of the State Government has put up a condition that any firm that has been blacklisted by any State Government in country or Govt. of India will not be eligible to participate in the Tenders of Haryana caluse No.1.5. **Annexure (O)**

In view of above the para included in the CAG (Civil) for the year 2013-14 may please be dropped.

The Committee has desired that the copy of the NIT be supplied to the Committee at the earliest.

[19] 2.2.10.4 Dispensing adulterated/spurious medicines to the patients:

Medicines worth Rs.10.21 lakh procured between March 2010 and September 2013 by the DHFWSs, Bhiwani, Ambala, Mewat, Narnaul and SHS Panchkula were declared adulterated/spurious by Government Analyst. Out of these, adulterated/spurious medicines worth Rs.6.57 lakh were dispensed to the patients and Rs.3.64 lakh worth were lying abandoned in a warehouse at Ambala (August 2014).

On further scrutiny of the stock of the medicines, it was noticed (August 2014) that report of sample was received by DHFWS, Mewat and Central Store, Ambala after a period ranging between 305 and 575 days of drawal of samples. Thus, there were substantial delays in conveying results of samples in districts. Had the results of tests been conveyed earlier, dispensing of spurious/adulterated medicines could have been avoided. Further, as per terms and conditions of supply orders, the firm is bound to replace the entire batch of such medicines or make full payment of entire batch, even if the entire or part of supply has been consumed but neither the medicines had been replaced nor recovery of amount of the entire batch had been made.

The Mission Director stated (November 2014) that the firm was directed to replace the supply of the medicine in question as per terms and conditions of rate contract.

The Department in its written reply stated as under:

The Firm was directed to replace the supply of medicine in question as per terms & conditions of rate contract. These medicines were declared substandard by Govt. Analyst Haryana and report of drug samples was received after a period ranging between 305 & 575 days of drawl of samples. The samples in question were drawn by office of State Drug Controller Haryana for getting the random quality testing of these drugs from Govt. Analytical lab. In this case, as per existing rules and practice the medicines were released for issue after getting the supply of medicines along with standard quality test report from Govt./Govt. Approved lab.The reply of audit para received from DHFWs is as under:-

Ambala:

Name of Medicine Found adulterated	Amount of received medicine	Amount of medicine consumed before the test report received	Amount of Medicine unconsumed At the time of report received	Amount Replaced medicine	Remarks
Dextrose Inj. IP 500ml B.No. 301013695	44996.00	44996.00	NIL	NIL	Letter written to DS&D Haryana for taking strict action against the firm. **Annexure (P)**
Methyldopa Tab. IP 250mg B.No. T12119	9500.00	2176.00	7324.00	NIL	Letter written by concerned Civil Surgeon to firm for replacement. **Annexure (Q)**
Rolled Bandage B.No. B-13 (15x5)	77003.00	77003.00	Nil	NIL	Letters regarding Replacement written to firm and case taking action sent to DS&D **Annexure (R)**
Rolled Bandage Batch No. B-14 (10x4cm)	53999.00	53999.00	Nil	NIL	Letters regarding Replacement written to firm and case taking action sent to DS&D **Annexure (R)**
Total	185498.00	178174.00	7324.00		

BHIWANI

Name of Medicine Found Adulterated	Amount of received medicine	Amount of medicine consumed before the test report received	Amount of Medicine unconsumed At the time of report received	Amount Replaced medicine	Remarks
Rolled Bandage 6cmx4meter	72000.00	29844.00	42156.00	42156.00	Replaced Unconsumed Goods and letter written to firm for the replacement of whole batch. And to DS&D for taking action. **Annexure (R)**
TOTAL	72000.00	29844.00	42156.00	42156.00	

MEWAT

Name of Medicine Found Adulterated	Amount of received medicine	Amount of medicine consumed before the test report received	Amount of Medicine unconsumed At the time of report received	Amount Replaced medicine	Remarks
Tab. Cefadroxil 250mg B. No. 9698	25200.00	25200.00	NIL	NIL	Letter to Govt of India for taking strict action **Annexure (S)**
TOTAL	25200.00	25200.00	NIL	NIL	

NARNAUL

Name of Medicine Found Adulterated	Amount of received medicine	Amount of medicine consumed before the test report received	Amount of Medicine unconsumed At the time of report received	Amount Replaced medicine	Remarks
Tab. Iron & Folic Acid Large 60mg+ 400mg B. No. IFA/989 & 982	1,53,235.00	1,53,235.00	NIL	1,53,235.00	Medicine replaced
Tab. Nystatin Veginal B.No. HT120486	10,946.00	10,946.00	NIL	NIL	Letter written to DS&D Hry. For taking Action **Annexure (T)**
GauzeThan 90cmx18mtrs B. No. 031	70,000.00	70,000.00	NIL	NIL	Medicine Not Replaced As Reported By Civil Surgeon, Narnaul. **Annexure (U)**
Total	234181.00	234181.00		153235.00	

DRUG WAREHOUSE AMBALA

Name of Medicine Found Adulterated	Amount of received medicine	Amount of medicine consumed before the test report received	Amount of Medicine unconsumed At the time of report received	Amount Replaced medicine	Remarks
Tab folic acid 5 mg	6256.8	Nil	NIL	6256.8	Replaced
Syp Ondasetrne	4000.00	Nil	NIL	Nil	P.O Cancelled **Annexure (V)**

Tab Phenytoin 100mg	5797.15	Nil	NIL	5797.15	Replaced
inj midzolam 5ml	2568.00	Nil	NIL	Nil	P.O Cancelled **Annexure (W)**
Sccinylcholi inj	808.00	Nil	NIL	Nil	P.O Cancelled **Annexure (X)**
Lignocain gel 2%	10078.74	Nil	NIL	Nil	P.O Cancelled **Annexure (Y)**
Tab Salbutamol 4mg	5468.45	Nil	NIL	Nil	P.O Cancelled **Annexure (Z)**
	84.846.	Nil	NIL	Nil	
Tab zinc	102837.66				Supply completed in all the ware house except Ambala Quantity 684600 value Rs.102837.66 and payment of other six ware house worth Rs.923716.58 not made being supply not completed in warehouse Ambala.
Sodium Valporate 200mg	2964.00	Nil	NIL	2964.00	Replacement Received.
Inj aminophyllin	5399.352	Nil	NIL	5399.352	Replacement
syp amoxy	202713.00	Nil	NIL	202713.00	Replacement Received
Inj. Glycopyrrol ate	10078.74	Nil	NIL	Nil	P.O Cancelled **Annexure (AA)**
E/D Flurbiprofen	16503.00	Nil	NIL	16503.00	Replacement Received.
Total	**375557.738**	**Nil**	**NIL**	**239633.302**	

SHS PANCHKULA

Name of Medicine Found adulterated	Amount of received medicine	Amount of medicine consumed before the test report received	Amount of Medicine unconsumed At the time of report received	Amount Replaced medicine	Remarks
Chloroquine Phosphate Tablets.	786027.5	Nil	786027.5	786027.5	Replaced The medicines
Domperidone Suspension1mg/ Ml,30ml	68412.5	Nil	68412.5	Nil	Written to firm for replacement No Payment made. **Annexure (AB)**
Phrethrum Spray 2%25ltr.	2190000.00	Nil	2190000.00	Nil	FIR Lodged against the Firm. **Annexure (AC)**
Zinc Sulphate suspension 20mg/5ml	289050.00	Nil	289050.00	Nil	Letter Written To State Drug Controller For taking action. **Annexure (AD)**
Ferrous salt+folic acid	696881.22	Nil	696881.22	Nil	Firm ready To replace The Medicines and case for replaceme nt is under process. **Annexure (AE)**
Mannitol Solution Injectable 20%100mlS	155522.24	Nil	155522.24	Nil	Letter sent to DS&D for taking action against the firm **Annexure (AF)**
Hydrogen Peroxide solution 1%	82831.75	Nil	82831.75	Nil	Letter sent to Director ESI forTaking Action against the Firm **Annexure (AG)**

Diclofenac sodium Tablet 50mg	5024.214	Nil	5024.214	Nil	Firm ready to replace the Medicine and case for replaceme nt is under process. **Annexure (AH)**
Amoxicillin+ clavulanci acid suspension 200mg+28.5mg in 5ml.	252780.00	Nil	252780.00	Nil	Letter written to DS&D Taking Action against the firm **Annexure (AI)**
Total	4526529.424		4526529.424	786027.5	

Now we have entered into contract with seven labs for Drug testing and also the medicines are being issued after receipt of test reports as per the Purchase Drug Policy of 2013 had the provision that such a set up will be made operational. Now no medicine supplied from the warehouses, Haryana without testing

In view of above, the para included in the CAG (Civil) for the Year 2013-14 may please be dropped.

The Committee has observed that the test report of the medicines was conveyed after an inordinate delay knowingly and purposely to favour the supplier firm. The Committee has, therefore, recommended that the matter be entrusted to the Vigilance for thorough inquiry as to:

i) At what level these adulterated/spurious medicines have been accepted, responsibility be fixed of the erring officers/officials and stricrt disciplinary action be initiated/taken against them

ii) Where these adulterated/spurious medicines have been supplied;

iii) Why the report of the sample have been conveyed after a long period of 305 to 575 days of drawal of samples, which should have been conveyed within 7 days.

iv) The concerned firm(s) be black-listed with immediate effect; and

v) The Principal Accountant General, Haryana to prepare the points/facts necessary for vigilance inquiry and supply to the Committee at the earliest.

[20] 3.9 Unfruitful expenditure on non-functional Drug Testing Laboratory and State Ayurvedic Pharmacy:

An expenditure of Rs.3.40 crore incurred on construction of Drug Testing Laboratory and State Ayurvedic Pharmacy was rendered unfruitful due to non-availability of manpower.

In order to provide financial assistance to the States with a view to strengthening Ayurveda, Sidha, Unani and Homeopathy (AYUSH) drug enforcement mechanism to the State, Government of India (GOI) introduced the Centrally Sponsored Scheme for Quality Control of AYUSH Drugs during 9th Five Year Plan. The main purpose of the scheme was to establish AYUSH manufactwing units and in-house quality control laboratories for batch to batch testing of raw materials and finished products for ensuring quality control of AYUSH medicines.

Scrutiny of records (May 2014) of the Director General, AYUSH, showed that GOI released grant-in-aid of Rs. three crore under the Centrally Sponsored Scheme for quality control of AYUSH drugs for the establishment of State Drug Testing Laboratory (DTL) and State Ayurvedic Pharmacy (SAP) in the campus of Shri Krishna Government Ayurvedic College at Kurukshetra. The construction of both the buildings of SAP and DTL was completed between October 2008 and January 2009 at a cost of Rs.1.94 crore and Rs.0.94 crore, respectively. Machinery/equipments were also purchased at a cost of Rs.0.52 crore during 2008-10. But even after more than five years of the completion of these buildings and availability of the funds of Rs.20 lakh for manpower, the DTL and SAP had not been made functional due to not making arrangement of manpower. It was observed that the warranty period of one year of equipment/ machinery had expired. Thus, the expenditure amounting to Rs.3.40 crore (construction of buildings: Rs.2.88 crore and purchase of equipments: Rs.0.52 crore) was lying unfruitful besides the objectives of the scheme remained unachieved (November2014).

The Director General, AYUSH with the concurrence of Principal Secretary, Health Department stated (November 2014) that Finance Department had given approval (July 2014) for manpower for the DTL, rules were being framed for newly created posts and DTL would start functioning in near future. DG further added that procedural delays in getting electricity connection and non-availability of funds for transformer/electric connection were the reasons for delay in starting the SAP and it would start functioning soon. The fact, however, remains that DTL and SAP had not been made functional (November 2014) despite spending Rs.3.40 crore.

The Department in its written reply stated as under:

(DTL) It is stated that in Financial Year 2007-08, under a 100% Centrally Sponsored Scheme, funds to the tune of Rs.100.00 lacs were allotted by Govt. of india to establish a Drug Testing Laboratory (DTL). Out of Rs.100.00 lacs, Rs.50.00 lacs were meant for construction of building, Rs.30.00 lacs for machinery and equipments and Rs.20.00 lacs for deploying manpower. The construction of the building was completed in the year 2009-10. Thereafter, a delegation of the Govt. of India inspected the building of Drug Testing Laboratory was handed over to department in September, 2011 by the PWD, B&R Department. Thereafter, a proposal for creation of posts was sent to State Govt. The Govt., however, advised to study the staff pattern of the DTLs of

neighboring states like Himachal Pradesh, Punjab, U.T etc. After studying staffing pattern of these states, the proposal was resubmitted to the Finance Department through administrative Department. Finance Department, however, raised some observations regarding pay scales and qualifications for similar posts, if any, existing in the health Department. The pay scales and qualification of Health Department were examined and the proposal was re-submitted. Finally, the proposal for the creation of manpower was sent to the Finance Department which gave its concurrence vide dated 02.07.2014 for the following manpower for the Drug Testing Laboratory. Govt. Vide their letter 1/25/2007-5HB-4 dated 21-07-2014 following manpower has been sanctioned for Drug Testing Laboratory:-

Sr.No.	**Name of Post**	**No.of Posts**
A	**Botany/Pharmacognosy laboratory**	
1	Scientific Officer	1
2	Analyst	1
B	**Chemistry Section**	
1	Scientific Officer	1
2	Analyst	1
C	**AYUSH Section**	
1	Scientific Officer	1
D	**Microbiology/Toxicology Section**	
1	Expert	1
Ministerial Staff		
1	Superintendent	1
2	Assistant	1
3	Accountant	1

The process to fill the posts has since been initiated. The post of Superintendent and Assistant has already been filled and case to fillup the post of Accountant is under process. The proposal to frame the rules has already been sent to the Govt. Vide this office letter no.3103 dated 24.02.2105 to the Govt. and the same has been sent to Haryana Staff Selection Commission for approval vide Govt. letter No.1/25/007-5 HB-IV dated 27.11.2015 had raised some observation in the matter which was replied vide Department letter No.3276 dated 15-02=-2016 again asked to send the proposal through Administrative Department. Department has sent the proposal to the Govt. to forward Haryana Staff Selection Commission vide letter no.20560 dated 9.9.2016. As soon the Rule be framed the posts will be filled and the Drug Testing Laboratory will start functioning in near future.

The delay, if any, has been on account of the procedure involved at various steps in creation of the new posts and framing of Rules.

In view of above reply, the para may be dropped.

(SAP) It is also stated that in Financial Year 2007-08 under 100% Centrally Sponsored Scheme funds to the tune of Rs.150.00 lacs were allotted by Govt. of India to establish a State Ayurvedic Pharmacy (SAP) Out of Rs.150.00 lacs, Rs.100.00 lacs were meant for construction of building and Rs 50.00 lacs for machinery and equipments. The construction of the building was completed

in the year 2009-10. Thereafter, a delegation of the Govt. of India had inspected the building of State Ayurvedic Pharmacy and some shortcomings were pointed out by the delegation which were got rectified from the PWD, B&R Department in 2010-11. Thereafter, the building of State Ayurvedic Pharmacy was handed over by the PWD, B&R Department in September, 2011. Thereafter, a proposal for creation of posts to run the pharmacy was sent to State Govt. After consideration the Govt., directed to study the staff pattern of the pharmacies of neighbouring states like Himachal Pradesh, Punjab, U.T. etc. Later studying staffing pattern of these state, the proposal was resubmitted to the Finance Department through administrative department. Finance Department, however, raised some observations which have been replied now. Another reason for delay in starting the State Ayurvedic Pharmacy was the non-availability of funds for electricity connection that required installation of an independent transformer for the State Ayurvedic Pharmacy, which also took some time with the electricity department. The procedural delay in getting connection coupled with non availability of funds for transformer/electric connection and for which provision was separately got made in the budget later have also been the reasons for delay in starting of the State Ayurvedic Pharmacy. Now electricity connection has been made and other formalities like pollution certificate has been completed. The license has been applied to the Licensing Authority has been applied. The following Manpower is proposed for State Ayurvedic Pharmacy:-

S.No.	**Name of Post**	**No. of Posts**
Proposed		
1	Manager	1
2	Ayurvedic Medical Officer	2
Outsourcing		
	Ayurvedic Dispenser	2
	Assistant	1
	Steno-typist	1
	Mechanic	1
	Packer	2
	Sweeper	1
	Chowkidar	1
	Labourers	As per requirement

Since, the case is now at final stage with Finance Department for approval of posts, the pharmacy will start its functioning very soon.

In view of above reply, the para may be dropped.

The Committee has desired that vigorous and pragmatic efforts be made to make the Drug Testing Laboratory and State Ayurvedic Pharacy functional in a time bound manner.

[21] 3.18 Embezzlement due to inadequate financial control:

Embezzlement of Rs.4.58 lakh was noticed in Revenue and Disaster Management Department and of Rs.1.69 lakh in Health Department due to non-observance of provisions of Financial Rules and inadequate financial control.

(b) Rule 2.2 of PFR provides that a DDO should satisfy himself that all the monetary transactions are entered in the cash book as soon as they occur and the same are attested by him. Rules 2.7 and 2.4 of Rules ibid further provide that if an employee, not in-charge of the cash book, receives money on behalf of the Government, is required to remit the same to the employee having a cash book or deposit the amount into the treasury/bank on the same day or in the morning of the next day. The head of the office is also required to verify all the entries including totals in the cash book or have this done by some responsible official other than the writer of the cash book and initials all entries as correct.

The Government of Haryana accorded (August 2003) sanction for retention of user fee collected from patients and raising of resources through Grants-in-aid, donations etc. by Swasthya Kalyan Sarnitis (SKS) in the Health Department of three project districts which was extended subsequently (January 2004) to all the districts of State. Daily collection fee of the user charges are to be recorded in a cash book daily and the amount so collected is to be deposited in a saving account of nationalised bank of the SKS.

Scrutiny of records (between January and March 2013) in four General Hospitals (GHs) showed that user charges were being collected in cash on account of OPD fees, lab testing fees, etc. by various hospitals and the amount so collected was being deposited in the bank accounts of SKSs of each hospital as per Government orders of January 2004. Audit scrutiny of daily receipt books, cash collection register and cash books of these Sarnitis showed that an amount of Rs.1.69 lakh was less deposited in the Sarniti's accounts by the officials during the period between December 2010 and November 2012. This amounted to embezzlement of Rs.1.69 lakh. It had happened due to non-accountal of receipts, totaling errors, less carrying forward the balances and entering amount in excess on payment side than actual deposits. It was facilitated due to non-checking of entries and totals of the cash collection register and cash book and non reconciliation of these receipt entries with receipt books at the level of the DDO.

On being pointed out in audit, the said amount of Rs.1.69 lakh was recovered from the concerned officials and deposited in the bank accounts of the respective SKSs during the period between January and March 2013. The Chief Medical Officers stated (May 2014) that the defaulting officials had been removed from the seat of cash receipts and corrective measures had also been taken to prevent the recurrence of such irregularities. Inquiry had been initiated against the defaulting officials of GHs Rewari and Sonepat. Audit further observed that even after lapse of more than one year, no disciplinary action against the defaulting officials had been taken so far (November 2014).

Thus, lack of financial control by the DDOs and not following the prescribed procedure for handling the cash had facilitated the embezzlement of Government departmental receipts.

The matter was referred (May 2014) to the Principal Secretary, Health Department for comments; the reply was awaited (January 2015).

The Department in its written reply stated as under:

It is stated that adequate internal/external audit system is already in existence for proper monitoring and keeping financial control in the health institutions in the State as under:-

1. CAG Audit by the Principal Accountant General (Audit) Haryana.
2. Annual Statutory Audit by the Chartered Accountants firm.
3. Monthly Concurrent Audit by the Chartered firms.
4. Internal Audit by the Auditors of the Institute of Public Auditors of India North West Chapter Chandigarh.
5. Special Audit by Departmental Officers as and when required.

The position regarding embezzlement amounting to Rs. 1.69 lakhs in Swasthya Kalyan Samities of four General Hospitals,(GHs) i.e Rewari, Gurgaon, Sonepat and Faridabad is discussed in the succeeding paragraphs.

1. B.K. Hospital Faridabad:-

The Principal Medical Officer, B.K. Hospital, Faridabad vide his letter no. BKH-2013/1517 dated 14/03/2013 informed to the Senior Audit Officer, Audit Party No. -1 of the office of Principal Accountant General (Audit), Haryana that Rs. 4550.00 had been deposited, vide receipt no. 3987/34068 dated 14/03/2013 and credited in account no. 5270 of SKS with the Bank (a copy each of letter dated 14/03/2013, receipt dated 14/03/2013 Bank receipt dated 14/03/2013 alongwith a copy of Bank Pass Book is enclosed at Annexure-A/1-3). He has further stated that this irregularity took place due to burden of over work.

To avoid recurrence of such events in future, the Principal Medical Officer, B.K. Hospital, Faridabad, vide his Office Order No. BKH/2015/812 dated 12/02/2015 at (Annexure – A/4) has directed the concerned official to deposit the cash collection of Swasthya Kalyan Samiti (SKS)/ Surgery Package Programme (SPP) etc daily, on the same day or next day in the bank account.

The Principal Medical Officer, B.K. Hospital Faridabad vide his letter no. BKH/2015/813 dated 12/02/2015 and Memo no. 1144 dated 03/03/2015 has further informed that Sh. Om Parkash Sharma, Clerk, engaged on contract basis and involved in this case worked in the said hospital upto 31/12/2013 (Copies enclosed at Annexure-A/5-6). However Dr. O.P Mehta the then DDO retired on 31.12.2013 (Copy enclosed at Annexure-A/7). Thus no further disciplinary action appears to be feasible at this stage against them.

2. General Hospital Sonepat:-

The Medical Superintendent, General Hospital, Sonepat vide his letter no. Acct-2014/362 dated 27/05/2014 to the Senior Audit Officer (S.S) DP cell of the office of Principal Accountant General (Audit), Haryana informed that an enquiry has been initiated in this case and corrective measures have been taken to prevent the recurrence of such irregularities in future (Annexure – B/1).

Consequent upon the directions of Civil Surgeon Sonepat, vide his letter no. Establishment – II/2014/616 dated 07/07/2014 to Medical Superintendent General Hospital Sonepat the duties of cash handling by Sh. Jai Bhagwan Assistant and Sh. Dharam Pal, Assistant have been withdrawn from them (Annexure-B/2-3).

A copy of the enquiry report dated 19/07/2014, conducted by Dr. Adarsh Sharma, SMO General Hospital Sonepat is enclosed at (Annexure B/4). He has stated in his enquiry report that due amount of Rs. 28,155.00 and Rs. 64,575.00(Rs.92730/-) has been deposited in SKS account vide receipt no. 2712/42 and 2712/43 respectively. He has also stated that the concerned officials were over burdened due to the shortage of manpower and post of Dy. Superintendent lying vacant. Hence cross checking could not be done. Now no amount is due from the above employees. He has further stated that the previous service record of above officials is clean and no such irregularities have been found in the past and as such lenient view should be taken. The Civil Surgeon, Sonepat has been asked to initiate suitable action on the enquiry report against them immediately under intimation to this office (Copy at Annexure – B/5).

To avoid recurrence of such events in future the Medical Superintendent, General Hospital, Sonepat, has also directed the Deputy Superintendent in his institutions to cross check the Cash Book daily vide his letter No. MS-14/1889 dated 12/11/2014(copy enclosed at Annexure – B/6)

It is further stated that Dr. Ram Narayan Tehlan, Senior Medical Officer, General Hospital, Sonepat as DDO, has retired since 30/06/2014 (copy enclosed at Annexure – B/7). Hence it is not feasible, at this stage, to take disciplinary action against him.

The Civil Surgeon Sonepat has been repeatedly requested to intimate for initiating disciplinary action taken against Sh. Jai Bhagwan Clerk and Sh. Dhram Pal Accountant in respect of embezzlement of Rs. 28155/- and Rs. 64575/- (Rs. 92730/-) made by them in the user fee programme vide memo no. CAG Tentative Para/2013-14/4/2118 dated 19.06.2015, No. CAG Tentative Para/2013-14/4/2322 dated 13.08.2015 and also copy forwarded to DGHS Haryana vide this office letter no. CAG Tentative Para/2013-14/4/2323-24 dated 13.08.2015(Annexure–B/8-9) Civil Surgeon Sonepat requested to DGHS vide his letter endst. no. Estt-1-2015/ 382 dated 05.06.2015 to take action against the employee Sh. Jai Bhagwan Clerk and Sh. Dhram Pal Accountant. DGHS office is requested vide this office memo no. CAG Tentative Para/2013-14/4/2406 dated 04.09.2015 to take an early action against the officials in reference to the Civil Surgeon Sonepat letter no. Establsihment I – 2015/382 dated 05.06.2015(Annexure – B/10-11)

3. General Hospital Rewari:-

The Senior Medical Officer, General Hospital Rewari has already informed the Principal Accountant General (Audit), Haryana vide his. Letter Estt. GHR/14/1347 dated 29/10/2014 that the departmental enquiry has been conducted against Sh. Lekh Ram Pharmacist and Sh. Yogesh Kumar Clerk, and found that the delay in depositing the amount has been due to clerical mistake and not on account of mala fide intention (Copy enclosed at Annexure – C/1). They have deposited the amount of Rs. 16010.00 and Rs. 22500.00(Rs.38510/-) on 14/02/2013 and 19/02/2013 respectively. The services of Sh. Yogesh Kumar Clerk have been dispensed with since from. 15.03.2013 (after noon) vide Senior Medical Officer, General Hospital, Rewari Memo No. GHR-Estt-2013/432-434 dated 15/03/2013(Copy enclosed at Annexure – C/2). Sh. Lekh Ram has already taken voluntary retirement from 31.03.2014 (after noon) as per Director General Health Services, Haryana office order dated 06/03/2014 (Copy enclosed at Annexure – C/3). Therefore no departmental action appears to be feasible at this stage. Further the Senior Medical Officer, General Hospital Rewari has assured that now all efforts are being made to control such type of irregularities in future.

The Civil Surgeon, Rewari has been asked to initiate suitable action against Dr. A.K Saini the than SMO In-charge of General Hospital, Rewari. **(Copies enclosed at Annexure C/4).**

Civil Surgeon Rewari has been requested to initiate suitable disciplinary action against Dr. A.K. Saini the SMO in-charge of G.H. Rewari vide letter no. CAG/Tentative Para/2013-14/4/2020 dated 19.06.2015, No. 2321 dated 13.08.2015 and same copies also forwarded to DGHS office(Annexure – C/5-6) C.S. Rewari intimated vide his letter no. DH&FWS/2015/1692 dated 14.08.2015 that a warning letter has been issued to Dr. Ashok Saini SMO GH Rewari and more careful in future(Annexure – C/7) DGHS office requested to intimate vide this office letter no. CAG/Tentative Draft Para/2013-14/4/74 dated 28.01.2016 for the reply of CS Rewari vide his letter dated 14.08.2015(Annexure – C/8) C.S. Rewari requested vide this office letter no. CAG Tentative Draft Para/2013-14/4/137 dated 24.02.2016(Annexure – C/9) to intimate the action taken by the DGHS office against Dr. Ashok Saini SMO GH Rewari and same copy endorsed to DGHS office. CS Rewari again requested vide letter no. CAG Tentative Draft Para/2013-14/4/532 dated 28.06.2016 to intimate the latest position and copy endorsed to DGHS office (Annexure- C/10).

4. General Hospital Gurgaon:-

The Principal Medical Officer, General Hospital, Gurgaon has informed vide his letter no. GH/15/422 dated 23/01/2015 that during audit period from 07/11 to 31/12/2013, the recovery of Rs. 30300/- against Smt. Neelam Staff Nurse, ICU department and Rs. 2545.00(Rs.32845/-) from Sh. Santosh Kumar, Laboratory Attendant of Lab department was made immediately, deposited the same into SKS account and receipts were shown to the Audit Party of the office of Principal Accountant General (Audit) Haryana (Copies enclosed at Annexure – D/1-3). Further the Principal Medical Officer, General Hospital Gurgaon has informed to this office vide his letter no. GH Accounts-14/333 dated 04/11/2014 that the information regarding recovery of said amount made from the above employees was provided to the Accounts Officer of the office of Principal Accountant General (Audit) Haryana on 28/05/2014 vide his letter no. 634 dated 28/05/2014 (Copy enclosed at Annexure-D/4). Besides the duties of cash collection had been withdrawn from them and their explanations were called for. In their explanations, they have stated that above lapses have taken place due to handling of additional duties(Copy enclosed at Annexure –D/5-6). The Principal Medical Officer, General Hospital Gurgaon vide his letter no. GH/15/419 dated 20/01/2015 and letter no. GH Accounts – 14/407 dated 13/01/2015 has sent their explanations to the Director General Health Services, Haryana being competent authority, for taking advice as to what further action is required to be taken against them (Copies enclosed at Annexure – D/7-8).

Dr. Asrudeen, Principal Medical Officer, General Hospital Gurgaon in the capacity of DDO has directed the concerned Nursing Staff vide his order no. GH/13/408-11 dated 01/02/2013 that the amount collected by them may be deposited on the same day or next day with the Cashier in all circumstances positively (Copy enclosed at Annexure –D/9). He has further issued directions vide office order No. GH/15/425-36 dated 30/01/2015 to the In-charges of the different departments of hospital that they may verify the cash receipts daily so that if any mistake occurs it may be brought to his notice immediately (Copy enclosed at Annexure – D/10).

The Civil Surgeon, Gurgaon has been requested to take suitable action against Dr. Asrudeen, Principal Medical Officer, General Hospital, Gurgaon(Copy enclosed at Annexure D/11). CS Gurgaon requested to initiate suitable disciplinary action against Dr. Asrudeen PMO G.H. Gurgaon being a DDO at that time. So the PAC may be informed by letter no. CAG/Tentative Para/2013-14/4/2116 dated 19.06.2015, NO. CAG/Tentative Para/2013-14/4/2315 dated 13.08.2015 and a same copy forwarded to DGHS office(Annexure – D/12-13) DGHS office requested to intimate the action on the reply of the Civil Surgeon Gurgaon vide letter no. CAG/Tentative Para/2013-14/4/2432 dated 17.09.2015 and No. CAG/Tentative Para/2013-

14/4/2540 dated 28.10.2015 against Smt. Neelam Staff Nurse and Sh. Santosh Kumar Lab Attendant (Now retired) and Dr. Asrudeen PMO GH Gurgaon being a DDO at that time (Annexure-D/14-15).

DGHS office intimated that Dr. Asrudeen has already requested to DGHS office to take a disciplinary action against the concerned employees. In this way Dr. Asrudeen than PMO now Deputy Director (SS) is not responsible, so the matter is pending at the level of Govt. vide letter no. 90-A (32)-2E5/2015/597 dated 14.10.2015(Annexure – D/16).

DGHS office again requested to intimate the decision taken by Govt. against Dr. Asrudeen than PMO now Deputy Director (SS) vide letter no. CAG/Tentative Draft Para/2013-14/4/72 dated 28.01.2016, No. CAG/Tentative Draft Para/2013-14/4/132-135 dated 24.02.2016(Annexure – D/17-18) DGHS office intimated that the final decision is still awaited from Govt. vide letter no. 90-A (32)-2E5-2016/2075 dated 01.06.2016(Annexure – D/19) The matter has already been intimated to Pr. Accountant General (Audit) Haryana Chandigarh vide letter no. CAG/Tentative Draft Para/2013-14/4/528-531 dated 28.06.2016 that the final decision against Dr. Asrudeen is still awaited form the Govt(Annexure – D/20).

In order to avoid such lapses in future in all the health facilities in the State, uniform instructions from Mission Director, National Health Mission, Haryana have also been issued (Copy enclosed at Annexure – E)

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

The Committee has desired that FIR be got registered against the officials who are responsible for making embezzlement of the Government funds and action taken report be submitted to the Committee.

TOWN AND COUNTRY PLANNING DEPARTMENT

[22] 2.3.6.1 Planning not done in consonance with the Regional Plan of NCRPB:

For development of the National Capital Region (NCR) in a planned manner, National Capital Region Planning Board (NCRPB) Act 1985 was enacted. As per Section 17 of the Act, each participating State had to prepare a Sub-Regional Plan for the sub-region within that State. Further, as per Section 19 of the Act, each participating State had to refer such Plan to the Board to enable the Board to ensure that such Plan was in conformity with the Regional Plan. The State was required to finalize the Sub-Regional Plan after ensuring that it was in conformity with the Regional Plan.

Regional Plan 2021 for NCR was notified by NCRPB in September 2005. Audit noticed that the Sub Regional Plan for Haryana had been notified only in May 2014 without addressing the issues relating to land use, inclusion of Master Development Plan of some towns not falling in the NCR, Geo Referenced district forest mapping , delineation of Natural Conservation Zone (NCZ) etc. raised by NCRPB and Ministry of Environment, Forests and Climate Change.

During Exit Conference, the ACS stated that a meeting was held on 30 January 2015 where observations of NCRPB, Ministry of Environment, Forests and Climate Change were discussed and concerns of the NCRPB and MoEFC were addressed. However, from the minutes of the meeting held in January 2015 it is evident that though issues relating to NCZ have been addressed but its implementation within the time frame specified by State Government needs to be watched. The Government has committed that till such time the NCZ is delineated, no licenses/change of land use would be granted in the area falling within NCZ as shown in Regional Plan 2021 notified in 2005.

The Department in its written reply stated as under:

First Sub-Para:

The NCR Planning Board in its 28th meeting held on 09.07.2005 approved the RP-2021 for NCR for publication and notification under section 13 of the Act of 1985 and rule 27 of the NCRPB Rules, 1985. The Regional Plan was notified by the NCRPB on 17.09.2005.

Subsequent to preparation of RP, the participating States were required to prepare the SRP, as provided in Section 19 of NCRPB Act, 1985:

"19. *Submission of Sub-Regional Plans to the Board.*

(1) Before publishing any Sub-Regional Plan, each participating State or, as the case may be, the Union territory, shall, refer such Plan to the Board to enable the Board to ensure that such Plan is in conformity with the Regional Plan.

(2) The Board shall, after examining a Sub-Regional Plan, communicate, within sixty days from the date of receipt of such Plan, its observations with regard to the Sub-Regional Plan to the participating State or the Union territory by which such Plan was referred to it.

(3) The participating State, or, as the case may be, the Union territory, shall, after due consideration of the observations made by the Board, finalise the Sub-Regional Plan after ensuring that it is in conformity with the Regional Plan."

Accordingly, in 29th Board meeting of NCRPB held on 24.05.2006, it was decided to get the SRPs prepared through Expert Groups to be organized by the NCR Cells of respective States and the Board would fund the same. The SRP was to be prepared in next 12 months.

Thereafter, the matter was deliberated in the 39th meeting of Project Sanctioning and Monitoring Group (PSMG) of NCRPB held on 25.07.2007, wherein the budget for preparation of SRP was approved subject to maximum of 54 lacs.

However, due to slow progress over this aspect, the Government of Rajasthan and Haryana requested the Board to review the present approach of preparation of SRP and to allow to get the SRP prepared by outsourcing to a single consultant to complete the task in time bound manner. This would help in reducing the number of Committees and Study Groups and a single Consultancy Review Committee (CRC) would be constituted under the Chairmanship of Principal Secretary In-Charge of the NCR Cells consisting of experts from the relevant fields to review and monitor the progress & contents of the Study. After deliberations, the proposal was approved by the 39th PSMG.

Subsequent to the above, the following had been the chronology of events for finalization of the SRP of Haryana Sub Region of NCR:

1) A Consultancy Review Committee (CRC) was constituted under the Chairmanship of Commissioner and Secretary, Town & Country Planning Department for review and monitoring the consultancy work on 18.09.2007.

2) The State Government shortlisted Scott Wilson India Pvt. Ltd. to undertake the said study on 02.06.2008. The agreement for awarding the said study was signed on 25.10.2008.

3) The inception report on Haryana Sub-Region was submitted by the consultant on 19.11.2008 and the said report was approved by the Government on 02.01.2009.

4) The interim report-I was submitted by the consultant on 07.04.2009 which was forwarded to various Departments for their comments on 05.05.2009. The interim report-I was presented by the consultant before the CRC in its meeting held on 15.07.2009 and the minutes of the said meeting were circulated to the various Departments on 19.08.2009.

5) The consultant then submitted the revised Interim Report-I on 25.09.2009, which was forwarded to various Departments for comments on 07.10.2009. The revised report was then presented before the CRC on 22.01.2010 and the Government approved the interim report on 15.03.2010.

6) The consultant then submitted the interim report-II on 03.05.2010.

7) The progress of preparation of SRP was reviewed in the 45th meeting of PSMG held on 31.05.2010, which was considered satisfactory. In addition, it was decided in this meeting to fund the entire cost of the study by NCRPB.

8) The consultant (after incorporating the comments of various Departments) submitted the Draft Final Report, which was again circulated to the line Departments for comments and the same was presented before the CRC on 30.11.2010.

9) It is pertinent to mention here that the NCRPB vide their memo No. K-14011/11/2006-NCRPB (Vol-II) dated 29.11.2010 had provided their comments on the Draft Final Report,

which have been duly incorporated by the Consultant in the Sub-Regional Plan of Haryana.

10) The consultant submitted the Revised Draft Final Report on 08.01.2011 after attending the observations of all the Departments. However, since all the observations were not incorporated in the report. Therefore, the Consultant was again requested to submit the modified report, which was submitted on 28.12.2011.

11) One of the reasons for delay of approx. one year was also because vide letter dated 29.11.2011, NCRPB directed that the plan should be prepared for perspective year 2031AD instead of 2021AD. However, the matter was examined/deliberated in the Department and it was decided in October, 2012 to prepare the plan only for the perspective year 2021 AD which was accepted by NCRPB subsequently.

12) The comments on the Revised Final Draft Report were submitted to the Government on 05.04.2012 and the concerned chapters were circulated to the various Departments for their comments on which a presentation was made by the Consultant before the Director General, Town and Country Planning Department on 09.10.2012, after which the Final Comments were forwarded to the Consultant on 18.10.2012. The Consultant has submitted a Revised Draft Final Report on 04.12.2012.

13) This report of SRP was deliberated in the meeting held under the Chairmanship of PSTCP on 17.12.2012 to sort out the gaps in the report.

14) This matter was also discussed in the meeting of Steering Committee held under the Chairmanship of CS-Haryana on 18.12.2012, wherein it was decided that the report of SRP shall be finalised by the Consultant by 30.01.2013.

15) The subsequently modified report of SRP was deliberated in the office of NCRPB on 05.03.2013 and it was decided that the SRP shall be submitted by 20.03.2013.

16) This report was subsequently deliberated in the meeting of CRC held on 22.03.2013 under the Chairmanship of PSTCP, wherein the Committee approved the Revised Draft Final Plan of Haryana Sub-Region of NCR subject to incorporation of the suggestions given by the Committee.

17) Thereafter, the modified SRP was submitted by the Consultant on 08.04.2013, which was discussed in the meeting held under the Chairmanship of PSTCP on 21.06.2013 to review the delay occurred in submission of SRP and it was decided that the corrected report shall be submitted by the Consultant by 24.06.2013.

18) The subsequently modified report was deliberated in the meeting held under the Chairmanship of CS-Haryana on 29.08.2013, wherein it was decided that all the concerned Departments shall go through the contents of the Report and shall send their comments by 05.09.2013.

19) The modified report after incorporating the comments of different Departments, was submitted by the Consultant on 27.09.2013, which after examination was sent to NCRPB on 24.10.2013 under provisions of Section 19 of NCRPB Act, 1985 after approval of Government on 17.10.2013.

20) The comments of NCRPB on the SRP were received vide memo dated 16.12.2013 and keeping in view the number of observations on the SRP and the time being taken by the

Consultant, further finalization process was undertaken at the level of the Department after obtaining basic inputs from the Consultant. The modified SRP was submitted in the NCRPB on 11.02.2014 after approval of the Government on 11.02.2014.

21) Thereafter, the Department from time to time attended the observations pointed out by the NCRPB and after the approval of 63rd Planning Committee meeting held on 20.02.2014 with observations, the SRP was deliberated in the Board meeting of NCRPB held on 25.04.2014. The observations of the Board were received vide letter dated 12.05.2014 in form of minutes of meeting, which were considered in the meeting held under the Chairmanship of CS-Haryana on 23.05.2014 with the Administrative Secretaries of the concerned Departments and thereafter, with the approval of Government on 26.05.2014, the SRP was finalized on 28.05.2014 for which publicity was made in the Government Gazette on 28.05.2014 vide notification No. CCP(NCR)/SRP-2021/2014/885 dated 28.05.2014.

22) In the 35th meeting of the bord held on 09.06.2015 the issue of the approval of Sub-Regional Plan was also taken up wherein it was decided that the State Govt woll prepare final report alongwith maps on NCZ deelineation exercise and amend the SRP-2021 and forward the same to MOEFCC.
For the above purpose, a State level Committee under the level of ACSTCP and sub committee at the level of district under the chairmanship of concerned Deputy Commissioners were formed for ground truthing. The exercise of ground truthing of NCZ stands completed in all nine districts. The report of the sub committee have also been endorsed by the State Level Committee. Further, the work of geo referencing of seven districts namely Sonipat, Panipat, Rohatak, Rewari, Faridabad, Jhajjar and Mahendergarh (Narnaul) have been completed by the HARSAC and for the remaining two districts namely Gurgaon and Mewat the work is in progress After completion of this exercise, the final report alongwith the amended SRP-2021 after incorporating the NCZ area shall be forwarded to MOEFCC. Further, it is submitted that Department is not granting licenses/CLU falling under NCZ aresa.

As apparent from above, the necessary action has regularly been taken up by the State for early finalization of the SRP. Therefore, the statement that the SRP was not finalized till August, 2014 is not correct, as the relevant files relating to SRP were presented to the concerned Audit party during their visit to the office.

Further, it is also to inform that there is no provision in the NCRPB Act 1985 regarding approval of SRP by the NCRPB. Section 19 of the NCRPB Act 1985 provides for finalization of SRP after consideration of the observations of the Board, which already stands taken care of by the State while finalizing the SRP. Here, it is also to inform that subsequent to preparation of RP-2021 AD, only the State of Uttar Pradesh prepared the SRP before the State of Haryana, which was considered by the Board in its meeting held on 01.07.2013.

It is, therefore, requested that this sub-para may kindly be dropped.

Second Sub-para:

At the outset it is submitted that the NCRPB while conveying its comments/suggestions on the DDP-2021 AD of GMUC had requested to incorporate the same while finalizing the Development Plan and said correspondence nowhere mentions that the said Plan is *'in-consistent'* with the

provisions of Regional Plan-2021. Therefore, the statement made in the audit para to this effect is wrong.

The comments on the issues indicated in this para with reference to the communication of NCRPB done in August, 2006 relating to development plan of Gurgaon are as under:-

a) Open Spaces:- This observation has emerged from the inadequate understanding of the Planning norms by the NCRPB personnel, therefore, the above observation is technically not correct. No norms relating to Open Spaces have been prescribed in Urban Development Plans Formulation & Implementation (UDPFI) Guidelines published by Ministry of Urban Affairs & Employment, Government of India, New Delhi. As per the norms issued by the Department vide memo dated 14.10.2009, the open spaces should be 10-15% of the urbanisable zone.

   In present case, as per Draft Development Plan 2021 AD of Gurgaon Manesar Urban Complex, the open spaces accounts for 7.30% of the urbanisable area at town level. However, while preparing the sectoral plans of each sector, about 10% of the total area of the sector is also earmarked as open spaces. However, this percentage does not get accounted for at the town level.

   With the inclusion of the above, the area under open spaces/green belts/parks in the towns approximately works out to about 15% which is in accordance with the prescribed norms.

b) Non-provision of agricultural zone along the southern boundary and some part of the eastern boundary of the controlled area:- The observations on this issue stands replied to NCRPB as under:

   "The whole district of Gurgaon has been declared as a Controlled area, hence the enforcement wing keeps a check on the unauthorized construction coming up outside the urbanisable area boundary in the agriculture zone".

   NCRPB was satisfied with this reply and did not raise it subsequently while finalizing SRP.

c) Non-listing of monuments and Conservation of ridge area:- The listing of the monuments now stands done in the SRP prepared by the State, which are ipso-facto included in the lower hierarchy plans like; Development Plans already prepared/being prepared by the State.

   As apparent from above, the State is taking every care for planned development of the area. Further, it is submitted that the above observations of NCRPB were on the DDP 2021 of GMUC published in February, 2007 which subsequently stands superseded through the Development Plans prepared for perspective year 2025 and then 2031 AD. In these subsequent versions of the Development plans, a lot of planning improvements have been done. Therefore, while carrying out the audit, the latest development Plan in-force should have been referred to by the audit party.

   It is, therefore, requested that this Para may kindly be dropped.

The Committee has desired that sincere and pragmatic efforts be made to get the task completed in a time bound manner.

[23] 2.3.7.1 Extra payment of interest due to delay in referring the cases to Courts:

Section 18 of the Land Acquisition (LA) Act 1894 envisages that any person who has not accepted the award may give a written application to the Collector. The Collector is required to refer the matter to the Court for resolving the dispute. Undue delay in making reference to Courts results in payment of interest at 15 *per cent* per annum to the landowners on the enhancement awarded by the Reference Courts for the delayed period also.

In the review meeting held by DG, TCPD in August 2010, it was observed that in a large number of cases (2857), references filed by landowners were not being sent to the courts in time with the result that the state exchequer had to bear heavy financial loss. It was decided that financial loss caused to the State exchequer should be recovered from the delinquent officers.

CA, HUDA directed (August 2010) all the HUDA Administrators to depute a team of two officers to calculate the financial loss caused to the State exchequer in respect of all the references which were pending for more than 3 years and recover it from the LAOs and Assistant District Attorneys who had been posted since pendency of these references. However, no action was taken by LAOs against the delinquent officials despite instructions of UED. This was only a one time exercise which was not even followed properly. No database regarding the cases where there was dispute indicating nature of dispute and making references to the Court was maintained by LAOs. As such, the control mechanism was very weak. Scrutiny of records further showed as under:

- While according sanction during July 2012 to September 2013 for payment of 79.88 crore for enhancement compensation in five awards, the Administrator intimated LAO, Panchkula, that HUDA had paid extra interest of Rs.2.46 crore due to delay in making reference to courts. No action was, however, taken against the delinquent officials by HUDA (January 2015).
- In LAO, Gurgaon, 48 out of 57 reference petitions involved in award No.66 dated 23 December 2009 were test checked. Delay in sending the references to reference Courts ranged between 77 and 306 days resulting in loss of Rs.70.84 lakh to the State exchequer.

During Exit Conference, the ACS agreed with the audit observations. He, however, stated that there were certain staff constraints in monitoring these cases but they would certainly take action, wherever required.

The Department in its written reply stated as under:

At the outset itself, it is clarified that 1824 references under section 18 of the Land Acquisition Act 1894 were pending with the LAO, Rohtak and not with five Land Acquisition Officers. As pointed out by the audit itself, more than half of these references were pending for more than five years. In this connection, it is submitted that it is a fact admitted even by the AG during some of the previous audits that the Department of Urban Estates is mostly working with very thin staff strength nor the actual availability of staff has been able to keep pace with the increased work load. It may be appreciated that because of plethora of litigation, almost every acquisition made by the Department endlessly remains subject matter of litigation for a long time. Accordingly, as the Department acquires more land, the work load keeps on increasing. The situation is so pathetic that only 4 posts of Naib Tehsildar as against sanctioned strength of 10 are filled up. Further, as against sanctioned strength of 59 Patwaries only 12 posts are filed up and the Department has

contracted 28 Patwaries. Accordingly, the Department is functioning with only 40 Patwaries, On the one hand, where it is necessary to punish defaulting employees, at the same time, it is equally important not to punish those who were not able to cope up with the increased work load simply because at some point of time, it may become beyond one's capacity to clear the entire backlog. It is a universal phenomena, which can be seen everywhere in case of overworked organizations.

Even though the excessive work load may be the reason for delay, yet the Department is aware of its obligation to cut down on the delay in filing references and it is with this intent that it was decided to take action against those LAOs, who had failed to file references in the Reference Court in time. Even though it needs to be pointed out that it is not as if the references were not filed by LAO, Rohtak but some old references remained pending. Out of total 3684 references received during the relevant period, 1860 references had been filed in the Reference Courts by the time when the review meeting was taken. However, since 1824 references were pending, after investigation, it was decided to place Sh. Anup Singh, Naib Tehsildar and Sh. Ram Kumar, Naib Tehsildar, O/o LAO, Rohtak under suspension and both were charge-sheeted for delay in filing the references. When enquiry was held, it was found that both the Naib Tehsildar had worked extremely hard during the period of their suspension and cleared the backlog of pending references within two months i.e. by 15.10.2010. Accordingly, keeping in view the fact that substantial number of references were pending from even before the date of their joining the office and the fact that there was acute shortage of the staff & the work load was excessive and finally since both the officers had worked even during their suspension period to clear the backlog, the charge sheet was decided to be filed in case of one Naib Tehsildar, who had retired and a warning was issued to the other Naib Tehsildar.

117 reference petitions were received in respect of award no. 3 of 17.07.2009, which were to be sent to the Reference Court. The office of LAO Panchkula is working at staff strength of 22 against sanctioned strength of 36, whereas the work load of the office in terms of land acquisition, SLPs, CWPs, RFAs and reference petitions has increased manifold. Substantial time of the officers/ officials is consumed in attending various courts of law, which results in delay of disposing of such time bound cases. However, explanation of the concerned LAO and concerned officials will be called and if they are found guilty, suitable action will be taken against them.

In the year 2009, 9 awards were announced by LAO, Gurgaon and 383 reference petitions were received in his office during the year in respect of these awards, which were to be sent to the Reference Court. The office of LAO Gurgaon is working at staff strength of 30 against sanctioned staff of 41, whereas, the work load of the office in terms of land acquisition, SLPs, CWPs, RFAs. And reference petitions has increased manifold. Substantial time of the officers/officials is consumed in attending various courts of law, which results in delay of disposing of such time bound cases. However, explanation of the concerned LAO and concerned officials will be called and if they are found guilty, suitable action will be taken against them.

Though there have been delays in the past but now, the references are being sent in time as all the pendency had been cleared long back. It is also added that payment of extra interest by HUDA is recovered from its allottees of plots and hence, there is no loss to the State exchequer. It is pertinent to mention that no payment is made from State exchequer and it is HUDA which pays the amount as the acquisition is done for HUDA.

In view of these facts and circumstances, it is requested to drop the para.

The Committee has desired that responsibility of the defaulting officers/officials be fixed for causing loss to the State exchequer by paying extra interest due to delay in referring the cases to Courts and action taken report be submitted to the Committee.

[24] 2.3.8.1 Infructuous expenditure on development of auto market:

In order to avoid haphazard growth of auto shops, an auto market was planned on 39.85 acre land in Sector 10, Gurgaon. Rough cost estimate of Rs.2.70 crore for construction of roads and development of parking place in auto market was approved (August 2002) by the CA, HUDA.

A sum of Rs.2.46 crore was spent on disposal of garbage, earth work, providing water supply, sewerage facilities etc. in the auto market upto September 2006. The auto market had not been made functional. During physical verification by audit along with staff of HUDA, it was observed that the site was not in use and had been used as a dumping ground by the people. No time schedule was fixed for development of land after acquisition. As a result of this, entire expenditure incurred on development of auto market was rendered infructuous.

During Exit Conference, the ACS noted the audit observations and stated that instructions had been issued that where land had been acquired and developed partially or fullyt allotment should be done on priority and action was being taken for allotment of shops etc.

The Department in its written reply stated as under:

1. Total expenditure incurred for carrying out the development works in Auto market Sector-10, Gurgaon is Rs. 255.42 lacs against the Administrative approval of Rs. 260.00 lacs. (copy of monthly account statement for 2007-08 (03/2008) is also enclosed).
2. This office has completed the development works and conveyed to Estate Officer, HUDA, Gurgaon vide MCJC division memo no. 8292 dt. 11.11.2003, No. 1694 dt.11.03.2004, No. 1767 dt. 17.03.2004 & No. 1235 dt. 28.03.2005 for putting the sites for auction (copy enclosed).
3. The work of allotment of sites developed in Auto market Sector-10, Gurgaon relates to Estate office.
4. The land which was handed over the Engineering wing has been developed fully.
5. Commissioner MCG, Gurgaon Dr. Parveen Kumar, has been made efforts to get lifted some of the malba from Auto Market site by carrying out a special drive, but the surrounding peoples has again dumped the malba. An estimate amounting to Rs. 75.10 lacs has been framed, which is under the process of approval. As and when estimate will be approved, the malba will be removed within 3 months after the approval of estimates.
6. It is also proposed to recycle the malba into construction material on similar lines of municipal corporation of Gurgaon.

Hence it is requested that this para may be dropped.

The Committee has recommended that vigorous and pragmatic efforts be made to make the auto market functional under the intimation of the Committee.

[25] 2.3.8.2 Non development of acquired land:

For the development of Transport Nagar in the revenue estate of village Umri (Kurukshetra)t land measuring 69.55 acres was acquired in October 2005. Audit observed that even after nine years of acquisition of land, the Transport Nagar had not been developed due to resistance of local people (February 2015). As sucht the objective of acquisition of the land had not been achieved. Physical verification by Audit showed that the site was encroached upon by squatters.

The Department stated (January 2015) that land owners whose land had been acquired have been forcibly preventing lllJDA from taking up developmental activities. Even police force had to be used for evacuation of unauthorized occupants in 2007 and 2013. FIR had been lodged against the encroachers in October 2013. The Department further contended that CWPs have been filed in the year 2013 by some of the land owners. The status quo has been granted by Hon'ble Punjab and Haryana High Court in July 2014. The fact remains that the Department had lodged the FIR as late as 2013 although intensity of problem was clearly evident by 2007 and the acquired land could not be developed (February 2015) for the intended purpose.

The Department in its written reply stated as under:

Net planned area of Transport Nagar Kurukshetra is 69.74 acre. The land was acquired by award in October, 2005. About 52 acres of the land has been under continuous litigation. There has been delay in the development because the land owners whose land has been acquired have forcibly prevented HUDA from undertaking development activities from time to time. Even police force had to be used for evacuation of unauthorized occupants from this land in 2007 & 2013. FIR has been lodged against the encroachers in October, 2013. The Punjab & Haryana High Court in December, 2013, directed that the potato crop sown by the petitioners shall be allowed to be harvested by HUDA in January, 2014.

The layout plan was approved in March, 2009. The rough cost estimates for development works were approved in March, 2013 and work was allotted to the contractor in October, 2013. The Department has succeeded to carry out the work to some extent by earth filling in the parking area and on 24 mtr. wide road behind petrol pump station and uptoto dated expenditure is about ` 49.00 lacs. As per CID report received from the District Administration, there is public resistance against the acquisition.

The status quo has been granted by the Hon'ble Punjab and Haryana High Court by order dated 14.07.2014 in CWP No. 11445 of 2008, 22038 of 2013 and 22073 of 2013. The balance work will be executed after the final decision from the Hon'ble Court. Next date of hearing is 19-10-2016. Hence para may be dropped please.

The Committee has desired that interest of the State be protected meticulously before the Court.

[26] 2.3.8.3 Abnormal rates allowed to a contractor:

There were abnormal variation in rates in allotment of similar works relating to construction of roads in Rohtak between June 2009 and May 2011. In the case of allotment of a work relating to 60 metre wide road in Sector 7 and 37, Rohtak at 17.28 *per cent* above ceiling

rates (CR), the CA, HUDA observed (February 2009) that the rates were on a higher side and possibility of pooling by contractors cannot be ruled out. The Chief Engineer directed (March 2009) the Superintending Engineer, lllJDA Circle, Rohtak to re-invite tenders and also to intimate all the registered contractors of CPWD based at Delhi and DDA about the tenders to explore the possibility of lower rates.

The tender notice was sent by the Executive Engineer, Division 1 Rohtak to District Public Relation Officer for publication but the Chief Electoral officer advised (March 2009) the deferring of the publication due to elections. Though financial implication in the allotment work was to the extent of Rs.4 crore and the work was not of urgent nature, the publication of tender was not deferred and the work was allotted (June 2009) at 17.28 *per cent* above CR.

Audit observed that after allotment of this work, a consolidated tender for Rs.38.64 crore relating to similar works of construction of sector roads in Rohtak was invited and work was allotted (August 2009) at 10.11 *per cent* below CR. Thus, allotment of work in June 2009 at 17.28 *per cent* above CR to M/s Mahashiv Promotors Private Limited without exploring the possibility of lower rates was not prudent and resulted in extra expenditure of Rs.18 crore.

During Exit Conference, the Chief Engineer HUDA reiterated that retendering was not done due to imposition of Code of Conduct linked to the elections. He further stated that the rates were competitive and were approved by the competent authority. The fact remains that despite negotiations, rates were on the higher side which is corroborated by the observations of CA, HUDA made in February 2009 and subsequent allotment of similar works in August 2009 at 10.11 *per cent* below CR.

The Department in its written reply stated as under:

The rates are quoted by the contractors keeping in view the various parameters in mind such as market rates, capital cost, existing plant and machinery etc. For example, if the existing plant and machinery of a contractor is lying idle, he will quote the lower rates. Sometimes the contractor quotes the lower rates in order to make him eligible to participate/qualify for the amount of higher tenders.

There is generally a variation with respect to the ceiling rate at which the tender are allotted to the contractor for similar nature of work, there is variation from 18.40% above C.R. to 12.77% below C.R. from 09.03.2007 to 24.05.2011.

The tender for the work referred in the audit para was opened on 30.12.2008 in which 12 no. contractors/firms participated in the tender and M/s Mahashiv promoters Pvt Ltd. quoted lowest rates @ 24.90% above the CR. The same was considered on higher side and the tender case was recommended for calling negotiation. All the bidders were invited for negotiation held on 19.01.2009. in the negotiation the lowest tenderer M/s Mahashiv Promoters Pvt Ltd reduced his rates from 24.90% above C.R. to 19.90% above the CR.

These rates were still found to be on higher side. So the tender notice was sent to DPRO Haryana vide letter dated 02.03.2009. The DPRO Haryana refused to accept the tender notice for publication due to model Code of Conduct. Accordingly the, Chief Administrator HUDA Panchkula on 11.04.2009 ordered that fresh negotiation may be conducted in already advertised tenders for expediting the works.

The lowest firm i.e. M/s Mahashiv Promoters Pvt. Ltd. during re-negotiation on 04.05.2009 further reduced his rate from earlier negotiated rate of @19.90% above CR to @ 17.28% above the CR. The justification of rates was also prepared as per prevalent rates at that time and was assessed to be @29.25% above CR of approved DNIT.

Thus, all possible efforts were made to effect maximum reduction of rates. The allotment of work was made on the final negotiation rates keeping in view the urgency of work as per decision taken in the meeting held on 25.01.2009 under the chairmanship of Hon'ble Chief Minister in which it was desired that work shall be taken in hand on priority and shall be got completed by 31.03.2010. The dividing road of Sector 7/37 Rohtak (3.63 km) has already been completed. Hence para may be dropped please.

The Committee has recommended that a thorough inquiry be got conducted in the matter to fix the responsibility of the defaulting officers/officials and action taken report be submitted to the Committee at the earliest.

[27] 2.3.8.4 Execution of works not in the ambit of HUDA:

As per the HUDA Act, amenities like roads, water supply, street lighting, sewerage, drainage, parks, open spaces, play fields, landscaping and clubs are to be provided to the plot holders in the sectors developed by HUDA. Scrutiny of records of selected divisions showed that certain works were executed by HUDA from its own fund in the areas falling under the jurisdiction of Municipal Committees/Corporations. Instances of such cases are tabulated below:

Sr. No.	Name of Work	Expenditure (Rs. in lakh)	Nature of Irregularity
1	Construction of Town Park, Jhajjar Road, Rohtak	93.85	The Park was not situated in the areas developed by HUDA hence it was not a fit charge on the funds of HUDA.
2	Development of Dushera Ground Park at Mall Godam Road, Palwal	54.48	The title of the land was not clear as the land at which park was to be developed was a Shamilat land. The Shamshan Bhoomi Sudhar Samiti filed a writ petition in High Court. The Hon'ble High Court ordered (22 April 2009) to maintain status quo of the land The work had been lying abandoned for the past five years.
3	Development of Deen Bandhu Chhotu Ram Smark Parisar, Gathi Sampla, Rohtak	874.15	Smarak Parisar was not situated in the areas developed by HUDA hence it was not a fit charge on the funds of HUDA.
Total		1022.48	

The Department stated (January 2015) that expenditure on the parks was done out of interest income as per decision taken in 99th meeting of Authority held on 4 June 2007. Regarding Sir Chotu Ram Samarak, it was stated that decision to construct the Samarak by HUDA at its own cost was taken in a meeting held under the Chairmanship of the CM in October 2004.

During Exit Conference, the ACS noted the audit observation and stated that action would be taken to streamline the procedure relating to invocation of Section 21 (2) (d) of the HUDA Act to ensure that discretionary power vested with the State Government was not misused.

The Department in its written reply stated as under:

- **Wasteful expenditure on development of park in Shamlat land:**

The work was started after getting the land mutated in favour of HUDA from Municipal Committee. After the start of work, a third party approached the Hon'ble High Court and obtained stay order regarding the transfer of land in favour of HUDA. Thus at the time of start of work, the land title was clear in favour of HUDA.

The estimate amounting to Rs.165.80 lacs was approved on 17.01.2008, against this estimate an expenditure of Rs.54.43 lacs was incurred on construction of boundary wall. In the mean time mutation of the land was challenged in the Hon'ble court and stay has been granted. In the last hearing dated 22.07.2016, Hon'ble Court kept the decision reserved in CWP No. 6041 of 2009. The copy of status attached.

However the expenditure incurred on the construction of boundary wall & earth filling is not wasteful expenditure and due to construction of this boundary wall the area is protected from encroachment.

The expenditure incurred is utilized as the Govt. land is saved from encroachment and land is being utilized as playground.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

The Committee has desired that the State interest be protected meticulsouly in the Court in the case of Development of Dushera Ground Park at Mall Godam Road, Palwal.

[28] 2.3.8.5 Sewer and storm water drainage works:

Sewer and storm water drainage works in the Sectors falling under the jurisdiction of HUDA are executed by HUDA. Analysis of these works in the test checked districts revealed as under:

- **Execution of works without proper survey/clear title of land:**

Para 15.1.4 of PWD code provides that the land/site on which construction is to take place should be in the possession of the Department concerned or must have received permission of the Department in charge of land. Further, Para 15.2.1 provides that execution of works may require certain clearances, relocation of the utilities and securing of permits. Audit observed that in five cases, Rs.19.52 crore spent on sewer works were rendered infructuous due to non-adherence of codal provisions as detailed below:

Urban Estate	Date of allotment/ Scheduled date of completion	Expenditure (Rs. in lakh)	Remarks
Construction of storm water drainage in residential Sector 1, Pataudi	30 March 2011/ 31 December 2011	132.09	A portion of land in which a drain was to be laid belonged to Nagar Parishad, Pataudi. The Nagar Parishad did not allow the laying of the sewer and storm drainage because houses were in the alignment of sewer. The scheme was formulated without proper survey and obtaining clearance from Nagar Parishad.
Providing Master Sewerage, Leg No v, Gurgaon	30 March 2012/ 30 September 2012	1130.69	The agency has laid sewer pipe line in 90 *per cent* area. But it could not be laid in remaining portion as permission from GOI for crossing the IOC pipeline had not been obtained which was pre-requisite for starting the work. Thus, the work was started without proper survey and sorting out land disputes.
Providing Master Sewer, Part V, Sonepat	16August2012/ 15 January 2013	204.98	The sewers have been laid in some stretches and were lying incomplete due to litigations and local hindrances. The land for Sewage Treatment Plant and 24 metre wide strip along drain No 8 for laying sewer from Sector to SIP was not acquired. As such, the scheme was formulated without proper survey about the availability of land.
Providing Sewerage in Rajiv Gandhi Education City, Phase I, Sonepat	27 February 2009/ 26 February 2010	253.16	The sewer had not been made functional as there were hindrances i.e. crossing of IOC pipeline, panchayat land, stay granted by Courts in a stretch of 1.03 km. Further, SIP had not been constructed to connect the sewer lines.
Augmentation of existing Master Sewerage System, Leg No.III, Gurgaon	15 February 20111 14 August 2011	231.00	After laying 1550 metre sewer, it was observed that laying of sewer in 570 metre length was not possible due to non-availability of space along Himgiri Public School and Electric sub-station near Pataudi on Sector 10 A/37 Road in a length of 475 metre. This situation was not envisaged while preparing the DNIT. It was proposed that remaining work would be executed by method of Cured in Placed Pipe Technology (CIPP) which did not require excavation. In Principle approval was granted by Adminislrator on 24 October 2011 but tenders for work were ened in May 2014. Further, developments were awaited. Thus, works were started without proper survey.
	Total	**1951.92**	

The Department stated (January 2015) that certain omissions did take place and taking cognizance of these ACS, TCPD had directed to take action against delinquent officials. Efforts were being made to complete these works.

- **Loss of agreement documents:**

Work of providing, lowering, cutting and jointing of SW pipe, construction of RCC manholes and other works contingent thereto in Sector 2-10, Sonepat was allotted (December 2007) to a

contractor. The estimated cost of the work was Rs.3.80 crore and was to be completed within eight months from the date of allotment.

The firm did not start the work till 29 January 2008. Penalty of Rs.34.18 lakb was imposed (March 2008) due to delay in executing the work. Thereafter, risk and cost proceedings were also initiated (17 April 2008). Tenders were invited (18 July 2008) and work was allotted to another contractor. A sum of Rs.2.19 crore was recoverable as risk and cost from the contractor. The case was sent to the Chief Engineer along with original agreements. However, the agreements were lost in the office of Chief Engineer with the result that division was not able to present its case before the Arbitrator. No action had been taken against the officials in whose custody these agreements were lost.

The Department stated (January 2015) that disciplinary action was being taken against the person responsible for the custody of these agreements.

- **Defective execution of sewer work in Faridabad:**

To cater to the requirements of sectors 75 to 89, Faridabad, plan for laying Master sewerage system was framed (November 1991) with an estimated cost of 56 crore to be set up near village Badshahpur. Since the area was being developed by private developers, the internal sewer was to be laid by developers and Master sewer joining all the internal sewers was to be laid by HUDA.

Tenders for the work along with defect liability period of three years after completion of work were invited and the work was allotted (March 2012) to *M/s* KK Spun with the estimated cost of Rs.38.95 crore to be completed within 18 months. It was observed that there was lack of co-ordination between DTP and HUDA. While giving NOC to the developers, DTP neither enquired from the concerned division regarding depth of Master sewer being laid by HUDA nor ensured that the developers were maintaining levels of internal sewers in their areas in conformity with the level of Master sewer being laid by HUDA.

After start of the work, in a meeting held with the representatives of a private developer, it was observed that invert level of the internal sewer laid by the developer did not join the HUDA sewer by gravity due to mismatch between the levels of sewers of developers and HUDA. Since it was not feasible to adjust the invert levels of master sewer being laid by HUDA at that stage, it was decided that sewerage planning for Sector 75-77 may be separated from that of Sector 80-89. Depth of sewer was changed for sectors 75 to 77 and a separate STP was proposed for these sectors. Further, there were hindrances on 2,615 metre ofland on which sewer was to be laid. Due to lack of co-ordination, not only did the project get delayed but the expenditure also increased.

As of August 2014, expenditure of Rs.30.83 crore had been incurred. The work scheduled to be completed by September 2013 was still incomplete (January 2015).

During Exit Conference, the CA, HUDA stated that it would be ensured that cost of two STPs was within the cost of a single STP. However, this needs to be watched till final completion of work and final booking of expenditure.

The Department in its written reply stated as under:

Sewer and Storm water drainage works

- **Execution of works without proper survey/clear title of land.**

That HUDA is involved in development of sectors and infrastructure services which are generally of large magnitude. Many Departmental Wings contribute independently in respect of land acquisition, preparing plans/demarcation, possession of land, removal of encroachments and planning of developmental works. Accordingly all wings take parallel action for the matters as per jurisdictions. In case no development works are carried out on the acquired land, the probability of encroachment increases and even the courts take adverse view on the utilization of land acquired for specified use.

However, in the instant case, as mentioned in the audit para, certain omissions did take place and taking cognizance of these, the PSTCP has already directed vide his note dated 17.10.2014 to take action against the delinquent officials.

However, efforts are being made as below to complete the works:-

(i) Construction of storm water drainage in residential Sector- 1, Pataudi.

1. The Constructed houses are not coming into alignment of SWD & sewerage system in Nagar Parishad area.
2. The permission from Nagar Parishad Pataudi has been obtained (copy attached).
3. The internal SWD/ sewerage system of Sector has been laid.
4. Sewerage system has been laid on Nagar Parishad Road.
5. The work of laying of SWD on Nagar Parishad Road is in progress and will be completed in the period of 2 months.

Hence it is requested that this para may be dropped.

(ii) **Providing Master Sewerage, leg No. V, Gurgaon.**

The progress of the work is as under:-

The total length of line affected due to IOC/ BPCL petroleum pipe lines was 0.70 Km in the total project length of 23.44 Km. The permission for the IOC/ BPCL has been received and 0.55 Km line out of 0.70 Km has already been laid at site. Only 0.150 Km is balance due to change of road alignment. The land of change alignment have now been acquired and only 0.150 Km line is pending due to changed alignment which will be laid shortly. This 0.15 Km line lies at the junction of Sector-62, 65, 63 & 64 as shown in the attached plan.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14

.(iii) **Providing Master Sewer, Part V, Sonepat.**

- Sewer has been laid in the available land with the HUDA.

- Balance Pockets are with TDI Infrastructure Ltd. (Colonizer) which are yet to be transferred. **(TDI Infrastructure Ltd. is unable to transfer the land to HUDA as per the licensed condition & as committed by the Colonizer.)** HUDA has made the repeated requests in meetings to DTP/STP/Administrator/ Colonizer etc. as well as in written on monthly basis for the transfer of land, so that the Sewer work may be completed.
- The Sewer lines have been planned along the Master Roads within R.O.W. of the roads and STP has been planned at designated use no. 520 in the Master Plan and there is no planning error.
- **STP land of 45.75 acres in Aterna village has been recently acquired** and DPR has been submitted on 09.09.2016 for approval for the construction of 50 MLD capacity STP.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

(iv) Providing Sewerage in Rajiv Gandhi Education City, Phase-I, Sonepat.

- The **sewerage system** in Rajiv Gandhi Education City (Phase-I) has been **completed and fully functional**.
- The sewer lines can carry discharge upto **Sewage Treatment Plant recently completed**.
- At present, no sewage discharge is reaching upto STP due to very few inhabitation in RGEC.
- **Litigation**: There exists a litigation titled as M/s Coral Chemicals Pvt. Ltd. & another V/s State of Haryana & others titled as CWP No. 2835 of 2006 (CM 479-CWP of 2016) which has been decided on 14.01.2016 in Hon'ble Punjab & Haryana High Court with a direction to the Secretary, DUE Haryana to consider and decide the application u/s 24(2) of LARR Act 2013 in which the JSIC Committee has submitted the recommendation from Administrator, HUDA Rohtak to DUE, Haryana Chandigarh.
- **I.O.C.L.**: There exists an I.O.C.L. gas pipe line passing through RGEC which has to be crossed in Sewerage system. The permission has been sought in 8/2008 and is being perused by HUDA, which is still awaited from I.O.C.L. The latest reference has been made vide SE HUDA Sonepat letter No. 177 dated 07.01.2016, but no permission has been received so far.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

(v) Augmentation of existing Master Sewerage System, Leg No. III, Gurgaon.

The traffic density has increased tremendously due to time lapse in between the planning and actual execution at site, thus leads to the space restriction. There was public inconvenience by open cut execution to lay the sewer line in congested stretch. To avoid the public inconvenience , suitable remedial measures was planned for executing the specialized work by Cured in Place pipe (CIPP) technology , which did not required excavation. The CIPP work completed at site and the sewer line has been made functional.

In view of the position stated above, this para may please be dropped.
In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

- **Loss of agreement documents**

- Action against the officials responsible for loss of agreement is being taken by the Secretary, HUDA immediately.
- Agreement has been reconstituted as per data available with the office.
- So many letters issued by the Arbitrator time to time in the last 2 years but the contractor did not turn up most of the time.
- The contractor has given last opportunity through public notice in the leading newspapers.
- Next date of hearing in the **Arbitration case has been fixed on 08.12.2016 for decision**.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

- **Defective execution of sewer work in Faridabad**

- The ultimate requirement for STP is 110 MLD.
- At present no single estimate for 110 MLD has been prepared so far.
- For Sector-75 to 77 a STP of 25 MLD capacity is to be constructed for which land has been earmarked in the draft development plan 2031 of Faridabad.
- The rough cost estimate of the master sewerage scheme of Sector-75 to 89 Faridabad was approved vide Chief Administrator, HUDA, Panchkula letter No. 3781 dated 31.01.2012.
- The work of sewer has been completed in the available land.
- Keeping in view the pace of development, first phase of 42.5 MLD STP is to be taken for which land has already been acquired.
- The ultimate requirement of 110 MLD will take about 15 to 20 years.
- Colonizers of Sector-75, 76 & 77 Faridabad had already laid their sewer towards Sector-75, Faridabad.
- If the sewer as per HUDA planning is to be carried out towards proposed Badshapur Treatment Plant from Sector-75 to 89, the depth would have been increased resulting in increase in cost.
- The Central Pollution Control Board has issued guidelines for STPs to treat the sewage upto Tertiary level which can be used for recycling.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

The Committee has desired as under:

1. **In the case of construction of storm water drainage in residential Sector 1, Pataudi; firstly, work be got completed at the earliest; secondly, responsibility of the officer(s) be fixed who are responsible for delay in completing the work; and thirdly, responsibility of the officer be also fixed for not taking any action against the defaulting officers/official in pursuance**

of the note dated 17.10.2014 and action taken report be submitted to the Committee within a month;

2. **Sincere efforts be made to complete the work of providing Master Sewerage Leg No.V, Gurgaon;**
3. **Project-wise and district-wise complete details of EDC and IDC be supplied to the Committee; and**
4. **The project of providing sewerage in Rajiv Gandhi Education City, Phase-1, Sonepat be got completed in a time bound manner under intimation of the Committee.**

[29] 2.3.8.6 Water supply works in Gurgaon:

With a view to augment water supply in Gurgaon, a rough cost estimate of Rs.140.92 crore was prepared by HUDA Division 3, Gurgaon for works at Chandu Budhera. The project included construction of raw water collection system, water treatment plant/clear water collection and transmission system, permanent dewatering system, supply and erection of transformer, designing and supplying and erection of complete Supervisory Control and Data Acquisition (SCADA) System and telemetry system for entire water works.

The work was allotted (4 December 2009) to MIS Pratibha-SMC J V at an estimated cost of Rs.132 crore to be completed within 24 months. As per DNIT, storage and sedimentary tank (S&S tank) of the size of 335Mx280M was to be constructed. The tank was not constructed properly with the result that the capacity of the tank stood reduced by 69825 KLs. The ChiefEngineer-1 directed (31 October 2011 and 31 May 2013) SE-1 to fix responsibility of defaulting officers and initiate action for recovery of financial losses caused to HUDA due to reduced capacity of tank. It was observed that even after three years, action had neither been taken against the contractor nor against the officials/officers responsible for construction of undersize tank. Even the loss had not been worked out.

It was observed that the work of SCADA system and erection of 66 KVA transformers scheduled to be completed by 4 December 2011 was not completed as on date. Meanwhile, the plant is being run at 50 *per cent* capacity even after an expenditure of Rs.134.46 crore as of March 2014 resulting in supply ofless water.

During Exit Conference, the CA, HUDA stated that penalty of Rs.2.75 crore has been recovered from the contractor. CA further stated that though the plant was running at 50 *per cent* capacity, it was sufficient to meet the present requirement. The fact remains that the objective for which this huge investment has been made should be monitored to ensure its logical conclusion with complete return on the investment made.

The Department in its written reply stated as under:

In this case, the cost of less capacity i.e ` 2,75,08,502/- has been recovered from contractual agency M/s Pratibha SMS JV, vide voucher No.58. Since the recovery has been made there is no financial loss to HUDA.

But the fault is on the part of the consultant who has checked the design and recommended for approval. The HUDA official who approved the design of the Consultant is also responsible for the lapse. Penal proceedings against Consultant is being initiated.

As far as 66 KVA sub- station is concerned, Drawings have been prepared and submitted to HVPN Ltd Panchkula vide letter No13691-96 dated.17.06.2014 for approval. Now drawing has been approved by HVPNL. The contractor has taken up the work of sub station at site which is likely to be completed in next 6 months.

The SCADA system has been partly installed as per requirement & functional. Penalty of Rs. 12.90 crore was imposed on the Contractor in December 2012 for delay on his part as per Clause-II of agreement. Thereafter the agency had achieve the desired progress at site & made the WTP unit functional after successful trial run in 03/2013. Further time extension was granted in July 2015 after the approval of CA HUDA as 66 KV substations to be constructed after the formal approval from HVPNL.

Audit has pointed out that plant is being run at 50% capacity. But this is due to fact that requirement is fulfilled by running 50% capacity. If requirement is more then the plant can be run at full capacity.

The Chief Engineer, HUDA, Panchkula has been requested vide letter dated 27.04.2015 for ensuring that plant runs to the 100% capacity as and when the necessity arises. Observation noted for compliance.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

The Committee has desired that firstly, responsibility of the erring officers be fixed within two months under intimation of the Committee and secondly, on completion of the project, Committee may be informed accordingly.

[30] 2.3.8.7 Development of roads:

- **Non-adherence of codal provision:**

The PWD code and instructions issued from time to time by the Chief Administrator, HUDA *inter-alia* envisage that no tender was to be invited unless the site of the work was clear from all encumbrances. Further, Ministry of Environment, Government of India directed that where forest land falls in the alignment of any development work, the same should not be started unless prior approval of the Ministry/Forest Department was obtained. Test check of records showed that funds invested in the development of roads by HUDA were lying blocked as either the title of land on full stretch was not with HUDA or permissions from other Departments were not obtained. Some of such cases are discussed below:

Urban Estate	Date of allotment/ scheduled date of completion	Expenditure (Rs. in crore)	Remarks
Construction of	April2011/	62.63	Out of 18 km stretch, clear land in possession of

Northern Peripheral RDad from Dwarka to Kherki Daula (NH 8), Gurgaon	March2012		HUDA was on1y fur 15.602 KM. The road could not be completed as land fal1ling in alignment was in the possession of residents of unauthorized colonies which was not acquired. HUDA has not framed any policy to rehabilitate such persons so far. Further, at various stretches, road was lying uncompleted due to non acquisition of land, non-shifting of transmission lines and non-obtaining of approval of the Ministry of Environment/ Forest Department.
Seven works for contlruction of 75 metre and 60 metre wide master road between Sector 81 to *95* and outer road, Gurgaon	Between March 2011 and April 2012 Between June 2011 to January 2013	112.74	The roads were lying incomplete as the site was not clear and title of land on which these roads were to be constructed was not with HUDA. As per Physicel progress report, out of 38.61 KM, 8.95 KM road was still to be constructed (August 2014).
Construction of 45 metre wide outer road of Sector 60 and 64, Sonepat	6January 2011/ *5* Septeniler 2011	7.27	Out of 3.07 Kms of road, con1ractor had not oonstruclicd 0.56 Kms of road as the area on which road was to be construclild was lyinginthe area for which licence for developing the land had been grantedby TCPD to TDI.
Construction of 30 metre wide Master road between Sector 59/60,*64 / 59* and 60, Sonepat	24 October 2011/ 23June 2012	7.31	Out of 3.87 Km of road, contractor would not be able to construct 1.30 Km of road as a stretch of 1.23 Km on which road was 1D be constructed was lying in the area for which licence fur developing the land had been granlicd by TCPD to TDL Further, area in which 70 metre road was to be constructed had not been acquired.
	Total	**189.95**	

The Department stated (January 2015) that certain omissions did take place and taking cognizance of these, ACS, TCPD had directed to take action against delinquent officials and that efforts were being made to complete these works.

The Department in its written reply stated as under:

- **Non-adherence of codal provision**

As soon as majority of the land is available, the process to get the work executed on the land is initiated, with the expectation that rest of the land will be made available during the execution period. It is also pointed out that in case no such construction is carried out, the land is prone to encroachment and the cost of execution will keep on increasing with passage of time.

As regard prior approval of Ministry / Forest Department, the same is being obtained wherever required after completing all the formalities.

However, in the instant case, as mentioned in the audit para, certain omissions did take place and taking cognizance of these, the PSTCP has already directed vide his note dated 17.10.2014 to take action against the delinquent officials.

Efforts are being made as below to complete the work:-

Construction of Northern peripheral road from Dwarka to KherkiDaula (NH-8), Gurgaon.

- The total road length of 18 km has been acquired . Presently ,16.53 Km road has been constructed . The possession of remaining 1.47 km is not with HUDA as there is unauthorized colony i.e. New Palam Vihar exists on the stretch of the road. The possession of the same will be taken up shortly as the rehabilitation policy/ has been framed ands allotment of the plots to the affected resident is in process.
- The deposit work for shifting of 66 KV Gantry poles/ overhead line at 4 locations have been allotted to the contractor on 20.08.2016 by the HVPNL and same will be completed in schedule time of 9 months.
- The tender for deposit work for shifting of 220 KV Gantry poles/ overhead line at one location is in process and allotment of work likely top be done by end on September 2016. Subsequently, the work of the same will be got completed in schedule time of 9 months.
- The deposit work estimate of Rs. 30.30 lacs for shifting of 220 KV gantry poles/overhead line at one location by BBMB, Ballabhgarh is under process of approval.
- Approval from Ministry of forest Department for cutting of trees was obtained on 23.12.2013 vide file no-9-HR B356/2013-CHD Dt. 23.12.2013 and thereafter the road work has been completed .
- This road has been declared as National Highway and further work will be planned/ executed by NHAI.
- In view of above facts the Para may please be dropped.

Non-obtaining of approval from Ministry of Environment/ Forest Department

Approval from Ministry of Forest Department was obtained on 23.12.2013 vide file No. 9-HR B356/2013 –CHA Dt. 23.12.2013 and thereafter the road work has been completed in the held up length of 70.3 Mtr.

In view of above facts the Para may be dropped.

Seven works for construction of 75 meter and 60 meter wide master road between sector 81 to 95 and outer road, Gurgaon.

The audit has pointed out that 8.95 KM of road has not been constructed so far. 0.72 Km road out that 8.95 KM, has been constructed and balance remaining unconstructed stretch is now 8.23 Km. However, the expenditure incurred on the 30.38 Kms of constructed road is not wasteful because this constructed portion of the road is being used.

- Road has been constructed in the available land with the HUDA and **are functional**.

- 13 Pockets are with TDI Infrastructure Ltd. (Colonizer) which are yet to be transferred. **(TDI Infrastructure Ltd. is unable to transfer the land to HUDA as per the licensed condition & as committed by the Colonizer.)** HUDA has made the repeated requests / best efforts done by the HUDA in meetings to DTP/STP/Administrator/ Colonizer etc. as well as in written on monthly basis for the transfer of land, so that the road works may be completed (copy enclosed). However, constructed roads are functional.

- Pocket of land measuring 70 mtr. between sector-59 & 64 and 70 mtr. along sector-64 has been **acquired**, but due to **law & order problem**, possession could not be made available to the Engineering Wing by the Estate Officer, HUDA Sonepat.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

The Committee has recommended that the vigilance inquiry be got conducted in the matter of licence issued to TDI without fulfilling the requisite conditions relating to the project of Providing master sewer, Part V, Sonepat (Para 2.3.8.5) and Consturction of 30 metre wide Master road between Sector 59/60, 64/59 and 60, Sonepat and construction of 45 metre wide outer roaod of Sector 60 and 64, Sonepat (Para 2.3.8.7).

[31] 2.3.8.8 Non-development of land for commercial complexes:

HUDA constructed new buildings for development of Commercial Complexes on behalf of Government at some places from its resources. To meet such expenditure, Government provided land free of cost on which old buildings existed. Scrutiny of records in test-checked cases showed that sites were not developed as commercial complexes as discussed below:

- In the High Powered meeting held on 13 September 1996, it was decided to shift District Jail, Gurgaon to village Bhondsi. The construction cost was to be borne by HUDA and in return HUDA was allowed to plan and develop the existing site of District Jail into a commercial complex.

Secrutiny of records showed that the construction work of the Modern Jail in village Bhondsi was complted in 2003 at a cost of Rs.33.33 crore and the jail had stated functioning.

It was observed that HUDA had developed open space of the Jail area under phase 1 but area of built up jail after shifting of inmates to New Jail Complex under phase II had not been developed into commercial complex. The site was being used as dumping ground by the Municipal Corporation.
During Exit Conference, CA, HUDA stated that auctioning of sites had commenced and that remaining sites would be auctioned in a phased manner. The fact remains that site of old Jail complex acquired under phase II had not been developed into commercial complex even after 12 years of shifting of inmates of Jail to New Complex.

- An area of 18 acre 5 kanal and 15 marla of old ITI building, Rohtak was transferred (July 2007) to lillDA for development of commercial complex in lieu of expenditure to be incurred on the construction of new ITI building. The work of construction of ITI building was completed in 2012 at a cost of Rs.65.81 crore.

The drawing of shopping centre at old ITI was approved by CA in August 2012 and foundation stone was laid in March 2013. The land had not been developed with the result that revenue could not be earned as of November 2014.

The Department stated (January 2015) that out of 18 acre 5 kanal and 15 marla land transferred in July 2007, physical possession of 11 acre 3 kanal land was given in March 2013 and possession of the remaining 7 acres of land had not been given to HUDA so far and that the development works of the area were in progress. The fact remains that the site of old ITI Building had not been developed into commercial complex though the new ITI building was completed in 2012.

During Exit Conference, CA, lillDA stated that planning of this work has commenced and their aim would be to ensure that there was good return from the investment.

The Department in its written reply stated as under:

R/C/E for construction of Jail at Bhondsi was approved amounting to ` 3995.00 lacs vide C.A, HUDA, Panchkula letter No. 19995 dt. 17.08.2002. The main building was completed in the year 2003. An amount of ` 33.33 crore excluding departmental charges had been spent on construction of Jail upto March 2014. Presently jail complex Bhondsi is handed over and being maintained by PWD Public Health Department.

After completing all formalities, development works were carried out on old Jail land and the sites have already been sold out by the Estate Officer-I, HUDA Gurgaon. So far 172 sites have been auctioned for ` 35.38 crores and there are still 125 sites (1 SCO,122 booth sites,1 Kiosk, 1 Shopping Mall)left which shall be auctioned.

Therefore, HUDA has recovered the cost of construction of New Jail. There is no revenue loss to HUDA.

Hence it is requested that this para may be dropped as far as Engineering wing is concerned HUDA constructed a new building for ITI and handed over same to the ITI authorities in June, 2012. The audit para quotes that 18 acres approximately land was transferred to HUDA in July, 2007 but this statement is not factually correct. Physical possession of only 11 acres, 3 kanal out of 18 acres of old ITI land was given to HUDA on 20.03.2013. The structure of old ITI was got dismantled in August/September, 2013. Some structures of old ITI buildings are still existing in the remaining 7 acres which is to be handed over to HUDA. Development work is in progress as per detail below: -

- The development of road and parking has been completed in the month of May, 2014.
- The work for laying of water supply lines has been completed in the month of May 2014.
- The work of sewerage lines has been completed.
- The internal electrification work has been completed.
- Work of construction of community centeris in progress and likely to be completed by March 2017.

The Estate officer I, HUDA Gurgaon has been directed vide letter dated 27.04.2015 to auction the remaining sites in a phased manner and The CTP, HUDA, Panchkula has also been requested vide above referred letter to make the compliance of the observation of W/CA in respect of planning of the work.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

The Committee has desired that all necessary steps be taken to allot the sites in auction.

[32] 2.3.9.1 Allotment of flats for EWS category under Ashiana Scheme:

With a view to provide hygienic living space with basic amenities to slum dwellers, HUDA approved (December 2006) the Ashiana project under the 'Integrated Housing and Slum Dwellers Programme (IHSDP)'. Under the scheme, HUDA was to construct low cost dwelling units in various urban estates. Preference was to be given to encroachers of Government/ lillDA land who had approached the courts for regularization of long existing *jhuggi/jhopri* colonies and providing alternative shelter before eviction. The Chief Engineer, HUDA issued instructions in September 2009 to all the Administrators of lillDA to identify the beneficiaries in consultation with District Urban Development Authority under the scheme in their jurisdiction.

Scrutiny of the records of Faridabad and Gurgaon Urban Estates showed that the eligible persons were not identified before starting the construction work with the result that 2563 units remained unallotted though the construction of these houses was completed between October and November 2010, as detailed in Table 2.3.3.

Table 2.3.3: Details of constructions of houses

Name of Urban Estate	Cost of construction (Rs. in crore)	Number of units constructed	Scheduled date of completion	Actual date of completion	Number of units remained unallotted	Amount bloeked (Rs. in crore)
Faridabad	112.60	3080	November 2009	November 2010	2003	73.23
Gurgaon	20.65	*560*	October 2009	October 2010	560	20.65
Total	13315	3640			1563	93.88

Source: Data supplied by divisions concerned

Apart from above, 528 more houses were constructed in Gurgaon under the scheme at a cost of Rs.18.78 crore. But the contingent work (9 *per cent)* remained incomplete due to dispute between HUDA and landowners.

In Faridabad, survey was conducted for 4,189 persons but only 1,077 were found eligible. Similarly, in respect of Gurgaon, 204 applications were received but none of the applicants were found to be eligible. Thus, the dwelling units were constructed without proper survey and assessment of eligible persons as per criteria fixed by HUDA in February 2010.

During Exit Conference, the ACS expressed his concern about the issue and stated they were making efforts to ensure that there was proper utilisation of these flats within GOI guidelines so that money spent on these houses is not wasted. The fact remains that the eligible persons were not properly identified before starting the construction work.
The Department in its written reply stated as under:

EO, Faridabad

4th advertisement for Ashiyana Scheme published on 16.09.2014 in Hindustan Times &DainikJagran Newspapers and period for receiving of applications was given from 01.07.2014 to 31.07.2014. In this period total 163 applications have been received from applicants. The scrutiny of applications is under process. After scrutiny allotment to eligible applicants will be issued by the Estate Officer, Faridabad.

EO-II, Gurgaon

Initially EWS flats were advertised with date of booking as 07.04.2010 and date of closing as 06.05.2010. 204 Nos. applications were received against the above said advertisement. No one was found eligible for allotment of flat as per terms & conditions of advertisement.

The advertisement was again published on 05.08.2014 with the closing dated 25.08.2014 in DainikJagran. No application is reported to have been received against this advertisement.

All the Estate Officers have been directed to ensure proper follow up of the guide lines of GOI so that money spent on these houses his not waste and follow up the proper identification of eligible persons before starting the construction work.

In view of the position stated above, this para may please be dropped from the report of CAG of India for the year 2013-14.

The Committee has desired that necessary steps be taken to allot the flats to the eligible persons at the earliest possible.

[33] 2.3.9.2 Irregularities in allotment of plots under reserve categories:

In order to ensure allotment opportunity for affordable houses to different strata of society including persons belonging to under privileged sections of Society, a reservation policy was formulated (January 1987) by HUDA. Terms and Conditions governing the allotment of plots under reserve categories *inter alia* lay down that the allottee shall submit an affidavit certifying that he had never been allotted a plot under reserved category in any urban estate in Haryana in his own name or in the name of his spouse or in the name of his dependent family members.

The CA, HUDA constituted (October 2013) a committee headed by Administrator, HUDA (Headquarters) to scrutinize allotment under reserved category. By cross linking the centralized digitized data pertaining to allottees, it was found out that 402 allottees had obtained allotment of more than one plot under various reserved categories by submitting false affidavits.

HUDA had lodged FIRs against these allottees.

Apart from the above, scrutiny of records by Audit (August 2014) showed that 32 allottees of reserved categories, under Estate Office-11, Gurgaon and EO- Panchkula had availed of the benefit of the reservation more than once by submitting false affidavits which were not detected by the concerned Estate Offices. The fraud committed by allottees by giving false affidavits remained unnoticed because despite having centralised database, no mechanism had been evolved to scrutinize the applications at Head office and photographs of the allottees were not appended in the allottee files though this was the requirement.

The Department stated (January 2015) that action against 32 cases pointed out by audit have been initiated. As audit has detected these cases manually on test- check basis, the Department should do a complete check of all cases using the digitized data available with it to rule out any other possibility of double allotment.

During Exit Conference, the ACS agreed with the audit observations and also the recommendations of audit to do a complete check of all the cases so as to rule out any other possibility of double allotment.

The Department in its written reply stated as under:

Out of the list containing names of 32 allottees referred in the audit report, 24 cases pertain to Estate Officer-II, Gurgaon and 8 cases to EO-Panchkula. Necessary action has been initiated.

It is relevant to mention that HUDA on its own initiative have already cancelled 143 plots of multiple allotments. Matter in other cases is also under examination.

The matter of multiple allotments is also subjudice before the Hon'ble High Court in CRM-26292 of 2013 in matter of DS Yadav Vs. State of Haryana. The case is fixed for hearig on 07.09.2016.

In view of the position stated above, this para may be dropped from the report of CAG of India for the year 2013-14.

The Committee has desired the Principal Accountant General, Haryana to depute some suitable officer(s) to check the PPM system of HUDA and thereafter submit a report to the Committee.

[34] 2.3.10.1 Issues related to private colonizers:

In order to avoid haphazard development around the cities, the Government under Section 4 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Act, 1963, (as also applicable to Haryana), declares any area outside the limits of municipal town or any other area which in its opinion, has the potential for building, industrial, commercial, institutional or recreational activities, to be a controlled area. Thereafter, Development Plans for the areas declared as 'controlled area' indicating areas reserved for major land uses such as residential, industrial, commercial etc. are prepared under Rule 8 of Punjab Scheduled Roads and Controlled Areas Restriction of Unregulated Development Rules, 1965. For HUDA, land is acquired by State

Government. The private developers purchase the land from the landowners and DG, TCPD grants licenses to them in terms of Section 3 of the Haryana Development and Regulation of Urban Areas Act, 1975. During the period 2006-14, the Department issued 1003l icenses to colonizers in the State, of these 225 license files were scrutinised.

In addition, as a test check of procedures relating to grant of licenses to developers in Sector 83 for developing commercial areas in the 50 *per cent* area earmarked for them were examined. The results are discussed in the succeeding paragraphs:

Development of Commercial areas by colonizers in Sector 83, Gurgaon:

Development Plan of controlled areas of Gurgaon-Manesar was notified in February 2007. As per Sectoral plan of Sector 83 approved on 23 May 2007, Sector area was 518.20 acres, out of which, area under commercial belt was indicated as 126.80 acres. As per Para Vll of Development Plan-2021, private developers were permitted to develop to the extent of 50 *per cent* of the commercial belt as per layout plan approved by competent authority, after obtaining licenses. Balance 50 *per cent* was to be developed exclusively by the Government or a Government undertaking or by public authority approved by the Government. Nine firms had applied for 14 commercial licenses as of March 2008.

Procedures and policies to grant licenses to developers in the 50 *per cent* area earmarked for them were examined to ensure transparency in the process of grant of licenses and to safeguard the interest of the Government and its agencies. Important findings noticed are discussed in the succeeding paragraphs:

(i) Procedure for inviting applications from private developers:

There was lack of transparency in entertaining applications from the developers for grant of licenses for commercial colonies. Presently, interested parties apply for licenses and these are examined on 'first come first serve basis' till the threshold limit of area earmarked for private developers is exhausted. It was observed that one of the firms M/s Piccadily Hotels applied for grant of license for developing commercial colony on 30 January 2007 whereas the development plan of Gurgaon-Manesar was notified on 5 February 2007. There was no laid down procedure for advertising the area in which licenses for commercial colonies would be granted to the private developers, last date for submission of applications, total area for which licenses are to be granted, etc. This information is not even hosted on the Web site of the Department. The information as to whether threshold limit for obtaining licenses by private developers had been exhausted or not, is not made available to public.

(ii) Compactness of the area to be developed:

Government agencies were a major stakeholder in the development of 50 *per cent* area earmarked for them. It was observed that the manner in which Government agencies would be able to acquire their share of 50 *per cent* in a compact form were not envisaged. The developers had applied for licences at different locations in the commercial zone with result that the 50 *per cent* area earmarked for Government agencies and private developers was scattered. This concern was also expressed by the officers of the Department while appraising the applications of private developers but was not addressed. Under this situation, area might not be susceptible to being developed by the Government or its agencies in a planned manner.

(iii) Development of internal circulating and approach roads

Under Rule 5 and Rule 11 of Haryana Development and Regulation of Urban Area Rules, 1976, the private developer is responsible for metalling of roads, footpaths, street lighting in colonies and their maintenance for a period of five years from the date of issue of completion certificate. The external development works are carried out by Government or any other local authority.

It was observed that while granting licenses to developers in Sector 83, Gurgaon, area owned by developer but falling under 24 metre circulating road was also covered on the condition that the applicant would construct the circulating road passing through their site at their own cost and area under road shall be transferred free of cost to the Government. The manner in which the alignment and continuity of such roads would be done has not been envisaged.

Further, as per existing practice, the commercial sites should be approachable through internal roads. In the case of M/s Skylight Hospitality, the site was not approachable. The Department, however, decided (March 2008) to waive off this condition on the ground that approach would be taken by licensee through the plotted colony of Onkareshwar Properties Pvt. Ltd.and Mark Buildtech in collaboration with Vatika Landbase Pvt. Ltd.

DTP (HQ) brought out (17 March 2008) that Department had been considering approach road for existing colonies for grant of additional licenses and there were no precedents where approach was to be given through the plotted colony of another licensed colony. Though there were no specific guidelines or earlier precedents in this regard, permission was granted in the instant case.

(iv) Area norms for setting-up of commercial colony

Policy guidelines for area norms for setting up of commercial colonies were framed in December 2006. As per these guidelines, in Hyper Potential Zone, minimum area norm for setting up of commercial colony was 2 acres. Gurgaon has been declared as a Hyper Potential Zone. It was observed that projects were sanctioned in Sector 83, Gurgaon for area measuring less than 2 acres on the rationale that if applied land was contiguous with the already licensed area, then area of both the contiguous plots is to be taken into account. For example, A & D Estates applied for 1 acre land and the License (file no 1866) was granted on the rationale that it was contiguous to the site for which application for grant of license had already been submitted.

Further, there were no clearly laid down norms regarding assessment of 2 acres and whether this was inclusive of roads and green belt. Thus, while appraising the license of M/s Skylight Hospitality, it was observed that out of 3.531 acre applied area, 0.83 acres fell in residential zone and 1.35 acres fell in the 24 metre internal circulation plan road. After excluding these areas, net area for commercial licence remained 1.351 acres. The colonizer was assessed to have fulfilled the minimum area requirement of 2 acres.

Further, as per Final Development Plan of Gurgaon- Manesar 2021, area falling under roads was not to be calculated towards net planned area and only benefit towards Floor Area Ratio (FAR) was to be given for transferring the land falling under roads. While this principle was applied in twelve cases, the net area indicated against each of these applicants was after deducting area under sector roads, etc., whole area including the area falling under roads has been indicated in rspect of M/s Skylight Hospitality. It was not clear as to why such a

distinction had been made in respect ofM/s Skylight Hospitality.

(v) Procedure for assessing financial adequacy:

On receipt of application for grant of license from the developers, matters relating to title of the land, capacity to develop a colony, layout of colony, percentage of area available for commercial colony, seniority of the applicant, etc. had to be examined by TCPD. It was observed that there were no specific laid down parameters to ascertain the capital adequacy and robustness of the firms applying for licenses

In respect of Sector 83, Gurgaon, 9 firms had applied for 14 commercial licenses as on March 2008. The financial capacity of applicants was assessed by TCPD on the basis of balance sheet of the company (3 cases), on bank statements (1 case), on promoter's turnover (1 case), on the basis of being an associate/subsidiary of another licence holder (5 case), on the grant of an earlier license (2 case), and on the assurance of financial and technical support from a company other than applicant firm (1case). In one case, it was mentioned that the applicant has not submitted any documents in respect of financial capacity except the name of the Director alone was mentioned.

It wonld be seen from the above that no uniform criteria/benchmarks were applied for assessment of financial adequacy with the result that appraisal was *adhoc* and varied from case to case.

Lack of specific criteria for assessing the financial adequacy was partially addressed through instructions issued on 2 April 2012 specifying that at the time of submission of application for grant of license, the paid up capital of the company (collaborator or otherwise) should be equivalent to scrutiny fee plus conversion charges plus 25 *per cent* of license fee and IDC (rounded off to multiple of next one crore) of applied area. Remaining amount of75 *per cent* of applicable license fee could be inducted as capital after grant of Letter of Intent under Rule 10 but, before the issuance of license. A more comprehensive and robust mechanism whereby financial adequacy of the licensees could be assessed through analysis of various fiuancial statements of the companies needs to be evolved.

(vi) Inconsistencies and changes in the data pertaining to Sector 83

As per approval of drawing of sector 83 accorded on 23 May 2007, total sector area was 518.20 acres of which area under commercial belt was 126.80 acres. As per drawings approved on 31 December 2007, total sector area was 511.45 acres of which area under commercial belt was 124.98 acres. This drawing was superceded by drawing approved on 21 October 2008 in which total sector area was shown as 502.80 acres and under commercial belt was 126.90 acres. The application of M/s A&D Estates was appraised using drawing approved on 31 December 2007. The Application of M/s Skylight Hospitality was appraised using drawing approved on 21 October 2008 whereas the application had been received on 10 March 2008.

Audit could not find any evidence from records justifying the decrease in total sector area from 518.20 to 511.45 acres. The District Town Planner, Gurgaon informed (4 January 2008) the Director, TCPD that alignment of the NH-8 passing through the revenue estate of village Shikohpur and village Lakhnaula was factually incorrect and was proposed to be incorporated in the Sectoral Plan of81-83, which led to revision of drawing in October 2008.

From the drawing of Sector 83, Gurgaon approved on 21 October 2008, it was noticed that though total sector area decreased from 518.20 acres to 502.80 acres as the area under commercial belt first decreased from 126.80 acres to 124.98 acres and then increased from 124.98 acres to 126.90 acres. Changes in area figures while assessing applications, casts doubts about the reliability of data and transparency in process.

(vii) **Interpretation of provisions of Development Plan**

Total commercial area of the sector 83, Gurgaon was 126.80 acres, out of which 63.40 acres was to be given to private developers. As of 31 March 2008, there were 14 applications of which M/s Skylight was at Sr. No. 14.

Scrutiny of records showed that if the application of M/s Skylight Hospitality Pvt. Ltd.was to be considered, an area of 71.202 acres was to be given to private developers for commercial purposes, which was 8.712 acres in excess of permissible limit of 63.40 acres.

While appraising the case of M/s Skylight Hospitality, it was stated by DTP (HQ) that the application could not be considered by way of calculations being made to determine the area available for consideration of license. It was argued that out of applied area of 71.202 acres, an area measuring 9.223 acres comes under road and green belt. This area had not been counted towards commercial area for grant of license. Therefore, this area was required to be accounted for in the commercial area which would then become 72.623 acres. Based on this, the application of MIS Skylight Hospitality Pvt. Ltd.was considered (March 2008) for grant of commercial license for 2.701 acres. **It** was further stated by the Department that in case the application of M/s Skylight Hospitality Pvt. Ltd. was considered on the basis of this rationale, the same would be made applicable to all cases. Thus, M/s A&D Estate who had applied earlier also got the benefit of this rationale. Thereafter, two more firms viz. M/s Orris Infra and M/s DLF also applied on 22 September 2011 and 9 January 2012 respectively. M/s DLF Limited was granted the license on 6 September 2012, while the other application was under process.

As per Para 4 of the Development Plan, the area under green belt and sector road shall not be included under net planned area. Area under commercial belt and residential areas were, as such, inclusive of area under internal circulating roads and service roads. However, TCPD has again added back area under 24 metre circulating road and service roads while computing net area falling under commercial belt. The decision to add back area falling under internal circulating roads and green belt while considering the case of M/s Skylight Hospitality Pvt. Ltd., although the 50 *per cent* limit, as per earlier method of computation had already been exhausted, was not as per existing practice. Thus, in the absence of clearly spelt out procedures for computing area availability, lack of clarity and consistency, the possibility of extending undue benefit to particular applicants cannot be ruled out.

(viii) **Consolidation vis avis urbanisation**

Section 30 of the East Punjab Holdings (Consolidation and Prevention of Fragmentation) Act,

1948 inter alia lays down that during the pendency of the consolidation proceedings, no landowner or tenant shall have the power to transfer or otherwise deal with any portion of his original holding which affects the rights of any other landowner without the sanction of

Consolidation Officer.

While declaring villages under Controlled Area for the purpose of urbanisation, TCPD did not ascertain that consolidation of the said area was in progress.

Consolidation of land measuring 2331 acres of village Shikohpur of Gurgaon District was notified in October 1985. The scheme was finally published on 27 November 2004. While the consolidation of land was in progress, TCPD notified (5 February 2007) this village as part of the urbanisable area. Following this, the consolidation of village Shikohpur was de-notified on 14 March 2008 on the grounds that the village was unfit for consolidation; the villagers were not co-operating as most of the area of the village had come under NCR.

Audit observed that despite the area being under consolidation, transactions of sale/transfer continued in village Shikohpur between 2004 and 2008 and a total of 1,117 mutations were sanctioned.

Based on an affidavit filed in Hon'ble Court in CWP No 13278 of 2008 by the Consolidation Department, the village of Shikohpur was again notified (August 2011) for consolidation. It was observed that the Court was never informed of the fact by the Consolidation Department that out of total 2333 acres of land falling in village Shikohpur, 1954 acres had been declared urbanized as per Development Plan 2021 published by TCPD in February 2007. Further, it was observed that land transactions continued as 132 sale deeds and 359 mutations were sanctioned between 2011 and October 2012 in village Shikohpur.

It was observed that land was purchased by M/s Skylight Hospitality (12 February 2008) when the work of consolidation was in progress and was sold (18 September 2012) when consolidation was re-notified in August 2011.

As per decision of the Director General, Department of Consolidation, the mutation of land transaction between 'M/s Skylight Hospitality and M/s DLF Universal was cancelled (15 October 2012) as the permission of Consolidation officer under Section 30 of the Act was not taken (15 October 2012). However, following the report submitted (December 2012) by three member Committee constituted by the State Government to look into the cancellation order, the order of cancellation of mutation was not implemented.

Further, TCPD has written (February 2014) to Director General, Consolidation to confirm the ownership status of licensed land of M/s Skylight Hospitality Pvt. Ltd. so as to enable the Department to proceed with the renewal of license. The matter was taken up by audit with Department of Consolidation and TCPD for confirmation/clarification of facts and eliciting their comments; their reply was awaited.

It would be seen from the above that there were unresolved issues between TCPD and Department of Consolidation in the matter of land use. These issues need to be resolved.

(ix) Profits on sale of land:

Licenses are granted to developers for development of colonies. Invariably, after granrt of license for setting up of commercial colony, the value of land inceases. Rule 3 of Haryana Development and Regulation of Urban Areas Rules, 1976, inter alia lays down that application for license can be made by owner of land. As per Rule 17 of the Haryana Development and Regulation of Urban Areas Rules, 1976, the colonizer shall not transfer the license granted to him under rule 12 to any other person without the prior approval of the Director.

In the test checked cases, it was observed that proper mechanism had not been put in place both at the time of granting in-principle approval and thereafter formal approval for transfer of licenses, to prevent companies from reaping windfall profit merely by selling the land without starting the project.

It was observed that while there was a clause in the bilateral agreements on sharing of profit with the Government on completion of projects, timelines for completion of projects were not fixed. Firms were required to set up the commercial colonies on the licensed land and derive maximum net profit of 15 *per cent* of the total project cost after making provisions of statutory taxes and profit beyond 15 *per cent* was to be deposited with Government within two months of the completion of projects. Five licensees, however sold the land without starting the project and earned a profit of Rs.215.21 crore in such transactions as against Rs.52.26 crore *(Appendix 2.11)* which was the cost at which the land was purchased by these developers, while the Government was deprived of its share of profits i.e. amount over and above of 15 *per cent* of project cost. The percentage of profit ranged from 58 *per cent* to 87900 *per cent.* In two cases (M/s Sun Star Builder, M/s Botil Oil Tools India Private Limited), the profit was as high as 302 times and 879 times the cost respectively. In the case of *Mls* Skylight Hospitality Pvt. Ltd., the land was sold at 7.73 times the original cost but the license has not yet been transferred (January 2015).

By neither insisting on completion of project within a specified time frame nor getting a share of the profit earned beyond 15 *per cent* on the sale of land, which was considerable, enabled the developers to earn windfall profit, while the department had to forgo a sizeable amount of such profits.

In view of the above observations, Audit recommends that procedures for entertaining applications for developing commercial colonies, criteria for determining area norms, timelines for completion of projects, etc. need to be clearly spelt out. There is an urgent need to make the whole process more transparent and clear. Further, licenses should only be allotted to gennine developers after a careful and proper scrutiny of the applications. A proper mechanism needs to be placed to ensure that inj cases where land has been sold without completion of the project net profit beyond 15 per cent of the total cost on such sale should be deposted with the Government.

Other issues pertaining to Colonizer

Scrutiny of 225 license files revealed as under:

The Department in its written reply stated as under:

In regard to reply of para No.2.3.10.1 (i) to (ix), it is submitted that the State Govt. has constituted Justice S.N. Dhingra (Retd.), Commission of Enquiry for the enquiry and other issues related to the grant of licences in Sector-83, Gurgaon. So, the reply of these paras will be submitted after the final outcome of the Commission's Report.

The Committee has desired the Principal Secretary to Govt. Haryana, Town & Country Planning Department to supply the reply to the instant para to the PAC at the earliest.

[35] 2.3.10.2 Inadequate control over colonizers:

A licence (No. 32) was granted (April 2012) to the M/s Identity Bnild-Tech Private Limited

to develop Group Housing Colony on a land measuring 11.70 acres in Sector 103 Gurgaon. As per conditions of the licence, advertisement for sale of plots/flats was not to be given before approval of the Building Plan. The DG, TCPD issued (May 2011) instructions to all Senior Town Planners in the State to check the advertisements regarding sale of plots/flats in licenced residential, commercial, industrial and I.T colonies as to whether those were being issued as per instructions of the Department. It was also mentioned that if any advertisement was given in contravention of the instructions of the Department, the cases of such defaulting colonizers may be brought to the notice of the Department for initiating action to suspend the operation of their licences. The colonizer pre-launched the project in April 2012 and issued receipts for booking of flats to about 400 customers by collecting *55* crore though the Building Plans were approved in April 2013. Share purchase agreement was executed on 18 December 2012 between Era Land Mark, Identity Build-Tech and Ansal Housing for purchase of 100 *per cent* shareholdings of Identity Build-Tech Private Limited. It was not disclosed by the Identity Build Tech Private Limited that it had collected*55* crore from the prospective buyers. Neither the amount had been refunded nor had flats/plots been given to prospective buyers.

Audit observed that though the District Town Planner (DTP) was required to check regularly the advertisement regarding sale of plots/flats in licenced colonies, yet the DTP had not taken cognizance of the advertisement given by the colonizer in April2012.

The Department stated (January 2015) that no advertisement published in any newspaper had come to the notice of the Department on which DTP (Enforcement), Gurgaon could have taken action against the colonizer. The ACS, TCPD had suo moto taken cognizance of the news item which appeared in Times of India on 4th July 2014 for taking action against the colonizer. It had also been stated that instructions of DG, TCPD issued in May 2011 were not related to pre-launching of the project or violation of terms and conditions of licence. The reply was not convincing because the instructions of DG, TCPD of May 2011 specifically stated that a regular check on such advertisements given by colonizers should be maintained and if these were not being issued as per instructions of the Department, then report of such defaulting colonizers may be sent to Headquarters for initiating action to suspend the operation of their licences. Hence, monitoring of such advertisements and taking prompt action on them, including the advertisement of April 2012 was the responsibility of the Department.

It was further stated that criminal proceedings had been launched and the colonizer had informed that they were offering plots to allottees or making refund to those who were seeking refund.

Audit is of the opinion that the Department should put in place a more effective system to avoid the occurrence of such irregularities such as advertising the sale without the approval of the building plans and transfer of share holding of the licencee company in favour of other companies without the permission of the Department, as provided under the rules.

During Exit Conference, DG, TCPD stated that the issue related to changes in shareholding pattern, transfer of rights, change in developers, etc. was important. He stated that the Department had already finalized a policy in this regard which would also be put on their web site.

The Department in its written reply stated as under:

At the outset itself, it is observed that only one case of one colonizer has been discussed in the para, whereas a general conclusion has been drawn that the Department does not have adequate

control over the colonizers. This conclusion is quite far-fetched. Secondly, it is also observed that DGTCP has not admitted at any point of time that the Department lacks control over the colonizers as has been alleged in the last sub-para of this para 10.1. On the other hand, it is emphasized that the Department exercises complete control over the licenses issued by it. Some irregular activity by an odd colonizer cannot be construed as lack of control of the Department over the colonizers.

Now coming to the observation, License No. 32 of 2012 dated 12.04.2012 was granted for setting up of residential group housing colony over an area measuring 11.7 acres in Sector 103, Gurgaon in favour of Identity Buildtech Pvt. Ltd., Agro Gold Chemical India Pvt. Ltd. and some individual land owners. The building plans of the project were approved on 16.04.2013.

It came to the knowledge of the Department that Era Landmarks Ltd. (now known as Adel Landmarks Ltd.) is beneficial owner of the entire fully paid equity shares of the company i.e. Identity Buildtech Pvt. Ltd. The licensee company had entered into share purchase agreement with Ansal Housing & Construction Ltd. on 01.06.2012 for development of group housing project bearing license No. 32 of 2012, means by the representatives of Ansal Housing & Construction Ltd. become the Directors/owners of the company w.e.f. 01.06.2012. Further, a share purchase agreement was also executed on 18.12.2012 between Era Landmarks Ltd. (the beneficial owner of licensee company), Ansal Housing & Construction Ltd. and Identity Buildtech Pvt. Ltd., whereby the share holding pattern of licensee company was entirely transferred in favour of Ansal Housing & Construction Ltd./Mr. Deepak Ansal.

Meanwhile, Era Landmarks Ltd., who was beneficial owner of the entire fully paid equity shares of licensee company had collected an amount of Rs. 55 crores on account of booking of flats in the project to be developed under the name and style "Cosmos City-2", Sector 103, Gurgaon. A news item in this regard was published in *Times of India* on 04.07.2014. The Department has taken following steps against the licensee/Adel Landmarks Ltd.:-

- Report from STP, Gurgaon was sought in this regard, who had forwarded his report on 09.07.2014 and affirmed the above said facts.
- Notice on prescribed proforma LC-X under Rule 18(1) of Rules 1976 was issued to the licensee company vide memo dated 21.07.2014 pointing out the said deficiencies and directing to set aside the same within 15 days.
- DTP(E), Gurgaon was also requested vide memo dated 21.07.2014 to send a complaint to Police Deptt. for lodging FIR against Era Landmarks Ltd. for illegal booking of flats in license No. 32 of 2012. In pursuance of the said letter, DTP has lodged the FIR with Police Station Rajindra Park, Gurgaon vide FIR No. 261 dated 16.08.2014.
- In reply to this office memo dated 21.07.2014, the Identity Buildtech Pvt. Ltd., who is now associate company of Ansal Housing & Construction Ltd. submitted an application on 02.08.2014 mentioning that they have not violated condition No. 5 of license No. 32 of 2012 and only advertised the project after approval of the building plans. The consideration amount from more than 500 allottees has also been collected after approval of the building plans. The company has also mentioned that change of share holding pattern does not tantamount to transfer of license in terms of Rule 17 of Rules 1976 and thus, they have not violated the provisions of said Rule by changing the share holding pattern.
- Similarly, the main share holding company of Identity Buildtech Pvt. Ltd. i.e. Ansal Housing & Construction Ltd. has also submitted a reply on 16.07.2014 mentioning that

they are complete share holder of the said company by virtue of share purchase agreement dated 18.12.2012 and have not violated any terms and conditions of the license. The advertisement was done on 31.12.2013 under the name and style of High Land Park, Sector 103, Gurgaon after approval of building plans and development of the project is being undertaken by them. Moreover, the BGs also stands submitted by them in lieu of EDC & IDC. The submissions made by Identity Buildtech Pvt. Ltd. were also reiterated.

- The Adel Landmarks Ltd. had also replied vide application 17.07.2014 that they have settled all grievances/complaints of the customers and undertaken vide application 24.07.2014 that they are in process of allotment of units to the remaining investors in other licensed project of the colony including sector 103. A detail of the investors was also given in the said reply.
- The matter was examined and to resolve the issue, an opportunity of being heard was granted to the licensee company as well as Adel Landmarks Ltd. for 28.11.2014. No one appeared for hearing, therefore, notice on prescribed proforma LC-XA under Rule 18(2) was issued to both of the companies vide memo dated 22.01.2015.
- The special audit was conducted by accounts section and it was reported that the Adel Landmarks Ltd. has collected about Rs. 56.49 crores from 448 customers on account of booking amount in the project namely Cosmo City-2, Sector 103, Gurgaon, which was deposited in the various bank account of the company. It was also reported that an amount of Rs. 10.367 crores stands refunded to the investors or adjusted against other projects, whereas an amount of Rs. 46.13 crores is still to be refunded.
- In response to notice dated 22.01.2015, the Identity Buildtech Pvt. Ltd. (wholly subsidiary company of Ansal Housing Construction Ltd.) has submitted a reply on 18.02.2015 reiterating its earlier submissions made in the reply dated 02.08.2014 & 16.07.2014. Whereas, Adel Landmarks Ltd. has also submitted its reply clarifying that *they had not advertised any project, whereas many of the customers approached them to receive advance amount against their upcoming projects and insist them to accept the amount on their own choice and to get early bird benefits of location and price. The allotment of license No. 32 of 2012 was given to Identity Buildtech Pvt. Ltd. being 100% subsidiary company of them and the customers was taken in confidence to transfer their allotment in UBA license as the same was expected very soon and they were willingly agreed to this as the location of the new project was very much better. Unfortunately, due to some land issues, they have not received desired license of UBA. The company has further informed that they have settled claimed of 278 customers by way of refund or alternate allotment. The company has a land bank of about 125 acres. Seven licenses are in process of renewal and 8 are awaited. Moreover, the companies expecting a sum of Rs. 148 crores, which will start realizing from March first week in phases. The company has admitted that some of the cheques issued to the investors for refund stands bounced, but they had written to the customers to collect their new cheques of those amounts alongwith interest from the date of realization of the cheque till now. At last, the company has mentioned that in view of above said submissions, their intention is quite clear to settle down the disputes with the customers by giving them refunds or units, so six months time may be given to them for settle down the same*.
- The reply of the licensee as well as Adel Landmark Ltd. was not found satisfactory, therefore, opportunity of being heard was granted under Rule 18(3) of Rules 1976 for

31.08.2015, which was adjourned for 16.11.2015 and 17.02.2016. The matter is pending uptil now.

In view of the facts and submissions, it is clear that terms and conditions of the license have not been violated by Identity Buildtech Pvt. Ltd., who is 100% subsidiary company of Ansal Housing Construction Ltd., except change of share holding pattern without taking prior permission of the Department. As far as question of collection of booking amount by Adel Landmarks Ltd. is concerned, it is a violation/fraud committed by the said company and Department has already lodged FIR No. 261 of 16.08.2014. The company has also assured that they are in process to settle down the issues with the investors.

From the above, it is evident that the action in this case was taken immediately at the initiative of the Department to protect the interests of the flat buyers. Hence, the para may kindly be dropped.

The Committee has desired that the matter be got inquired into as to whether it was in the knowledge of DTP or not.

[36] 2.3.10.5 Non-completion of low cost/affordable housing colonies:

State Government made (May 2009) a policy to provide dwelling units, which were affordable to the people who belong to lower and middle income categories. As per policy, (amendment made in August 2009) the developer/ licensee would be given a maximum period of six months after the grant of licensee to get the building plan approved, failing which licence would be cancelled and licence fee forfeited. Further, the licensees under this scheme would be given a maximum time of three years for completion of the project and offer possession of uuits to the eligible applicants. The period was extendable by a maximum period of one year subject to the payment of penalty at the rate of five *per cent* of the external development charges.

Licence No 83 was issued in October 2010 to M/s DLF SEZ Holding Limited, Gurgaon for the construction of low cost/affordable housing projects for 10.056 acre area under Revenue Estate, Village Hayatpur, Sector 93, Gurgaon. It was noticed that the developer had neither got the building plans approved within six months of the grant of licence nor had started the work (July 2014) but the Department had not cancelled the licence nor forfeited the amount of licence fee so far.

The Department stated (January 2015) that it had initiated the process of delicensing on the request of the colonizer and after delicensing, licence fees along with conversion charges, IDC (along with interest) and interest on EDC would be forfeited.

The Department in its written reply stated as under:

License No. 83 of 2010 dated 19.10.2010 was granted in favour of DLF SEZ Holding Ltd. for setting up of low cost/affordable housing colony over an area measuring 10.056 acres in sector 93, Gurgoan, but the company had not implemented the project and submitted a request on 03.09.2013 to de-license the licensed land. The matter was examined and company was asked to submit an undertaking to the effect that no third party rights stands created on the licensed area, which was submitted on 10.11.2014. Since, an amount of Rs. 1058.53 lac on account of interest on outstanding EDC and Rs. 426.66 lac on account of IDC is outstanding against the license as on 10.11.2014, therefore, the company has been asked to deposit the same vide memo dated

15.10.2015, so that request for de-licensing could be considered, but the licencee did not deposit any amount till date.

It is also worth mentioning here that the scrutiny fee, conversion charges, license fee and IDC are non-refundable as per policy parameters dated 17.06.2010. As the Department will forfeit the requisite license fee and other charges as per Departmental policy before de-licensing the license in question, therefore, there is no financial loss to the Govt. and para may kindly be dropped.

The Committee has desiried that the State interest be protected meticulously.

[37] 2.3.10.6 Non-renewal of licences:

Rule 13 of the Haryana Development and Regulation of Urban Area Rules, 1976 provides for renewal of licence in cases where the colonizer fails to complete the development work in the colonies. The colonizer is required to apply for renewal along-with renewal fee at the rate of 10 *per cent* of the fee prescribed for issuance of licence in cases where completion certificates had not been issued and at 2.5 *per cent* of the prescribed fee in cases where part completion certificate had been issued.

A mention was made in Para 3.16 (v) regarding, "Non-renewal of licences" in the report of Comptroller and Auditor General of India for the year ended 31 March 2001 (Civil)-Govemment of Haryana. This type of irregularity was pointed out vide Para No. 4.3.10 (a) in the report of Comptroller and Auditor General of India for the year ended 31 March, 2012. The Public Accounts Committee while discussing the Para in March 2007 recommended that the Department should have evolved its own effective and speedy system to know the date of renewal oflicences and the amount to be recovered on this account.

Audit further noticed that licences of 20 colonizers in Gurgaon, Faridabad, Jhajjar, Sonipat, Panipat and Kaithal were not renewed between December 2006 and March 2014, though development works for colonies were incomplete. The delay in renewal ranged from 1 to 5 years. Due to non-renewal of these licences, renewal fee amounting to 19.28 crore remained unrecovered.

The Department stated (January 2015) that 13 colonizers had deposited the renewal licence fees amounting to Rs.6.62 crore and for rest of the cases, notices had been issued and action had been initiated for cancelation of licensees. Further, Audit scrutiny showed that though the renewal licence fees had been deposited, formal orders of their renewal had not been issued. Moreover, Department has not evolved a system to keep a check about the date of renewal of licenses and the amount to be recovered on this account as per recommendation of the PAC in March 2007.

The Department in its written reply stated as under:

With reference to the observations of the PAG, it is submitted that a strict and regular follow-up for recovery of licence renewal fees has been a major thrust area for the Department as a tool of regular monitoring of the licensed colonies. Though, the follow up in this regard is still being done manually, the Department being conscious of the issue is at an advanced stage of implementation

of the computerization project of the Department for a real-time follow-up of any default in renewal of licence and payment of licence renewal fees by the licensees, and is likely to be fully functional from the FY 2016-17. It is also pointed out that the process of renewal is verified at each level of permission like approval of service plan estimates, approval of building plans, grant of occupation certificate, grant of part/completion certificate. Where ever there is any delay in submission of the application as per Rule 13 of the Rules 1976, the Department recovers the license renewal fees along with interest @18 percent per annum for the delayed period before granting the permission referred above. Therefore, there is no financial loss to the state exchequer. Nevertheless, it is on account of such stringent follow-up that against several hundreds of licenses already granted by the Department, the default in deposit of licence renewal fee by the licensees is noticed in a miniscule number of licenses. Out of the 23 cases pointed out by PAC, the licence renewal fees already stands deposited in 17 of the said cases and in 6 cases, the renewal fee has not been deposited by the licensee. The status of each case referred in the para is also given below : -

Status of the cases in which licence renewal fee has been deposited :-

Sr. No.	Name of licensee company	Licence No	Area in Acres	Valid upto	Loss of Revenue (Lakh)	Renewal fees deposited by the licensee along with interest	Date of deposit	Remarks
1.	Emaar, MGF, Land Gurgaon	66 of 20 March 2008	6.79	19 March 2010	139.78	620700 620700 715200 **1956600**	15.02.10 17.02.12 20.03.14	The loss of revenue pointed out by the audit part is not accurate as the commercial rates will not be charged on IT park licence after 3 years. During the course of hearing before DGTCP Haryana on 22.04.2013, applicant compant stated that they had already constructed more than 30% of building with in the stipulated period. Moreover, A policy on dated 05.11.2013 was issued by the department where in the condition of 30% of IT area with drawan from the existing licences had withdrawn from the entire existing licences. The instant case is also covered under this policy, So, rates are in order. The renewal of the licence is under consideration.
2.	Cadillac Build-well Pvt. Ltd. Faridabad	3 to 9 of 2 January 2007	41.53	1 January 2014	65.82	2611422 4312023 **6923445**	28.11.13 26.05.14	Renewed upto 01.01.2016

3.	Swatantra Land & Fin. Faridabad	61 of 9 Febrauary 2007	10.93	8 February 2014	17.32	1690815 49124 **1739939**	17.01.14] 10.06.14	Renewed upto 08.02.2016 Now 08.02.2018
4.	Shiv Sai Infrastructure Faridabad	11 of 25 January 2008	2.89	24 January 2014	4.58	491171	12.05.14	Renewed upto 24.01.2016 Now 24.01.2018
5.	Emaar, MGF, Land Gurgaon	6 of 17 January 2008	25.50	16 January 2014	53.49	5348500	13.12.13	Renewed upto 16.01.2016
6.	Suman Villas Pvt. Ltd. Jhajjar	61 of 19.03.2008	10.364	18 March 2014	2.11	215100	21.03.14	Renewed upto 18.03.2016
7.	Larson & Toubro Ltd, Faridabad	15 of 3 June 2009	9.29	2 June 2013	2.54	733387 40000 7800 **781187**	1.5.13 22.05.14 19.09.14	Renewed upto 02.06.2015 Now 02.06.2017
8.	Ansal Properties & Infra. Ltd, Sonipat	39 of 2 March 2008	27.31	1 March 2014	20.48	2598000 2300 **2600300**	05.02.14 24.03.14	Renewed upto 01.03.2016
9.	Brihaspati Construction Pvt. Ltd, Dharuhera (Rewari)	142 of 19 July 2008	8.10	18 July 2012	9.76	351000 799936 **1040936**	28.05.12 16.07.14	Renewal not done due to non depositing the deficit amount of Rs.273500 /- due in 2012.
10.	Unitech Ltd, Gurgaon	66 to 68 of 13 December 2002	15.34	12 December 2013	32.18	3417000	19.06.14	Renewed upto 12.12.2015
11.	Vatika Land Base Pvt. Ltd, Gurgaon	58 of 19 March 2008	2.16	18 March 2014	46.44	6260830	09.08.14	Renewed upto 18.03.2016

12.	Bestech India, Gurgaon	41 of 4 March 2008	10.75	3 March 2014	22.5	2378929	27.05.14	Renewed upto 03.03.2016
13.	Universal Build-well Pvt. Ltd, Faridabad	10 of 23 January 2010	10.93	22 January 2014	17.32	1821000	01.07.14	Renewal under consideration.
14.	Parker Builder Pvt. Ltd, Sonipat	214 of 4 Septembe r 2007	2.00	3 September 2013	22	2667606	10.10.14	03.09.2015 NOW 03.09.2017
15.	Ambience Project Pvt. Ltd, Panipat	6 of 14 January 2010	314.81	13 January 2014	236.11	30025000		The licencee has deposited the excess renewal fee but Renewal not granted due to non payment of EDC/IDC.
16.	Jindal Infra Build Pvt. Ltd, Sonipat	25 of 15 June 2009	12.156	14 June 2013	18.81	1881350	14.06.15	The licencee has deposited the renewal charges but Licence already stands cancelled vide this office memo No. 16656 dated 01.09.2015.
17.	Navjyoti Overseas Pvt. Ltd, Panipat	150-154 of 16 March 2007	16.97	15 March 2009	560.01	1005131	10.02.09	The licence renewal fee deposited by applicant was in order. Further the licensee vide application 29.10.2009, requ-ested for conversion of the licence into low cost/affordable housing. The licensee, there-after, requested for surrender of licence on 27.01.2010. The request for surrender of licence was examined and accordingly vide memo dated 18.01.2011, the licensee was asked to submit an affidavit to not to make any claim against the scrutiny fee, licence fee, conversion charges & infra-structure development charges and are liable to pay interest on EDC & IDW till 27.01.2010. The licensee against the said memo preferred Civil Writ Petition No. 5180 of 2011 in the Hon'ble High Court. The matter is sub judice, further action in the matter will be possible after outcome of final decision of the Hon'ble Court. However, in view of the fact that licence fee for renewal up to 15.03.2011 is already paid and licensee has surrendered the licence w.e.f. 27.01.2010, no renewal fee is required. It is requested that this para may kindly be dropped.

In the following 6 Nos. licences, licence renewal fee has not been deposited , the detail of which is as under :-

Sr. No.	Name of licensee company	Licence No	Area in Acres	Valid upto	Loss of Revenue (Lakh)	**Office Comments**
1.	Kohli Holding Pvt. Ltd, Gurgaon	27 of 18 February 2008	5.96	17 February 2012	1.70	This licence was valid upto 17.02.2012. However, the applicant company submitted application for withdrawal of licence on 14.08.2013, which is under process and decision will be taken as per policy dated 20.04.2010 / 17.06.2010 as per which the licence fee & IDC will be forfeited and interest on EDC / IDC will be charged upto the date of application for withdrawal. The applicant company was asked to submit authority letter / resolution in favour of Sh. Rajneesh Mittal vide this office No.54029 dated 11.10.2013. Subsequent reminders were issued to the company vide No.3634 dt, 17.02.2014 and 5896 dated 13.04.2015. but the reply is still awaited. But, as the cancellation process is under consideration, it is requested that this para may kindly be dropped.
2.	GE Max Infrastructur e Pvt. Ltd, Faridabad	180 of 18 October 2008	3.9435	17 October 2010	145.91	The licence was valid upto 17.10.2010. The Department was directed the licensee company to get the renewal the license vide letter dated 17.04.2014 and 14.05.2014 but no reply has been received. The outstanding amount against EDC is Rs.1045.68 lacs as on 03.08.2016. IDC is fully paid. The BGs for EDC, IDW has not been revalidated. The notice has been given under Rule 18(1) of Rules, 1976 and hearing was granted on 25.11.2013 and DGTCP has directed to made the compliance regarding the payment of IDC and apply under EDC relief policy dated 12.04.2012 within a month. The licensee company has failed to revalidate the Bank Guarantees and other deficiencies. The Department has initiated the action against the licensee vide orders dated 16.10.2014 by giving two weeks time for making the compliances or else the license would be cancelled. Thereafter due to non-compliance of notice, the license was cancelled vide Memo. No. 27462 dated 03-12-2014 by the department.
3.	**Sun City Project Pvt. Ltd, Gurgaon**	**141 of 16 July 2008**	**14.17**	**15 July 2010**	**6.09**	The Licence No. 141 of 2008 for IT Park was initially valid upto 15.07.2010. The licensee did not take any steps to develop the colony in accordance with the licence grant by the Department and submitted a request on 31.03.2011 for converting the licence into group housing colony and subsequently on 20.08.2013 for Affordable Group Housing Colony. Formal request for surrender of licence has also been made on the said date. Since, the developer did not carry out the development and decided to surrender the licence. Therefore, the statutory fees and charges like scrutiny fee, licence fee and conversion charges to the extent of Rs. 2.17 crores stands forfeited. In view of the fact that the formal request of surrender of licence was submitted on 20.08.2012. Therefore, a notice for recovery of renewal fee beyond 15.07.2010 onward amounting to Rs. 54.06 lacs has been issued to the colonizer. Since, the licence stand surrendered; therefore, further renewal of licence no. 141 of 2008 is not required. In view of the facts and circumstances as explained above, it is requested that the observation in this regard may kindly be dropped.

4.	**Eden Project Nilokheri (Karnal)**	**76 of 19 March 2008**	**5.88**	**18 March 2012**	**7.09**	It is submitted that The licencee has applied for conversion of its group housing licence No.76 of 2009 to plotted colony on 11.11.2011. Since the applicant has applied for conversion of its group housing licence no. 76 of 2008 (after de-licensing) on 11.11.2011 to plotted colony, no further renewal of the said licence beyond 11.11.2011 is required. As and when the licence for plotted colony is granted for the said site, all fees and charges paid against licence no. 76 of 2008 shall stand forfeited and no development, whatsoever, is permitted on site against the said group housing licence. Hence, the audit para is not valid and deserves to be dropped.
5.	**MVGG Builders Pvt. Ltd, Gurgaon**	**152 of 13 December 2004**	**4.039**	**12 December 2006**	**514.97**	This licence was valid up to 12.12.2006. Though the company has submitted request for grant of completion certificate on 25.01.2013 and requested for issuance of the same at the earliest but the applicant company was requested to get its licence renewed neither applied for renewal of licence nor submitted compliance of Rule 24, 26, 27 & 28 of Rules 1976 for which notice has been issued by this Department and action has been initiated for cancellation of licence for which hearing has been granted to the company on 31.10.2014 and the authorised signatory submitted a reply of notice dated 31.10.2014 in which the licencee had requested to give the extension for submission of application of renewal of licence which was further examined and the applicant company was requested to submit the application within 7 days vide this office letter dated 21.04.2015 but instead of submission of application, the licencee had submitted an application for grant of 6 months time to submit the application for renewal, the period of 6 months has already been lapsed. IDC amounting to Rs.417.79 lacs was outstanding against the colonizer as on 12.07.2016. Due to non compliance of various notices, the process of cancellation of licence has been initiated by the department and is under consideration.
6.	**Ansal Properties and Infra. Ltd, Gurgaon**	**24 to 30 of 12 February 004**	**8.47**	**11 February 2009**	**17.62**	The observation that he license was valid up to 11.02.2009 is correct. However, the applicant company requested for further renewal of license upto 11.02.2011 which was examined and observations were conveyed. In the meanwhile the applicant company filed CWP No. 18599 of 2010 before Hon'ble High Court against the demand for renewal of license. The applicant company had raised objection before Hon'ble High Court that since they have already got part completion certificate therefore, the renewal of license may not be impressed upon. The detailed reply was filed by the Department in the Hon'ble High Court. However, it was categorically mentioned that in case, the petitioner submits his request for completion certificate as per the Haryana Development and Regulation of Urban Areas Act, 1975 and Rules framed thereunder, the request for final completion certificate shall be considered. The company later on withdrew the writ petition. The copy of orders dated 21.05.2012 passed by Hon'ble High Court are enclosed.. Hon'ble High Court permitted the petitioner to withdraw the writ petition with liberty to file fresh petition after the decision is taken by the Department. The applicant company filed a representation / formal request on 06.03.2012 for completion certificate. The case is under examination with the Department. In view of above, it is submitted that the audit para may kindly be dropped.

The Committee has desired that sincere and pragmatic efforts be made to expedite the process of recovery from the colonizers.

[38] 2.3.10.8 Non-opproval of building plans:

In order to achieve the objectives of regulating the development of urbanised sector in a harmonious effective and speedy manner, Haryana Development and Regulation of Urban Area Act 1975 provides that basic amenities like sewer, road, water supply and electricity should be provided within two or four years as per terms and conditions specified in the licences.

Scrutiny of the records showed that in seven cases, building plans were not approved even after six to seven years of the issue of licences though the building plans were required to be got approved from the Department within three months. It was further observed that the colonizers had not even prepared the service plans/estimates and zoning plans. This shows that proper control mechanism was not put in place by the Department to watch the timely completion of projects by private colonizers.

The Department stated (January 2015) that building plan had not been approved due to outstanding dues against the licensees in five cases, court case was pending in one case and proceedings of cancelation of licence were under process in one case. The fact remains that the development activities in the urban sector were being delayed and the issues leading to this delay need to be addressed by the Department.

The Department in its written reply stated as under:

The detailed reply in respect of 7 cases are as under: -

It has been observed by the CAG that in 7 cases, building plans have not been approved even after 4 to 6 years of the issuance of licences by the Department, whereas these should be got approved within three months and therefore, proper control mechanism is not put in place by the Department to watch timely completion of projects. In this regard Out of the 7 cases, in 1 case, building plans has been approved , one No. licence has been cancelled, in one No. licence, cancellation process is under consideration. In the remaining 4 cases, building plans have not been approved by the Department due to the reasons explained as per detail given below. It can, therefore, be seen that the building plans are not pending because of lack of supervision or control by the Department but they are pending because of non-payment of Government dues essentially. Since the licensee is not allowed to sell the project before approval of building plans, no hardship on this account is caused to any 3rd party and the loss is entirely that of the colonizer. In view of this fact, this para may kindly be dropped. Licence wise details are given as under:-

Sr. No.	Name of the Developer	License No./ Date/ Area/ Use	Remarks
1.	Triveni Ferrous Infrastructure, Sector-89, Faridabad	138 / 2.7.2008 11.706 acres, GH	The colonizer has submitted the building plans on dated 09.06.2016and building plans have been approved vide letter No.14006 dated 14.07.2016.
2.	Gee Max Infrastructure, Sector-89, Faridabad	180 / 18.10.2008 3.9435 acres, Comm.	The licence was valid upto 17.10.2010. The Department was directed the licensee company to get the renewal the license vide letter dated 17.04.2014 and 14.05.2014 but no reply has been received. The outstanding amount against EDC is Rs.1045.68 lacs as on 03.08.2016. IDC is fully paid. The BGs for EDC, IDW has not been revalidated. The notice has been given under Rule 18(1) of Rules, 1976 and hearing was granted on 25.11.2013 and DGTCP has directed to made the compliance regarding the payment of IDC and apply under EDC relief policy dated 12.04.2012 within a month. The licensee company has failed to revalidate the Bank Guarantees and other deficiencies. The

			Department has initiated the action against the licensee vide orders dated 16.10.2014 by giving two weeks time for making the compliances or else the license would be cancelled. Thereafter due to non-compliance of notice, the license was cancelled vide Memo. No. 27462 dated 03-12-2014 by the department. Thus the department has already taken appropriate action against the said licence required under Act/Rules. It is, therefore, requested to kindly drop this para.
3.	Harman Financial Properties, Sector-40, Panipat.	276 / 10.12.2007 2.59 acres, Comm.	The licence permission for setting up of commercial colony area measuring 2.59 acres was granted on 10.12.2007 (licence no. 276 of 2007). Two more licences to the same company were granted adjoining to the said licence. The applicant company had submitted the combined demarcation plan of all three licences. But, due to non renewal of one licence, the combined zoning plan could not be issued. Further, report on demarcation plan of license no. 276 of 2007 has been sought from DTP, Panipat on 02.03.2015, which is still awaited. Apart from above, it is also mentioned that the said licence stands expired on 09.12.2015 and the applicant company has applied for the renewal of the said licence. Hence, after renewal of the said licence and approval of the zoning plan, building plans will be considered for approval as per the provisions of the Act/Rules of Department.
4.	Orris Infrastructure Pvt. Ltd., Sector-82A, Gurgaon	185 / 29.10.2008 9.50 acres, Comm.	The colonizer has submitted the building plan on 06.07.2010 and scrutiny fee amounting to Rs. 11,50,000/- has been deposited. The building plans under Rule 43 has been returned to the colonizer on 21.10.2010 and corrected building plans has been submitted by the colonizer on 11.11.2010. The deficiencies have been conveyed to the colonizer on 01.04.2011. The licence has been renewed upto 28.10.2016. Building plans under consideration.
5.	Pioneer Urban Land Infra. Pvt. Ltd, Sector-62, Gurgaon	239 / 25.10.2007 3.03725 acres, Comm.	The colonizer has submitted the building plan on 09.02.2013 and scrutiny fee amounting to Rs.519400 /- has been deposited. EDC Building plans has been approved on 22.10.2014.
6.	Emaar MGF, Sector-65, Gurgaon	151 / 02.08.2008 5.46 acres, Comm.	The licencee company has fully paid the EDC and IDC. Enhanced EDC amounting Rs. 1248.62 lacs was due on 03.08.2016 which has been stayed by Hon'ble High Court in CWP No. 5835 of 2013 titled as Balwan Singh and others Vs. SOH. Licencee company has applied for renewal of licence on 31.10.2012. The licence renewal case is under process. The demarcation plan has been submitted by the licencee company on 16.06.2014 which was forwarded to DTP, Gurgaon for verification of demarcation of the site. Various reminders have been issued to DTP Gurgaon but same has not been received till date. Therefore, licence has not been renewed further. The colonizer has not submitted the building plans so far.
7	Kohli Holding Pvt. Ltd. Sector-M6A, Manesar	27 / 18.02.2008 5.96250 acres, IT Park	This licence was valid upto 17.02.2012. However, the applicant company submitted application for withdrawal of licence on 14.08.2013, which is under process and decision will be taken as per policy dated 20.04.2010 / 17.06.2010 as per which the licence fee & IDC will be forfeited and interest on EDC / IDC will be charged up to the date of application for withdrawal. The applicant company was asked to submit authority letter / resolution in favour of Sh. Rajneesh Mittal vide this office No.54029 dated 11.10.2013. Subsequent reminders were issued to the company vide No.3634 dt, 17.02.2014 and 5896 dated 13.04.2015. but the reply is still awaited. But, as the cancellation process is under consideration, So, it is requested that this para may kindly be dropped. The colonizer has not submitted the building plans so far.

The Committee has desired that HAREDA be implemented in the State at the earliest possible.

[39] 2.3.10.9 Time schedule for completion of projects as a whole:

Rule 12 of Haryana Development and Regulation of Urban Area Rules, 1976 provides that the development works in the colonies should be completed within two years and a certificate of completion be obtained under Rule 16 from TCPD. No time frame has, however, been prescribed for completion of projects as whole and handing over to Government for maintenance.

Audit made an observation regarding of non-completion of development works, in the Report of Social, General and Economic Sectors (Non-PSUs) for the year ended 31 March 2012 vide Para 4.3.10 (c). Despite being pointed out by Audit, no timeframe for completion of projects as whole has so far been prescribed in the rules. Developers were taking benefit of this gap in the rules and not discharging their liabilities relating to completion of projects in a timely manner.

The Department in its written reply stated as under:

In reply to this para, is submitted that the completion certificate/part completion certificate of the colonies for which licences have been granted under Section 3 of Haryana Development and Regulation of Urban Areas Act, 1975, are covered under Rule 16 of Haryana Development and Regulation of Urban Areas Rules, 1976. Rule 16 is reproduced as under: -

16. Completion certificate/part completion certificate.

1. After the colony has been laid out according to approved layout plans and development works have been executed according to the approved designs and specifications the colonizer shall make an application to the Director in form LC-VIII.

2. After such (scrutiny), as may be necessary, the Director may issue a (completion certificate/part completion certificate) in form LC-IX or refuse to issue such certificate stating the reasons for such refusal:

Provide that the colonizer shall be afforded an opportunity of being heard before such refusal.
Further, as per the provisions of Section 3(5) of HDR, Act, a colony may comprise of a number of additional licenses.

As stated above, these projects have long gestation period and the actual habitation happens to come over a long period of time. The Department is taking effective steps to freeze a time period for completion of the colonies. The Act No.27 of 2013 for inserting section 7B in the said Act has been promulgated for fixing time limit for completion of any specific category of colony. Under the said Act, a notification for fixing a time limit of four years has been issued on 30.05.2014 in the case of Affordable Housing Colony and IT Park Colony, in accordance with the approval of Govt. As and when decision/approval or other colonies are received from the Govt, the same shall also been notified. Further, it is also submitted that in case the colonizer fails to complete the laying out of any colony of such category in accordance with the approved plans and execution of internal development works in the colony as per the approved design and specification. The colonizer is required to get the license renewed from time to time, which in a way serves as penalty for delay incompletion of colonies. Hence the para may please be dropped.

The Committee has desired that sincere efforts be made to protect the interest of the State.

[40] 2.3.10.10 Non-submission of accounts statements:

Rule 27 ibid further provides that the colonizer shall intimate the account number and full particulars of the Scheduled Bank wherein thirty *per cent* of the amount realised by him from the plot holders for meeting the cost of internal development works in the colony had been deposited. Further, as per Rule 28, the colonizer shall intimate in form AC on the fifth day of each month the amount realised by him from each of plot holders and the amount deposited by him in the scheduled bank during the preceding month.

Scrutiny of the licence files of colonizers showed that in seven cases licensees did not deposit 30 *per cent* amount realised (Rs.81.85 crore) from plot holders in separate Bank Accounts in compliance of the Rule 27 ibid. It was noticed that the Department had not taken any action against the colonizers concerned for non- compliance of above mentioned Rules. As such, the Department was not monitoring this aspect to ensure utilisation of funds by colonizers on internal development works.

The Department stated (January 2015) that colonizers have opened their account in respective banks accounts but did not deposit the money collected from plot/flat holders in designated account, however, it has been established from the statements certified by the Chartered Accountant that more than 30 *per cent* expenditure had been incurred on Internal Development Works (IDW). The fact remains that there was a deviation from the laid down procedure. Further, apart from seven cases listed by Audit, the Department should examine all such cases to rule out the possibility of non-compliance of the condition of depositing 30 *per cent* of amount realized from plot holders in a separate bank account.

During Exit Conference, the ACS noted the audit concern of deviation from procedure and stated that they would take necessary measures to ensure that money recovered from plot users was spent towards internal development works.

The Department in its written reply stated as under:

In this regard, it is submitted that the Department takes due care to ensure that the amount received from the plot/flat holders by the colonizer is also spent on development works/ construction within the colony. In this regard, the monitoring cell has been established at the Directorate. Annual audit of each colony is carried out by the Accounts Wing. The Section-5 of the Act No. 8 of 1975 read with Rule-27 & 28 of Rules 1976 framed hereunder provide for deposit of minimum 30% amount realized from the plot/ flat holders for the utilisation towards development works within the colony on 5th day of every month. To ensure its implementation, the Department has issued the instruction to all the colonizers. Presently this condition forms part of the undertaking received at the time of grant of license itself. Even, banks have also been informed and requested to take undertaking before withdrawal of amount from the said account. In this regard, it is further informed that even the delay in submission of the information for compliance of above refereed Rules is penalized by imposing prescribed penalty by the Department. Therefore, a robust system of monitoring has been put in place. This system will further get strengthened once the computerization is fully operational. In these cases referred in para, it has been noticed that the colonizer although did not deposit the money collected from the plot / flat holders in designated account, however, during the

audit it has been established that the expenditure incurred by the colonizer on development works within the colony is not less than 30% of the amount so collected. The status of cases pointed out in the para referred above is as under:-

Sr. No. of Para 10.8	Name of Developer	Lic. No. / Year	Amount Realized	30% Amount	Reply
			(Rs. In Crore)		
1.	**Suman Villas**	**61 of 2008**	**28.96**	**8.69**	In context to the audit observation it is submitted that colonizer has furnished the statement duly certified by the Chartered Accountant. Accordingly, amount realised from customer till 31.03.2016 is Rs. 46.37 crore and expenditure incurred on IDW/const. works is Rs. 23.51 crore. The total amount deposited in IDW A/c No.33710200000141 upto 31.03.2016 is 10.48 crore, So, as pointed out by the party that nothing has been deposited in the account is wrong. So, it is requested that the para may kindly be dropped.
2.	**Parsvnath Developers Ltd**	**1205-06 of 2007**	**75.55**	**22.67**	In context to the audit observation it is submitted that colonizer has furnished the statement duly certified by the Chartered Accountant. Accordingly, amount realised from customer till 31.03.2013 is Rs. 75.55 crores and expenditure incurred on IDW/const. works is Rs. 38.59 crore against the required amount of Rs. 22.67 crore which is more than 30% of the amount realized from the customers. In compliance of Rule 27, Colonizer has intimated that separate Bank Account No. 5422000100111001 with Karnataka Bank, Connaught Place, New Delhi-110029 has been opened for meeting the cost of internal development works in the colony. As per above colonizer has utilized the funds on IDW/Const. works more than the 30% of the realised amount. Separate bank account has also been opened and colonizer is being insisted to submit Form-AC as per Rule 28. Hence, para may be dropped.
3	**M/s Suman Villas Jhajjar**	**209 of 2007**	**25.56**	**7.67**	In context to the audit observation it is submitted that amount realised from customer till 31.03.2014 is Rs. 25.56 crore (including EDC Rs.10.18 crore, IDC Rs. 49.84 lacs and other fee Rs. 17.18 lacs) but Basic Sale Price amount realised from customer till 31.03.2014 is Rs. 14.88 crore. The colonizer has furnished the statement duly certified by the Chartered Accountant. Accordingly, amount realised from customer till 31.03.2016 is Rs. 18.59 crore and the total amount deposited in IDW A/c No.65027344880 upto 31.03.2016 is 5.58 crore, So, as pointed out by the party that nothing has been deposited in the account is wrong. So, it is requested that the para may kindly be dropped.

<table>
<tr>
<td>4</td>
<td>Orris Infra Pvt. Ltd.</td>
<td>185 of 2008</td>
<td>40.12</td>
<td>12.04</td>
<td>In this respect it is submitted that the colonizer has intimated the IDW account opened with Axis Bank Ltd. bearing No. 910020039956963 and the colonizer has further submitted the CA certificate upto 30.05.2014 regarding collection from customers and amount transferred in the IDW account. According to the statement the colonizer has collected an amount of Rs. 43.69 Cr. and Rs. 13.11 Cr. has been transferred in the said IDW account, which is 30% of the received amount. Further, the colonizer has submitted the expenditure statement duly verified by CA. As per statement, the total expenditure incurred on IDW/Construction Works is Rs. 15.38 Crores which is more than 30% of the receipt amount. Hence para may be dropped.</td>
</tr>
<tr>
<td>5.</td>
<td>Narang Construction (P) Ltd.</td>
<td>1262-63 of 2006</td>
<td>56.67</td>
<td>17.01</td>
<td>In context to the audit observation it is submitted that colonizer has furnished the statement duly certified by the Chartered Accountant. Accordingly, amount realised from customer till 31.03.2013 is Rs. 56.67 crore and expenditure incurred on IDW/const. works is Rs. 25.92 crore against the required amount of Rs. 17.01 Cr., which is more than 30% of the amount realised from the customers. In compliance of Rule 27, Colonizer has intimated that separate Bank Account No. 4166002100014328 with PNB, Parshant Vihar, New Delhi, has been opened for meeting the cost of internal development works in the colony.

As per above colonizer has utilized the funds on IDW/Const. works more than the 30% of the realised amount. Notices for compliance of Rule , 28 has been issued to the colonizer from time to time.

Hence, para may be dropped.</td>
</tr>
<tr>
<td>6.</td>
<td>Toucan Real Estates Pvt. Ltd., Sec-60, GGN</td>
<td>161/2008</td>
<td>53.02</td>
<td>15.90</td>
<td>In context to the audit observation it is submitted that expenditure on the development works is continuous process till the completion of colony. The colonizer has furnished the statement of receipt and expenditure duly certified by the Chartered Accountant. Detail of which is as under:-

(Amount in Crore)
<table>
<tr><th>Year</th><th>Amt realised</th><th>30% Amt</th><th>Exp. incurred</th></tr>
<tr><td>Upto 31.05.12</td><td>53.02</td><td>15.90</td><td>8.16</td></tr>
<tr><td>Upto 31.01.13</td><td>53.02</td><td>15.90</td><td>8.73</td></tr>
<tr><td>Upto 31.03.14</td><td>80.23</td><td>24.07</td><td>32.94</td></tr>
</table>
The above position reflects that upto 31.03.2014 colonizer has received Rs. 80.23 crore and</td>
</tr>
</table>

					incurred the expenditure of Rs. 32.94 crore on IDW/Const. Works which is more than 30% of received amount. In compliance of Rule 27, Colonizer has intimated on 04.06.2012 that a separate Bank Account No.911020053095577 has been opened with Axis Bank, B-6/7, Safdarjung Enclave, New Delhi-110029 for meeting the cost of internal development works in the colony. Notice for compliance of Rule 27,28 has been issued to the colonizer on 18.02.2014 and 30.04.2014. There is no loss to Govt. Hence, para may be dropped.
7.	**S.A. Infratech Pvt.Ltd., Sec-37D, GGN**	**11/2009**	**51.73**	**15.90**	In context to the audit observation it is submitted that colonizer has furnished the statement duly certified by the Chartered Accountant. Accordingly, amount realised from customer till 31.03.2015 is Rs.145.40 crore and expenditure incurred on IDW / const. works is Rs. 170.50 crore which is more than 30% of the amount realised from the customers. In compliance of Rule 27, Colonizer has intimated that they are opening a separate Bank Account for meeting the cost of internal development works in the colony. As per above colonizer has utilized the funds on IDW/Const. works more than the 30% of the realized amount. There is no loss to Govt. Hence, para may be dropped.

As the colonizers have incurred expenditure more than 30% on development works of the amount realized as required under Rule 27 & 28, this is simply a procedural lapse on their part and the objective of framing the Rule has not been defied in any of the seven cases as the actual expenditure is already in excess of 30% of the sale proceeds. Hence, the para may be dropped.

The Committee has desired that some cases be got checked randomly and the Committee be also informed of the result thereof.

[41] 2.3.10.11 Non-recovery of EDC/IDC:

As per section 3 (3) ofHaryana Development and Regulation of Urban Area Act, 1975 and Rule 11 (C) of Rules made thereunder, applicant shall undertake to pay proportionate EDCs. The charges should be paid within thirty days from the date of grant of licence or in eight equal quarterly installments along with interest. Section 3-A of the Act further provides that any colonizer to whom a licence has been given, shall deposit Infrastructure Development Charge (IDC) in two equal installments. The first installment shall be deposited within 60 days and second installment within six month from the date of grant of the licence.

Scrutiny of records showed that in seven cases, an amount of Rs.373.86 crore on accounts of

EDC and IDC was pending for recovery for three to six years.

The Department stated (January 2015) that notices had been issued for payment of EDCIIDC to the colonizers and action for revocation of bank guarantees/cancellation oflicensees had been initiated.

The Department in its written reply stated as under:

The Government is conscious of the delay in payment of EDC/ IDC by various colonisers. However, there are systems in place to discourage any such delay/ default in payment of EDC/ IDC and to effect regular recovery of the same. It is also asserted that the measures adopted during the last five years period have resulted in unprecedented recovery of EDC/ IDC and the situation is completely under control. No renewal of licence or approval of building plans apart from several other approvals/permissions granted by this office from time to time are allowed unless the entire IDC dues in the said licence are paid and commitment to pay EDC in time bound manner including submission of BG is done as per Govt. policy. In order to further strengthen the recovery process of EDC, grant of any fresh licence to a developer who is already a defaulter of EDC is not allowed unless such developer clears at least a part of such dues and gives a firm commitment for clearing the balance outstanding dues within a fixed time period. Further, policy dated 12.04.2012 & 11.04.2013 have been framed by the Government requiring submissions of additional Bank Guarantees by the defaulting colonizers to have additional protection against any future default by the colonizers. However, during the last 1½ years period, there has been setback in recovery of the Enhanced EDC dues on account of the stay orders of Hon'ble High Court dated 19.03.2013 in CWP No. 5835 of 2013: Balwan Singh & Others Vs. State of Haryana. The Department is strongly contesting the stay orders in the Hon'ble High Court and is hopeful of early resolution of the issue in favour of the Government. It may however, be noticed that any delay in payment also results in recovery of penal interest at the rate of 15% per annum (against 12% per annum recovered on payments as per prefixed installment) leading to additional recovery from the colonizers which also acts as a disincentive against any delayed payment. The internal checks and balances ensure that in spite of certain delays in payment of EDC dues by the colonizers, there is no major default risk faced by HUDA, which the recipient for all such EDC recoveries. The status of cases pointed out in the para referred above is as under:-

1. Kohli Holding Pvt. Ltd., Gurgaon (License No. 27 dated 18.02.2008)

Notices for payment of EDC/IDC dues were issued to the colonizer time to time This licence was valid up to 17.02.2012. However, the applicant company submitted application for withdrawal of licence on 14.08.2013, which is under process and decision will be taken as per policy dated 20.04.2010 / 17.06.2010 as per which the licence fee & IDC will be forfeited and interest on EDC / IDC will be charged up to the date of application for withdrawal. The applicant company was asked to submit authority letter / resolution in favour of Sh. Rajneesh Mittal vide this office No.54029 dated 11.10.2013. Subsequent reminders were issued to the company vide No.3634 dt, 17.02.2014 and 5896 dated 13.04.2015. but the reply is still awaited. But, as the cancellation process is under consideration, So, it is requested that this para may kindly be dropped.

2. Brihaspati Construction Pvt. Ltd., Dharuhera, Rewari (License No. 142 dated 19.07.2008)

It is submitted that the colonizer was required to deposit the outstanding EDC amounting Rs. 2144.13 lacs and enhanced EDC amounting to Rs.804.79 lacs as on 04.08.2016. The Enhanced EDC is under stay. Several notices have been given to the colonizer to deposit the outstanding dues. Further, the colonizer has applied for renewal of license under the EDC relief policy dated 12.04.2012 which is under consideration with the Department.

3. New India City Pvt. Ltd. Gurgaon (License No. 77 dated 11.10.2010)

It is submitted that the colonizer was required to deposit the outstanding EDC amounting Rs. 5290.48 lacs and IDC fully paid as on 03.08.2016. The colonizer has not deposited any amount on account of EDC for which notices have been given to the colonizer vide letter dated 10.01.2014, 26.08.2014 & 30.09.2014. A show cause notice has been issued to the colonizer vide letter dated 10.10.2014 to deposit the outstanding dues within 15 days, otherwise action for encashment of BG will be initiated and license will be cancelled as per Act/Rules. Notices have been issued to the colonizers time to time for clearance of outstanding EDC, but the colonizer has not paid the outstanding EDC.

4. Parsvnath Developer, Rewari (License No. 14 dated 03.02.2010)

It is submitted that the colonizer was required to deposit the outstanding EDC Rs.160.49 lacs and Enhanced EDC Rs.165.63 as on 04.08.2016. The colonizer has not deposited any amount on account of EDC. Notices have been issued to the colonizers time to time for clearance of outstanding EDC, but the colonizer has not paid the outstanding EDC.

5. Countrywide Promoters, Faridabad (License No. 16 dated 16.03.2011)

It is submitted that the colonizer was required to deposit outstanding EDC amounting to Rs. 2733.92 lacs as on 09.08.2016. It is submitted that the regular notices were given to colonizer to deposit the outstanding EDC. The colonizer has also filed the Special Leave Petition in the Hon'ble Supreme Court against the demand of EDC. The next date of hearing is likely to be fixed for 12-08-2016.

6. Universal Build-well Pvt. Ltd., Faridabad (License No.10 dated 23.01.2010)

It is submitted that the colonizer was required to deposit outstanding EDC amounting to Rs.1713.53 lacs as on 09.08.2016. Notices have been issued to the colonizers time to time for clearance of outstanding EDC, but the colonizer has not paid the outstanding EDC.

7. Ambience Pvt. Ltd., Panipat (License No. 6 dated 04.01.2010)

In the reply of the para, it is submitted that the licence No.6 of 2010 has been granted to Ambience Limited for construction of group housing colony in village Kabri district Panipat. At the time of grant of licence, EDC (External Development charges) and IDC (Infrastructural Development charges) amounting to Rs.12002.77 lacs and Rs.3626.03 lacs respectively were demanded from the colonizer. The colonizer was asked to deposit the EDC with in 30 days or 10 equal installments and IDC in two equal installments, but the colonizer has not deposited the EDC and IDC amount to the department. The notices have been issued from time to time to the colonizer regarding depositing outstanding EDC and IDC. But, no amount has been deposited by the colonizer till date. So, the bank guarantees lying with the department on account of 25% of the External

development charges amounting to Rs.3816.9906 lacs have been sent for revocation to the concerned banks and the banks have been directed to send the demand drafts of the BG amount. Further, the Enhanced EDC is under stay in the court and it can not be demanded from the colonizer till the final decision of the court. The colonizer applied for renewal of licence in the department and deposited the licence renewal fee to the department. The case for renewal of licence is under process with the department. The licence has not been renewed till date.

So, in view of the above, there is no loss to the Govt. because penal interest as per clause of bilateral agreement is being charged from the colonizer in case of default of payment of EDC and IDC. Hence, para may be dropped.

The Committee has desired that sincere and pragmatic efforts be made to expedite the recovery and status report be submitted to the Committee.

[42] 3.20 Non-recovery of lease money and other charges:

Non-encashment of bank guarantee by Estate Officer, HUDA, Panchkula within validity period led to non-recovery of lease money and other charges amounting to Rs.84.64 lakh.

Estate officer, Haryana Urban Development Authority (HUDA), Panchkula leased out (October 2008) lnderdhanush Auditorium, Sector-5, Panchkula to International Trade and Exhibitions India, Private Limited, New Delhi (Firm) for running, operation, and maintenance for a period of three years. As per terms and conditions of lease agreement, the lessee was to pay lease money of Rs.3,01,131 plus 2.1 *per cent* of the net turnover per month to HUDA for three years. The lessee was to furnish security deposit/bank guarantee for Rs.60.23 lakh (i.e. equal to 20 times of the monthly lease money) which was to be paid in advance on or before the date of possession and was refundable on the completion of lease period and handing over of vacant possession of the auditorium and after payment of all the dues payable by the lessee. Besides, all service charges like electricity, water supply and sewerage etc. were to be borne by the lessee.

Scrutiny of the records (February 2012) of Estate officer, HUDA (EO), Panchkula showed that the lessee furnished (November 2008) a bank guarantee amounting to Rs.60.23 lakh, which was valid up to 09 July 2010 instead of 02 December 2011 (i.e. expiry of lease period) which was in contravention of lease agreement. The possession of the auditorium was handed over to the firm on 03 December 2008. The finn paid lease money regularly for the first five months from December 2008 to April 2009. Thereafter, the firm stopped the payment of lease money to HUDA. The EO Panchkula, issued notices to the firm from time to time between December 2009 and April 2011 regarding non-deposit of lease money, non- submission of updated accounts of turnover and non-maintenance of building, furniture, fixture etc. Against total outstanding lease money of Rs.76.39 lakh up to February 2011, firm paid only Rs.16.44 lakh (Rs.13.80 lakh in December 2010 and Rs.2.64 lakh in February 2011). Due to non-payment of lease money and violation of terms and conditions of the lease deed by the firm, the EO terminated the lease deed on 7June 2011. The possession of the auditorium was taken back from the firm on 14 June, 2011. Lease money and other charges amounting to Rs.84.64 lakh as of 14 June 2011 were still recoverable

from the firm (May 2014). As per the terms and conditions of the lease deed the firm was to submit the returns of its turnover to HUDA so that 2.1 *per cent* of turnover could be recovered by HUDA, but the turnover details were not submitted.

Audit observed that HUDA extended undue favour to the lessee by accepting bank guarantee valid up to 9th July 2010 instead of ensuring its validity for the entire lease period (i.e. up to 2nd December 2011) and firm had violated the terms and conditions of lease deed continuously since May 2009, but bank guarantee of Rs.60.23 lakh was not encashed/renewed before its expiry on 9th July 2010 by the EO Panchkula. Thus, the bank guarantee could not be encashed within its validity period resultantly an amount of Rs.60.23 lakh from the firm out of total outstanding amount of Rs.84.64 lakh could not be recovered. EO Panchkula stated (June 2014) that due to lack of knowledge, bank guarantee could not be encashed and the Administrator HUDA, Panchkula was requested to appoint an inquiry officer to identify the delinquent officials in this matter.

The matter was referred (May 2014) to the Principal Secretary, Town and Country Planning Department; the reply was awaited (January 2015).

The Department in its written reply stated as under:

The firms M/s ITE India Pvt. Ltd. sent the letter to the Administrator, HUDA, Panchkula/ Chief Administrator, HUDA, Panchkula on 09.04.2008 and 27.05.2008 (for leasing out of rights for operation maintenance and management of Inderdhanush Auditorium, Sector 5, Panchkula) and the HUDA has made the lease agreement with ITE India Pvt. Ltd # 83, Lajpat Nagar, New Delhi on dated 03.10.2008. The ITE India Pvt. Ltd. New Delhi submitted the bank guarantee of Rs. 60,23,000/- from India Overseas Bank, Greater Kailash II, New Delhi vide his letter dated 03.12.2008.

EO office issued notice to the agency regarding outstanding lease money to the agency vide memo No. 18856 dated 09.12.2009 .EO office again issued the letter to the agency to deposit the outstanding dues of Rs.5483800/- vide office memo No. 11893-94 dated 16.08.2010. The agency was deposited the building rent of Rs. 1380232.00 vide scroll No.1 dated 25.08.2010. EO office again issued the letter to the agency regarding deposit of pending amount of Rs.5473800/- vide memo No.17155-57 dated 09.11.2010. The Indian Bank Sec.-6, Panchkula has returned the cheque amounting to Rs.1380232/- of the agency due to reason insufficient funds vide his letter dated 08.09.2010.

EO office issued the letter to the agency regarding depositing of outstanding dues on account of monthly rent plus 2.1% turnover vide this office memo No.20107 dated 31.12.2010 and No. 20088-84 dated 31.12.2010. The agency deposited of Rs. 350000/- vide scroll No. 4 dated 28.12.2010.

EO office issued the show cause notice to the agency vide memo No.474-76 dated 14.01.2011. Thereafter notice under Section 16 of the HUDA Act, 1977 for non payment of lease money in respect of Inderdhanush Auditorium sector 5, Panchkula vide memo No.5316-18 dated 25.04.2011.

EO sent the copy of order termination of lease deed of Inderdhanush Auditorium, Sector 5, Panchkula to the agency vide memo No. 7411 dted 07.06.2011. EO office issued the letter to the

XEN-I, HUDA Panchkula and EE HUDA Electrical Division, Panchkula for taking the physical possession and amount to be recovered of the Inderdhanush Auditorium vide this office memo No. 7597-99 dated 13.05.2011 and No. 7729-32 dated 17.06.2011. The possession of the Auditorium was taken by the Engineering Cell of HUDA on 14.06.2011.

The agency filed the appeal in 2011 before the Administrator, HUDA Panchkula on dated 06.07.2011 against the notices of outstanding dues by this office and the same has been received from the Administrator, HUDA Panchkula vide his memo No. 10237 dated 16.08.2011.

It is submitted that on 09.07.2010 (last date validation of bank guarantee) the dues was outstanding Rs.4968657/- (Rs.4912195/- Principle +Rs. 56562/- Interest). On this date this amount could be recovered while realization of bank guarantees but it could not be done by the office due to lack of knowledge, so that EO recommended the case to hold an enquiry to identify the delinquent officials. The outstanding rent upto 31.05.2013 comes to Rs. 10540240/-.Further SE HUDA circle Panchkula has been appointed as enquiry officer to conduct the detailed enquiry to identify the delinquent official in this matter with the direction to submit the enquiry report. Shri Jawahar Singh, Assistant and Sh. Kearnail Singh Deputy Superintendent, o/o E.O Panchkula has been identified as delinquent officials, Further Estate Officer Panchkula has also confirmed the above named officials at fault vide his office memoNo. 11082, dated 08.11.2016.
Hence para may please be dropped.

The Committee has desired that the disciplinary proceedings be concluded within a period of three months under intimation of the Committee.

AGRICULTURE DEPARTMENT

[43] 3.1 Non-recovery of cost of land:

An amount of Rs.28.96 crore as cost of 73 acre land and Rs.12.35 crore as interest on this amount remained to be recovered from HAFED.

Rule 3 (2)(ii) of the Haryana State Agricultural Marketing Board (HSAMB) (Sale of immovable property) Rules, 2000 provides that a site may be allotted to public sector undertakings, Government societies and co-operative marketing societies of Haryana State Co-operative Supply and Marketing Federation Limited (HAFED) which are dealing in agricultural produce or input, at 35 *per cent* above the reserve price.

The Government decided (August 2009) to create additional storage capacity under HAFED by constructing food storage godowns/plinths by providing land from the HSAMB. The Chief Administrator (CA), HSAMB accorded sanction (November 2009) for transfer of tentative 95 acre land of 12 market committees (MCs) and directed the Executive Officers of concerned MCs to pass a resolution in this regard and hand over the possession of land immediately. Regarding cost of land, it was directed that it would be worked out as per Board's property rules/policy and would be conveyed later on. However, the land cost was to be deposited by the HAFED with the concerned MC within 15 days after receipt of demand from HSAMB and in case of non-depositing, an interest at the rate of 15 *per cent* was chargeable.

During audit (December 2012), it was noticed that 12 MCs had transferred 97 acre 2 kanal4 marla land costing Rs.33.57 crore to HAFED between September 2009 and February 2010 *(Appendix 3.1).* The HSAMB raised demand for only Rs.31.30 crore for 76 acre 6 kanal *5* marla land belonging to 10 MCs between December 2009 and 2011, against which the HAFED deposited only Rs.4.61 crore for 24 acre one kanal 3 marla land of two MCs. Demand had not been raised for Rs.2.27 crore by two MCs on the plea that HSAMB head office had not fixed the rates of land and the bill was to be raised at head office level. Thus the cost of land measuring 73 acre 1 kanal and 1 marla amounting to Rs.28.96 crore and Rs.12.35 crore as interest accrued on this amount was recoverable from HAFED.

The Controller, Finance and Accounts, HSAMB intimated (June 2014) that the matter was continuously pursued by the respective MCs with the HAFED between March 2013 and May 2014 to deposit the cost of land alongwith interest as leviable under the HSAMB Rules. The reply was not convincing as even after lapse of four years from transfer of land an amountof Rs.41.31 crore as the cost of land including interest was recoverable due to non taking prompt action by the HSAMB (January 2015).

The matter was referred (July 2014) to Additional Chief Secretary, Agriculture Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

It is submitted that the Haryana State Agriculture Marketing Board/Market Committee transferred land to the Hafed in the following places:-

1. Ajranan Kalan(Sahabad)
2. Kirmich (Thanesar)
3. Chhichhrana (madlauda)
4. Barwala (Hisar)
5. Narnaud
6. Kharia (Ratia)
7. Bada Guda (kalan Wali)
8. Chautala (Dabwali)
9. Dipalpur (Sonepat)
10. Ganaur
11. Pungthala (Ganaur)
12. Behal (Bhiwani)

The land cost of Narnaud, , Kharia (Rania) and Chautala has been received from the Hafed.

It is also submitted that a meeting was held on 14.01.2016 on this issue in the Kisan Bhawan, Panchkula and the representative of the hafed was also present. In this meeting, it was decided that the Hafed will make a reference to the Haryana State Agriculture Marketing Board who will examined their proposal for fixing the cost of transferred land and send to the State Govt. for their final decision so that matter is ultimately sorted out. The Haryana State Agriculture Marketing Board written to the Hafed vide letter dated 8.2.2016 and 17.6.2016 with the request to send the proposal for fixing the price of the transferred land but the reply of hafed is still awaited. However, a D.O. letter has also written to the Managing Director, HAFED vide memo No. LA-IV-2016/73937 dated 06.10.2016.

The Committee has recommended that both the departments should have a meeting to resolve the issue of payment in lieu of the land in accordance with the instructions of the State Government with regard to the rates fixed for the land transferred from one department of the State to another department. If there are no instructions in this regard, then rates may be calculated on the basis of floor rates. The Committee has desired that proposal, mentioning therein the view of the PAC, be put up to the Government within a period of 10 days, to be put up before the Cabinet and the matter be got resolved within a period of 30 days under intimation of the Committee.

DEVELOPMENT AND PANCHAYATS DEPARTMENT

[44] 3.2 Total sanitation Campaign/Nirmal Bharat Abhiyan:

Construction of 28 institutional toilets had not started or remained incomplete in 22 Gram Panchayats. Solid and Liquid Waste Management projects were not started. Against the target of 196 community sanitary complexes, only 113 toilets were constructed, incentive of Rs.3.46 lakh was given to 133 beneficiaries without ensuring construction of toilets and double payment of incentive amounting to Rs.3.10 lakh was made.

Government of India (GOI) started the Central Rural Sanitation Programme (CRSP) in 1986 with the objective of improving the quality of life of the rural people through proper sanitation facilities and to provide privacy and dignity to women. The programme was modified in 1999 and renamed Total Sanitation Campaign (TSC) which was further renamed as Nirmal Bharat Abhiyan (NBA) from April 2012. Financial incentives were provided to Below Poverty Line (BPL) households for construction and usage of Individual Household Latrines (IHHLs). Assistance was also extended for construction of school toilets, *anganwadi* toilets and community sanitary complexes (CSC) apart from undertaking activities under Solid and Liquid Waste Management (SLWM). As against the availability of funds of Rs.250.66 crore during 2009-14, an expenditure of Rs.119.18 crore was incurred leaving an unspent balance of Rs.131.48 crore, which adversely affected the scheme.

Records of State Water and Sanitation Mission and five selected District Water and Sanitation Missions located in the office of District Rural Development Agencies (DRDAs), 10 Block Resource Centres along with 96 Gram Panchayats (GPs) for the period 2009-14 were scrutinized during June 2014 to September 2014. A total of 882 beneficiaries in the five test-checked districts were also selected for joint physical verification. The important findings are as under:

Audit findings:

(iv) Solid and Liquid Waste Management:

As per para 5.9 of NBA guidelines (July 2012), under this component, common and individual biogas plants, low cost drainage, soakage channels/pits, reuse of waste water and system for collection, segregation and disposal of household garbage etc can be taken up. In the test checked districts, SLWM projects were not planned (March 2014) i.e. about two years of the issue of NBA guidelines. In reply DRDA concerned stated (July 2014) that SLWM projects were under process which would be taken up during 2014-15. The fact remains that delay in planning the projects delayed providing of sanitation facilities to the rural population.

(v) Construction of Individual Household Latrines:

As per para 5.4 of the NBA guidelines, the construction of household toilets should be undertaken by the household itself and on completion and use of the toilet, a cash incentive can be given to the household in recognition of its achievement.

During joint physical verification by audit, it was observed that incentive of Rs.3.46 lakh was given to 133 beneficiaries who had not started construction (95 cases) or Construction of IHHLs were incomplete (38 cases) in 9 blocks of five districts during 2013-14. Thus, the concerned DRDA had not ensured that the toilets had been constructed before release of incentive to beneficiaries. The ACS, DPD stated (November 2014) that the matter had been taken with the District Administration and action would be taken after obtaining comments from the districts concerned.

Double payment of incentive amounting to Rs.3.10 lakh was made during 2013-14 to 83 beneficiaries in Hisar, Yamunanagar and Sirsa districts due to non- maintenance of village-wise list of beneficiaries and inadequate scrutiny of cases before releasing incentives to households. The ACS, DPD stated (November 2014) that the matter had been taken with the District Administration and action would be taken after taking comments from the districts concerned. ADC, Hisar stated (November 2014) that the amount of Rs.1,04,500/- had now been recovered.

Thus, an amount of Rs.131.48 crore remained unspent out of total available funds of Rs.250.66 crore during 2009-14. No strategy for maintenance of community toilets was formulated. Against the target of 196 CSCs in four districts, only 113 complexes were constructed. During physical verification, 28 institutional toilets of 22 GPs were found incomplete. Double payment of incentives of Rs.3.10 lakh to 83 beneficiaries was noticed.

The department in its written reply stated as under:

Total No. of 1302 SLWM projects have been sanctioned out of which 508 SLWM projects have been sanctioned by SSSC on dated 15-07-2014 for the year 2014-15 and 794 projects have been sanctioned for the year 2015-16 in respect of all the districts and are under progress.

- In Yamunanagar district, all the 34 Beneficiaries have constructed IHHLs.
- District Karnal clarified that all 29 IHHLs have been completed.
- District Sirsa has replied that out of 13 IHHLs (not construed), the recovery has been done from 8 beneficiaries and remaining 5 beneficiaries have constructed their toilets. As reported by BDPO Ellanabad, 8 beneficiaries have been completed their toilets.
- District Hisar replied that out of 5 IHHLs, 1st installment was released to 3 beneficiaries (IAY/PAY) and all the 3 beneficiaries have constructed their toilets.
- ADC Sirsa has reported that in Rania block, recovery from 1 beneficiary has been done. In Ellanabad block, recovery of double payment of incentive to IHHLs beneficiaries is in process. After recovery from the beneficiaries, the report will be submitted soon.
- District Yamunanagar replied that a notice to BDPO Jagadhari & Sadhoura was circulated vide this office memo No. 3416-17 dated 12.08.2014 for making the recovery of 14 cases to whom double payment of incentive money was made. The both BDPOs have intimated that the recovery is being made from the beneficiaries which will be recovered by 31.08.2016

The Committee has observed that the works of Institutional Toilets (School/Anganwaris) for the period from 2009 to 2014 have not yet been completed. It is,

therefore, desired that the completion report of these works be submitted to the Committee and office of Principal Accounant General, Haryana.

The Committee has also desired that in the matter of Consruction of indidual latrines, an inquiry be got conducted to fix the responsibility of the defaulting officers/officials and action taken report be submitted to the Committee within a period of four months positively.

ENVIRONMENT DEPARTMENT

[45] 3.5 Implementation of Bio Medical waste Management Rules in Haryana:

The Haryana State Pollution Control Board and Health Department did not enforce the Bio-Medical Waste (Management and Handling) Rules, 1998 as bio-medical waste (BMW) generating establishments were not identified and authorized Health Care Establishments were not inspected. BMW was not being segregated in colour coded containers nor disposed off properly.

For the protection of the environment and to prevent hazard to human beings, other living creatures, plants and property, the Parliament enacted the Environment (Protection) Act in 1986 (the Act). In exercise of the powers conferred by section 6, 8 and 25 of the Act, the Government of India (GOI) notified Bio-Medical Waste (Management and Handling) Rules, 1998 (the Rules) for the management and handling of Bio-Medical Waste (BMW) generated from hospitals, clinics and other institutions. In the State, the Haryana State Pollution Control Board (HSPCB) was the prescribed authority for enforcement of the rules. As per annual reports submitted by HSPCB to Central Pollution Control Board (CPCB), there were 2,145 authorised (under Rule 8) Health Care Establishments (HCEs) in 2011 in the State which increased to 2,505 as of March 2014.

Records in the offices of Chairman, HSPCB, Director General, Health Services and four out of 12 Regional Offices (ROs) of HSPCB were test checked in January and February 2014 with a view to ascertain the extent of compliance to provisions of the Act and Rules. In addition, a joint inspection of premises along with HSPCB officials was also conducted (June and July 2014) of 80 HCEs and three operators of Common Treatment Facility (CTF) by filling up a questionnaire duly signed by Audit team, HSPCB Official and HCE staff.

During audit following irregularities were noticed:-

Irregularities noticed during joint inspection:

In order to ascertain the safe disposal of BMW, joint inspection of 80 HCEs was conducted along with officials of HSPCB. Following major irregularities were noticed:-

(iv) Non-segregation of bio-medical waste in colour coded containers:

As per Rule 6 of the BMW Rules, 1998, the BMW was to be segregated into appropriate colour coded containers/bags at the point of generation in the HCEs in accordance with the colour code scheme prior to its transportation, treatment and disposal. During joint inspection of 80 HCEs, it was found that-

- In 41 HCEs (51 *per cent),* bio-medical waste was not segregated at the source of generation i.e. wards/rooms/ operation theatres/laboratories etc.

- Nine HCEs (11 *per cent)* were not maintaining colour coded bins and in 14 HCEs (17 *per cent)* charts showing category-wise segregation were not pasted.

(v) Improper storage and collection of bio-medical waste:

Rule 6(1) of the BMW Rules, 1988 provies that Bio-medical waste shall not bemixed with other wastes and Rule 6(5) provides that no untreated waste shall be kept stored beyond the period of 48 hours. During joint inspection, it was found that:

- In 27 HCEs (34 percent), provision of separate storage rooms was not made for keeping BMW category wise.
- In 24 HCEs (30 percent), the services providers were lifting BMW after stipulated period of 48 hours.

(vi) Improper disposal of bio-medical waste:

As per rule *5* schedule I, the human anatomical waste and animal waste was to be incinerated or buried deep. The microbiological and bio-technological waste, waste sharps, solid waste were required to be treated through autoclave and autoclaved BMW in the form of plastic and waste sharps were required to be shredded and disposed of on the landfills. During joint inspection of 80 HCEs, it was found that-

- In 10 HCEs (13 percent), untreated BMW such as human anatomical waste /needle syringe, blades, rotton soaked with blood, placenta etc. was being mixed with municipal waste.
- In nine HCEs (11 *per cent),* syringes, needles and small empty glass vials were being thrown away in open space.
- 29 HCEs (36 *per cent)* were selling/disposing the untreated red category of BMW in open market.
- In 47 HCEs (59 *per cent),* puncture proof polythene containers meant for safe collection, storage and transportation of needles, syringes, blades etc. were not being used.

On being pointed out, the HSPCB stated (December 2014) that show cause notices have been issued to 53 HCEs, of which 25 HCEs had replied that those were complying with the BMW Rules. The reply was not tenable as the HSPCB had not inspected these 25 HCEs to ensure compliance of Rules and audit findings were based on joint physical verification where one of the members was from HSPCB.

(viii) Non-compliance by service providers:

Following irregularities were noticed during joint inspection to the premises of three common treatment facility (CTF) operators:

- The State Government instructed (May 2012) to install web cameras at CTF. Though CCTV cameras were installed by three CTF operators at their premises, these were not connected with internet for monitoring of the activities by the HSPCB.

- As per Clause 29 of authorisation letter issued by HSPCB to CTF provides that the hazardous waste should be disposed off through the Treatment Storage and Disposal Facility (TSDF) at Pali, Faridabad. But the operator of TSDF intimated that five out of total ten CTF operators of the State had not entered into agreement for final disposal of ash generated from incinerators. The untreated incineration ash was lying at the premises of CTF operators.
- State Government orders (May 2012) provided that Civil Surgeon must ensure that GPS system must be installed in the vehicle carrying the waste and it has connectivity in the office of Civil Surgeon in order to see whether the vehicle was actually reaching the place of disposal or not. The GPS were installed in vehicles carrying the BMW from the HCEs by the CTF operators, yet in four test- checked ROs movement of vehicles was not monitored as required in Government orders.
- In 31 HCEs, the CTF operators were not supplying colour coded polythene bags according to the requirement at collection point.
- Two out of three CTF operators had not inununised their staff.

Thus, there was lapse in identification of BMW generating units, assessment of quantum of BMW generated and inspection of HCEs. Instances of non-segregation of BMW in colour coded containers and improper collection/disposal were noticed. Shortcomings were also noticed on the part of service providers in disposal of BMW. Further, common bio medical waste disposal and treatment facility was not established.

The above points were referred (August 2014) to Additional Chief Secretary, Health Department and Principal Secretary, Environment Department; the replies were awaited (January 2015).

The department in its written reply stated as under:

(IV) The waste is segregated at site among coloured bags i.e. Yellow, Red and Blue bags. The waste in Yellow bags is incinerated and the waste in Red & Blue bags is autoclaved and recycled. The detail of different type of waste disposed of is as under:-

Year	Quantity incinerable (Kg/day)	Quantity recyclable (Kg/day)	Quantity landfillable (Kg/day)
2012	8385.45	309.66	553
2013	5907.48	874	68.8
2014	4826.6	1556.16	0

(V) The separate storage rooms are provided in big hospitals. The waste is lifted regularly for small nursing home.

(VI) The waste is shredded and disposed in CBWTF and not at premises of HCFs.

All the HCF have made agreement with CBWTFs and waste is lifted from their and treated before disposal.

Show cause notices are issued to HCFs of violation is seen and same is complied by HCFs.

(VIII) The CCTVs have not been made mandatory. But in coming time thre shall be installed and connected for monitoring of eah CBWTF.

All the CBWTF have entered into agreement with TSDF for disposal of Hazardous Waste. The letter from M/s GEPIL is attached herewith.

The GPS have been installed in vehicles engaged in through BMW and are being monitored. The list of vehicles is attached at Annexure-A.

The colour coded bags are provided by operator of CBWTFs to each HCF.

Name of immunized persons be given along what king immunization given HCF A, B, C, D etc. The detail given at Annexure-B. Further the immunization has been made manadatory as per Bio Medical Waste Management Rules, 2016 issued vide notification No.GSR 343 (E), dated 28.03.2016.

The monitoring of CBWTF shalol be more vigorous and gap shall be further bridged together. The non-applicant shall be identified.

The Committee has desired that:

1. **In respect of sub para-iv (Non-segregation of bio-medical waste in colour coded containers), after obtaining the list of other defaulting units from the Audit Department, necessary action be taken and action taken report be submitted to the Committee at the earliest;**

2. **In respect of sub para-v (Improper storage and collection of bio-medical waste), firstly, the Committee be informed of the action taken on the observations of the audit; whether the officers have submitted the inspection report or not and if they have not performed action in proper manner, what action has been taken against them; if any irregularity is found, responsibility of the erring officers/officials be fixed and action taken report be submitted to the Committee at the earliest possible.**

3. **In respect of sub para-vi (Improper disposal of bio-medical waste), firstly, the Committee be informed of the action taken on the observations of the audit; whether the officers have submnitted the inspection report or not and if they have not performed action in proper manner, what action has been taken against them; if any irregularity is found, responsibility of the erring officers/officials be fixed and action taken report be submitted to the Committee at the earliest possible.**

4. **In respect of sub para-viii (Non-compliance by service providers), Details be obtained from the office of PAG, Haryana and after taking necessary action in the matter, action taken report be submitted to the Committee at the earliest possible.**

[46] 3.6 Loss of interest due to blockade of funds:

Rupees two crore was paid by HSPCB to HSAMB in January 2008 without finalising the layout plan for construction of dwelling units which resulted in blockade of funds of Rs.1.90 crore and loss of interest of Rs. 80 lakh.

Ru1e 2.10 (a) of Punjab Financial Ru1es (PFR) Vol. 1 as adopted by the Government of Haryana provides that every Government employee while incurring or sanctioning expenditure

should observe high standards of financial propriety and is responsible for enforcing financial order of strict economy at every step. Every Government Officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Further, Para 2.92 of the erstwhile PWD code provided that no work should be commenced on land which has not been duly made over by the responsible civil officers.

Haryana State Pollution Control Board (HSPCB) decided (July 2004) to construct a residential complex for its employees at Panchkula. On the request of the Chairman, HSPCB, the Haryana Urban Development Authority (HUDA) intimated (July 2004) that 1.5 acre land in sector 23 of Panchkula could be considered under Group Housing norms of ffiJDA which provided that out of total 90 proposed dwelling units, 82 would be of the size below 75 sq meters at the rate of Rs.3,200 per sq meter and allotted (May 2005) Plot No. GH-5 in Sector 23, Panchkula measuring 6,012 meters on freehold basis, after receipt of full payment of Rs.1.92 crore. The possession of the land was handed over in June2008.

It was noticed in Audit (August 2013) that the HSPCB decided (December 2006) for construction of residential complex from Haryana State Agricultural Marketing Board (HSAMB) as a deposit work. The HSAMB submitted (October2007) an estimate off 15.47 crore on the basis of categorising the houses in six categories comprising only 18 houses with less than 75 sq meter area. The HSPCB paid (January 2008) Rupees two crore to HSAMB of which, Rs.10.24 lakh was spent on boundary wall, etc. The HSPCB requested (February 2009) HUDA for approval of change in building plan and the HUDA granted the permission in October 2012 after the receipt of Rs.78.36 lakh (November 2011) on account of difference of rates and fee prescribed for change in the size of dwelling units. But a revised proposal of dwelling units has been submitted to HUDA (July 2014) for which approval was awaited (December 2014).

Thus; depositing the funds with HSAMB without taking the possession of land as well as without the approval of revised building plan resulted in blockade of Rs.1.90 crore and loss of interest to the tune of Rs.80 lakh (at the rate of seven *per cent* per annum). Further, the main objective of providing accommodation to the HSPCB employees was not achieved.

On being pointed out, the Board while admitting the facts stated (April 2014) that the work of residential complex could not be started due to non-approval of drawing by HUDA. It was further informed (June 2014) that the work of construction has been re-allotted to HSAMB on turnkey basis. Thus the fact remains that the funds were deposited with HSAMB without finalisation of layout plan which resulted in blockade of funds for six years.

The matter was referred (July 2014) to the Principal Secretary; Environment Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

Board has taken all possible measures as required to avoid any financial irregularities.

A plot measuring 1.5 acres was allotted on 03.05.2005 by the HUDA in Sector-23, Panchkula for construction of residential complex for the employees of the State Pollution Control Board. The possession of the plot was issued to the Board by HUDA on 13.06.2008.

Construction of 90 staff quarters for various categories of employees was approved in 134th meeting of the Board while submitting the building plans to HUDA on 09.07.2008. Approval of the building plan was held up by HUDA and they demanded revised enhanced price of the plot and also due to some difference in the size and the density of the dwelling units as per their policy. In lieu of this, HUDA demanding extra amount @ Rs. 9000 per square yard against the original cost of Rs.3200/- per square yard. As a result the construction work could not be started and building plan could also not be sanctioned. The complete facts were brought into the notice of the Board vide agenda item No.152.7 and it was decided that the amount deposited with the HSAMB be withdrawn and the decision to award the construction work and the agency, may only be taken after the building plans are approved by the HUDA. Accordingly the Board asked the HSAMB on 03.03.2010 to return the amount of Rs. 2.00 crore deposited with them alongwith the interest accrued on the payment deposited. In pursuant to this the Board has been regularly requesting the HSAMB to return our money alongwith interest vide several letters issued on 11.05.2010, 24.05.2011, 08.07.2011 and 01.09.2011. It is also pertinent to intimate that during this process, a dispute between the HSAMB and the contractor was arisen regarding the constructions of building for the flats of the HSPCB. Further, the HSAMB has been asked to intimate the upto date interest accrued on the amount deposited with them by the HSPCB so that it could be included in the actual cost of the building or the Board may claim the same from the HSAMB.

The present status of the case is that the building plans have become final at the level of the HSPCB and the construction work is likely to be started with in a short period.

The Administrative approval for construction of residential complex from the State Govt. was obtained from the State Govt. which received in the Board on 07.11.2006. The Board vide agenda item No. 140.6 took a decision that the work of construction of the building be started and after inviting quotations from Haryana State Agriculture Marketing Board (HSAMB), Police Housing Corporation and NBCC, the work was allotted to HSAMB on 15.12.2006 and an amount of Rs. 2.00 crore was sanctioned to HSAMB for starting the construction work i.e. on deposited basis and for obtaining sanction of building plan vide order dt. 14.12.2007. As requested by HSAMB vide their letter dt. 13.12.2007 an amount of Rs, 2.00 crore was released to them against a demand of Rs. 5.00 crore. The main reason depositing the amount with HSAMB was that in the order, the responsibility of getting the building plan sanctioned was assigned to the HSAMB as per the order dt. 14.12.2007. It was specifically mentioned in the order that HSAMB shall include all types of expenditure, fees and deposit amount to be deposited to HUDA for sanction of building plans and nothing over and above shall be paid separately. Hence, the payment of Rs. 2.00 crore was justified. Moreover, while depositing the amount it was assumed that, once the Board had deposited full payment of the plot there will be no necessity of physical possession of the plot and construction could be started**.** Accordingly the reply of the audit objection was given by the then concerned officer.

The Committee has desired that sincere and pragmatic efforts be made, if needed, meeting may be held with the HUDA authorities in this regard, to get the project completed and action taken report be submitted to the Committee at the earliest.

[47] 3.1 Delay in furnishing utilization certificates:

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilization certificates (UCs) for the grants provided for specific purposes, should be obtained by Departmental Officers from the guarantees. After verification, there should be forwarded to the Accountant General (A &

E) within a reasonable time unless a specific time limit is fixed by the sanctioning authority. However, of the 2998 UC's due for submission in respect o grants and loans aggregating Rs. 7,771,22 crores, 1,291 UC's for the aggregate amount of Rs.3,691,25 crores were in arrears. The Department –wise break up of UCs due received and outstanding as on 31 March, 2014 is given in Appendix 3.1. The detail in respect of Environment Department, Haryana is shown at serial No. 23(Appendix 3.1) as under:-

S.No	Name of the Department	Year	Total Grant Paid		Utilization received	Not utilized	Utilization certificate still awaited
			Item no.	Amount (In lakh)	Amount (In lakh)	Amount (In lakh)	Amount (In lakh)
23	Environment Department	2012-13	6	121.50	21.75	13.00	86.75

The department in its written reply stated as under:

i. In this connection, it is submitted that Rs. 121.50 lakh were received in the Environment Department for the different schemes whereas Utilization Certificate of 3 item amounting to Rs. 21.75 lakh has been submitted to the accountant General Haryana (Copy enclosed).

ii. However, Rs. 86.75 lakhs were released for two items to the HSPCB, out of which the amount of Rs. 78.75 Lakh has been disbursed to the eco clubs but Utilization certificate awaited from the District Education Officers of 21 districts and Rs. 8.00 Lakh has also been utilized but utilization certificates amount of Rs. 86.75 lakhs are still awaited.

iii. But Rs. 13 lakh has not been utilized by the Board. Therefore, it is proposed to surrender the unutilized amount of Rs. 13 lakhs (Appendix3.1). It is requested to drop the para.

Utilization Certificate due	**Utilization submitted**	**Not utilized and will surrendered**	**Utilization certificate still awaited**
121.50	2.00 18.50 1.25	8.00 5.00	Amount (in Lakh)
121.50	21.75	13.00	86.75

The Committee has desired that the unspent funds amounting to Rs.13.00 lac be surrendered within a fortnight and all outstanding utilization certificates be submnitted within a period of 30 days under intimation of the Committee and PAG office.

FINANCE DEPARTMENT

[48] 3.7 Non-claiming of interest on unutilized funds:

Various Government Departments did not recover interest of Rs.20.21 crore on unutilized funds from HSRDC.

The Finance Department issued instructions in March 2011 that all Corporations/ Boards/Societies to whom Government departments had provided funds for works/purchases would pay interest at the rate of six *per cent* per annum to these departments on half yearly basis on unutilised funds. The instructions further provided that the Administrative Departments were responsible for recovering the interest from such entities and depositing the same in receipt head of the Government. However, the State Government relaxed the policy, ibid (December 2011) for Haryana State Roads and Bridges Development Corporation (HSRDC) to the extent that the HSRDC would keep the funds in separate auto sweep flexi accounts for each Government Department and would pay the actual interest earned on these deposits on annual basis.

During audit of accounts of HSRDC (January 2013), it was noticed that various Government Departments deposited funds with HSRDC for execution of works but neither these departments claimed nor HSRDC paid any interest on these unutilised funds and for the period between April 2011 and March 2014 interest of Rs.20.21 crore became recoverable from HSRDC.

On being pointed out by audit, HSRDC intimated (July 2014) that as the client department had never demanded, the payment for interest had not been made to any client department. Flexi accounts had been opened since February 2012 but interest accrued on actual basis was also not being paid to the client departments/bodies/boards. Reasons for not raising demand for interest on unutilised funds were called for (June 2014) from Government Departments, in reply to which Agriculture, Animal Husbandry, Health Departments and National Rural Health Mission intimated (June-July 2014) that no interest was received and the matter had been taken up with HSRDC. The reply was not acceptable as the Administrative Departments were required to recover the interest in compliance with the Government instructions. Replies from other Departments were awaited (January 2015).

Thus, the failure of Government Departments to claim interest on their unutilised funds deposited with HSRDC resulted in loss of Rs.20.21 crore to the State exchequer.

The matter was referred (July 2014) to the Additional Chief Secretary, Finance Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

This para originally relates to Finance Department. However Finance Department vide its letter dated 04.10.2016 requested HSRDC to submit reply/latest reply to this para on 04.10.2016 itself as matter was to be discussed in PAC meeting to be held on 06.10.2016 (Annexure "B") submitted reply to Finance Department with the following requests:-

1. PAG (Audit) may supply the detail of Rs.20.21 Cr. (mentioned in the para).
2. It will take time of minimum one month to calculate year wise interest from 2013-14 onward on deposit works of the concerned Govt. department.
3. The concerned Govt. departments to get reconciled the interest amount with the Corporation and thereafter HSRDC shall release the funds after taking approval of competent authority.

Later on Finance Department vide its U.O.no.17/2/2015-3FICW/31425 dated 17.10.2016 (Annexure "C") decided to transfer this para to Haryana PWD (B&R) Br.

The information sought by HSRDC for Sr.No.1 above has not been received from PAG (Audit) and nor any official has been deputed by the concerned Govt. Departments so far as requested vide this office letter No.1349/AC dated 05.10.2016.

After waiting for the information from PAG (Audit and in absence of officials of the concerned Govt. departments till 13.12.2016, the interest amount has been calculated by the Corporation provisionally on the basis of data what so ever available. However it has been found appropriate to deposit in treasury 60% of the interest amount calculated by HSRDC and remaining amount will be deposited after due reconciliation with respective departments to avoid payment of any excess amount. Accordingly the interest amount (60%) has been deposited in the Treasury in the name of ACSPW (B&R) Department through PIT under Head "0049-Interest Receipt" as advised by PAG (Audit) vide his letter No.ES-II/WRS/Interest/Deposit/Works/2014-15/158 dated 20.06.2014 (Annexure "D") to one of the Govt. Departments involved i.e. Department of Haryana Panchayats. The concerned department may be directed to get their account reconciled immediately for which request has already been made by HSRDC vide this office letter no.1986-97/AC dated 09.12.2014 followed by a reminder issued vide this office letter no.2010-21/AC dated 14.12.2016.

In view of this para may kindly be dropped.

The Committee has desired that this para be got reconciled and the interest be got deposited in the treasury accounts within a period of two months under intimation of the Committee.

GENERAL ADMINISTRATION DEPARTMENT

[49] 3.8 Withdrawal of posts from the purview of Haryana Public Service Commission:

Continuation of adhoc appointments of 14 lecturers for ten years and their regularisation subsequently resulted in irregular expenditure of Rs.8.43 crore on pay and allowances.

As per provisions of Exposition of Regulation 3 and 6 of the Haryana Public Service Commission (HPSC) (Limitation of Functions) Regulations, 1973, whenever an adhoc appointment is made against the direct recruitment quota of permanent/temporary post exceeding six months, the appointing authority is required to send a requisition complete in all respects on prescribed proforma to the HPSC and no adhoc appointment may be allowed to continue beyond the period of six months without their (HPSC's) approval. It was also emphasized that against the direct recruitment quota posts, no adhoc appointments will be made till steps have already been taken to fill these posts by direct recruitment through open competitive examination by following a prescribed procedure. Besides this, the Supreme Court also deprecated the Government for exercising the power under Article 320 of the Constitution and observed that the State Governments cannot bypass the Public Service Commission by issuing directions for regularisation of the services of the ad-hoc persons appointed through back door entry. Consequently, Haryana Government had withdrawn instructions to regularize adhoc employees (December 1997).

Test check of records (January and May 2014) of the HPSC and Technical Education Department (TED) showed that the TED had appointed 14 Lecturers during the year 1993 on adhoc basis and continued their services for 10 years without referring the matter to the HPSC for recruitment of these lecturers. In accordance with the Government's policy of regularisation of July 2011, the TED (January 2012) sent a proposal for withdrawing the posts of 14lecturers appointed on adhoc basis, who had completed their adhoc service for 10 years in the department from the purview of the HPSC for regularising their services. The HPSC (February 2012) had allowed the process of regularisation of 14 lecturers appointed on adhoc basis without ensuring compliance of the HPSC (Limitation of Functions) Regulations 1973. The TED (March 2012) regularised the posts of these 14 lecturers appointed on adhoc basis on humanitarian grounds.

Thus continuation of adhoc appointments for ten years and subsequent regularisation of 14 adhoc lecturers was against the provisions of rules and an expenditure of Rs.8.43 crore incurred on their pay and allowances from the year 1993-94 to June 2014 was irregular.

On being pointed out, the Secretary of the HPSC stated (May and September 2014) that due to non-preparation of recruitment rules, these posts were withdrawn from the purview of HPSC. He further added that withdrawal of posts and fixing mode of recruitment was the prerogative of the Government. The reply was not tenable as no adhoc appointment should be allowed to continue beyond six months without HPSC's approval.

The matter was referred to the Chief Secretary to Government of Haryana and Principal Secretary to Government of Haryana, Technical Education Department (July 2014) for comments.

Reply had not been received despite repeated reminders (January 2015).

The department in its written reply stated as under:

As per Article 320 (10 of the Constitution of India , It shall be the duty of the Union and the State Public Service Commission to conduct examination for appointment to the services of the Union and the services of the State respectively. Further as per provisions of Exposition of Regulation 3 and 6 of the HPSC (Limitation of Functions) Regulation, 1973, whenever and adhoc appointment is made against the direct recruitment quota of permanent/temporary post exceeding six months, the appointing authority is required to send a requisition complete in all respects on prescribed performa to the HPSC and no adhoc appointment may be allowed to continue beyond the period of six months without their (HPSC's) approval. With a view to guard against public authorities entrusted with task of governance from pursuing their vested interest, it has been emphasized that against the direct recruitment quota posts, neither adhoc appointments will be made through the employment exchange nor departmental officers will be promoted on adhoc or temporary basis till steps have already been made to fill these posts by direct recruitment through open competitive examination in a transparent manner by following a prescribed procedure.

Proper procedure as per Government instruction dated 18.9.1990 for taking out the post from the purview is that after the approval of Hon'ble CM by the Administrative Department, matter is referred to the Government and Government give its concurrence to take the advice of HPSC and approval of CMM. After the approval of CMM, matter is again sent to the Government for notification in Haryana Government Gazette. Thereafter this notification is placed in the Vidhan Sabha Session for fourteen days. But Technical Education did not follow proper procedure and did not take consent of the Government to take the posts out of the purview of HPSC. Now the Hon'ble High Court has stayed the operation of the regularization policy of the Government. The matter is pending in the court. Therefore, it is requested to drop this para.

The Committee has desired that complete history of the matter, mentioning therein the names/members of the Committee constituted to appoint these persons; date of appointmnent, terms & conditions of appointment, whether they were allowed to continue beyond 9 months or terminated alongwith date of their termination, if any; date of filing court case(s); orders of Court(s); details of the cases referred to HPSC and/or Government, be submitted to the Committee within a period of 45 days positively.

TECHNICAL EDUCATION DEPARTMENT

[50] 3.8 Withdrawal of posts from the purview of Haryana Public Service Commission:

Continuation of adhoc appointments of 14 lecturers for ten years and their regularisation subsequently resulted in irregular expenditure of Rs.8.43 crore on pay and allowances.

As per provisions of Exposition of Regulation 3 and 6 of the Haryana Public Service Commission (HPSC) (Limitation of Functions) Regulations, 1973, whenever an adhoc appointment is made against the direct recruitment quota of permanent/temporary post exceeding six months, the appointing authority is required to send a requisition complete in all respects on prescribed proforma to the HPSC and no adhoc appointment may be allowed to continue beyond the period of six months without their (HPSC's) approval. It was also emphasized that against the direct recruitment quota posts, no adhoc appointments will be made till steps have already been taken to fill these posts by direct recruitment through open competitive examination by following a prescribed procedure. Besides this, the Supreme Court also deprecated the Government for exercising the power under Article 320 of the Constitution and observed that the State Governments cannot bypass the Public Service Commission by issuing directions for regularisation of the services of the ad-hoc persons appointed through back door entry. Consequently, Haryana Government had withdrawn instructions to regularize adhoc employees (December 1997).

Test check of records (January and May 2014) of the HPSC and Technical Education Department (TED) showed that the TED had appointed 14 Lecturers during the year 1993 on adhoc basis and continued their services for 10 years without referring the matter to the HPSC for recruitment of these lecturers. In accordance with the Government's policy of regularisation of July 2011, the TED (January 2012) sent a proposal for withdrawing the posts of 14lecturers appointed on adhoc basis, who had completed their adhoc service for 10 years in the department from the purview of the HPSC for regularising their services. The HPSC (February 2012) had allowed the process of regularisation of 14 lecturers appointed on adhoc basis without ensuring compliance of the HPSC (Limitation of Functions) Regulations 1973. The TED (March 2012) regularised the posts of these 14 lecturers appointed on adhoc basis on humanitarian grounds.

Thus continuation of adhoc appointments for ten years and subsequent regularisation of 14 adhoc lecturers was against the provisions of rules and an expenditure of Rs.8.43 crore incurred on their pay and allowances from the year 1993-94 to June 2014 was irregular.

On being pointed out, the Secretary of the HPSC stated (May and September 2014) that due to non-preparation of recruitment rules, these posts were withdrawn from the purview of HPSC. He further added that withdrawal of posts and fixing mode of recruitment was the prerogative of the Government. The reply was not tenable as no adhoc appointment should be allowed to continue beyond six months without HPSC's approval.

The matter was referred to the Chief Secretary to Government of Haryana and Principal Secretary to Government of Haryana, Technical Education Department (July 2014) for comments. Reply had not been received despite repeated reminders (January 2015).

The department in its written reply stated as under:

Annotated supplementary reply of Para No. 3.8 of the report on Social, General & Economic Sector (Non Public Sector Undertaking) & State Finance of the Comptroller and Auditor General of India for the year ended 31st March, 2014.

Para No. 3.8: Withdrawal of posts from the purview of Haryana Public Service Commission

In reference to earlier reply of the Para No. 3.8, it is submitted that:-

- The State Government had constituted the committee for selection of Adhoc employees vide order no. 51/34/82-1TE dated 30.06.1994 in supersession to Govt. Notification No. 51/34/82-1TE dated 23.12.1993 & 44/126/93-2TE dated 27.12.1993 and the following were made members of the committee:-

  1. Director, Technical Education Department-**Chairman**
  2. Joint Secretary to Govt., Haryana, Technical Education-**Member**
  3. Principal, Govt. Polytechnic, Ambala-**Member**
  4. Principal, Govt. Polytechnic for Women, Ambala -**Member**
  5. Joint Director, Technical Education Department-**Member Secretary**

- Further, the Govt. reconstituted the committee for selections of Adhoc employees vide order no. 51/34/82-1TE dated 06.09.1995 and the following were made members of the committee:-

  1. Commissioner & Secretary to Govt., Technical Education Department-**Chairman**
  2. Director, Technical Education Department-**Member**
  3. Additional Director, Technical Education Department-**Member Secretary**
  4. Principal, Govt. Polytechnic, Ambala-**Member**
  5. Principal, Govt. Polytechnic for Women, Ambala -**Member**
  6. Subject Expert –**Member**

- The Department followed a policy of taking persons on Adhoc basis as some new Polytechnics came into being. Accordingly, all the 14 Lecturers were appointed by the constituted committees on Adhoc basis after interviews for a period of 6/9 months in the years 1992, 1993 and 1995 respectively through employment exchange and advertisements as per detail given below:

Sr. No.	Name of the Adhoc Employee	Post	Application Received through	Date of Adhoc Appointment	Date of Stay Granted in CWP	
					CWP	**Stay granted till the regular recommende e came through HPSC or if the CWP pending**
1	Krishan Lal	Lecturer Computer	Employment Exchange	13.08.1992	9032 of 1994	20.07.94
					1783 of 1999	**Stay granted & case admitted**

2	Sarita Dhingra	Library Science	Employment Exchange	08.09.1992	9681 of 1994	17.8.94
					1783 of 99 & 2241 of 2009	**Stay granted & case admitted**
3	Sarla Kumari	Lecturer English	Employment Exchange	19.10.1992	8379 of 1994	08.08.94/19.8.94
					1783 of 1999	**Stay granted & case admitted**
4	Ajay Kumar	System Analyst	Employment Exchange	17.10.1993	7142 of 1994	08.8.94
					1783 of 1999	**Stay granted & case admitted**
5	Harish Kumar	Lecturer Electronics Engg.	Employment Exchange	18.10.1993	6757 of 1994	08.08.94
					1783 of 1999	**Stay granted & case admitted**
6	Neeraj Kumar	Lecturer Civil Engg.	Employment Exchange	18.10.1993	8977 of 1994	20.07.94
					1783 of 1999	**Stay granted & case admitted**
7	Poonam Chaudhary	Lecturer Chemistry	Employment Exchange	22.10.1993	8379 of 1994	08.08.94/19.8.94
					1783 of 1999	**Stay granted & case admitted**
8	Ved Parkash	Lecturer Chemistry	Employment Exchange	02.12.1993	7142 of 1994	08.08.94
					1783 of 1999	**Stay granted & case admitted**
9	Anju Nain	Lecturer English	Employment Exchange	02.12.1993	6757 of 1994	08.08.94
					1783 of 1999	**Stay granted & case admitted**
10	Harish Kumar	Lecturer Mechanical	Employment Exchange	11.07.1995	3758 of 1996	26.3.96/10.07.96

11	Vikram Dogra	Lecturer Industrial Electronics	Advertisement & NOC obtained from E/Exchange	13.9.1995	2181 of 1996	22.8.96
12	Yashwant Singh	Lecturer Textile Design	Advertisement & NOC obtained from E/Exchange	30.10.1995	2181 of 1996	22.8.96
13	Ramesh Mittal	Lecturer Management	Employment Exchange	22.10.1993	8379 of 1994	08.8.94/19.8.94
					1783 of 1999	**Stay granted & case admitted**
14	Surender Chaudhary	System Analyst	Employment Exchange	10.7.1995	3758 of 1996	26.3.96/10.07.96

- In this regard it is also relevant to mention here that Sh. Krishan Lal was appointed as Lecturer in Computer Engg on Adhoc basis on 13.8.1992, Smt. Sarita Dhingra was appointed as Lecturer in Library Science on Adhoc basis on 08.09.1992 and Smt. Sarla Kumari was appointed as Lecturer in English on Adhoc basis on 19.10.1992 for a period of 9 months. Later on, after completion of Adhoc period, Sh. Krishan Lal was terminated on 18.05.1993 and Sh. Krishan Lal along with others filed a Writ Petition No. 5486 of 1993 versus State of Haryana in Hon'ble High Court Chandigarh and he was re-appointed on Adhoc basis as per the Hon'ble Court orders dated 21.05.1993 which is reproduced as below:

"After hearing the learned counsel for the parties, we dispose of this petition with the direction to the respondents, that after the petitioners are relieved from their present posts, their resultant vacancies shall not be filed by the respondents by recruiting persons on Adhoc or part time basis and shall be filled in only by appointing the recommendees of the Haryana Public Service Commission. It is, however, made clear that in case the respondents experience some delay in the appointment of the recommendees of the Haryana Public Service Commission and they decide to make Adhoc arrangement in the interest of the work, the petitioners shall be considered on priority basis."

21.05.1993

Sd/-
M.R. Agnihotri, Judge
Sd/-
H.S. Brar, Judge

- Thereafter, the services of Smt. Sarita Dhingra were also dispensed with effect from 10.06.1993 and she had also filed a Civil Writ Petition No. 7017 of 1993 and she was re-appointed on Adhoc basis as per the Hon'ble Court orders dated 28.07.1993 which is reproduced as below:

"After hearing the learned counsel for the parties and having gone through the written statement, this writ petition is dismissed, in as much as after the expiry of the stipulated period of 9 months, the respondents are entitled in law of refuse the extension in the service. However, the respondents are directed to consider the petitioner for appointment in service in case it is decided by the respondents to make interim arrangement on Adhoc basis till the person selected by the Public Service Commission join."

28.07.1993 *Sd/-*
M.R. Agnihotri, Judge

Sd/-
R.S. Mongia, Judge

- Further, the services of Smt. Sarla Kumari were also dispensed and she was also re-appointed on Adhoc basis on 02.12.1993. Later on, all the others Lecturers obtained stay from Hon'ble High Court Chandigarh in various Civil Writ Petitions regarding continuation of their services in the Department on Adhoc basis and the Hon'ble High Court ordered that the services of the Adhoc/contract employees cannot be terminated until the availability of the candidates selected by the commissions (HPSC) or sanctioned posts itself gets abolished. Therefore, they continued working on Adhoc basis in the Department till the recommendees of HPSC.
- The brief details of requisitions (year wise) as per available records, regular appointments and termination of Adhoc employees is mentioned in table below:

Sr. No	**Year**	**No. of posts of various discipline advertised**	**No. of employee recommended through HPSC**	**Appointment Given**	**No. of Adhoc/Contract employees terminated**	**No. of Adhoc/Contract employees <u>not</u> terminated due to stay**
1.	1996	09	06	06	06	-
2.	1999	30	30	30	17	08
3.	2003	185	173	173	63	13
4.	2004	66	62	62	-	-
5.	2006	145	139	139	-	29
6.	2008	84	84	84	-	-
On proposed restructuring of department in 2002, posts of various disciplines were created/abolished and excess/surplus Adhoc employees were also terminated.					28	-
Total		**519**	**494**	**494**	**114**	-

- The details of creation of posts of HOD/Sr. Lecturer/Lecturer (year wise) after 1993 (as referred in para of Adhoc Lecturers) as per the available record are mentioned in table below:

Sr. No.	Name of the post	No. of post of HOD/Sr. Lecturer/ Lecturer etc. created year wise									
		1993	1994	1995	1997	1999	2003 (Total after restructuring)	2004	2006	2007	2008
1	Lecturer in Computer Engg/System Analyst	13	2	15	9		83	30	20	5	14
2	Lecturer in Library Science						04				
3	Lecturer in Applied Science (English, Physics, Math, Chemistry)	6	1	7	8		58	17	12	12	1
4	Lecturer in Electronics Engg.	3	3	11	10		62	15	10	10	16
5	Lecturer Civil Engg.						24	5	4	7	16
6	Lecturer in Mechanical Engg	2		3	2	1	67	6		5	10
7	Lecturer in Industrial Electronics	2		6		1	00				
8	Lecturer in Textile Design			5		1	05	1			1
9	Lecturer in Management						04				
10	Lecturer in Electrical Engg.	1		1	7		25	18	5	2	16

- The Department also kept on sending the requisitions regarding filling up the posts of lecturer in Applied Science on regular basis to Haryana Public Service Commission (HPSC) in the year 1996 and 1999. In view of selection of regular employee, some Adhoc/contract employees were terminated accordingly. The details of advertisements and selection of regular lecturers through HPSC and subsequently termination of Adhoc/contract employees as mentioned in table below:

Sr. No	Year	Name and No. of post Advertised	No. of employee recommended through HPSC	Appointment Given	No. of Adhoc/Contract employees terminated
1	1996	Lecturer in English= 4	02	02	02

2	1996	Lecturer in Chemistry= 3	03	03	03
3	1996	Lecturer in Math= 2	01	01	01
4	1999	Lecturer in English= 6	06	06	04 Contract employees terminated and two Adhoc employees not terminated due to stay. Further, Two contract employees taken back vide O/o no. 90 dated 21.06.2000
5	1999	Lecturer in Math= 8	08	08	03 Adhoc/Contract employee terminated and two Adhoc employee not terminated due to stay
6	1999	Lecturer in Chemistry= 6	06	06	03 Adhoc/Contract employee terminated and two Adhoc employee not terminated due to stay
7	1999	Lecturer in Physics= 10	10	10	07 Adhoc/Contract employee terminated and two Adhoc employee not terminated due to stay

- In between, the State Government issued a notification regarding regularization of Adhoc Class II Employees in the year 1996 vide Notification No. 6/38/95-2GSI dated 07.03.1996. Accordingly, the department sent the proposal for regularization of eligible Adhoc lecturers to the State Government for consideration as per the policy. The case was under consideration with the Government and however, in the year 1997, however, the State Government reviewed the regularization policy of 1996 and withdrew the same vide Notification No. 43/15/97-1GSI dated 08.12.1997 with instructions that the Adhoc Class II Employees shall continue to hold their posts till they are replaced by the regular recommendees of the Haryana Public Service Commission.

- The 22 Adhoc employees of this Department (including 10 Adhoc lecturers whose names mentioned in para no. 3.8) affected by the withdrawal of regularization of Adhoc Class II Employees vide Notification No. 43/15/97-1GSI dated 08.12.1997, filed a Civil Writ Petition No. 1783 of 1999 in the Hon'ble High Court of Punjab and Haryana Chandigarh with the prayer for quashing the withdrawal Notification No. 43/15/97-1GSI dated 08.12.1997 against regularization of Adhoc Class II Employees and consider their case for regularization in view of regularization policy 1996. The case was under consideration in the Hon'ble High Court and subsequently in the year 1999 as mentioned above in the table, the Department had sent the requisition for filling of the posts of lecturer to the HPSC and after the regular recommendees of HPSC, the services of some Adhoc lecturers of Applied Science were terminated. However, **Sh. Ved Parkash** i.e. petitioner no. 6, Sh. Satyavir Lamba i.e. petitioner no. 9, **Smt. Poonam Chaudhary** i.e. petitioner no. 15, **Smt. Sarla Kumari** i.e. petitioner no. 16, Sh. Sanjeev Kumar i.e. petitioner no. 18 and **Smt. Anju Nain** i.e. petitioner no. 22 filed a Civil Miscellaneous application in CWP No. 1783 of 1999 in the Hon'ble High Court and the Hon'ble Court passed the following interim orders on following dates:

"To come up for hearing on the dated fixed in the main case i.e. 21.02.2000.

Reply to the Civil miscellaneous application be filed in the meantime.

The status quo regarding the services of petitioners 6, 9, 15, 16, 18 and 22 shall be maintained in the meantime."

10.12.1999

Sd/-
K.K. Shrivastava, Judge

Sd/-
J.S. Khehar, Judge

"The Hon'ble Court passed the following orders on 21.02.2000.

Adjourned to 01.03.2000

Stay is extended till the next date"

21.02.2000

Sd/-
S.S. Sudhalkar, Judge

Sd/-
J.S. Khehar, Judge

"The Hon'ble Court passed the following orders on 22.08.2002.

Admitted

To be set down for hearing on 19.02.2003.

***Interim order to continue**."*

22.08.2002

Sd/-
H.S. Bedi, Judge

Sd/-
Vinay Mittal, Judge

(**The case was admitted on 22.08.2002 with stay and same status today. 10 Adhoc lecturers out of 14 are these.**)

- Further, the Department in the year 2003 has restructured the staffing requirements in various disciplines of the diploma courses as mentioned below in the table and after restructuring, no. of posts were created/abolished as per the requirement of the staffs:

Sr. No.	Name of the post	No. of post before restructuring	No. of post after restructuring	Additional posts Created/ Abolished
1	Lecturer in Computer Engg/System Analyst	31+ 09= 40	83	43 (+)
2	Lecturer in Library Science	05	04	01 (-)
3	Lecturer in Applied Science (English, Physics, Math, Chemistry)	64	58	06 (-)
4	Lecturer in Electronics Engg.	50	62	12 (+)
5	Lecturer Civil Engg.	41	24	17 (-)
6	Lecturer in Mechanical Engg	65	67	02 (+)
7	Lecturer in Industrial Electronics	08	00	08 (-)
8	Lecturer in Textile Design	04	05	01 (+)
9	Lecturer in Management	04	04	00
10	Lecturer in Electrical Engg.	40	25	15 (-)

- Before final restructuring of the various posts, the excess/surplus Adhoc/contract employees were terminated by the department on the basis of proposal restructuring sent to Govt. as the detail mentioned in table below:

Sr. No.	Name of the post	No. of Adhoc/Contract employees terminated	Order no.
1	Lecturer in Computer Engg/System Analyst		
2	Lecturer in Library Science		
3	Lecturer in Applied Science (English, Physics, Math, Chemistry)	2+1+1+1= 5	O/o no. 426,425,423,424 dated 11.11.2002
4	Lecturer in Electronics Engg.		
5	Lecturer Civil Engg.	19	O/o no. 422 dated 11.11.2002
6	Lecturer in Mechanical Engg		
7	Lecturer in Industrial Electronics		
8	Lecturer in Textile Design		
9	Lecturer in Management		
10	Lecturer in Electrical Engg.	4	O/o no. 421 dated 11.11.2002
Total Adhoc lecturers terminated		**28**	

- Accordingly, after the restructuring of the post, the department in the year 2003 as mentioned below in the table, again sent requisition for filling up of the vacant posts of lecturer in various disciplines to the HPSC and after the regular recommendees of HPSC, the services of some Adhoc lecturers were terminated:

Sr. No	Year	Name and No. of post Advertised	No. of employee recommended through HPSC	Appointment Given	No. of Adhoc/ Contract employees terminated
1.	2003	Lecturer in Mechanical= 30	30	30	23
2.	2003	Lecturer in Computer Engg= 63	62	62	08
3.	2003	Lecturer in Electronics= 29	29	29	16
4.	2003	Lecturer in Architecture= 13	11	11	04
5.	2003	Lecturer in Agriculture Engg= 4	3	3	
6	2003	Lecturer in Automobile= 02	02	02	
7	2003	Lecturer in Ceramic Engg= 05	02	02	
8	2003	Lecturer in Chemical Engg= 05	05	05	02
9	2003	Lecturer in I&C= 09	09	09	04
10	2003	Lecturer in Plastic Technology= 05	02	02	
11	2003	Lecturer in Pharmacy= 03	01	01	
12	2003	Lecturer in Electrical Engg= 03	03	03	
13	2003	Lecturer in Management= 01	01	01	01
14	2003	Programmer= 13	13	13	05
Total		**185**	**173**	**173**	**63**

- However, in anticipation of termination their services after regular recruitment by the department, Sh. Rajiv Kumar, i.e. petitioner no. 1, **Sh. Krishan Lal** i.e. petitioner no. 2, Sh. Nawal Kishore i.e. petitioner no. 3, Sh. Vivek Vohra i.e. petitioner no. 4, Sh. Naresh Arora i.e. petitioner no. 5, Sh. Dinesh Singh i.e. petitioner no. 7, **Sh. Ajay Sapra** i.e. petitioner no. 8, Sh. Sunil Kumar i.e. petitioner no. 10, Sh. Ajit Kumar, i.e. petitioner no. 13, **Sh. Ramesh Mittal** i.e. petitioner no. 14, **Sh. Harish Garg** i.e. petitioner no. 17, Sh. Rajender Kumar i.e. petitioner no. 20 and Sh. Abhishek Sagar i.e. petitioner no. 21 filed a Civil Miscellaneous application in CWP No. 1783 of 1999 in the Hon'ble High Court and the Hon'ble Court passed the following interim orders:

"Notice of CM to the opposite counsel for 19.02.2003.
In the meantime, status quo regarding services of petitioner nos.1to 5, 7, 8, 10, 13, 14, 17, 20 and 21 be maintained till next date of hearing."

20.01.2003 *Sd/-*
Mehtab S. Gill, Judge

(The case was admitted on 22.08.2002 and same status today. 10 Adhoc lecturers out of 14 are these.)

- In view of the interim orders of Hon'ble High Court, the Adhoc lecturers were adjusted on the vacant posts or others discipline vacant posts or others higher posts i.e. Sr. Lecturer/HOD.

- The Department further, in the year 2004, 2006 and 2008 also sent the requisition for filling of the posts of lecturer in various disciplines to the HPSC due to creation of posts in various disciplines and starting of double shift of diploma courses in the year 2008 and after the regular recommendees of HPSC, accordingly, the services of some Adhoc lecturers were also terminated as detail mentioned below:

Sr. No	**Year**	**Name and No. of post Advertised**	**No. of employee recommended through HPSC**	**Appointment Given**	**No. of Adhoc/Contract employees terminated**
15	2004	Lecturer in Mechanical= 06	06	06	
16	2004	Lecturer in Computer Engg= 08	08	08	
17.	2004	Lecturer in Electronics= 11	11	11	
18	2004	Lecturer in Architecture= 02	01	01	
19	2004	Lecturer in Agriculture Engg=01	01	01	
20	2004	Lecturer in Automobile= 02	02	02	
21	2004	Lecturer in Ceramic Engg= 03	02	02	
22	2004	Lecturer in Plastic Technology= 03	02	02	
23	2004	Lecturer in Pharmacy= 04	04	04	
24	2004	Lecturer in Electrical Engg= 03	03	03	
25	2004	Lecturer in Library Science=01	01	01	
26	2004	Lecturer in Commercial Practice= 03	03	03	
27	2004	Programmer=01	01	01	
28	2004	Lecturer in Civil Engg= 01	01	01	
29	2004	Lecturer in Physics= 05	05	05	
30	2004	Lecturer in Math= 01	01	01	
31	2004	Lecturer in English= 05	04	04	
32	2004	Lecturer in Chemistry= 06	06	06	
33	2006	Lecturer in Electronics= 24	24	24	6 Adhoc employees adjusted in Society mode Polytechnics at GPES Nathusari Chopta and Loharu

34	2006	Lecturer in Electrical Engg= 16	15	15	1 Adhoc employee adjusted in Society mode Polytechnic at GPES Loharu
35	2006	Lecturer in Civil Engg= 12	11	11	3 Adhoc employees adjusted in Society mode Polytechnic at GPES Manesar
36	2006	Lecturer in Mechanical Engg= 23	23	23	4 Adhoc employees adjusted in Society mode Polytechnic at GPES Uttawar, GP Sirsa and GP Jhajjar
37	2006	Lecturer in Automobile Engg= 4	4	4	
38	2006	Lecturer in I&C= 2	2	2	
39	2006	Lecturer in Textile Technology= 6	5	5	
40	2006	Lecturer in Textile Design= 06	5	5	
41	2006	Lecturer in Textile Processing= 06	5	5	
42	2006	Lecturer in Medical Electronics= 2	2	2	
43	2006	Lecturer in MLT= 2	2	2	
44	2006	Lecturer in Chemistry= 3	3	3	3 regular employees appointed against **Smt. Poonam Chaudhary, Sh. Ved Parkash** and Sh. Jagmohan. Further, the above 3 Adhoc employees adjusted at GPES, Uttawar and Nathusari Chopta
45	2006	Lecturer in Physics= 4	4	4	
46	2006	Lecturer in Math= 5	5	5	1 Adhoc employee adjusted in Society mode Polytechnic at GPES Manesar and 1 adjusted against vacant post of Textile Design due to stay
47	2006	Lecturer in English= 3	2	2	

48	2006	Lecturer in Management= 2	2	2	**Sh. Ramesh Mittal** Adhoc employee adjusted against the vacant post of Programmer **due to court orders**
49	2006	Lecturer in Pharmacy= 2	2	2	
50	2006	Lecturer in Computer Engg= 23	23	23	5 regular employees appointed against **Sh. Ajay Kumar, Sh. Surender Chaudhary, Sh. Krishan Lal, Sh. Abhishek Sagar and Sh. Rajender Sharma Adhoc employees**. Further, the above 5 Adhoc employees adjusted at GPES, Uttawar, Loharu & Sri Nathusari Chopta
51	2008	Lecturer in Agriculture Engg	1	1	Smt. Meenu Rani Contract employee adjusted against the vacant post of Lecturer in General Engg at GP Ambala
52	2008	Lecturer in English	3	3	**Smt. Anju Nain** Adhoc employee adjusted against the post of Sr. Lecturer (English) at GP Ambala and **Smt. Sarla Chawla** Adhoc employee adjusted against the vacant post of HOD in English at GP Adampur
53	2008	Lecturer in Library Science	1	1	**Smt. Sarita Dhingra** Adhoc employee adjusted against the vacant post of Sr. Lecturer in Library Science at GPW Ambala due to stay in CWP no. 2241/2009
54	2008	Lecturer in Mechanical Engg	12	12	
55	2008	Lecturer in Civil Engg	15	15	

56	2008	Lecturer in Electronics Engg	6	6	
57	2008	Lecturer in Agriculture Engg	7	7	
58	2008	Lecturer in Medical Electronics	4	4	
59	2008	Lecturer in Instrumentation And Control Engg	4	4	
60	2008	Lecturer in Fashion Technology	7	7	
61	2008	Lecturer in Fashion Design	7	7	
62	2008	Lecturer in Textile Design	1	1	
63	2008	Lecturer in Ceramic Engg	3	3	
64	2008	Lecturer in Chemical Engg	1	1	
65	2008	Lecturer in Production Engg	2	2	
66	2008	Lecturer in Maths	2	2	
67	2008	Lecturer in Physics	4	4	
68	2008	Lecturer in Chemistry	4	4	
69	2008	Management	1	1	
70	2008	MLT	4	4	

- However, in anticipation of termination their services after regular recruitment by the department, Sh. Rajiv Kumar and others filed a Civil Miscellaneous No. 18659 of 2004 in CWP 1783 of 1999 and the Hon'ble High Court passed the following interim orders:

"CM to be heard within the main case.

In the meanwhile, services of the petitioners shall not be dismissed.

However, keeping in view the controversy involved in the present writ petition, let the main writ petition be listed for final disposal on 08.02.2006."

09.01.2006 *Sd/-*
Viney Mittal, Judge

(**The case was admitted on 22.08.2002 and same status today.**)

- As per available records, in the year 2007, the Department also filed a Civil Miscellaneous application in CWP No. 1783 of 1999 in the Hon'ble High Court for vacation of orders of status quo regarding termination of services of petitioner no. 9 i.e. Sh. Satyavir and petitioner no. 14 i.e. **Sh. Ramesh Mittal** and the same was not allowed by the Hon'ble Court.

- Further, it is also intimated that the services of some Adhoc employees could not be terminated even after the regular recommendee of HPSC due to the Stay order in various

CM(s) in CWP No. 1783 of 1999 as mentioned above (also clubbed CWP No. 2241 of 2009 titled **Smt. Sarita Dhingra** versus State of Haryana) and the CWP No. 1783 of 1999 **is admitted in the Hon'ble High Court for final decision**.

In the year 2011, the State Government issued a notification regarding regularization of Group B employees appointed/engaged on Adhoc/contract basis vide Notification No. 6/50/2007-1GSI dated 29.07.2011. Accordingly, the department sent the proposal for regularization of services of these 14 eligible Adhoc/contract Group B employees to the State Government for consideration as per the policy. The State Government vide order Endst. No. 51/17/2011-1TE dated 06.03.2012, regularized the services of these 14 Adhoc/contract Group B employees who have completed the 10 year services on 10.04.2006 in the Department on Adhoc basis as per the policy 2011. Before this, the State Government has requested to HPSC to take out these 14 posts out of the purview of HPSC vide Memo no. 51/17/2014-1TE dated 11.01.2012. Accordingly, the HPSC has agreed with the proposal of the Government and intimated the same vide their Memo No. Misc. 1/2011/20544 dated 09.02.2012.

The Committee has desired that complete history of the matter, mentioning therein the names/members of the Committee constituted to appoint these persons; date of appointmnent, terms & conditions of appointment, whether they were allowed to continue beyond 9 months or terminated alongwith date of their termination, if any; date of filing court case(s); orders of Court(s); details of the cases referred to HPSC and/or Government, be submitted to the Committee within a period of 45 days positively.

[51] 3.5 Misappropriations, losses, defalcations etc:

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per rule 2.34, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 137 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.58 crore on which final action was pending as of June 2014. The department wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6** The age-profile of the pending cases and the number of cases pending in each category theft and misappropriation/loss as emerged from these appendices is summarized in **Table 3.4**

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Age- profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. In Lakh)		Number of cases	Amount involved (Rs. In Lakh)
0-5	17	25.88	Case pending as of June 2013	144	160.45
5-10	30	39.22			
10-15	34	60.72	Cases added during the year	1	--
15-20	13	12.17			

20-25	19	15.62	Total	145	160.45
25 and above	24	4.65	Case of losses written off during the year	8	2.19
Total	**137**	**158.26**	**Total pending cases as of June 2014**	**137**	**158.26**

Reason for pendency of cases are listed in **Table 3.5**

Table 3.5: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reason for the delay/outstanding pending cases		Number of cases	Amount (Rs. In lakh)
i)	Awaiting departmental and criminal investigation	4	8.05
ii)	Departmental action initiated but not finalized	68	53.00
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending.	11	8.79
iv)	Awaiting orders for recovery or write off	4.	36.50
v)	Pending in the courts of law	14	51.92
Total		**137**	**158.26**

Out of the total loss cases, 65 per cent cases related to theft of Government money/store. Further, in respect of 50 per cent cases of losses, department action had not been finalized and 29 per cent cases were outstanding for want of orders of the competent authority for recovery or write off losses. It was further noticed that out of 137 cases of losses due to theft/misappropriation etc. 120 cases were more than 5 year old including 24 cases which were more than 25 years old. The lackadaisical approach of departments in finalization of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The department in its written reply stated as under:

As per details given in Appendix 3.5 & 3.6 of Para No. 3.5, there was 13 no. cases of Misappropriation, defalcation, theft etc. involving loss of Rs.35.27 lakh. Were related to Technical Education, Haryana. The detail is as under:-

Sr. No	**Particulars**	**Name of the Institution**	**Total loss involved (Rs.)**	**Year**	**Remarks/ Status of case**
1	Embezzlement of case	G.P. Jhajjar	1138210.52	2001-02	The sanction for write off the losses has been given by Govt. vide letter No. 44/32/2014-5TE dated 22.10.2014 and under consideration with PAC for drop the para.
2	Theft of CPU of Printer	G.P. Jhajjar	57433.00	2001-02	Case is under process with Govt. for write off the losses as per recommendation of PAC.

3	Theft of Computer	G.P. Jhajjar	651515.00	2002-03	The direction has been given to concerened Principal to recover the amount from defaulter as order of court.
4	Theft from Computer lab	Govt. Poly. Hissar	13275.00	2002-03	The sanction for write off the losses has been given by Govt. vide letter No. 44/73/2004-5TE dated 22.10.2014 and under consideration with PAC for drop the para.
5	Theft in computer centre	VTI Rohtak	235333.00	2003-04	Dropped by PAC vide letter no. Haryana Vidhan Sabha No. PAC/IMP/-24/ 2013/27854 dated 23.12.2013.
6	Theft in store of community development centre	KC GPW, Ambala	58347.00	2003-04	The sanction for write off the losses has been given by Govt. vide letter No. 44/66/2009-5TE dated 22.10.2014 and under consideration with PAC for drop the para.
7	Theft of AVR	G.P.W. Faridabad	8000.00	2002-03	The sanction for write off the losses has been given by Govt. vide letter No. 44/24/2006-5TE dated 22.10.2014 and under consideration with PAC for drop the para.
8	Theft in computer centre	VTI Rohtak	30000.00	2003-04	Dropped by PAC vide letter no. Haryana Vidhan Sabha No. PAC/IMP/-24/ 2013/27854 dated 23.12.2013.
9	Theft in Computer lab	G.P. Narnaul	954366.00	2003-04	The recovery is not possible as per enquiry reports of the Deptt. and case already submitted to PAC for recommendation to write-off the losses.
10	Theft in Lecture Block	G.P. Nilokheri	2505.00	1983-84	The sanction for write off the losses has been given by Govt. vide letter No. 44/21/2010-5TE dated 03.11.2014 and under consideration with PAC for drop the para.
11	Theft of cash	G.P. Uttawar	350756.00	2005-06	Out of this, an amount of Rs. 24375.00 was found in the chest and balance of Rs. 326401 was recovered from the delinquent official but a court case is pending as filed by the delinquent official with court of Law. The same is apprised to PAC.
12	Theft of 2 no computer from store	G.P. Uttawar	60854.00	2006-07	Dropped by PAC vide letter no. Haryana Vidhan Sabha PAC/IMP/-24/ 2013/27854 dated 23.12.2013.

13.	Embezzlement case	G.P. Jhajjar	24362.00	2006-07	The sanction for write off the losses has been given by Govt. vide letter No. 44/32/2014-5TE dated 22.10.2014 and under consideration with PAC for drop the para.
		Total	3584956.52		
	Para No. 6 above, dropped in the record of AG but pending with PAC		-58347.00		
		Amount as per report	3526609.52		

As explained above the detail of above cases is atAnnexure-D. So the para may be dropped.

The Committee has desired that sincere efforts be made to dispose of these pending cases either by getting the same write off or making recovery from the defaulter(s), as the case may be, and same be got compiled in the office of PAG, Haryana under intimation of the Committee.

HOME DEPARTMENT

[52] 3.10 Unfruitful expenditure/blockade of Government funds:

Non-procurement of required equipment for firing range by the Police Department resulted in blockade of GOI funds of Rs.7.50 crore besides building constructed at a cost of Rs.1.36 crore also remained unutilised.

Under the scheme of modernisation of State police force, Government of India (GOI) in July 2008 approved the scheme for construction of Indoor Firing Range at Haryana Police Academy (HPA) Madhuban, Kamal and sanctioned Rs.7.50 crore for purchase of equipments. The construction work of building was completed at a cost of Rs.1.36 crore in August 2009 with the State funds. The Director, HPA suggested (October 2008) that on the basis of survey M/s Meggitt Training System, USA, which had set-up similar projects for the premier security organisation, was the most suited to supply the equipments for the firing range.

The Principal Secretary, Home Department, Government of Haryana in February 2009 accorded sanction for Rs.7.50 crore for commissioning and equipping Indoor Firing Range, through HARTRON. HARTRON informed the HPA (June 2009) that the Corporation had not procured such equipments earlier and did not have any requisite experience in taking up the said project. The matter was taken up with Director, Supply and Disposal (DS&D) Haryana, who in October 2009 informed that the item was of highly specialized nature and technical expertise was not available with them. The DS&D advised that the indenting department may get a special purchase committee constituted from the State Government and purchase this item at their level. Accordingly, a special purchase committee was constituted by the State Government (December 2009). The committee in its meeting held in June 2012 exempted the purchase through HARTRON and recommended that Police Department may take up the issue with State Government to make purchase from M/s Meggitt Training System directly being the premier firm. The Police Department, however, did not take any action on advice of the Special Purchase Committee and no final decision had been taken (November 2014).

It was noticed during audit that since the completion of building in August 2009, the issue of purchasing the necessary equipments, for making the firing range functional despite clear recommendations from the Director, HPA about the limited availability of the material, had not been decided and the funds amounting to Rs.7.50 crore were lying unutilised with HARTRON. It was further noticed that the State Government had already submitted the Utilisation Certificate (UC) to the GOI, which was factually wrong as the equipment was yet to be purchased. On being pointed out in audit, the DGP Haryana (September 2014) intimated that the department had submitted proposal to the Government to purchase the material from M/s Meggitt Training, which was the sole agency for establishing Indoor firing range but the Government decided to make the purchase through HARTRON and also intimated that the building constructed for Indoor Firing Range was being used for accommodation of trainees.

Thus, due to failure of the department to procure the required equipment the firing range could

not made functional and Rs.7.50 crore GOI funds remained blocked besides the building constructed at a cost of Rs.1.36 crore was not being utilised for the requisite purpose.

The matter was referred (July 2014) to Additional Chief Secretary, Home Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

In this regard the proposal for setting up of Indoor Firing Range at HPA Madhuban was approved by the State Level Empowered Committee and the project was sanctioned by the Govt. of India for which Rs. 7.50 crore was released during the year 2008-09. The proposal for setting up of firing range from M/s Meggit training system USA was put up to the Govt. as propriety item but Govt. while releasing the amount has directed that the purchases may be made through HARTRON being a sole agency for purchasing the electronic goods. As such department pursued the matter with HARTRON and DS&D, Haryana for purchase of equipments. Director, Supplies & Disposals and HARTRON expressed their inability to procure the item as it is of highly specialized nature and technical expertise is not available with them. As such, State Govt. has constituted a Special Purchase Committee for purchase of Indoor Firing Range in HPA, Madhuban vide their order dated 17.12.2009 **(copy enclosed)** under Chairmanship of DGP, Haryana. There is lot of work with DGP (H) and DGP has no time for such time consuming process so State Govt. was the requested to nominate MD, HPHC, PKL as Chairman of Special Purchase Committee but State Govt. refused the request to change the Chairman i.e. DGP to some other police officer. The Director, Supply and Disposal Haryana who was also nominated as member of the committee had not attended the meeting due to some administrative reasons. As such, meeting of committee could not hold.

The building was constructed solely for Indoor firing Range is being used for accommodations of trainees.

The Outdoor firing Range training is being imparted to the police personnel at Panchkula and firing range Narnaul. No extra expenditure was incurred on imparting outdoor firing training.

Further, Police Deptt. vide memo. No. 1583/P-5 dated 14.02.2012 (copy enclosed) has again requested to MD, HARTRON that HARTRON has already gained sufficient experience in floating tender for this items. Hence, HARTRON take further necessary action for acquiring the Indoor Firing Range for HPA, Madhuban at an early date.

HARTRON returned the above indent to DGP Haryana with advice to procure a specific model from a specific vendor i.e. M/s meggit training system USA on its own level without involvement of HARTRON **(copy enclosed)**.

In view of position explained above this office has submitted this matter in the SLEC meeting dated 15.04.2015 **(copy enclosed)** to accord approval for commissioning of Indoor Firing Range from M/s Meggitt, USA. But SLEC has observed as under:

"Regarding procurement of indoor firing range from single vendor M/s Meggitt, USA against funds of Rs. 6,99,10,000/- already lying under MPF Scheme for the year 2008-09, the committee was apprised that the same supplier has set up similar firing ranges at SVPNPA Hyderabad and

SPG, New Delhi and they are functioning successfully. The committee expressed a desire to get additional information regarding the details of the firing range system procured by the above mentioned two institutions, the mode of procurement and latest rates being offered by the firm as also of any other competitor in this field. Accordingly, these details shall be procured at the earliest and presented before the committee in near future for a concrete decision in this regard".

Police Deptt. constituted a committee vide No. 5967/P-5 dated 9.6.15 **(copy enclosed)** headed Sh. K.K. Sindhu, IPS, Director HPA, Madhuban to study and examine the various alternatives available in market and to recommend the best available option, which is both cost effective and technically suited to Haryana Police needs.

Further, Committee surveyed various alternatives available in the market and reported on 23.12.2015.

- One of the alternatives examined was the indoor shooting range provided by the company MEGGIT. This is a USA based company which has established an indoor shooting range for the SPG in Dwarka, Delhi. The committee examined the proposals of MEGGIT regarding this range, held to get a firsthand experience of the shooting facility. Firing bays are provided along with bulletproof baffle system and acoustic provisioning. The indoor shooting range at Dwarka is not strictly an indoor range as it has open sides function targets which can move, rotate, and maneuver according to the commands which can be given from a computer based console.

- The second alternative examined was the indoor firing range provided by the company AIMTREX in Dehradun, which has been established by the Uttarakhand police. This range is a fully indoor shooting range with firing bays and multi-function targets. The company provides bulletproof baffles, sidewalls and computer based controls for monitoring the firing. Acoustics and air filters have been installed.

Committee had discussions with the SPG, Uttarakhand police and representatives of AIMTREX as well as MEGGIT also. The committee found the both alternatives satisfy the guidelines of Govt. of India for firing ranges. Both alternatives provided by AIMTREX and MEGGIT are suitable for the purpose of Indoor Firing Range at Madhuban.

On 25.06.2016 Police Deptt. requested to committee to draw up basic specification which are non-discriminatory and non-monopolistic and send to this office. Specifications were received from the committee and the same were submitted before SLEC meeting dated 10.06.2016 **(copy enclosed)**. The committee examined this issue and directed that Police Deptt. may move the specification to State Govt. for according administrative approval and for approval of purchase of Indoor Firing Range through Haryana Police Housing Corporation.

Presently State Government has accorded necessary administrative approval of the technical specification for the procurement, installation and commissioning of composite Indoor Firing Range System at HPA, Madhuban vide memo. No. 25/83/2008-5HG-II dated 08.09.2016 **(copy enclosed)** and this office has requested to MD, HPHC, Panchkula vide memo. No. 11663/P-5 dated 22.09.2016 **(copy enclosed)** to invite tender and start the process for the procurement installation and commissioning of composite Indoor Firing Range System at HPA, Madhuban.

No amount of interest has been recovered from HARTRON till now. However, in another case HARTRON has intimated that issue for releasing interest on deposit will be decided by the Board of Directors. However, further decision taken by Board of Directors of HARTRON has not been received in this office till now.

In view of position explained above, it is requested that Para may kindly be settled.

The Committee has desired that the project be completed in a time bound manner and action taken report be submitted to the by end of April, 2017.

[53] 3.5 Misappropriations, losses, defalcations etc:

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per rule 2.34, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 137 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.58 crore on which final action was pending as of June 2014. The department wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6** The age-profile of the pending cases and the number of cases pending in each category theft and misappropriation/loss as emerged from these appendices is summarized in **Table 3.4**

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Age- profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. In Lakh)		Number of cases	Amount involved (Rs. In Lakh)
0-5	17	25.88	Case pending as of June 2013	144	160.45
5-10	30	39.22			
10-15	34	60.72	Cases added during the year	1	--
15-20	13	12.17			
20-25	19	15.62	Total	145	160.45
25 and above	24	4.65	Case of losses written off during the year	8	2.19
Total	**137**	**158.26**	**Total pending cases as of June 2014**	**137**	**158.26**

Reason for pendency of cases are listed in **Table 3.5**

Table 3.5: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reason for the delay/outstanding pending cases		Number of cases	Amount (Rs. In lakh)
i)	Awaiting departmental and criminal investigation	4	8.05
ii)	Departmental action initiated but not finalized	68	53.00
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending.	11	8.79
iv)	Awaiting orders for recovery or write off	4.	36.50
v)	Pending in the courts of law	14	51.92
Total		**137**	**158.26**

Out of the total loss cases, 65 per cent cases related to theft of Government money/store. Further, in respect of 50 per cent cases of losses, department action had not been finalized and 29 per cent cases were outstanding for want of orders of the competent authority for recovery or write off losses. It was further noticed that out of 137 cases of losses due to theft/misappropriation etc. 120 cases were more than 5 year old including 24 cases which were more than 25 years old. The lackadaisical approach of departments in finalization of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The department in its written reply stated as under:

(1) In this regard it is submitted that a case FIR No. 165 dated 15.11.2012 U/S 302/34 IPC P.S Bond Kalan has been registered on the statement of Shyam S/o Kuldeep Singh r/o Bond kalan. The complainant stated that on 14/15.11.2012 in the midnight he and his father Kuldeep and his uncle Harpal were irrigating their fields. The accused Bhim, Nakul, Pawan, Parvesh and Kolbir all r/o Bond Kalan came there and calledl his father and uncle and murdered them with fire arm. Accused Kolbir, was absconding from Parole and wanted in number of heinous crime cases. Opposing the above said incident, a irate mob of 150/200 persons assembled in Police Station Bond Kalan on 15.11.2012 and set fire the Govt. vehicles No. HR-61-9029, HR-9821 and HR-61A-3768 and also injured the Police officials. In this regard, a case FIR No. 166 dated 15.11.2012 U/S 147/148/149/332/353/186/307/ 397/425/436 IPC & 25/54/59 A. Act and 3/33/89 PDPP Act PS Bond Kalan has been registered. Investigation of the above noted case has been carried out by DSP Dadri. During the investigation, the following accused have been arrested on the dates mentioned against each and most wanted Criminal Kolbir has expired in Police encounter on 30/09/2013 in the area of PS Kalanaur district Rohtak:-

i) Parvesh S/o Mamraj r/o Bond -16/11/12
ii) Nakul S/o Mamraj r/o Bond-19/11/12
iii) Pawan alias pawan Vir S/o Mamraj r/o Bond Kalan- 19/11/12
iv) Bhim S/o Mamraj r/o Bond-02/07/15

In this regard, as per provision contained in PPR 5.4 (2) and 6.22 (I), a committee consisting of DSP/Dadri was constituted and as per report of the committee, no negligence on the part of any Govt. official has been found.

The following vehicles have been burnt completely and are not fit for auction.

The purchase date & price of these vehicles is as under:-

Sr. No.	Vehicle No.	Date	Amt. of Purchase
1.	HR-61-9029	04.09.08	4,53,750/-
2.	HR-61-3766	09.07.10	4,19,919/-
3.	HR-61-9821	02.03.09	5,25,000/-
Total			13,98,669/-

Hence this part of para may be dropped.

The Committee has desired that necessary action be taken to get the amount involved write off by the Finance Department and then report be submitted to the Committee as well as to the Principal Accountant General, Haryana.

IRRIGATION DEPARTMENT

[54] 3.13 Wasteful expenditure on Single Layer Brick (SLB) lining of escape channel:

Non-ascertaining of position of sub soil water level while preparing estimate resulted in wasteful expenditure of Rs.1.95 crore.

Para 2.22 of Haryana Public Works Department Code provided that project of a work should consist of specification, a detailed statement of measurements, quantities and rates and a report stating in clear terms the object to be gained by the execution of work and explain any peculiarities which require elucidation. Further, para 2.41 (Appendix 9 (a)) specified that before submission of a project to higher authorities for approval, the preliminary operations, including the surveys both of alignment and soil should be completed.

A scheme for lining of escape channel from km 0.00 to km 4.700 off-taking at km 30.300-L of JLN Canal was approved for Rs.1.87 crore in the 40th meeting of Haryana State Flood Control Board (HSFCB) held in February 2009 with the objective to create reservoir area within the limited land width and to take the escape canal water back into the JLN canal, when power was restored at pump house. Tenders for the work were invited by the Executive Engineer (EE), Water Services Division-2, Rewari in May 2009 and the work was awarded (November 2009) to an agency at agreement amount of Rs.2.12 crore. The project cost was revised to Rs.2.60 crore on the basis of quantities as per detailed estimate and again the cost of the project was increased (September 2010) to Rs.3.01 crore due to providing for diversion and lowering sub soil water level (SSWL).

Scrutiny of records (June 2012) in the office of BE, Water Services Division No.2, Rewari showed that due to continuous discharge of city effluent into the escape channel by Public Health Engineering Department (PHED), the SSWL increased and the agency did not execute the work of lining of about 1.105 km (km 1.915 to km 3.020) and work was lying abandoned since June 2011. An expenditure of Rs.1.95 crore had been incurred on the work. No further action had been taken by the department to complete the balance work as envisaged in the estimate. In the meantime, executed work was damaged due to pore water pressure. Besides, no action was taken against the PHED in accordance with the Section 58 and 64 of Haryana Canal and Drainage Act, 1974 which prohibits the discharge of any treated/untreated trade effluent or sewage effluent into canal (July 2003 Notification).

On being pointed out (August 2013), Engineer-in-Chief, Irrigation Department intimated (March 2014) that when the scheme was prepared, being dry zone, sub- soil problem of the area was out of question and SSWL started rising due to continuous discharge of city sewerage. Reply of the department was not acceptable as at the time of survey (June 2009) for preparation of estimate, the water was standing/flowing in the channel and as the discharge of PHED was running continuously into the channel, the position of SSWL was required to be ascertained before the execution of work.

The Additional Chief Secretary, PHED, intimated (June 2014) that the work in respect of pipeline of 6.2 km length, to take the treated sewage upto Lal Bahadur Shastri (LBS) recharge

channel was in progress. The Engineer-in-Chief, PHED informed (December 2014} that the work had been completed and the treated effluent was discharged in LBS recharge channel. However, the EE, Water Service Division No. 2 Rewari intimated (December 2014} that the sewage effluent was still being discharged in the escape channel and there was no change in status of lining of escape channel.

Thus, taking up of the work without proper planning, survey and sorting the issues of discharge with PHED and not adhering to the instructions issued by Government resulted in wasteful expenditure of Rs.1.95 crore as the purpose of the project was not fulfilled. Further, the sewage was polluting the environment and sub soil water of the adjoining areas affecting the quality of ground water, hand pumps, tubewells, etc. The adjoining agricultural land was also turned uncultivable due to overflow of escape channel.

The matter was referred (May 2014) to the Principal Secretary, Irrigation Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

The administrative approval or lining of Escape Channel from km 0.0 to 4.700 was approved for Rs.187.00 lacs in the 40th meeting of HSFCB in February 2009 and the revised administrative approval of the same work stands accorded for Rs.30.00 lacs vide Govt. of Haryana Memo No. 2/139/2010-1IW dated 28.09.2010 under head "Flood Control Works". Codal provisions under Para 9.5.1 and 10.1.3 of Haryana PWD Code were followed in right earnest and a brief description of the same is mentioned in the report of the estimate by the then officers.

The work was started on 04.11.2009 on agreement basis. The decision to start the work at a location other then head or tail was taken by the then Engineer Incharge keeping in view the suitability of site conditions, availability of land, work space and co-operation/resentment of local farmers of this area. During currency of work, sub-soil water level (SSWL)/Water logging problem was encountered. Accordingly, a proposal for lowering of SSWL was drawn and got approved from the Competent Authority.

Since the work was got executed on agreement basis. Hence instead of keeping the work/contract lingering on/live, it was better to conclude the contract to prevent contractual liabilities of the Department. Whatever work was done by the Department has in no way gone infructuous but serving a very cause of disposing the sullage/sewage water. In other words, expenditure was booked by IWRD for disposal of escaped water but it has been disposing of another important purpose of discharge of sewage water of PHED. The IWRD and the PHED both are organs of the same State of Haryana.

The Public Health Engineering Department (PHED) had been discharging the sewage effluent and is still going on. Though PHED has planned its Sewage Treatment Plant (STP) and is likely to be in place in near feature. IWRD has constructed the Escape Channel only for disposal of its escaped raw canal water from km. 30.300/L of JLN Canal and has been persistently objecting to the flow of untreated sewage water in the Escape Channel through a number of meetings, deliberations, complaints, reporting's and communications to PHED authorities and local district administration. But of that time it is the hard fact that PHED has no other alternate disposal place to put their

sewage discharge treated or untreated except into this Escape Channel and taking up the matter with Deputy Commissioner Rewari for the redressal of the vexed issue but till date to no awail.

Waste water disposal has been aggravated to such an extent that the sewage water after passing through Escape Channel reaches to village abadi Khalilpur (Distt. Gurgaon) causing nuisance and pollution to air and water. The villagers approached the Hon`ble High Court at Chandigarh and the matter was referred to Green Tribunal/Government of India. As an alternative measures, the treated effluent now also being discharged in R.C. Channel as per decision taken by P.S. of both the department on 21.05.2014.

It would not be correct to say that the work was taken up without proper survey and site inspeciton and thus resulting into a wasteful expenditure of Rs.1.95 crores. No land was acquired for the project scheme. The "not in use" consolidated path was made use of for the Escape Channel. The channel was proposed for its lining to escape excess raw canal water in case of some power snag or mechanical fault happens at either of the Pump Houses on JLN Canal d/s JC-III. The scheme was envisaged on a sound background, logical reasoning and deliberated at all levels including highest one at the level of Hon`ble CM Harayana in FCB meeting before its final approval. Only deviation in the scheme is a change in its scope because of inevitable circumstances. Now PHED has been managing disposal of its escaped excess canal water by diverting raw canal water though LBS Recharge Channel at Km. 35.470/L and out falling in Masani Barrage reservoir area. Simultanciously the Escape Channel is being also utilized for disposal of sewage water. This deviation in scope of work/project does not make a sense of wasteful expenditure especially when highest authority of the state was seized with the matter for providing alternate solution to vex the problem of disposal of sewage water.

The above position is submitted for consideration please.

The Committee has observed that the project was originally administratively approved amounting to Rs.1.87 crore and then revised administrative approval was issued for Rs.3.1 crore. It means that the original project was prepared without proper survey at ground level. Even then, the project was to be completed in the year 2011. But till today, it is incomplete. The Committee has, therefore, desired that responsibility of the erring officer/official who prepared the project without proper survey and also of the officer/official for his responsibility for not getting the project completed till to date be fixed within a month under intimation of the Committee.

[55] 3.14 Working of Command Area Development Authority:

The Command Area Development Authority did not achieve the targets of construction of water courses. Farmers' awareness campaigns were not organised. 438 completed water courses were not handed over to the WUAs, labour cess of Rs.67.70 lakh was not recovered from contractors and security deposits of Rs.38.56 lakh refunded before the expiry of defect liability period.

The Command Area Development Authority (CADA} was registered as a Society in 1974 under the Societies Registration Act, 1860. The main functions were to construct field channels (water courses}, provide institutional support to Water Users' Association (WUA's} and hold

awareness programmes for shareholders through demonstration plots. These projects were to be funded by Central and State Government in equal proportion. The Command Area Development programmes in the State were taken up through three different projects covering different geographical areas of the State. During the period 2009-10 to 2013-14 total expenditure of the CADA was 522.74 crore on construction of water courses in the State.

The records pertaining to the period 2009-10 to 2013-14 were test-checked in the office of the Administrator, CADA, Panchkula and nine out of twelve CAD divisions during September 2013 to January 2014 to analyse the programme implementation and achievements of CADA. The shortcomings noticed are discussed in succeeding paragraphs:

(iv) Non recovery of labour cess from contractors:

As per directions of the State Government (August 2007), labour cess at the rate of one *per cent* of the value of construction work was to be deducted from the contractor bills.

In nine CAD divisions during the period April 2008 to December 2010, Labour Cess of Rs.67.70 lakh from the contractors bills of Rs.67.70 crore was not deducted. The Administrator, CADA stated (April 2014) that the labour cess was not deducted due to non-receipt of instructions. Audit observed that the Administrator, CADA had circulated instructions in March 2009 instead of August 2007.

The above points were referred (July 2014) to the Additional Chief Secretary; Irrigation Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

It is mentioned here that out of Rs. 67.70 lacs an amount of Rs. 22.76 lacs has been recovered by the CAD Divisions. Efforts are being made to recover the balance amount on this account.

Keeping in view the position explained above, the Para may please be settled. Detail of recovery is appended at **(Annexure 'D').**

RECOVERY OF LABOUR CELL FOR THE PERIOD FROM 8/2007 TO 3/2009

Sr. No.	Name of Division		Amount recovered (Rs. In lacs)
1.	Hisar	Total amount due to be recovered i.e. Rs,.67,70 lacs	9.91
2.	Sirsa		3.99
3.	Panipat		1.24
4.	Fatehabad		3.25
5.	Jhajjar		2.00
6.	Karnal		0.00
7.	Kurukshetra		0.49

8.	Jind		0.15
9.	Kaithal		1.73
	Total		**22.76**

Total amount due for recovery (Rs.)	Amount recovered (Rs.)	Balance (Rs.)
67.70	22.76	44.94

The Committee has desired that a report be submittd to the Committee as to whether the instructions issued in 2007 were sent in CADA so late or the same have been implemented after long delay.

[56] 3.5 Misappropriations, losses, defalcations etc:

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per rule 2.34, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 137 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.58 crore on which final action was pending as of June 2014. The department wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6** The age-profile of the pending cases and the number of cases pending in each category theft and misappropriation/loss as emerged from these appendices is summarized in **Table 3.4**

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Age- profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. In Lakh)		Number of cases	Amount involved (Rs. In Lakh)
0-5	17	25.88	Case pending as of June 2013	144	160.45
5-10	30	39.22			
10-15	34	60.72	Cases added during the year	1	--
15-20	13	12.17			
20-25	19	15.62	Total	145	160.45
25 and above	24	4.65	Case of losses written off during the year	8	2.19
Total	**137**	**158.26**	**Total pending cases as of June 2014**	**137**	**158.26**

Reason for pendency of cases are listed in **Table 3.5**

Table 3.5: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reason for the delay/outstanding pending cases		Number of cases	Amount (Rs. In lakh)
i)	Awaiting departmental and criminal investigation	4	8.05
ii)	Departmental action initiated but not finalized	68	53.00
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending.	11	8.79
iv)	Awaiting orders for recovery or write off	4.	36.50
v)	Pending in the courts of law	14	51.92
Total		**137**	**158.26**

Out of the total loss cases, 65 per cent cases related to theft of Government money/store. Further, in respect of 50 per cent cases of losses, department action had not been finalized and 29 per cent cases were outstanding for want of orders of the competent authority for recovery or write off losses. It was further noticed that out of 137 cases of losses due to theft/misappropriation etc. 120 cases were more than 5 year old including 24 cases which were more than 25 years old. The lackadaisical approach of departments in finalization of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The department in its witten reply stated as under:

Total 137 pending cases of Rs. 158.26 lacs, out of which 49 cases of Misappropriation, defalcation cases amounting to Rs. 11.05 lacs relate to Irrigation Department Haryana. The department has taken final action on 20 cases amounting to Rs. 7.00 lacs out of 49 cases and the action taken has been tabulated as under:-

Total Case and amount		No. of cases in which recovery made		No. of cases in which sanction of write-off has been issued		Total settled cases and amount		Outstanding cases and amount	
Case	Amount (In Lacs)	Case	Amount (In Lacs)	Case	Amount (In Lacs)	Case	Amount (In Lacs)	Case	Amount (In Lacs)
49	11.05	10	1.78	10	5.22	20	7.00	29	4.05

Efforts are being made to recover the balance outstanding amount and report shortly.

The Committee has desired that facts of this para be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

PUBLIC HEALTH ENGINEERING DEPARTMENT
(Water Supply and Sanitation Board)

[57] 3.15 Loss of interest due to non entering into agreement with the bank:

Non observance of programme guidelines regarding operation of saving bank accounts by Water Supply and Sanitation Board resulted in loss of interest of Rs.5.51crore.

The Government of India (GOI); Ministry of Rural Development, Department of Drinking Water and Sanitation issued (April 2009) guidelines regarding allocation and keeping of funds under the National Rural Drinking Water Programme (NRDWP). The guidelines provided that central allocations would be released directly to programme implementing Statutory Bodies likes Boards in the States. In Haryana; the programme was implemented by the Water Supply and Sanitation Board (WSSB). The WSSB was required to maintain two saving accounts namely Programme Account and Support Activities Account by signing a tripartite Memorandum of Understanding (MOU) among the Bank, WSSB and Director Drinking Water and Sanitation, GOI. The Apex Committee of the State Water and Sanitation Mission; Haryana in its meetings held on 30 November 2011; had decided to operate the two accounts namely Programme Account and Support Account through Engineer-in-Chief (EIC) and Director, State Water and Sanitation Support Organisation; respectively.

The draft MOU issued (September 2010) by GOI provided that the bank was to automatically invest the funds in excess of Rupees five crore as fixed deposits with maturity of one year in the units of Rs.25 lakh and to automatically encash the securities last invested if the funds fall below Rupees five crore and to pay interest payable from the date of investment to the date of encashment; without deducting any charge for early encashment. The rate of interest for fixed deposit was to be notified by the Head Quarter of the Bank and interest was payable on the balances in the saving bank account at the prevailing saving bank interest rates and accrued interest was to be credited to Programme Account.

Scrutiny of records (February 2014) WSSB showed that the WSSB opened (October 2009) two saving bank accounts namely Programme Account and Support account for receipt and expenditure of funds under NRDWP, but the tripartite MOU was not entered into with the bank despite several reminders issued by GOI between September 2010 and March 2012. It was noticed that GOI released Rs.1,210.14 crore during the period from November 2009 to February 2014. There were huge balances in the Programme Account which were ranging between Rs.7.48 crore to Rs.153.97 crore during January 2010 and February 2014. Had the MOU been entered into, the balances in excess of Rupees five crore could have been invested as fixed deposits as envisaged in scheme guidelines. In the absence of tripartite MOU, the balances ranging between Rs.2.48 crore and Rs.148.97 crore in excess of Rupees five crore limit were not invested in the fixed deposits which resulted in loss of interest of Rs.5.51 crore (excluding interest earned in saving account).

On being pointed out (February 2014)J the Member Secretary, WSSB intimated (March 2014) that

the saving bank account was opened as per mandate of GOI under the scheme guidelines. EIC, further stated (August 2014) that permission was sought from Government for entering into tripartite MOU among the State Bank of India, State Water and Sanitation Mission (SWSM) and Rajeev Gandhi Drinking Water Mission wherein the parties would agree to abide by the provisions of the guidelines. But the Government approved only one action i.e. permission for opening of saving bank account in SBI, Sector 10, Panchkula, in the name of SWSM, Panchkula. The Principal Secretary, Public Health Engineering Department, also confirmed (November 2014) the reply submitted by the EIC. The reply was not acceptable because in case no decision on tripartite agreement had been taken by the Government, the case should have been resubmitted as the execution of tripartite agreement was mandatory as per guidelines of GOI. Due to non-observing programme guidelines regarding operation of accounts resulted in a loss of Rs.5.51 crore in form of interest which could have been utilised for fulfilling further objectives of the programme.

The department in its written reply stated as under:

Govt. of India has started National Rural Drinking Water Programme (NRDWP) 2009 under which PHED have to provide minimum drinking water supply to the consumer. Under this scheme the State Water and Sanitation Mission (SWSM) has been registered on 01.08.2011 (copy of registration is at **Annexure-A)** and the support organization has been established. The functions of SWSM are annexed at **Annexure-B.** Further the District Water and Sanitation Mission (DWSM) has been established at all 21 districts of the state and village level sanitation committees (VWSC) has been formed (details of VWSC at **Annexure-C**).

As per Guidelines of Government of India regarding for opening of Bank Account No.3090199454, under National Rural Water Supply Programme, initially the case was sent to Govt. with the proposal of following actions for its approval:-

1. Permission may be given for opening of the saving bank accounts in State Bank of India Sector-10, Panchkula in the name of the State Water and Sanitation Mission, at the State Headquarter.

2. Permission may be given for entering into the Tripartitle Memorandum of understanding between the State Bank of India, State Water Mission and Rajiv Gandhi Drinking Water Mission wherein the parties would agree to abide by the provisions of the guidelines.

The Govt. has approved only one action i.e. Permission may be given for the opening of the savings Bank Accounts in State Bank of India Sector-10, Panchkula in the name of the State Water and Sanitation Mission, at the State Headquarter. A copy of approved noting is at **Annexure-D.**

Further as per guidelines there was no provision for giving yearly fixed rate for amount more than Rs.5.00 crore and the interest as per the saving bank account is given by the bank. The copy of bank pass books is attached.

Saving account were opened with permission of Finance Department of Haryana State on 01.10.2009.

In recent instructions FD has directed various departments to close the accounts. The saving accounts have been closed as per institution of Finance Department.

The draft MOU was circulated to 15 states which does not include Haryana copy Draft MOU with following D.O. is attached at **Annexure-E.** Moreover, it is pertinent to mention here that saving Account as per NRDWP Guidelines was opened on 01.10.2009 almost 1 year prior to issue of draft memorandum.

The department has taken action as per approval of Govt. & as per instructions of Finance Department as issued vide FD letter No.80/07/2013-6FICW/2697 (14) dated 05.03.2014 at **Annexure-F** and NRDWP Guidelines.

In view of the above this para may be dropped.

The Committee has viewed it seriously that the Central Govt. has issued three letters/reminders, but the department has taken no action. The Committee has, therefore, recommended that responsibility of the defaulting officers/officials be fixed within a month and action taken report be submitted to the Committee.

[58] 3.16 Wasteful expenditure on non-functional water supply scheme:

Change in layout plan of inlet channel, without ensuring availability of land, resulted in wasteful expenditure of Rupees one crore on non-functional water supply scheme and further increased the cost of project by Rupees 1.09 crore.

Para 2.96 of Public Works Department Code provides that where important structural alterations are contemplated, though not necessarily involving an increased outlay, the orders of the original sanctioning authority should be obtained by submitting a revised estimate. Further, para l0.1.3 of the Code provides that while preparing the estimate of any project, the site shall be inspected to ascertain field conditions including availability of land.

The Member Secretary, State Sanitary Board, Haryana approved (March 2007) a canal based independent water works to augment the water supply of Village Bishan in District Jhajjar for Rs.1.16 crore under the NABARD Project- RIDF XII. As per the approved estimate, the canal water was to be obtained from JLN Feeder at RD 22300-R through a 2,900 metre long inlet channel of RCC pipe of 350 mm internal dia. The work of construction of water works and inlet channel was allotted to an agency in November 2007 at an agreement amount of Rs.93.52 lakh with a time limit of 12 months. During execution of work, the Executive Engineer (EE) changed the layout plan of the inlet channel by reducing the length to 2,115 metre through the private land and a village katcha path for better output and reduction in the cost of project by Rupees five lakh. The villagers objected the construction of inlet channel according to new layout as it would block/congest the passage to fields and filed a civil suit in the Lower Court (June 2010) against the department with injunction application. Though the Hon'ble Lower Court dismissed (September 2012) the injunction application of villagers, but on an appeal the Hon'ble District Court set aside (April 2014) the decision of Lower Court and allowed the interim injunction to the villagers. Final decision in the case was awaited (November 2014).

The agency had executed the work to the tune of Rs.73.89 lakh (July 2011) and incurred an expenditure of Rs.2.93 lakh on acquisition of 16 marla land for laying inlet channel in February 2012. Total expenditure of Rupees one crore had been incurred on the scheme which was lying incomplete since July 2011 due to incomplete inlet channel (June 2014).

During audit of the records (June 2011) of the EE, Public Health Engineering Division No.1, Jhajjar, it was observed that the layout plan of the inlet channel was changed by the EE without the approval of competent authority i.e. Engineer- in-Chief, without ensuring availability ofland and against the provisions of PWD code, which resulted in wasteful expenditure of Rupees one crore on non-functional water supply scheme. Further, the Engineer-in-Chief, PHED had approved (February 2014) an estimate for Rs.1.09 crore for making the water works functional through an alternate source of canal water i.e. from Bishan Minor.

The Principal Secretary, Public Health Engineering Department stated November 2014) that inlet channel was to be constructed from the source along the village path (common land of farmers). But the villagers stopped the work of construction of inlet channel. The work of construction of inlet channel from alternate route had been allotted in August 2014 and would be completed by March 2015. The reply was not convincing as the EE changed the layout without approval of the competent authority and without ensuring availability of land for laying pipeline, which was against the provisions of PWD Code and resulted in non-completion of the water supply scheme. It not only led to blockade of funds of Rupees one crore and further increase in cost of project Rs.1.09 crore, but also the residents were deprived of timely intended benefits of the scheme.

The department in its written reply stated as under:

In this connection, it is intimated that the work of providing independent water works for village Bishan, Distt. Jhajjar amounting to Rs. 93.52 lac was allotted to Sh. O.P. Sindhu, Contractor vide EE. letter No 17702-07 dated 19/11/2007with a time limit of 12 months from the date of commencement i.e. 28.11.2007under NABARD project. In this work, the canal water was to be obtained from JLN Feeder at RD 22300 through a 2,900 meter long inlet channel of RCC pipe of 350mm internal dia. Executive Engineer (EE) changed the layout plan of the inlet channel by reducing the length to 2,115 meter through the private land and a village katcha path for better output. The Villagers objected the construction of inlet channel as according to new layout, it would block/congest the passage to field and filed a civil suit in the lower Court (June 2010) against the department with injunction application of villagers, but on an appeal, the Hon'ble District Court set aside (April 2014) the decision of Lower Court and allowed the interim injunction to the villagers. Due to which further no work was done at site.

As per last payment made to the contractor against xth running bill, it was found that payment to the tune of Rs. 18.40 lac was made for 2268.60 Mtr. Inlet channel and Rs. 55.49 lacs for other work such as S/S tank filter bed, clear water tank and boundary wall which are now in distorting condition and needs repair which will cost Rs. 20.00 lac now. Furthermore, Rs. 2.93 lac was spent on acquisition of land for inlet channel .

Since the commissioning of water works (due to incomplete inlet channel) has delayed too much, the department has decided to construct the inlet Channel by identifying the alternate route & the work for construction of inlet channel and Raw water sump for lifting of Raw water has been

allotted Vide EE. PHED No.1 Jhajjar memo No 6995 dated 22/08/2014, against estimate for completion of balance work & commissioning of water work in villages Bishan distt. Jhajjar. The Executive Engineer PHE Division No.1 Jhajjar has intimated latest status vide e-mail dated 30-08-2016 that site is not clear for execution of work of inlet channel from JLN Feeder to water works Bishan. DNIT of balance inlet channel to be executed due to left over portion of the award announced, missing pipes, dismantled pipes, not visible pipes, visible but in poor condition pipes as the work was executed from the year 2007 and onwards which was incomplete work. Presently the work is in progress and likely to be completed by 31-03-2017.

The Committee has desired that responsibility of the erring officers/officials be fixed and action taken report be submitted to the Committee within a period of one month.

[59] 3.5 Misappropriations, losses, defalcations etc:

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or negligence. Further, as per rule 2.34, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 137 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.58 crore on which final action was pending as of June 2014. The department wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6** The age-profile of the pending cases and the number of cases pending in each category theft and misappropriation/loss as emerged from these appendices is summarized in **Table 3.4**

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Age- profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. In Lakh)		Number of cases	Amount involved (Rs. In Lakh)
0-5	17	25.88	Case pending as of June 2013	144	160.45
5-10	30	39.22			
10-15	34	60.72	Cases added during the year	1	--
15-20	13	12.17			
20-25	19	15.62	Total	145	160.45
25 and above	24	4.65	Case of losses written off during the year	8	2.19
Total	**137**	**158.26**	**Total pending cases as of June 2014**	**137**	**158.26**

Reason for pendency of cases are listed in **Table 3.5**

Table 3.5: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reason for the delay/outstanding pending cases		Number of cases	Amount (Rs. In lakh)
i)	Awaiting departmental and criminal investigation	4	8.05
ii)	Departmental action initiated but not finalized	68	53.00
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending.	11	8.79
iv)	Awaiting orders for recovery or write off	4.	36.50
v)	Pending in the courts of law	14	51.92
Total		**137**	**158.26**

Out of the total loss cases, 65 per cent cases related to theft of Government money/store. Further, in respect of 50 per cent cases of losses, department action had not been finalized and 29 per cent cases were outstanding for want of orders of the competent authority for recovery or write off losses. It was further noticed that out of 137 cases of losses due to theft/misappropriation etc. 120 cases were more than 5 year old including 24 cases which were more than 25 years old. The lackadaisical approach of departments in finalization of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The department in its written reply stated as under:

As per report of CAG of India for the year ending 31.03.2013 there were 11 Cases of misappropriation, defalcations etc. involving a sum of Rs.19.39 lac relates to Public Health Engineering Department. The upto date position of cases is as under:-

Sr. No.	Description	No. of Cases	Para No.
1.	Total	11	
2.	Dropped	7	2,3,4 (ii, iii)5,6,7,8,9
3	Pending	4	1,4 (i), 10, 11

The Committee has desired that the disciplinary proceedings be concluded in a time bound manner and action taken report be submitted to the Committee within a period of four months.

RENEWABLE ENERGY DEPARTMENT

(Haryana Renewable Energy Development Agency)

[60] 3.17 Implementation of Solar Street Lighting Systems Programme:

GOI grant of Rs.1.24 crore could not be availed due to non-obtaining written consent from beneficiary department and an excess expenditure of Rs. 378 crore was incurred on procurement of 8,691 street lights with old specifications with lesser working life. Beneficiary share of Rs.2.96 crore was recoverable and undue favour was given to an agency.

The Haryana Renewable Energy Development Agency (HAREDA) was implementing Street Lighting Systems under Solar Photovoltaic (SPV) Programme in the State for providing street light in the villages and hamlets (dhanies) since 1997 and in urban areas since 2006-07. These systems ensure minimum lighting to avoid power cut and security threat to the public and can also be used for lighting public gardens and lawns thereby helpful in conserving electricity. In order to promote their use the Government of India (GOI) as well as State Government provide subsidies.

During 2009-10 to 2013-14, HAREDA incurred an expenditure of Rs.42.89 crore on installation of 25,801 SPV street lighting systems in the State against the target of27,091 systems. Records for the period 2009-10 to 2013-14 were test-checked in the offices of Director, HAREDA at Panchkula and five district project officers out of 21 project officers by selecting randomly with the objective to assess the functionality of the project. In addition to this, SPV street light system installations were physically verified alongwith departmental officers in five villages of selected five districts from July to September 2014.

Following major irregularities were noticed during audit:

(ii) Non- receipt of beneficiary share:

The HAREDA formulated (June 2009) a proposal for installation of 6,660 SPY street lights in all the 333 villages of district Sirsa (20 street lights in each village) for Rs.12.65 crore. District administration conveyed its consent in March 2010 for this project and was sanctioned by GOI in July 2010. Out of Rs.12.65 crore, Rs.3.80 crore were to be provided by GOI and balance Rs.8.85 crore were to be paid by the District Rural Development Agency (DRDA), Sirsa. Audit noticed that out of Rs.8.85 crore, the HAREDA had received Rs.5.94 crore from DRDA, Sirsa and balance amount of Rs.2.91 crore has not been recovered (November 2014). Similarly, HAREDA installed 150 SPV street lights in municipal area of Kamal in 2009-10. Out of total beneficiary share of total of Rs.0.14 crore (Rs.9100 per street light), Rs.0.05 crore, were recoverable from MC Kamal (November 2014).

This shows that HAREDA had carried out the work of installation of SPV street lights without getting beneficiary share in advance which resulted in blockade of HAREDA funds amounting to Rs.2.96 crore with DRDA Sirsa and MC Kamal. During an exit conference (February 2015), the Additional Chief Secretary, Power and Renewable Energy Department intimated that the

District Administration, Sirsa had committed to pay the amount before March 2015. Final action was awaited.

(iii) Irregular purchase of street lights:

The HAREDA had invited tenders for rate contracts for the supply of 2,500 SPV street lights in December 2009 and finalised the rate contract through High Powered Purchase Committee of the State for a period of one year in March 2010 at Rs.19,000 per street light. Subsequently, HAREDA had received the communication regarding the change in specifications of the street light in June 2010 applicable from 1 September 2010. HAREDA had also sought clarification on 13 August 2010 from the GOI about the purchase of street lights under the already finalised rate contract with earlier specifications, but without waiting for the response from the GOI, HAREDA placed the orders with three firms for 6,660 street lights in Sirsa district at a rate of Rs.9,000 on 30 August 2010 at a cost of Rs.12.65 crore (one day before the enforcement of new specifications). Even after the coming into effect of the new specifications, HAREDA further placed orders of 2,031 street lights as per the old specifications for Rs.3.86 crore under this rate contract. Thus the HAREDA procured 8,691 street lights with old specifications with lesser working life. **It** was also observed that HAREDA had procured 42 SPV street lights with LED (Light Emitting Diode) luminaries in May and June 2010 at a cost of Rs.14,650 per street light. By not purchasing the LED systems, the department made an excess expenditure of Rs.3.78 crore on purchase of 8,691 (6,660 + 2,031) street lighting systems and also deprived of the benefit of newer technology.

lu reply the Director, HAREDA stated (November 2014) that the orders were placed in order to implement the programme within the limited time frarne and further stated (December 2014) that the rate contract ofCFL was valid upto June 2011. The reply was not tenable as the HAREDA had not made objective assessment of the use of LED luminaries and continued on purchasing costly CFL based SPV street lights for more than one year. Further, the GOI had sanctioned the project of installation of 6,660 systems in July 2010 with a time limit upto 15 April 2011 while the specifications had been changed in June 2010 and 42 SPV street lights with LED luminaries were also installed in June 2010 and sufficient time of nine months (upto Apri12011) was available with the HAREDA for switching over to newer and economical technology. The Additional Chief Secretary during exit conference directed (February 2015) the departmental officers to submit an explanation after conducting proper inquiry. Final action was awaited.

(iv) Undue favour to contractor:

The Director, HAREDA issued (August 2010) a purchase order to a supplier for purchase of 2,220 SPV street lights for Sirsa district for Rs.4.22 crore. As per supply order, the equipment was to carry a warranty of two years and further comprehensive maintenance contract (CMC) of three years was to be provided to ensure that street lights may remain in working condition for a period of five years. The Project Officer, Sirsa intimated (September 2014) that 954 street lights costing Rs.1.81 crore installed by the above mentioned supplier in 112 villages were not in working condition. **It** was also observed that in six villages all the 120 street lights installed were not working. The HAREDA neither iuitiated any action for immediate repair of street lights nor encashed the bank guarantee kept as security from the supplier for the maintenance period of five years.

The Additional Chief Secretary during the exit conference directed (February 2015) the departmental officials to assess the estimated cost of repair and get them repaired after revoking the bank guarantee of the vendor. Final action was awaited.

The above points were referred (November 2014) to Principal Secretary, Renewable Energy Department; the reply was awaited (January 2015).

The department in its written reply stated as under:

- **Non- receipt of beneficiary share:**

Regarding non-receipt of beneficiary share from the District Administration of Sirsa (Rs. 2.91 crore), Karnal (Rs. 14.53 lacs) and other beneficiaries, it is informed that an amount of Rs. 9.36 lacs has been received from Karnal. In case of the outstanding amount from the District Administration, Sirsa, the matter has been followed up by HAREDA Director's DO No. 3392 dated 18.08.2010 (Annexure-VII), DO No. 4816 dated 05.10.2010 (Annexure-VIII) followed by reminders no. 6818 dated. 08.12.2010 (Annexure-IX), No. 7297 dt. 03.01.2011 (Annexure-X), No. 7603 dt. 14.01.2011 (Annexure-XI), No. 8754 dt. 3.3.2011 (Annexure-XII), No. 9150 dated 25.03.2011 (Annexure-XIII), No. 3189 dt. 21.07.2011 (Annexure-XIV), No. 5953 dt. 30.01.2012 (Annexure-XV), No. 4267-68 dt. 5.11.2012 (Annexure-XVI), No. 7151-52 dt. 18.2.2013 (Annexure-XVII), No.1293-94 dated 29.5.2013 (Annexure-XVIII), No.2331-32 dated 24.7.2013 (Anneure0XI), No.4608 dated 29.11.2013 (Annexure-XX) to the District Administration, Sirsa from time to time. In the review meeting of the District Officers, held on 12.1.2015 under the chairmanship of Director, HAREDA also, the concerned project officers were directed to follow up the matter and arrange to send the pending user share immediately.

Now Addl. Deputy Commissioner-cum-Chief project Officer Sirsa has informed that an amount of Rs. 16.32 lac has so far been recouped from the Gram Panchayats. Efforts are being made to recoup the remaining beneficiary share from the Haryali scheme/Gram Panchayats, BRGF Scheme and the District Plan.

These projects were implemented on the basis of the undertaking given by the District Administration/ Municipal Committee so, the para may be dropped.

The Committee has desired that the sincere and pragmatic efforts be made to make the recovery.

- **Irregular purchase of street lights:**

In this case, the Ministry sanctioned installation of 2118 solar street lights vide MNRE approval No.32/10/2010-11 PVSE Part-IV dated 13.9.2010 (Annexure-XXI) with release of Rs.60,00,000/- as first installment under the SPV Programme 2010-11. Accordingly, HAREDA placed the work order on the basis of rates finalized by the Special High Powered Purchase Committee which was available at that time and was valid upto 16.6.2011 after taking consent from the firms on the rate finalized by the Special High Powered Purchase Committee (Annexure-XXII) to supply the systems as per guidelines and specifications of the JNNSM as amended from time to time vide HAREDA letter No.4261 dated 17.9.2010 (Annexure XXIII). The consent of the firms is at Annexure-XIV A,B, C. Thereafter, HAREDA submitted the accepted copies of the work orders of 1986 systems containing specifications were forwarded to the Ministry vide letter No.5841 dated

11.11.2010 (Annexure-XXV). The Ministry has already accepted the project completion report of 2003 street lights and has settled the accounts of the project and has released the second installment of Rs.57,59,613/- vide sanction No.32/10/2010-11/PVSE (Part-IV) dated 30.5.2011 (Annexure-XXVI). In the entire matter, after examination of the case, it has been found that the Ministry has not objected to HAREDA work order and has settled the accounts, so this para is uncalled for.

The specifications of the system purchased under trail order of 42 lights and that of the purchase of 8651 lights are different and hence the variation in cost. The difference is as under :-

Sr. No.	Parameter	Trial order	Other purchase
1.	Module rating	45 watt costing Rs.6750	74 watt @ Rs.10,360
2.	Luminaire	LED 9 W @ Rs.1200	CFL 11 W @ Rs.250
3.	Battery	12 V 40 Ah @ Rs.3500	12 V 75 Ah @ Rs.6500
	Cost	11450	17,110

The performance of the systems purchased on trial order was not observed for a fairly long time to establish its reliability when the other purchase was made. Also at that time, LED based street lights were not included in the MNRE specifications for grant of CFA. HAREDA had made the trial purchase on its own even before the MNRE finalized its specifications for LED based street lights. The CFL based street lights have better illumination also. The above explanation/ facts have been submitted to ACS-RE on the file and approved and the reply was sent to the PAG (Audit) vide letter No.5624 dated 31.3.2015 (Annexure-XXVII).

Hence, the para may be dropped.

The Committee has desired that the matter be gone through carefully and a report be submitted to the Committee.

- **Undue favour to contractor:**

In order to repair these defective solar street lights from local market, HAREDA had enchased the Bank Guarantees of the supplier amounting to Rs. 57, 26,700/-. But the supplier filed a CWP in the Hon'ble Punjab & Haryana High Court in the matter. The Hon'ble Punjab and Haryana High Court, Chandigarh (in CM No. 6835 of 2015 in CWP No. 8982 of 2015 of M/S RGVP Energy Sources versus State of Haryana and others) has passed interim orders that an amount equal to these Bank Guarantees be deposited as fixed deposit in a Nationalized Bank and the same shall be kept as it is, till further orders. So therefore, the amount of Rs. 57,26,700/- has been deposited in shape of FDR with State Bank of Patiala, Manimajra, Chandigarh. Thus, the matter is subjudice & the next date of hearing is fixed for 20.01.2017.

Addl. Deputy Commissioner-cum-Chief project Officer Sirsa is making efforts to get the systems repaired by the supplier firm for which the latest letter to the supplier firm has been sent vide Memo No.576 dated 4.10.2016.

The Committee has desired that State interest be protected meticulously before the Hon'ble High Court.

SPORTS AND YOUTH AFFAIRS DEPARTMENT

[61] 3.19 Unfruitful expenditure on procurement of basketball poles:

Unfruitful expenditure of Rs.66.11 lakh incurred on installation of 85 basketball poles due to non-preparation of basketball grounds as per prescribed norms.

Government of India (GOI), Ministry of Youth Affairs and Sports implemented (May 2008) a scheme "Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA)" across the country on sharing basis of 75:25 between the Centre and the State Government. PYKKA aims to ensure sports development as an integral aspect of youth development by providing network of basic sports infrastructure and equipment at the Panchayat level, universal access to sports in rural areas and encouraging sports and games in rural areas through annual competitions at the block, district, state and national level. One time Capital Grant of Rs.1 lakh for the development of sports infrastructure/facilities at Village Panchayat level was earmarked for villages having minimum population of 4600 and preference was to be given to schools for the creation of playfields/sports infrastructure at village and block Panchayats.

Scrutiny of records (March to May 2014) of the Sports and Youth Affairs Department, Government ofHaryana for the period 2008-09 to 2013-14, showed that Haryana Government incurred an expenditure of Rs.11.45 crore on purchase of 1450 sets of basketball poles under the scheme and subsequent erection of the same in 1450 PYKKA centres of the State. Further, scrutiny of records in the offices of District Sports and Youth Affairs Officers (DSYAO), Kamal, Kurukshetra and Ambala as well as physical survey conducted (April-May 2014) by an audit team alongwith coaches of Sports Department of 87 PYKKA centres out of 352 centres in these districts opened during the period 2008-09 to 2012-13 showed that 85 sets of basketball poles in 85 centres amounting to Rs.66.11 lakh were lying unused due to the following reasons:

- Basketball courts were not prepared as per sports manual in these85 PYKKA centres.
- In 11 PYKKA centres Basketball Poles were lying uprooted.
- In three PYKKA centres (Jatwar, Shahpur and Nanyola in Ambala district) trees were standing in between Basketball Courts.
- Poles were erected in water logged area in two centres at village Gheer in Kamal district and Tandwal in Ambala district.
- In one centre, Basketball poles were erected under high tension wires and there was also pavement in the ground.
- In 17 PYKKA centres, basketball poles were standing in between forestry plant and grass.
- In eight PYKKA centres, basketbal poles were standing without board and ring and broken board.

- In two centres, kho-kho pole and volleyball poles were standing in between basketball poles.
- In 32 institutions, youth of villages in the area were not interested in playing the basket ball game and were interested to play games like volleyball, hockey, cricket, kabaddi etc.

As per instructions issued (August 2011) by the Director, Sport& and Youth Affairs Department, Government of Haryana. all PYKKA centres were to be inspected by coaches every month and by the DSYAO concerned every quarter and report was to be sent by every 5th of the next month to the Director, Sports Department in order to ensure that the scheme was being implemented properly. It was observed in audit that neither coaches nor DSYAO of these districts had inspected any PYKKA centres. Resultantly, these centres were lying abandoned due to lack of care and monitoring.

Thus, installation of basketball poles where basketball grounds were not prepared as prescribed in the guidelines, without proper planning and follow up action rendered an expenditure of Rs.66.11 lakh incurred on procurement of basketball poles for 8S PYKKA centres unfruitful.

The Principal Secretary, Sports and Youth Affairs Department stated (September 2014) that only Rupees one lakh one time grant was received from the GOI for each village for block level infrastructure. This amount was not sufficient for R.C.C. ground. However, action would be taken against negligent officials for their negligence and instructions have been issued (June 2014) to all Deputy Directors for conducting inspections of PYYKA centres. Outcome of such inspections, if conducted had not been intimated to Audit (January 2015).

The department in its written reply stated as under:

1. No grant has been received for construction R.C.C Basketball Court Only. Rs 1.00 lakh one time grant was given by GOI for each village for block level infrastructure. This amount is not sufficient for R.C.C ground.
2. Panchayat Yuva Krida Aur Khel Abhiyan (PYKKA) scheme has been renamed and revamped as Rajiv Gandhi Khel Abhiyan (RGKA) w.e.f 01-04-2014 in place of PYKKA. In new scheme block level stadium will be constructed in each block with an estimate of Rs. 80.00 lakh outdoor games and 80.00 lakh for indoor games.
3. The Basketball poles were purchased as par requirement of District Sports & Youth Affairs Officers. Specimen such requirement/demands of the DSYAO`s have already been sent to AG Haryana vide letter no 22461, dated 01/07/2014. (**Annexture-A)**
4. Non consumable sports items are essential for training. These were purchased as par operational guidelines items No.8.1.2. **(Annexture-B)** These items are purchased on the recommendations of District Sports and Youth Affairs Officer suiting to available sports talent. Training of sports is being imparted by the Kridashrees. The department requited 252 coaches of different disciplines for the better function of PYKKA centre and there after proper utilization of sports equipments purchase under PYKKA scheme. The non consumable sports equipments are installed in all those schools where PYKKA were setup. The equipments are sent as par the requirement sent by the District Sports And Youth Affairs Officers whether it is basketball, volleyball and football or any others as

par the talent of the game available in a particular area. If Ambala Kurukshetra and Karnal are not particular area. If Ambala, Kurukshetra and Karnal are not using basketball Poles as par your survey action will be taken against negligence responsible for it. In this regard in this instructions have been issued to all Dy. Directors at H.Qs for conducting inspection vide letter No. Sports Nursery-2014/21300-330 dated 23-06-2014. (**Annexture-C)**

As per audit report necessary direction to DSYAO Ambala, Karnal and Kurukshetra vide department letter no. 18990-92 dated 08.06.2015 was issued to report regarding actual position of basketball's polls.(Annexture) Concerned DSYAOs have reported that basketball polls have been fixed at PYKKA centers and all these are running smoothly. In view of above report received from concerned Districts, kindly drop the above para.

The Committee has desird that district-wise detailed report, where sports equipments were supplied with the latest position as to whether those sports equipments are being used there or not, be submitted to the Committee within a period of two months.

TRANSPORT DEPARTMENT

[62] 3.21 Employment of bus conductors in excess of requirement:

Appointment of conductors without the availability of buses resulted in avoidable expenditure of Rs. 9.93 crore.

The Reservation Policy (July 1995) of the State Government provides for 20 *per cent* reservation for Scheduled Castes (SCs) in direct recruitment to Class III and Class IV posts. Further, as per norms (August 2009), the department requires 1.4 bus conductors for operating an ordinary bus and requires 2.5 bus conductors for plying city bus service.

The department had the strength of 6,036 bus conductors for operating the fleet of 3,141 of buses in February 2009 when the Transport Commissioner sent a requisition to Haryana Staff Selection Commission (HSSC) for recruitment of 2,480 bus conductors by working out the vacancy position for proposed fleet of 3,870 buses. Another requisition for the recruitment of additional 1,357 bus conductors was sent in July 2009 against the vacancies to be generated by retirements (212), promotions (770) and proposal for purchase of additional 268 buses (375), making the total proposed fleet of 4,138 buses. The requisitions were sent as per reservation policy and in accordance with the vacancies to be generated in each category.

The HSSC advertised for 3,837 posts of conductors in February and August 2009 and after completion of recruitment process, sent (February 2012) a list of 3,507 successful candidates to the Department in order of merit of all categories. The validity period of the list was one year from the date of issue of the letter by the HSSC. At that time (February 2012), the available vacancies were only 1,788 calculated on the basis of authorised fleet strength of 3,672 buses.

The Government decided (March 2012) to offer appointment to 1,788 candidates out of the list of 3,507 candidates in the order of merit and to appoint remaining candidates in accordance with actual availability of vacancies by holding counselling after every six months. Accordingly, 1,788 appointments were made in April 2012 for various depots, which included 173 SCs against the requisite number of 357 conductors (20 *per cent* of 1,788).

Various social organisations protested for not appointing appropriate number of SC candidates. Acting upon these representations, the Government appointed (June 2012) all the remaining 1,719 candidates and as per men in position statement the total strength of conductors became 7,754. By this, the number of conductors exceeded between 240 and 1,316 during the period May 2012 to December 2013 without availability of buses which resulted in avoidable expenditure of Rs.9.93 crore *(Appendix 3.5)* on salaries of these conductors.

The Director General, State Transport Department while accepting the facts stated (May 2014) that 1,788 bus conductors were appointed on seniority basis from the list of 3,507 selected candidates by HSSC. Thus, the appointment of conductors without the availability of buses resulted in avoidable expenditure of Rs.9.93 crore upto December 2013 on account of salaries paid to conductors appointed in excess.

The matter was referred (May 2014) to Principal Secretary, Transport Department; the reply was awaited despite repeated reminders (January 2015).

The department in its written reply stated as under:

It is submitted that:

1. The requisition of no. of conductors was sent to HSSC on **04.06.2007 = 1910 (Annexure-I).** The advertisement of 1910 posts was published by the HSSC vide Advt. No. 4/2008.

2. HSSC recommendation of no. of conductors sent to Department on **25.06.2008 = 1652 (Annexure-II).**

3. Shortfall (no. of vacancies under reserved categories left vacant as per above) = **1910-1652 = 258.**

   Above **258** shortfall conductor posts were considered again by HSSC as vacant back log and recommended list of **237** no. of conductors in year 2008 against above **258** shortfall vacancies of conductors. It is mentioned that these 237 selected candidates consist of all reserve category such as ECM-Gen. (25), ECM-SC (53), ECM-BCA (60), ECM-BCB (52), OSP-Gen (25), OSP-SC (7), OSP-BCA (3), OSP-BCB (4), OSP-ESM-Gen (3), OSP-ESM-SC (1), OSP-ESM-BCA (2) , OSP-ESM-BCB (2). **(Annexure-III).** HSSC vide letter dated 06.06.2012 to this office informed that 21 posts i.e. ESM-SC=16, OSP-SC=4 and OSP-ECM-SC=1 remained vacant due to non-availability in these categories and advised that the selected candidates in the waiting list should not be considered against the fresh vacancies. **(Annexure-III-A).**

4. Department vide memo no. 2613/A1/E3 dt. 27.02.2009 sent requisition to HSSC for recruitment of 2480 conductors as per service condition of drivers and conductors of Haryana Roadways regulated by Haryana Transport Department (Group "C") Haryana Roadways Service Rules 1995 as amended time to time **(Annexure-IV)** wherein the department could not clarify HSSC about 258 shortfall vacancies of conductors and included 258 no. of conductor posts while sending it to HSSC about its requirements of 2480 conductors on dated 27.02.2009.

5. Again Department vide memo no. 9793/A1/E3 dt. 29.07.2009 to HSSC informed to recruit 1357 conductors **(Annexure-V)** wherein the department could not clarify HSSC about 258 shortfall vacancies of conductors.

6. Above 2480 + 1357 = 3837 nos. of posts were clubbed and HSSC advertised to fill these posts in year 2009 **(Annexure-VI).**

7. Out of above 3837 nos. of posts of conductor (Serial no. 6), 3507 nos. of conductors were recommended by HSSC on 09.02.2012 **(Annexure-VII)** which means there was a shortfall of 3837-3507 = 330 nos. of conductors in year 2012.

8. To accommodate these 237 conductors mentioned at serial no. 3, a proposal was sent to Finance Department for creation of 164 posts of conductors in Haryana Roadways. Finance department agreed to the proposal of administrative department for creation of 164 posts of conductors subject to the condition that letters for joining to these conductors be issued only after drivers are there with a view to ensure that a ludicrous situation does not arise where there was no drivers for buses but conductors are spare.

Finance Department approval letter further requested Administrative Department to review the Administrative/Disciplinary action taken by the department against the employees/Officers responsible for this grave lapse i.e. on requisition by the department much beyond the sanctioned strength. Finance Department approval letter number 2/5/2012-1FG-II/12473 dt. 21.12.12 is enclosed for reference **(Annexure-VIII).**

It is admitted that during the counseling/recruitment of candidates to the post of conductors in the year 2012, neither the sanctioned strength of Conductors nor reservation policy was followed. The counseling was made strictly in accordance with merit and not category wise merit. The recruitment of conductors were processed by the department on the assumption that the fleet strength of buses would be increased by 4500 buses by adding 1000 new buses by the end of 11th Five Year Plan i.e. by 31.03.2012 **(Annexure-IX)**. However the department could not increase / add the fleet of buses by 4500 as per schedule whereas the recruitment of conductors was finalized during the period resulting excess recruitment of conductors.

After creation of 164 new posts of conductors with the concurrence of Finance Department, all selected 237 candidates were offered appointment as 73 posts of conductors under reserved categories were already lying vacant as on 28.08.2012.

Thus, keeping in view above factual position, it is admitted that there were some deviations w.r.t. the selection of conductors i.e. (i) Not following the procedure of appointing conductors category wise on the basis of merit of each category (ii) Excess conductors recruited during the period. The department will now initiate administrative/disciplinary action against the erring officers /officials for the grave lapse as mentioned in Finance Department approval U.O No. 2/5/2012-1 FG-II/12473 dated: 21.12.2012.

It is further mentioned that the average bus fleet strength during the year 2013-14 was 4025, during year 2014-15 it was 4212, during year 2015-16 it was 4208 and during year 2016-17 (upto August 2016) it was 4245. All the excess conductors recruited during year 2012-13 has been absorbed in subsequent years with the increase in bus fleet strength and at present there are vacancies of 930 conductors for which the department has already sent its requisition to HSSC vide letter dated 26.08.2016 for recruitment as per Haryana Roadways Service Rules, 2011 **(Annexure-X).**

It is therefore requested the para may kindly be dropped.

The Committee has viewed it very serious that despite the categorical directions of Finance Department issued in 2012 to fix responsibility of the erring officers in the matter, the Transport Department has taken no action and even today the department is saying that the action will be taken. It has been observed that huge loss of about Rs.10.00 crore has been causued to the State exchequer either knowingly or due to gross negligence on the part of the Departmental officers. The Committee has, therefore, recommended that responsibility of the defaulting officer(s) in the matter be fixed within a month positively and action taken report be submitted to the Committee.

[63] 3.22 Avoidable loss due to procurement of buses violating CMVR:

The procurement of buses violating the provisions of CMVR, 1989 resulted in loss of Rs.92.88 lakh on account of net revenue loss due to non-plying of buses, expenditure on replacement of side glasses and penalty paid.

Rule 100 (2) of Central Motor Vehicle Rules (CMVR), 1989 provided that the glass used for side windows of vehicles should be maintained in such a condition that the visual transmission of light is not less than 50 *per cent* and conforms to Indian standards.

The Director General, State Transport (DGST) invited offers in October 2011 and with revised terms and conditions in November 2011, from Mercedes Benz India Private Limited, New Delhi and M/s Volvo Buses India Private Limited, New Delhi (M/s Volvo) for supply of 25 air-conditioned luxury buses for operation in Haryana Roadways without mentioning the above specification of window glasses. Both the manufacturers submitted their offers in November 2011, which *inter alia* stated that their buses would be meeting CMVR Rules, 1989.

A technical committee of the department found (November 2011) the offers of both the manufacturers as per the requirement of the department. The High Power Purchase Committee headed by the Finance Minister approved (December 2011) the offer of M/s Volvo being the lowest. Accordingly, the DGST issued (December 2011) a supply order to M/s Volvo to supply 25 air conditioned luxury buses at a cost of Rs.20 crore and Joint State Transport Controller (Technical) issued (January 2012) detailed specifications of bus body which included side glasses to be dark grey toughened glasses which was not in accordance with the Rule 100 (2) of the CMVR, 1989. The buses were inspected by General Manager (Technical), HREC, General Managers, Haryana Roadways, Karal, Gurgaon and Chandigarh before taking the delivery and the delivery was taken between February and June 2012. As the buses were not complying with the provisions of Rule I00(2) of CMVR, 1989 and tinted glasses were beyond the permissible limit, Delhi Police challaned (December 2012 and January 2013) these buses during their operation in Delhi and the department paid a penalty of Rs.1.14 lakh. As such, department had to put these buses off the road and an expenditure of Rs.34.41 lakh was incurred for replacement of glasses. Department had also suffered a loss of revenue amounting to Rs.57.33 lakh for keeping the buses off road.

On being pointed out the DGST stated (July 2013) that though the specification sheet included dark grey toughened side window glasses and requirement of quantum of visual light transmission within the permissible limit of CMVR, 1989 was not mentioned, the manufacturer, M/s Volvo Buses Pvt. Limited was expected to use items as per CMVR, 1989. It was further intimated (May 2014) that the department was seeking arbitration in this case. The reply was not acceptable as the department had procured buses not meeting the requirements of Rule 100 (2) of CMVR, 1989 which resulted in avoidable loss of Rs.92.88 lakh.

The matter was referred to Principal Secretary, Transport Department (May 2014); the reply was awaited despite repeated reminders (January 2015).

The department in its written reply stated as under:

This Department received administrative approval of Hon'ble CM to purchase 25 air conditioner buses on dated 21.09.2011. Accordingly, after receipt of the most competitive rates

from M/s Volvo and M/s Mercedes Benz Ltd. a committee of technical officers was constituted on 14.11.2011 by the then DGST to examine formalities for purchase of Air Conditions buses. A meeting of HPPC convened on dated 16.12.2011under the Chairmanship of Hon'ble FM decided to purchase these buses from M/s Valvo India Pvt. Ltd. on revised offered rate submitted before the committee. Accordingly to above decision DIRECTOR GENERAL STATE TRANSPORT-cum- Managing Director, HREC, Gurgaon issued a supply order to purchase 25 Air conditioned fully built up buses on multi axle (3 Axle) Volvo 9400 B9R 6*2 Model Buses on dated 29.12.2011with cost of Rs. 20.00 crore @ Rs. 80 lac per bus including 2% tax against CST form 'C'.

Front and rear wind screen Glasses of the buses should be according to the provisions of rule 100(2) (Page 72) of CMVR and visibility of front & rear side glasses should not be less than 70% and for side glasses it should not be less than 50% and as per BIS specifications (IS-2553).

In the supply order issued by the department to M/s Volvo India Pvt. Ltd. There was no mention of window glass sheet. However, in a separate specification indicate it was mentioned that side glasses should be dark toughened Grey without indicating any transparency. All the manufacturers of buses manufacture their buses according to the specifications of CMVR, 1989. During the checking of side glasses of these buses in the laboratory after their arrival and use in the depots these window glass were not according to the provisions of CMVR, 1989. These buses were plying on route after registration. Hon'ble Supreme Court has banned any type of black film and pasting of film on front rear glasses on the vehicles vide its orders in CWP No. 265 of 2012 dated 27.04.2012 and directed Delhi Police for strict compliance of this order. The order of Hon'ble Supreme Court thus came into force from 04.05.2012. Haryana Roadways received the ordered buses in different batches upto June, 2012 and put these buses in operation after their registration and arranging insurance. In December, 2012, an unfortunate an incident of rape happening in Delhi victim(Nirbhaya).

After the above incident, on the pretext of above order of Hon'ble Supreme Court, Delhi Traffic Police started to challan /impound the above these Volvo buses without examination of visibility of window glasses. Therefore, due to above reason, a meeting of the officers was held in DGST office at Chandigarh with representatives of M/s Volvo India Pvt. Ltd. which was convened on 29.01.2013 at HQ and it was decided to get replaced the side glasses of these Volvo buses with clear window glasses @Rs. 92264 and Rs. 37000/- as labour charges without tax.

It is pertinent to mention here that the online ticketing for these buses was being provided for a long time and amount of online ticketing was refunded and a monetary loss happened to department due to non-plying of volvo buses on scheduled time and route. During the month of March/April, 2013, an expenditure of Rs. 34.41 lac was incurred comes for replacing the side glasses and penalty of Rs. 1.14/- lac was also borne by the Department for the impounded buses. The passengers had faced difficulties for reaching their destination due to the buses stopped by the Traffic Police, Delhi at different check posts and the reputation of Department badly damaged. That's why department replaced all the side tinted glasses of volvo buses with fully transparent glasses and these buses were not sent on route till the replacement of side glasses. Moreover, these buses had covered more than 1,80,000 K.M. per bus before replacement of side glasses after their registration till the date of replacement of these glasses.

Therefore consideration of unfortunate incidents happened in NCR and to strict compliance of decision of Hon'ble Supreme Court by Delhi Police, side glasses of all AC buses

were replaced with fully transparent glasses and the above unavoidable expenditure incurred due to this . So it is requested that above para may be dropped, please.

The Committee has desired that a detailed report in the matter; firstly, whether the purchase orders were as per the specifications; secondly, supply has been accepted without any verification and questioning; and thirdly, the inspection report of the glasses purchased in lots be gone through be submitted to the Committee within a period of two months positively.

WELFARE OF SCHEDULED CASTES AND BACKWARD CLASSES DEPARTMENT

[64] 3.23 Deficiencies in implementation of the schemes for 'Welfare and Protection of Girl Child':

Delay of five to 32 months was observed in release of Vivah Shagun to 1,082 claimants. Rs.10.95 crore were paid to 5,153 beneficiaries under the Ladli Social Security Allowance Scheme without proper verification. 4,000 girl students were deprived of yoga classes and self defence training. The sex ratio of girl child had decreased in Jind and Hisar during the period 2009-14.

The State Government was implementing eight schemes/programmes with the objectives to improve the status of girl child in the family and society, to correct the demographic distortions in terms of decreasing sex ratio in the State and to meet the sociological and health needs of the girl child.

Records of four schemes relating to girl child for the year 2009-14 was test checked in audit by covering three districts (Kamal, Hisar and Jind) during the months of May and June 2014. The important findings are as under:-

(ii) Indira Gandhi Priyadarshini Vivah Shagun Scheme (SC/BC Welfare Department):

Indira Gandhi Priyadrashini Vivah Shagun (IGPVS) scheme provides financial assistance on the occasion of the marriage of the daughters of SC/BC and other sections of the society living below the poverty line (BPL). As per guidelines of the scheme, all efforts were to be made by the concerned authorities to ensure that the grant is disbursed on or before the date of marriage. Against Budget provision of Rs.44.95 crore expenditure of Rs.43.32 crore was incurred in the test checked districts during 2010-14.

In 1,082 cases out of 2,232 the Vivah Shaguns (Kanyadan) were paid with a delay of 5 to 32 months from the receipt of applications of the claimants involving amount of Rs.2.23 crore which defeated the objective of the scheme. The District Welfare Officers (DWOs) Kamal, Jind and Hisar stated (June 2014) that the reasons for delayed payments were shortage of staff, non availability of budget and non completion of application forms. The reply was not tenable as adequate budget was available under the scheme and payments were to made before marriage of the girl.

Actual Payee's Receipts (APRs) worth Rs.15.36 lakh in 109 cases relating to 2009-10 were not available in DWO, Jindt in the absence of which genuineness of payments to actual payees could not be verified in audit. The DWOt Jind stated (June 2014) that the concerned Assistant who had been transferred from DWO, Jind to DWO, Bhiwani in Sept.

Name of District	5 months-10 months	11 months-24 months	25 months-32 months	Total
Karnal	89	260	0	349
Hisar	118	123	6	247
Jind	318	168	0	486
Total	525	551	6	1,082

2012 did not hand over the full charge as such APRs could not be made available. The reply was not tenable as the DWO was responsible for retaining APRs in the office.

The department in its written reply stated as under:

A comment has been made as regards unduly belated payments of the Vivah Shagun amounts to the claimants/beneficiaries in the district of Karnal, Jind and Hisar. The observation of the CAG is record base. The Comments has been obtained from the DWO concerned. Reasons for delayed as enumerated by the field officers are not acceptable to the department. In this situation the department shall be initiated the required administrative/disciplinary action after fixing responsibility in each case.

Secondly it is proposed to issue standing instructions to the field functioning to ensure payments of Vivah Shagun amount as per the scheme on or before the date of actual wedding day. In order to curtail instances of arbitrary rejection or filing of case/application it is also been decided to make it binding on the field officers concern to send each case with full justification for the decision of the Director General Welfare of SC/BC Department Haryana. No application should therefore be rejected without prior written approval of Director General. The Department has issued charge sheet to Sh. Lal Chand, Tehsil Welfare Officer, Gurgaon, Sh. Jaidev Sharma, District Welfare Officer, Jhajjar, Sh.Baru Ram, Accountant-cum-Clerk, O/o DWO, Fatehabad, Sh.Rajvir Sharma, Tehsil Welfare Officer, Hodal, Sh.Surender Kumar, Tehsil Welfare Officer, Rohtak, Sh.Balwan Singh, District Welfare Officer, Fatehabad, Sh.Suresh Kumar, District Welfare Officer, Narnaul and Sh.Ram Kumar Saini, Tehsil Welfare Officer, Ratia under Rule 4(a) of Haryana Civil services (Punishment and Appeal) Rules, 2016 in this case. However, Sh. Mohamad Istiyak, District Welfare Officer has retired on 30.06.2015.

The Committee has desired that the disciplinary proceedings against the defaulting officers/officials be concluded in a time bound manner and status report be submitted to the Committee within a period of two month.

RURAL DEVELOPMENT DEPARTMENT

[65] 3.1 Delay in furnishing utilization certificates:

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilization certificates (UCs) for the grants provided for specific purposes, should be obtained by Departmental Officers from the guarantees. After verification, there should be forwarded to the Accountant General (A & E) within a reasonable time unless a specific time limit is fixed by the sanctioning authority. However, of the 2998 UC's due for submission in respect o grants and loans aggregating Rs. 7,771,22 crores, 1,291 UC's for the aggregate amount of Rs.3,691,25 crores were in arrears. The Department –wise break up of UCs due received and outstanding as on 31 March, 2014 is given in Appendix 3.1. The age-wise delays in submission of UCs is summarized in Table 3.1:-

Table 3.1: Age-wise arrears of Utilization Certificate

(Rs. In crore)

Sr. No.	Range of delay in number of years	Total Grants paid		Utilisation Certificate outstanding	
		Number	Amount	Number	Amount
1.	0-1	1,400	4,418.51	925	2,709.62
2.	1-3	1,132	2,512.99	432	827.60
3.	3-5	466	845.72	34	154.03
Total		**2,998**	**7,777.22**	**1,391**	**3,691.25**

Table 3.1 shows that out of 1,391 outsanding UCs, 466 UCs (34 percent) were in arrear for the grants released during the period between 2008-09 and 2011-12.

Analysis of Appendix 3.1 shows that out of total 1,391 outstanding UCs, 747 UCs (54 percent) were outstanding from Rural Development Department. This not only indicates lack of internal control of Administrative departments but also shows the tendency on the part of the Government to go on disbyursing fresh gants without ascertaining proper utilization of earlier grants.

The department in its written reply stated as under:

Rural Development Department, Haryana has to major heads namely 2501-SPRD and 2505-RE for release of State Share all the utilization Certificates upto 2010-11 under major head 2501-SPRD and 2505-RE has already been submitted to principal accountant General, Haryana. The completion certificate received from principal Accountant General, Haryana on **Flag 'A'.** The latest position regarding Utilisation Certificate upto 2012-13 in respect of Major Head 2501-SPRD and 2505-RE is as under:-

The detail of Utilisation Certificate is as under:-

Year	Head	Release	Pending UCs
2011-12	2501-SPRD	1763.00	Nil
2011-12	2505-RE	32821.99	42.10
2012-13	2501-SPRD	1637.025	Nil
2012-13	2505-RE	40462.50	Nil

The Committee has desired that sincere and pragmatic efforts be made to obtain the Utilization Certificates and the Committee as well as PAG, Haryana be informed accordingly.

URBAN LOCAL BODIES DEPARTMENT

[66] 3.1 Delay in furnishing utilization certificates:

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilization certificates (UCs) for the grants provided for specific purposes, should be obtained by Departmental Officers from the guarantees. After verification, there should be forwarded to the Accountant General (A & E) within a reasonable time unless a specific time limit is fixed by the sanctioning authority. However, of the 2998 UC's due for submission in respect o grants and loans aggregating Rs. 7,771,22 crores, 1,291 UC's for the aggregate amount of Rs.3,691,25 crores were in arrears. The Department –wise break up of UCs due received and outstanding as on 31 March, 2014 is given in Appendix 3.1. The age-wise delays in submission of UCs is summarized in Table 3.1:-

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Table 3.1 shows that out of 1,391 outsanding UCs, 466 UCs (34 percent) were in arrear for the grants released during the period between 2008-09 and 2011-12.

Analysis of Appendix 3.1 shows that out of total 1,391 outstanding UCs, 747 UCs (54 percent) were outstanding from Rural Development Department. This not only indicates lack of internal control of Administrative departments but also shows the tendency on the part of the Government to go on disbyursing fresh gants without ascertaining proper utilization of earlier grants.

The department in its written reply stated as under:

In this regard, it is submitted that Principal Accountant General (A & E) Haryana Chandigarh has sent list of outstanding UCs vide memo No.DC-1/GIA/2217/2015-16/760, dated 18.01.2016 (annexure A") in which it is shown that 4 number UCs are outstanding for the year 2012-13. This list has reconciled with the record of the Department and it is found that 22 number UCs are outstanding for the year 2011-12 and 52 number UCs are outstanding for the year 2012-13, the details of which is under :-

Year	Outstanding UCs	Total amount of grant	Balance amount
2011-12	22	53039.98	31195.72
2012-13	52	75664.65	39962.36

In this regard, it is submitted that Grant-in-aid sanction by the Government for most of the development works is distributed to all Municipal Corporation/Councils/Committees in a fixed proportionate and after the Utilization of funds by all respective ULBs consolidated utilization certificate each sanctioned grant is sent to Principal Accountant General (A&E). The DO letter has been issued to all Deputy Commissioners/Commissioners, Municipal Committees on dated 05.10.2016 (Annexure 'B') for obtaining outstanding Utilization certificates. Therefore, it is requested that strenuous efforts are being made to obtain outstanding Utilization certificates from Municipal Corporations/Municipal Councils/ Municipal Committees and as soon as the same will be received these will be sent to Principal Accountant General (A&E) Haryana Chandigarh.

The Committee has desired that sincere and pragmatic efforts be made to obtain the Utilization Certificates and the Committee as well as PAG, Haryana be informed accordingly.

PUBLIC RELATIONS DEPARTMENT

[67] 3.1 Delay in furnishing utilization certificates:

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilization certificates (UCs) for the grants provided for specific purposes, should be obtained by Departmental Officers from the guarantees. After verification, there should be forwarded to the Accountant General (A & E) within a reasonable time unless a specific time limit is fixed by the sanctioning authority. However, of the 2998 UC's due for submission in respect o grants and loans aggregating Rs. 7,771,22 crores, 1,291 UC's for the aggregate amount of Rs.3,691,25 crores were in arrears. The Department –wise break up of UCs due received and outstanding as on 31 March, 2014 is given in Appendix 3.1. The age-wise delays in submission of UCs is summarized in Table 3.1:-

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Table 3.1 shows that out of 1,391 outsanding UCs, 466 UCs (34 percent) were in arrear for the grants released during the period between 2008-09 and 2011-12.

Analysis of Appendix 3.1 shows that out of total 1,391 outstanding UCs, 747 UCs (54 percent) were outstanding from Rural Development Department. This not only indicates lack of internal control of Administrative departments but also shows the tendency on the part of the Government to go on disbyursing fresh gants without ascertaining proper utilization of earlier grants.

The department in its written reply stated as under:

Grant-in aid of Rs.561 Lac released by this Department to the languages academics and others institutions related to Art & Culture during the year 2012-13. As per attached statement UC's related to these Grants has already been sent/submitted to PAG office by letter No. IPRDS (Cul.)-2016/7717, dated 14-07-2016 (copy enclosed) and Audit parties during their visit in this office from time to time. So PAC is requested to drop this para.

The Committee has desired that the facts be got reconciled with the office of Principal Accountant General, Haryana under intimation of the Committee.

[68] 3.5 Misappropriations, losses, defalcations etc:

Rule 2.33 of the Punjab Financial Rules, as applicable to Haryana, stipulates that every Government employee would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or any loss arising from fraud or negligence on the part of any other Government employee to the extent that he contributed to the loss by his own action or

negligence. Further, as per rule 2.34, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 137 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs. 1.58 crore on which final action was pending as of June 2014. The department wise break up of pending cases and age-wise analysis is given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6** The age-profile of the pending cases and the number of cases pending in each category theft and misappropriation/loss as emerged from these appendices is summarized in **Table 3.4**

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Age- profile of the pending cases			Nature of the pending cases		
Range in years	Number of cases	Amount involved (Rs. In Lakh)		Number of cases	Amount involved (Rs. In Lakh)
0-5	17	25.88	Case pending as of June 2013	144	160.45
5-10	30	39.22			
10-15	34	60.72	Cases added during the year	1	--
15-20	13	12.17			
20-25	19	15.62	Total	145	160.45
25 and above	24	4.65	Case of losses written off during the year	8	2.19
Total	**137**	**158.26**	**Total pending cases as of June 2014**	**137**	**158.26**

Reason for pendency of cases are listed in **Table 3.5**

Table 3.5: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reason for the delay/outstanding pending cases		Number of cases	Amount (Rs. In lakh)
i)	Awaiting departmental and criminal investigation	4	8.05
ii)	Departmental action initiated but not finalized	68	53.00
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending.	11	8.79
iv)	Awaiting orders for recovery or write off	4.	36.50
v)	Pending in the courts of law	14	51.92
Total		**137**	**158.26**

Out of the total loss cases, 65 per cent cases related to theft of Government money/store. Further, in respect of 50 per cent cases of losses, department action had not been finalized and 29 per cent cases were outstanding for want of orders of the competent authority for recovery or write off losses. It was further noticed that out of 137 cases of losses due to theft/misappropriation etc. 120 cases were more than 5 year old including 24 cases which were more than 25 years old. The lackadaisical approach of departments in finalization of these cases had not only caused loss to the State exchequer but also failed to take timely action against the officers/officials at fault.

The department in its written reply stated as under:

In reply to this sub para it is submitted that a Government vehicle No.HR-26AC-0288 was theft on 26.7.2006 from the house No.873 Sector-3, Rewari which was the residence of Sh.Satish Kumar Joshi the then Deputy Director. The FIR was lodged in the Police Station Rewari on 27.7.2006. The Police had issued untraceable report of theft of the vehicle on 19.2.2007. Sh. Satish kumar Joshi was issued charge sheet under Rule 7 of Punishment and Appeal Rules, 1987 on 19.6.2012 by the Government. After receipt of the enquiry report the Principal Secretary to Government Haryana Information and Public Relations Department had issued order of recorded warning to Sh. Satish Kumar Joshi vide no.1/57/10-IPP, dated 19.6.2012. The case regarding theft of Government vehicle No.HR-26AC-0288 has been sent to the Government/F.D. to write off the amount of Rs.423,387/- vide letter No.13 dated 1.1.2014. In response to this government/F.D. advise the department to get the audit para settled first as per PAC advice. In reference to the government/F.D on 22.5.2015, 14.08.2015 and 05,01,2016 to write off the amount of Rs.4,23,381 in r/o vehicle No.HR-26AC-0288 stating that without the amount of Rs.4,23,381 para can not be dropped (copy enclosed). But government/F.D. wanted that clear proposal may be sent to government after the final decisions of the PAC/CAG vide letter dated 03.05.2016.

The Committee has desired that necessary action be taken to get the amount involved write off under intimation to the Committee as well as PAG office, Haryana.

SCIENCE AND TECHNOLOGY DEPARTMENT

[69] 3.1 Delay in furnishing utilization certificates:

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, provides that utilization certificates (UCs) for the grants provided for specific purposes, should be obtained by Departmental Officers from the guarantees. After verification, there should be forwarded to the Accountant General (A & E) within a reasonable time unless a specific time limit is fixed by the sanctioning authority. However, of the 2998 UC's due for submission in respect o grants and loans aggregating Rs. 7,771,22 crores, 1,291 UC's for the aggregate amount of Rs.3,691,25 crores were in arrears. The Department –wise break up of UCs due received and outstanding as on 31 March, 2014 is given in Appendix 3.1. The age-wise delays in submission of UCs is summarized in Table 3.1:-

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Total		**2,998**	**7,777.22**	**1,391**	**3,691.25**

Table 3.1 shows that out of 1,391 outsanding UCs, 466 UCs (34 percent) were in arrear for the grants released during the period between 2008-09 and 2011-12.

Analysis of Appendix 3.1 shows that out of total 1,391 outstanding UCs, 747 UCs (54 percent) were outstanding from Rural Development Department. This not only indicates lack of internal control of Administrative departments but also shows the tendency on the part of the Government to go on disbyursing fresh gants without ascertaining proper utilization of earlier grants.

The department in its written reply stated as under:

Appendix 3.1

(Reference: Paragraph: 3.1: Page 47)

Detail of Utilization certificate, due, received and outstanding as on 31st March, 2014.

Sr.No.	Name of the Department	Year	UC's Outstanding Item No.5	UCs shown outstanding amount	Reply
17	Other Scientific Research	2012-13	5	1154.80 lacs	During the Financial year 2012-13 an amount of Rs.10.50 crore were released to Haryana State council for Science and Technology for the implementation of District Innovation Fund scheme and as per scheme, Rs.50.00 lacs were

					released to 21 Districts. Despite repeated reminders the complete Utilization certificates have not been received from DCs and on account of this the UC for the aforesaid amount could not be submitted. The latest status report along with detail of reminders issued to DCS/ADCs is appended as **Annexure-I (colly)**

An amount of Rs.50.00 lakhs each was released to Deputy Commissioners of 21 districts on 24.08.2012 (Financial year 2012-13).

Eleven districts (Ambala, Bhiwani, Jhajjar, Jind, Kaithal, Karnal, Mahendergarh, Panchkula, Panipat, Rewari, Sonepat) did not submit any utilization certificate till date.

Ten districts (Faridabad, Fatehabad, Gurgaon, Hisar, Kurukshetra, Mewat, Palwal, Rohtak, Sirsa, Yamuna Nagar) has submitted the utilization certificate as per following details:-

Sr. No.	Name of District	Amount of UCs received
1.	Faridabad	Rs.41,73,500/-
2.	Fatehabad	Rs.52.05 lacs
3.	Gurgaon	Rs.50.00 lacs
4.	Hisar	Rs.31.00 lacs
5.	Kurukshetra	Rs.32,38,650/-
6.	Mewat	Rs.28.44 lacs
7.	Palwal	Rs.2.7 lacs
8.	Rohtak	Rs.55,32,645/-
9.	Sirsa	Rs.40.00 lacs
10.	Yamuna Nagar	36,24,750/-

Total amount of UCs revceived:Rs.3,69,88,545/-

Complete utilization certificate will be submitted as soon as UCs are received from the Deputy Commissioners of various districts. Deputy Commissioners and Additional Deputy Commissioners of all districts have been repeatedly requested to suibmit utilization certificate at the earliest.

Details of all communications to DCs / ADCs regarding DIF

Date	By	Request
27.03.2012	D.O. by DGST	All DC's were requested to prepare the projects under DIF.
02.04.2012	Office Memo	Copy of notification of District Innovation Committee and copy of minutes of 1st meeting of Haryana State Innovation Council was forwarded.
06.07.2012	D.O. by DGST	All DC's were requested to prepare the projects under DIF.
24.08.2012	Office Memo	Release of Rs.50.00 Lacs to each DC's
12.09.2012	Office Memo	All DC's were requested to prepare the projects under DIF.
17.09.12	Office Memo	DC Rewari with a request to submit proposal as per guidelines.
14.12.12	Office Memo	DC Rewari and Sirsa, proposals were returned as they were not found suitable for funding.
16.01.2013	D.O by PS S&T	All DC's were requested to prepare the projects under DIF.
06.03.2013	D.O. by DGST	All DC's were requested to prepare the projects under DIF.
26.03.2013	Office Memo	All DC's were requested to prepare the projects under DIF.
02.05.2013	Office Memo	Meeting notice to 11 ADC's for the meeting of 08.05.2013.

08.05.2013	Meeting	Meeting held under the Chairpersonship of worthy PSS&T
08.05.2013	Office Memo	Meeting notice to 12 ADC's for the meeting of 15.05.2013.
15.05.2013	Meeting	Meeting held under the Chairpersonship of worthy PSS&T
16.05.2013	Office Memo	All ADCs were requested to submit the revised proposal by 20.05.2013.
20.05.2013	Office Memo	Minutes of 08.05.2013 were forwarded to 11 ADC's.
03.06.2013	Office Memo	Minutes of 15.05.2013 were forwarded to 12 ADC's.
05.06.2013	Office Memo	10 ADC's were requested to submit the revised proposal by 16.06.2013.
23.07.2013	D.O. by DGST	9 DCs (Hisar, Panipat, Jhajjar, Karnal, Rewari, Panchkula, Kaithal, Bhiwani & Jind) were requested to prepare the projects under DIF
02.08.2013	Meeting	Meeting held under the Chairpersonship of worthy PSS&T
07.08.2013	D.O. by DGST	2 DCs (Hisar & Panipat) were requested to prepare the projects under DIF
16.08.13	Office Memo	Minutes of 02.08.2013 were forwarded to 9 DC's.
23.08.13	Office Memo	12 DCs were requested to keep power point presentation ready for the meeting of HLMC
17.10.13	D.O. by DGST	4 DCs (Kaithal, Jhajjar, Panipat & Rewari) were requested to submit the proposals of Rs.100.00 Lakhs in consultation with other districts and submit within a week time otherwise matter will be brought to the notice of higher authorities.
17.10.13	D.O. by DGST	16 DCs (Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jind, Karnal, Kurukshetra, Mewat, Narnaul, Palwal, Panchkula, Rohtak, Sirsa, Sonepat,) were requested to submit the proposals of balance amount within a week time.
05.12.13	Office Memo	Sanction letter issued to 17 districts (Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jind, Karnal, Kurukshetra, Mewat, Narnaul, Palwal, Panchkula, Rohtak, Sirsa, Sonepat, Yamuna Nagar). DCs were requested to send the utilization certificate of Rs.50.00 Lakhs released to them on 24.08.12.
29.01.14	Office Memo	5 Dcs, ADCs (Rewari, Fatehabad, Sirsa, Hisar & Jhajjar) were requested to submit the proposals in response to their letters.
07.02.14	D.O. by DGST	D.O. letter to DG Technical Education Department & 8 Vice Chancellors with a request to submit the proposals through their respective Deputy Commissioners.
01.04.14	Office Memo	Reminder to DG Technical Education Department & 8 Vice Chancellors with a request to submit the proposals through their respective Deputy Commissioners.
28.05.14	Office Memo	Reminder to 4 DCs (Kaithal, Jhajjar, Panipat & Rewari) to submit the proposals of Rs.100.00 Lakhs which are of benefit to large group of people.
28.05.14	Office Memo	To 17 districts (Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jind, Karnal, Kurukshetra, Mewat, Narnaul, Palwal, Panchkula, Rohtak, Sirsa, Sonepat, Yamuna Nagar) to send the utilization certificate of Rs.50.00 Lakhs released to them on 24.08.12 and also submit the proposals of balance amount.
19.06.14	Office Memo	To 21 districts (Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jhajjar, Jind, Kaithal, Karnal, Kurukshetra, Mewat, Narnaul, Palwal, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonepat, Yamuna Nagar) to send the utilization certificate of Rs.50.00 Lakhs released to them on 24.08.12 and also submit the proposals of balance amount.
03.07.14	Office Memo	Meeting notice to 21 ADC's for the meeting of 23.07.2014 under the Chairpersonship of worthy PSS&T.
05.08.14	Office Memo	Minutes of 23.07.2014 were forwarded to 21 ADC's.
22.09.14	D.O. by DGST	To all DCs with a request to submit the utilization certificate of Rs.50.00 Lakhs released to them and provide information in the format without any further delay.
30.10.14	Office Memo	Reminder of D.O. dated 22.09.14 to all DCs

30.10.14	Office Memo	Reminder to ADC Palwal & Kaithal to submit the projects of balance amount and Utilization Certificate of Rs.50.00 Lakhs.
20.11.14	Office Memo	Sanction letters issued to Fatehabad, Kaithal, Mahendergarh, Mewat and Panipat districts.
24.11.14	Office Memo	Reminder of D.O. dated 22.09.14 to all DCs regarding submission of Utilization Certificate of Rs.50.00 Lakhs.
05.01.15	D.O. from worthy PSS&T	To all DCs regarding submission of utilization certificate of Rs.50.00 Lakhs released to them and provide information in the format.
16.01.15	Office Memo	Sanction letters issued to Ambala, Bhiwani, Fatehabad, Faridabad, Hisar, Jind, Karnal, Panchkula, Panipat, Rohtak and Sirsa districts.
27.01.15	D.O. from worthy DST	To 13 DCs to submit additional projects within a week (Jind, Karnal, Mahendergarh, Panipat, Sirsa, Yamuna Nagar, Bhiwani, Mewat, Rohtak, Ambala, Hisar, Fatehabad & Kurukshetra.
19.02.15	Office Memo	Letter to DCs and ADCs of Mahendergarh, Bhiwani, Kurukshetra, Faridabad, Yamuna Nagar, Karnal, Fatehabad, Sirsa and Rohtak to submit Utilization Certificate.
03.03.15	Office Memo	Letter to DCs (Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jind, Karnal, Kurukshetra, Mewat at Nuh, Mahendergarh at Narnaul, Palwal, Panchkula, Rohtak, Sirsa, Sonepat and Yamuna Nagar) with a request to send the progress report of implementation of projects along with photographs and submit the Utilization Certificate of Rs.50.00 Lakhs.
11.03.15	Office Memo	Letter to DC Gurgaon with a request to implement the projects amounting to Rs.49.53 Lakhs sanctioned on 05.12.13 and submit the Utilization Certificate of Rs.50.00 Lakhs.
11.03.15	Office Memo	Letter to DC Jhajjar with a request to submit some other proposal to the office.
18.03.15	Office Memo	Sanction letters issued to DCs of Faridabad, Karnal, Kurukshetra and Gurgaon districts
18.03.15	Office Memo	Letter to DC Bhiwani vide which second instalment of Rs.50.00 Lakhs was released.
20.03.15	Office Memo	Letter to ADC Kaithal with a request to submit Utilization Certificate of Rs.50.00 Lakhs.
07.04.15	Office Memo	Letter to ADC Bhiwani with a request to submit Utilization Certificate in the prescribed format.
07.04.15	Office Memo	Letter to ADC Rohtak with a request to submit Utilization Certificate in the prescribed format.
15.04.15	Office Memo	Letter to DCs (Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jind, Karnal, Mewat at Nuh, Mahendergarh at Narnaul, Palwal, Panchkula, Rohtak, Sirsa, Sonepat and Yamuna Nagar) with a request to send the progress report of implementation of projects along with photographs and submit the Utilization Certificate of Rs.50.00 Lakhs in enclosed format.
11.05.15	Office Memo	Letter to DC Karnal and Faridabad to submit the Utilization Certificate.
01.07.15 & 06.07.15	D.O. from worthy DST	To 19 DCs with a request to complete the projects under DIF and submit the Utilization Certificate in the prescribed format by 15.07.15.
13.08.15	Office Memo	Letter to ADC Mewat to submit the Utilization Certificate in the prescribed format.
31.08.15	Office Memo	Letter to DC Gurgaon to submit the proposal in prescribed format.
02.09.15	Office Memo	Letter to ADC Hisar to submit the separate Utilization Certificate for each project duly signed by DC Hisar in the prescribed format.
07.09.15	Office Memo	Release of 2nd instalment amounting to Rs.47.35 Lakhs to DC Fatehabad.
20.10.15	Office Memo	Release of balanced amount of Rs.13.60 Lakhs to DC Kaithal.
07.01.2016	D.O. from worthy ACS S&T	To DCs regarding submission of utilization certificate and provide information in the format.
29.02.2016	Office Memo	Release of 2nd instalment to Sonepat, Hisar and Sirsa district

09.03.2016	Office Memo	Letter to DC Rewari & Jhajjar vide which sanction of projects were issued.
30.03.2016	Office Memo	Release of 2nd instalment to Rohtak, Rewari, Yamuna Nagar and Kurukshetra district
12.04.2016	D.O. from worthy DST	To 19 DCs with a request to complete the projects under DIF and submit the Utilization Certificate in the prescribed format.
11.05.2016	Office Memo	Letter to DC Faridabad with a request to implement the project and submit UC in the prescribed format.
20.05.2016	Office Memo	Letter to 21 DCs with a request to submit statement of accounts for each project and also define the outcomes for each project financed under District Innovation Fund (DIF).
18.08.2016	Office Memo	Reminder of office memo 20.05.2016
29.09.2016	Office Memo	Letter to DC Mewat with a request to confirm that projects under District Innovation Fund (DIF) are ready for implementation and there will not be any further delay / hurdle from any source including Renewable Energy Department before the matter of releasing any further grant to Mewat district is considered by this office.

The Committee has desired that sincere and pragmatic efforts be made to obtain the Utilization Certificates and the Committee as well as PAG, Haryana be informed accordingly.

PART – II
REVENUE SECTOR
for the year ended 31 March, 2014

EXCISE AND TAXATION DEPARTMENT

[70] 1.3 Arrears in assessments:

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed off during the year and number of cases pending for finalization at the end of the year as furnished by the Excise & Taxation Department in respect of sales tax, luxury tax, tax on works contracts and Passengers and Goods Tax (PGT) was as below in **Table 1.3**

Head of revenue	Opening balance	New cases due for assessment during 2013-14	Total assessments due	Cases disposed of during 2013-14	Balance at the end of the year	Percentage of disposal (Col. 5 to 4)
1	2	3	4	5	6	7
Taxes on Sales, trade/VAT	2,95,839	2,51,034	5,46,873	2,95,703	2,51,170	54
Taxes on goods and passengers	2,283	973	3,256	1,207	2,049	37

The department in its written reply stated as under:

Sales Tax:

In reply to the audit para it is submitted that the assessment of the tax payers is dealt with u/s 15 of HVAT Act, 2003. Every assessment must be completed within three years of the close of a particular financial year under the scrutiny assessment. The annual return of the concerned Financial Year is to be submitted upto 30th November of the succeeding financial year. Therefore, the opening status of the pendency of assessment cases as on 1st April of a year consist of the cases which are not due for assessment in that year. For e.g. the opening status of pending assessment cases as on 01.04.2014 contains the cases also which are not due for assessment. It is mentioned that the State of Haryana under takes 100% of the cases for assessment and are completed within the stipulated period i.e. 3 years.

In the C.A.G. report for the year 2013-14, there were 251170 cases shown pending for assessment. Out of which 251124 cases have been disposed off up to 31.12.2016 leaving a balance of 46 cases. Pending 8 cases of HGST Act belongs to Bhiwani district and pending 38 remand cases belongs to Fatehabad district. Due to expiry of limitation period these cases have became time barred. Disciplinary action against 19 defaulting Assessing Authority have been initiated by seeking their explanations.

Passengers and Goods Tax:

In the C.A.G. report for the year 2013-14, there were 2058 cases shown pending for assessment. Out of which 968 cases have been disposed off up to 31.12.2016 leaving a balance of 1090 cases. Efforts are being made to get the balance cases cleared as soon as possible. Details are given below:-

Sr. No.	Name of Districts	Pending case as on 31.03.2014	Disposal off	Present pending position upto date yearwise
1	Bhiwani	271	119	152
2	Fatehabad	170	0	170
3	Gurgaon (PGT)	22	18	4
4	Hisar	25	5	20
5	Karnal	20	18	2
6	Narnaul	399	138	261
7	Panchkula	194	37	157
8	Rewari	541	240	301
9	Rohtak	25	16	9
10	Sirsa	35	24	11
11	Sonepat	280	277	3
	Total	**1982**	**937**	**1090**

The Committee has desired to know the quantum of loss of State revenue in 46 cases which have become time barred and what action has been taken against the 19 defaulting Assessing Authorities. Action taken report be submitted to the Committee at the earliest possible.

The Committee has also desired that all pending cases of assessments be concluded in a time bound manner.

[71] 1.4 Evasion of tax detected by the Department:

The details of cases of evasion of tax detected by the Excise & Taxation Department cases finalized and the demands for additional tax raised as reported by the Department are given in Table 1.4

Evasion of tax (Rs. In Crore)

Sr. No.	Head of revenue	Cases pending as on 31st March 2013	Cases detected during 2013-14	Total	No. of cases in which assessment/investigation completed and additional demand with penalty etc. raised		No. of cases pending for finalization as on 31st March 2014
					No. of cases	Amount of demand	
1	Tax on sales trade/VAT etc	74	1,383	1,457	1,420	869.66	37
2	State Excise	664	2,540	3,204	2,509	1.58	695
3	Tax on goods and passengers	1,308	7,436	8,744	7,270	6.51	1,474
Total		**2,046**	**11,359**	**13,405**	**11,199**	**877.75**	**2,206**

It would be seen from the above table that the number of cases pending at the end of the year has increased in comparison to the number of cases pending at the beginning of the year in case of tax on Goods and Passengers and State Excise.

The department in its written reply stated as under:

This para is based on the information supplied by the department.

Sales Tax

All 37 cases have been disposed off creating an additional demand of Rs. 1.71 Cr out of which Rs. 0.16 Crore have been recover leaving balance of Rs. 1.55 Cr. Balance recovery of Rs 0.06 Crore pertains to Panipat district and Rs. 1.49 Cr pertains to Rewari district.

Excise:-

Out of 695 cases, 203 cases have been disposed off by creating an additional demand of Rs. 0.20 Crore, out of which an amount of Rs. 0.10 Crore stand recovered, leaving a balance of Rs.0.10 Crore. Remaining 492 cases are still under process, All concerned DETCs have been directed to dispose off these cases at the earliest. Detail is given below:-

Name of District	Pending cases
Fatehabad	6
Jind	462
Rohtak	17
Narnaul	7
Total	**492**

Passengers and Goods Tax

Out of 1474 cases, 832 cases have been disposed off by creating an additional demand of Rs. 0.052 Crore which stands recovered. Remaining 642 cases are still under process. All concerned DETCs have been directed to dispose off these cases at the earliest. Details is given below:-

Name of District	Pending cases
Fatehabad	12
Karnal	9
Rewari	621
Total	**642**

The Committee has desired that responsibility of the defaulting officer(s) in matter of Sales Tax in Distt. Rewari be fixed within a month under intimation of the Committee.

The Committee has also desired that vigorous and pragmatic efforts be made to recover outstanding amount in a time bound manner to augment the State revenue.

[72] 2.2.2 ITC allowed on Petroleum Products:

As per provisions of Section 8 of HVAT Act read with Schedule E (item-I) no ITC is admissible petroleum products when used as fuel. The issue was also confirmed (August 2011) by the State Government.

During test check of record of four DETC (ST) offices, we noticed that four dealers in four cases purchased HSD, Furnace Oil and LPG worth Rs. 4.72 crore during 2006-07 to 2010-11 and used the same as fuel. As such, no Input Tax Credit was admissible to the dealers. The AAs, while finalizing the assessment in these cases between November 2009 and February 2013 allowed Input Tax Credit. This resulted in excess grant of Input Tax Credit of Rs. 38.48 lakh.

During exit conference the Government accepted the audit observation.

The department in its written reply stated as under:

1. M/s Sarita Handa Export (P) Ltd., Gurgaon (E), TIN 06091822875, A.Y. 2008-09:

In reply to audit para it is hereby submitted that the assessment file has been taken for revision to Revisional Authority (DETC Gurgaon East) vide memo no. 2537, dated 15.12.2016. Further proceedings will be intimated accordingly.

2. M/s Diamond Construction Co., Kaithal TIN 06592108556, A.Y. 2010-11:

In this case, it is intimated that the file for the year 2010-11 is sent to JETC–Cum-Revisional Authority, Ambala for taking Suo-motu action. Suo-motu revision was taken by JETC (Range) Ambala on dated 28.03.2013 by creating an additional demand of Rs. 4477032/-. Demand notice VAT N-4 was also served upon the firm. However, the dealer has filed an appeal which is pending before Haryana Tax Tribunal at Chandigarh.

3. M/s Jai Parkash Associates, Panipat, TIN 06912615108, A.Y. 2009-10:

In this case, it is intimated that the case have been sent to Revisional Authority, Panipat for taking appropriate action u/s 34 of HVAT Act, 2003 vide letter no. 1730/dated 29.10.2013. The Revisional Authority-Cum-DETC (ST), Panipat held that there is no illegality in the assessment order passed by the Assessing Authority. The Revisional Authority has held that HSD purchase by dealer has been partly used as fuel and partly for serving of plant. The input tax credit in r/o HSD purchased and used as fuel was already reversed by the Assessing Authority. Hence, in view of the above, Para may be dropped.

The Committee has desired that vigorous and pragmatic efforts be made to recover outstanding amount in a time bound manner to augment the State revenue.

[73] 2.2.3 ITC allowed on goods not sold:

As per provisions of Section 8 of HVAT Act 2003, ITC on purchase of goods is admissible against tax liability on sale of goods as such or the goods manufactured there from in the State or interstate trade and commerce except export of goods outside the territory of India. The Government also clarified (April 2013) that no ITC was admissible if the Duty Entry Pass Book (DEPB)/import license purchased is not sold and is used for adjustment of customs duty payable.

During test check of record of four Dy. Excise & Taxation Commissioner(ST) offices, we noticed that nine dealers in nine cases purchased DEPB/Import License worth Rs. 16.36 crore after payment of VAT of Rs. 0.66 crore during 2006-07 and 2009-10. The dealers used the same for adjustment of customs duty payable by them. As the goods were not sold by the dealers, no ITC was admissible. The AAs, while finalizing assessments in these cases between March 2010 and March 2013, allowed ITC claims of the dealers. This resulted in incorrect grant of ITC of Rs. 0.66 crore.

During exit conference the Government accepted the audit observation and stated that remedial measures were under process to rectify the mistake.

The department in its written reply stated as under

1. **M/s STI Sneh India, Gurgaon (East) TIN 06771819882, A.Y. 2009-10:**

It is Submitted that the case has been sent to Revisional Authority and assessment order of the company for the year 2009-10 has been revised by Revisional Authority thereby creating additional demand of Rs. 3560198/-. The department has taken Bank Guarantee from the dealer. Now the above said firm has filed an appeal before Haryana Tax Tribunal and the same is pending. Hence the para may please be dropped.

2. **M/s DRJ Chemicals Ltd, Sonepat TIN 06463010291, A.Y. 2009-10:**

In reply to the audit objection, it is submitted that audit para is admitted and order of the Assessing Authority has been revised by DETC-cum-Revisional Authority on 09/12/2016 and Additional demand of Rs. 1785674/- (Rs.892837/- on account of Excess input tax credit allowed by the Assessing Authority and Rs.892837/- on account of interest) has been raised upon the dealer. The copy of the order alongwith Tax Demand Notice has been served upon the dealer and efforts are being made to recover the amount of additional demand.

3. **M/s Shubham Chemicals and solvents, Sonepat TIN 06733011840, A.Y. 2009-10:**

In reply to the audit objection, it is submitted that audit para is admitted and order of the Assessing Authority has been revised by DETC-cum--Revisional Authority on 19/12/2016 and Additional demand of Rs.889946/- (Rs.444973/- on account of Excess input tax credit allowed by the Assessing Authority and Rs.444973/- on account of interest) has been raised upon the dealer.

The copy of the order alongwith Tax Demand Notice has been served upon the dealer and efforts are being made to recover the amount of additional demand.

4. **M/s Ancon Chemplast (P) Ltd, Sonepat TIN 06803012238, A.Y. 2009-10:**

In reply to audit memo, it is submitted that the case/file was reffered to Revisional Authority for taking suo-moto action In the case. The revisional Authority has decided the case by creating an additional demand (Tax + Interest) to the tune of Rs. 300712/- vide his order dated 04-12-2014.

Thereafter the dealer has filed an appeal before the Hon'ble Haryana Tax Tribunal, vide appeal No- 541/dated 12-03-2015, which is still pending.

5. **M/s Rajshila Synthetics Sonepat, TIN 06033008733, A.Y. 2009-10:**

In reply to the audit objection, it is submitted that die dealer has purchased and utilized DEPB worth Rs.3118591/- and not worth Rs.4356588/- as pointed out in the audit para. The audit para is admitted to that extent and order of then Assessing Authority has been revised by DETC-cum-Revisional Authority on 09/12/2016 and Additional demand of Rs.249487/- (Rs.124744/- on account of Excess input tax credit allowed by the Assessing Authority and Rs.124744/- on account of interest) has been raised upon die dealer. The copy of the order alongwith Tax Demand Notice has been served upon the dealer and efforts are being made to recover the amount of additional demand.

6. **M/s H.B.R. Chemicals (P) Ltd, Sonepat TIN 06083001285, A.Y. 2009-10:**

In reply to the audit objection, it is submitted that audit para is admitted and order of the Assessing Authority has been revised by DETC-cum-Revisional Authority on 19/12/2016 and Additional demand of Rs.1287724/- (Rs.643862/- on account of Excess input tax credit allowed by the Assessing Authority and Rs.643862/- on account of interest) has been raised upon the dealer.

The copy of the order alongwith Tax Demand Notice has been served upon the dealer and efforts are being made to recover the amount of additional demand

7. **M/s Combatic Global Caplet (P) Ltd, Sonepat TIN 06453008114, A.Y. 2009-10:**

In this case, it is intimated that the file has been sent to Jt. Excise & Taxation Commissioner (Range)-Cum-Revisional Authority, Faridabad for taking Suo-motu action on dt. 02.03.2016. Jt. Excise & Taxation Commissioner Faridabad (R) vide order dated 12.01.2017 created a demand of Rs. 3,36000/- on job work of Rs. 84, 00,000/- due to lack of evidence and Rs. 1,72,393/- on purchase of DEPB. Input Tax Credit allowed to the dealer on these purchases of DEPB as per office clarification dated 29.04.2013 in the case of M/s Whirlpool of India Limited.

The Committee has desired that vigorous and pragmatic efforts be made to recover outstanding amount in a time bound manner to augment the State revenue and in the case(s) of recovery pending adjudication before Hon'ble Court or Tax Tribunal, State interest be protected meticulously.

[74] 2.2.4 Incorrect/less reversal of ITC:

As per provisions of Section 8 of HVAT Act, 2003 read with corresponding Rules and entry 5 (iii) & (iv) of Schedule 'E' if ITC in respect of any goods Purchased from within the State has been availed of, but such goods are sold as tax-free or subsequently used or disposed of in the circumstances mentioned in the Schedule ibid, Input Tax Credit in respect of such goods shall be reversed.

During test check of record of 11 Dy. Excise & Taxation Commissioner (ST) offices, we noticed that 29 dealers in 30 cases transferred/ consigned goods out of State or disposed off them otherwise than by sale or sold tax free worth Rs. 874.81 Crore and therefore ITC of Rs. 8.03 Crore was reversible in view of aforesaid provision of the Act. The AAs while finalizing assessments in these cases between March 2009 and

March 2013, had reversed ITC of Rs. 3.01 Crore only. This resulted in short/less reversal of ITC of Rs. 5.02 Crore.

On this being pointed out between March 2010 and May 2014, the department stated (October 2014) that in six cases, demand of Rs. 9.62 lakh had been created which had been recovered/adjusted.

During Exit Conference, the Government accepted the audit observation and stated that remedial measures were under process to rectify the mistake.

The department in its written reply stated as under:

1. M/s Puri Oil Mills Ltd, Bahadurgarh TIN 06701701435, A.Y. 2008-09:

Though the department does not admit the correctness of the contents contained in the audit memo, still to arrive at a correct decision, the case has been taken up in revision to examine the issue, thread bare. Accordingly revisional proceedings have been initiated and the result thereof will be communicated in due course.

2. M/s GKN Drive Line (I) Ltd, Faridabad (West) TIN 06841308993, A.Y. 2008-09:

In reply to audit memo it is stated that the dealer is a manufacturer of Auto parts, the two plants at Faridabad and Dharuhera (Rewari) usually transfers goods from one unit to another which is normal trade practice and nothing centrally to law. While transferring the goods from Faridabad to Dharuhera unit, Input Tax Credit worth Rs. 6037650/- was transferred to Dharuhera unit. The transfer of Input Tax Credit from one unit to other is legal as per clarification issued vide memo no. 1919-1920/ST-7 dated 07.07.2016 in the case of Caparo Maruti Ltd. Transferring goods worth Rs. 161182598/- from Dharuhera to Faridabad has been taken in account in the assessment order No. 68/2008-09 dated 28.03.2013 by the Assessing Authority, Rewari. Input Tax has been disallowed in prorate basis on the material used in manufacturing of goods ultimately branch transferred (Copy of orders enclosed). In view of above, the question of input reversal at Faridabad does not arise. Hence, the para may please be dropped.

3. M/s Lakhani Shoes & Apparel, Faridabad (West) TIN 06041326214, A.Y. 2007-08, 2008-09 and 2009-0:

The Audit objection in question raises only one point i.e. non reversal of input tax on the material used in manufacturing of tax free as well as taxable goods ultimately branch transferred outside the State of Haryana. It is admitted and established fact on record that the company in question is a manufacturer as well as a trader of finished goods i.e. apparels and shoes. Though the department does not admit the correctness of the contents contained in the audit memo, still to arrive at a correct decision, the case has been taken up in revision to examine the issue, thread bare. Accordingly revisional proceedings have been initiated and the result thereof will be communicated in due course.

4. M/s Grand Metal Industries, Faridabad (West) TIN 06481219272, A.Y. 2009-10:

Though the department does not admit the correctness of the contents contained in the audit memo, still to arrive at a correct decision, the case has been taken up in revision to examine the issue, thread bare. Accordingly revisional proceedings have been initiated and the result thereof will be communicated in due course.

5. M/s Urvika Industries, Gurgaon (East) TIN 06201820923, A.Y. 2006-07:

Though the department does not admit the correctness of the contents contained in the audit memo, still to arrive at a correct decision, the case has been taken up in revision to examine the issue, thread bare. Accordingly revisional proceedings have been initiated and the result thereof will be communicated in due course.

6. M/s Dhingra Construction Co., Gurgaon (East) TIN 0654182138, A.Y. 2005-

Though the department does not admit the correctness of the contents contained in the audit memo, still to arrive at a correct decision, the case has been taken up in revision to examine the issue, thread bare. Accordingly revisional proceedings have been initiated and the result thereof will be communicated in due course.

7. M/s Friends Floor Mills, Panchkula TIN 06592503055, A.Y. 2006-07:

The audit party has raised the objection that ITC has not been reversed on pro-rata basis in lieu of sale of tax free goods. i.e Chokker/wheat bran produced as a by-product in the milling of wheat. In reply to audit para, it is hereby submitted that the case was sent for revision to the Revisional Authority and the Revisional Authority has decided the case in favour of the dealer by citing the judgment of Hon'ble Supreme Court of India in the case of **M/s. Bharat Petroleum Corporation Ltd. {1992 } 85STC 220(SC) and followed by Hon'ble Punjab & Haryana High Court in case of M/s Ganesh Ginning Factory Vs. State of Haryana {2002}127STC313(P&H)** and held that full rebate is allowed to the dealer and question of reversal of input tax does not arise. The relevant portion of the judgment is reproduced as under :-

"Turning now to the man question, we are inclined to agree with respondents counsel that they are entitled to a set-off of the entire tax paid by them on the purchases of sulphuric acid and cotton, respectively. The only condition under the rule is that the goods purchased on payment of tax should have been used in the manufacturing of taxable goods for sale. Their concurrent user for the manufacture of another item of goods which may or may not be taxable is immaterial.(Copy of judgments enclosed.)

Second point raised by the audit party was that the dealer has charged tax @ 4% on Inter State Sale of Rs.3265053/- amounting to Rs.130602/- but the Assessing Authority assessed the case @2% on Inter State Sale. This point was also taken in revision and the Revisonal Authority vide his order dated 9.7.2010 decided this issue in favour of the assessee on the ground that as the dealer has filed VAT R2 return on 30.11.20017, wherein the dealer has worked out his liability @ 2% against C form on account of Inter State Sale of Rs.3265054/- and calculated tax liability to the tune of Rs.65301/- besides this dealer has also furnished reconciliation statement.

Taking into consideration these points the Revisional Authority decided the case in favour of the dealer. In view of above submissions the para may be dropped.

8. M/s Svasca Industries India Ltd, Palwal TIN 06201316038, A.Y. 2009-10:

In this case, it is intimated that the case was sent to Jt. Excise & Taxation Commissioner (R) Faridabad for revision. The Jt. Excise & Taxation Commissioner (R) Faridabad issued notice to the dealer but he failed to attend the same. Then reminder was again issued for dt. 12.12.2016, but he did not attend the office on the fixed date. Now, reminder has again been issued to the dealer for dated 10.01.2017 to appear before Revisional Authority for 23.01.2017.

The Committee has recommended that responsibility of the Assessing Authorities be fixed for their negligence and /or knowingly in making wrong assessment thereby caused loss to the State Exchequer and action taken report be submitted to the Committee at the earliest.

[75] 2.2.5.1 Incorrect ITC allowed on Pre-owned Cars:

As per provisions of Section 45 of HVAT Act, read with Schedule G tax on first sale of pre-owned cars (POCs) by a dealer registered under the Act is Rs. 3000 per car having engine capacity upto 1000 CC. When tax is payable/charged at a lump sum rate, no ITC is admissible to the dealer.

During audit of three DETC (ST) offices we noticed during April and May 2014 that three dealers in 12 cases purchased POCs worth Rs. 26.34 Crore from a registered dealer of Gurgaon (East) during 2005-06 to 2009-10 after payment of VAT Rs. 3.29 Crore at the rate of 12.5 %. The dealer paid tax on the sale of these cars at a lump sum rate in view of the aforesaid provisions of the Act and claimed ITC . The AAs while finalizing assessments in these cases during April and May 2014 allowed ITC claims of the dealers. This was not correct as the POCs were sold at a lump sum rate and ITC in these cases was not allowable which resulted in incorrect allowing of ITC of Rs. 3.18 Crore.

The department in its written reply stated as under:

Note: The issue of Pre owned cars was discussed at length in Public Accounts Committee meeting on CAG report for the year 2009-10 under para no. 2.13.1.2 and issue of Pre-owned car was dropped by Public Accounts Committee. However, dealer wise reply is given below:-

1. M/s Vipul Motor (P) Ltd., Faridabad (East) A.Y. 2006-07:

It is submitted that:-

(A). Under Assessment of VAT Rs.236452/-.

In reply to the audit objection it is submitted that the objection raised by the Audit party regarding charging of tax @12.5% by Maruti Udhyog Ltd. Is incorrect as the rate prescribed as per Entry-68 of Schedule-C is @4%. Rate of tax prescribed under the said entry only applicable to those dealers who are dealing in purchase and sale of motor vehicles subject to Entry-2 in Schedule-G.

As per this entry rate of tax on sale of pre-owned cars will be Rs.3000/- or Ra.5000/- as per the engine capacity of the car. If the sale is of other old motor vehicle like 3-wheeler, trucks etc., rate of tax applicable will be @4% only. This rate is prescribed only for those dealers who deal in purchase and sale of motor vehicle and not a dealer who manufactures vehicles or purchases the vehicle for his own use and make sale of the same after use as old vehicle. In this case, Maruti Udhyog Ltd. Has sold old vehicles/motor cars which were manufactured by the company and were either used by their staff or used as test drive or damaged vehicles and the same were sold to the dealers dealing in purchase and sale of old vehicles. In this case, Maruti Udhyog Ltd. Being the manufacturer of these Vehicles tax @12.5% which is applicable rate on sale of motor vehicles. The conditions prescribed under entry 68 is not fulfilled when sold by Maruti Udhyog Ltd. Who himself is the manufacturer of the same vehicle and not a dealer dealing in purchase and sale of vehicles.

Entry 68 of Schedule C read as under:-

"Pre-Owned motor vehicle when sold by a dealer in purchase and sale of motor vehicles subject entry 2 in Schedule G".

Simply that vehicle was registered in the name of MUL does not change the nature of transaction to be taxed @4% and not at @12.5% as alleged by audit officer. Tax charged by MUL is correct and input tax claimed by the dealer dealing in sale of motor cars vehicles is rightly claimed.

As per schedule-G in column 4 showing stage of levy and circumstances under which tax is levied indicated in Sr. No.2(a) and (b) is "first sale by a dealer liable to pay tax under this Act". The above rate of tax of Rs.3000/- and Rs.5000/- under schedule-G is applicable on first sale by a dealer liable to pay tax under this Act. In this case, dealer indicates "when sold by a dealer dealing in purchase and sale of motor vehicle as narrated in entry 68 of Schedule-C.

Your kind attention is invited to the decision of the Haryana Tax Tribunal in the case of M/s. Lease Plan India Ltd. Gurgaon Vs State of Haryana (2009) 638 PHT 34. The judgment is regarding taxability and rate of tax to be charged on sale of those cars which have been leased and then sold in the open market or to the end user on the termination of lease. Form this judgment inference can be drawn that the sale of used and damaged cars by a car manufacturer cannot be termed as sale of pre-owned or second hand cars, as the hand remains the same. The ownership of the cars throughout till the cars is sold to the car dealer dealing in sale and purchase of old cars. It is the car dealer dealing in sale and purchase of old cars, who is the first seller of a pre-owned car.

Thus Maruti Udhyog Ltd. Has rightly charged tax @12.5% on the sale of used cars and the assessing authority has rightly levied VAT as per item No.2(a) & (b) of schedule G of VAT Act on the sale of pre owned car by the dealer i.e. Vipul Motors P. Ltd who is first seller of a pre-owned car.

2. M/s Vipul Motor (P) Ltd., Faridabad (East) A.Y. 2007-08:

In reply to the audit objection it is submitted that the objection raised by the audit party regarding charging of tax on sale of pre-owned vehicle between the two registered is @4% (Entry 68 of Schedule 'C') but the Assessing Authority levied the tax as per item no.2 (a) & (b) of Schedule of VAT Act resulting in to under assessment. The above observation of the audit is legally untenable in view of the following grounds:-

1. It is stated that the dealer has purchased cars from Maruti Suzuki India Limited, Gurgaon and sales thereof. The dealer has purchased 718 old cars from Maruti Udyog Limited, out of which 439 cars were of Indian Capacity above 1000 CC and remaining 279 cars were of engine capacity of below 1000 CC. The remaining cars were purchased from individual or other entities, who were not registered dealer in the state and were not competent to charge the tax on sale of such cars.

2. That as regards the levy of tax, it is stated that the sale of preowned motor vehicle is covered by entry 68 of Schedule 'C' annexed to the HVAT Act and the said entry reads as under:

Pre-owned motor vehicle when sold by a dealer dealing in purchase and sale of motor vehicle subject to entry 2 in Schedule G.

A plain reading of this entry reveals that all pre-owned motor vehicle are liable to be taxed as per rate specified for Schedule "C" i.e. @4% prior to 04.08.2010 & @5% thereafter subject to entry 2 in Schedule G. That means that the tax on Preowned motor vehicles would be payable as per this entry subject to entry 2 of Schedule G, which applies to the sale of Pre-owned cars for which two

rates are specified. This entry would take within its ambit all Pre-owned motor vehicles such as trucks, buses, cars, and similar vehicles which are Registerable under the Motor Vehicle Act. Since this entry is subject to entry 2 of Schedule G, which means that Pre-owned cars would be excluded from this entry for the purpose of rate of tax.

3. It is also submitted that the cars purchased by the dealer from Maruti Udyog Limited which are duly registered under the Motor Vehicle Act, in the name of Maruti Udyog Limited are Pre-owned cars in the hands of the dealer. Vehicles manufactured and supplied by MUL which are not registered are sold through their dealers network and on the strength of invoice raised by the authorized dealer and declaration furnished, the ownership is registered with various authorities under the Motor Vehicle Act.

But the in the case of used motor cars which are provide by the company to their staff and officer they are first registered in the company's own name and then after use, sold as "used cars" which are definitely "Pre-owned" in the hands of dealer because the first owner of such vehicles is Maruti Udyog Limited and the dealer buy these vehicles as "Pre-owned" and sale them as such. The dealer has charged the tax in accordance with the provisions of the Act and as provided in Schedule G of the HVAT Act. Hence, the Assessing Authority has rightly levied VAT as per item No.2 (a) & (b) of Schedule G of VAT Act on the sale of Pre-owned cars by the dealer i.e. M/s. Vipul Motors Pvt. Ltd who is first seller of a Pre-owned cars. It is also recorded here that order of Assessing Authority was examined on this issue by the Revisional Authority (JETC Range) and no illegality or impropriety was found in the order as observed by the Revisional Authority vide his order dated 14.01.2013. Hence, the audit objection may please be dropped.

3. M/s Vipul Motor Pvt. Ltd. TIN 06821206184. Faridabad (East) A.Y. 2008-09:

The assessment was framed by Dy. Excise & Taxation Commissioner-cum-Assessing Authority, Faridabad (East) vide his order dated 05.03.2012. The assessment was framed as per entry 2(a) & (b) of schedule G lump sum tax is payable both by the dealer dealing in purchase & sale of old car 7 the firm selling the fixed assets (pre-owned vehicle/cars) up to 30.06.2005. However, the file has been sent to Jt. Excise & Taxation Commissioner ® cum Revisional Authority, Faridabad for taking suo motu action.

The Jt. Excise & Taxation Commissioner cum Revisional Authority vide order dated, 08.01.2013 and Memo No, 1038/CC®, dated 14.01.2013 upheld the order passed by the Assessing Authority and dropped the proceedings initiated u/s 34(1) of the HVAT & CST Act. In view of the above made submission, the audit para may be dropped.

4. M/s Vipul Motor (P) Ltd., Faridabad (East) A.Y. 2009-10.

In reply to the audit objection it is submitted that the objection raised by the audit party regarding charging of tax on sale of pre-owned vehicle between the two registered is @4% (Entry 68 of Schedule 'C') but the Assessing Authority levied the tax as per item no.2 (a) & (b) of Schedule of VAT Act resulting in to under assessment. The above observation of the audit is legally untenable in view of the following grounds:-

1. It is stated that the dealer has purchased cars from Maruti Suzuki India Limited, Gurgaon and sales thereof. The dealer has purchased 573 old cars from Maruti Udyog Limited, out of which 317 cars were of Indian Capacity above 1000 CC and remaining 256 cars were of engine capacity of below 1000 CC. The remaining cars were purchased from individual or other entities, who were not registered dealer in the state and were not competent to charge the tax on sale of such cars.

2. That as regards the levy of tax, it is stated that the sale of preowned motor vehicle is covered by entry 68 of Schedule 'C' annexed to the HVAT Act and the said entry reads as under:

Pre-owned motor vehicle when sold by a dealer dealing in purchase and sale of motor vehicle subject to entry 2 in Schedule G.

A plain reading of this entry reveals that all pre-owned motor vehicle are liable to be taxed as per rate specified for Schedule "C" i.e. @4% prior to 04.08.2010 & @5% thereafter subject to entry 2 in Schedule G. That means that the tax on Pre-owned motor vehicles would be payable as per this entry subject to entry 2 of Schedule G, which applies to the sale of Pre-owned cars for which two rates are specified. This entry would take within its ambit all Pre-owned motor vehicles such as trucks, buses, cars, and similar vehicles which are Registerable under the Motor Vehicle Act. Since this entry is subject to entry 2 of Schedule G, which means that Pre-owned cars would be excluded from this entry for the purpose of rate of tax.

It is also submitted that the cars purchased by the dealer from Maruti Udyog Limited which are duly registered under the Motor Vehicle Act, in the name of Maruti Udyog Limited are Pre-owned cars in the hands of the dealer. Vehicles manufactured and supplied by MUL which are not registered are sold through their dealers network and on the strength of invoice raised by the authorized dealer and declaration furnished, the ownership is registered with various authorities under the Motor Vehicle Act.

But the in the case of used motor cars which are provide by the company to their staff and officer they are first registered in the company's own name and then after use, sold as "used cars" which are definitely "Preowned" in the hands of dealer because the first owner of such vehicles is Maruti Udyog Limited and the dealer buy these vehicles as "Pre-owned" and sale them as such. The dealer has charged the tax in accordance with the provisions of the Act and as provided in Schedule G of the HVAT Act. Hence, the Assessing Authority has rightly levied VAT as per item No.2 (a) & (b) of Schedule G of VAT Act on the sale of Pre-owned cars by the dealer i.e. M/s. Vipul Motors Pvt. Ltd, Faridabad who is first seller of a Pre-owned cars. It is also recorded here that order of Assessing Authority was examined on this issue by the Revisional Authority (JETC Range) and no illegality or impropriety was found in the order as observed by the Revisional Authority vide his order dated 14.01.2013.

5. M/s Batra Auto Company Faridabad (East) A.Y. 2007-08:

The audit has pointed out that the pre-owned vehicle purchased from MUL after paying tax @12.5% should have been taxed by the dealer @12.5% and not @ Rs.3000/- & 5000/- as provided in Schedule G of the Act. The objection of the audit is not tenable. Admittedly the dealer has purchased used cars from MUL which were provided by the company to their staff and officers. These cars were registered in the name of the MUL and then after used sold as used cars by charging tax @12.5% from the dealer. These vehicles are pre-owned in the hands of the dealer because the first owner of such vehicle was MUL. Now the question is what should be the tax on the pre-owned cars. It is stated that the sale of pre-owned motor vehicle is covered by entry 68 of Schedule 'C' annexed to the HVAT Act and the said entry reads as under:

Pre-owned motor vehicle when sold by a dealer dealing in purchase and sale of motor vehicle subject to entry 2 in Schedule G.

A plain reading of this entry reveals that all pre-owned motor vehicle are liable to be taxed as per rate specified for Schedule "C" i.e. @4% prior to 04.08.2010 & @5% thereafter subject to entry 2

in Schedule G. That means that the tax on pre-owned motor vehicles would be payable as per this entry subject to entry 2 of Schedule G, which applies to the sale of pre-owned cars for which two rates are specified. This entry would take entry its ambit all pre-owned motor vehicles such as trucks, buses, cars, and similar vehicles which are Registerable under the Motor Vehicle Act. Since this entry is subject to entry 2 of Schedule G, which means that pre-owned cars would be excluded from this entry for the purpose of rate of tax.

The dealer has charged the tax in accordance with the provisions of the Act and as provided in Schedule G of the HVAT Act. Hence, the Assessing Authority has rightly levied VAT as per item No.2 (a) & (b) of Schedule G of VAT Act on the sale of pre-owned cars by the dealer i.e. M/s. Batra Auto Company who is first seller of a pre-owned cars. It is also recorded here that order of Assessing Authority was examined on this issue by the Revisional Authority (JETC Range) and no illegality or impropriety was found in the order as observed by the Revisional Authority vide his order dated 14.01.2013.

6. M/s Batra Auto Company Faridabad (East) A.Y. 2008-09:

In reply to the audit objection it is submitted that the objection raised by the audit party regarding charging of tax on sale of pre-owned vehicle between the two registered is @4% (Entry 68 of Schedule 'C') but the Assessing Authority levied the tax as per item no.2 (a) & (b) of Schedule of VAT Act resulting in to under assessment. The above observation of the audit is legally untenable in view of the following grounds:-

1. It is stated that the dealer has purchased cars from Maruti Suzuki India Limited, Gurgaon and sales thereof. The dealer has purchased 109 old cars from Maruti Udyog Limited, out of which 59 cars were of Indian Capacity above 1000 CC and remaining 50 cars were of engine capacity of below 1000 CC. The remaining cars were purchased from individual or other entities, who were not registered dealer in the state and were not competent to charge the tax on sale of such cars.

2. That as regards the levy of tax, it is stated that the sale of preowned motor vehicle is covered by entry 68 of Schedule 'C' annexed to the HVAT Act and the said entry reads as under:

Pre-owned motor vehicle when sold by a dealer dealing in purchase and sale of motor vehicle subject to entry 2 in Schedule G.

A plain reading of this entry reveals that all pre-owned motor vehicle are liable to be taxed as per rate specified for Schedule "C" i.e. @4% prior to 04.08.2010 & @5% thereafter subject to entry 2 in Schedule G. That means that the tax on Pre-owned motor vehicles would be payable as per this entry subject to entry 2 of Schedule G, which applies to the sale of Pre-owned cars for which two rates are specified. This entry would take within its ambit all Pre-owned motor vehicles such as trucks, buses, cars, and similar vehicles which are Registerable under the Motor Vehicle Act. Since this entry is subject to entry 2 of Schedule G, which means that Pre-owned cars would be excluded from this entry for the purpose of rate of tax.

- It is also submitted that the cars purchased by the dealer from Maruti Udyog Limited which are duly registered under the Motor Vehicle Act, in the name of Maruti Udyog Limited are Pre-owned cars in the hands of the dealer. Vehicles manufactured and supplied by MUL which are not registered are sold through their dealers network and on the strength of invoice raised by the authorized dealer and declaration furnished, the ownership is registered with various authorities under the Motor Vehicle Act. But the in the case of used motor cars which are provide by the company to their staff and officer

they are first registered in the company's own name and then after use, sold as "used cars" which are definitely "Pre-owned" in the hands of dealer because the first owner of such vehicles is Maruti Udyog Limited and the dealer buy these vehicles as "Pre-owned" and sale them as such. The dealer has charged the tax in accordance with the provisions of the Act and as provided in Schedule G of the HVAT Act. Hence, the Assessing Authority has rightly levied VAT as per item No.2 (a) & (b) of Schedule G of VAT Act on the sale of Pre-owned cars by the dealer i.e. M/s. Batra Auto Company who is first seller of a Pre-owned cars. It is also recorded here that order of Assessing Authority was examined on this issue by the Revisional Authority (JETC Range) and no illegality or impropriety was found in the order as observed by the Revisional Authority vide his order dated 14.01.2013.

The Committee has recommended that these cases be re-examined and a detailed report be submitted to the Committee for its consideration.

[76] 2.2.7 Non levy of tax and penalty on bogus claim of ITC:

Section 38 of the Act provides for penal action (Tax avoided/benefit claimed and three times penalty) for claims based on bogus documents, false information and incorrect accounts etc.

In two DETC (ST) offices, we noticed between February 2012 and April 2014 that three dealers in three cases claimed ITC of Rs.1.70 crore on purchases of Rs.14.54 Crore (Rs.2.11 Crore after manipulating the documents in two cases and Rs.12.43 Crore from a non-existing dealer in one case) during 2005-06 and 2009-10. In first two cases the mens-rea of the dealers was very much proved in the orders passed by the AA/RA wherein ITC of Rs. 14.93 Lakh was disallowed but penalty of Rs. 44.78 lakh was not levied. The AA while finalizing assessment during December 2012 in one case, allowed ITC without verification of purchases which resulted in incorrect grant of ITC Rs. 1.55 Crore and penalty of Rs. 4.66 Crore was also not levied.

During Exit Conference, the Government agreed to issue necessary instructions / guidelines in this regard.

The department in its written reply stated as under:

1. M/s Vamani Overseas (P) Ltd., Faridabad (West) TIN 06261322892, A.Y. 2009-10:

In reply reply to the audit memo it is stated that the assessee has claimed input tax credit on the purchases reflected in its quarterly returns but during the course of examination of assessment record it has been observed that the claim of input tax credit on purchase amounting to Rs. 76.10 lacs did not qualify for input tax credit claimed in its quarterly returns/annual return as the same was found based on forged/fake documents. The A.A. in its detailed order dated 15.03.2013 has made out a case of rejection of the claim of input tax in connivance with the selling firm i.e M/s Shree Gancsh Product India, Faridabad (un-regd.) against whom a complaint for registering FIR has also been filed vide endorsement number 3580/KCH dated 09-01-2013 (copy enclosed). Further, the Assessing Authority in M/s Shree Gancsh Product India, Faridabad has disallowed input tax and levied penalty under Section 16 of HVAT Act vide orders dated 16.03.2011 (copy of order enclosed). This order was agitated in appeal before the First Appellate Authority who vide its order dated 26-03-2014 has rejected the appeal summarily being not maintainable in view of

Section 33(5) of the HVAT Act for want of adequate surety. The recovery proceedings under the Punjab Land Revenue Act against Shree Ganesh Products (India), Faridabad are still in progress but no recovery has been effected so far.

However, in the case of Vamani Overseas, Faridabad the action for levy of penalty under Section 38 of the State Act, the action has become time barred as per provisions of Section 41 of the State Act. So in view of above discussion para may be dropped.

2. M/s Nancy Ispat (P) Ltd., Faridabad (West) TIN 06961310285, A.Y. 2005-06:

In this case, it is intimated that it is pointed out that the assessment case had been revised by the Dy. Excise and Taxation Commissioner-cum- Revisional Authority, Faridabad (West) vide his order No.6/2005-06 dated 13.2.2012 created an additional demand worth Rs. 497237/- under VAT Act and Rs. 44210/- under CST Act. After that the dealer went in appeal before Hon'ble Tax Tribunal against the Revisional Authority order. Now it is submitted that the Hon'ble Tax Tribunal has decided the case on 29.7.2013 and the order of the Revisional Authority is set aside. In view of the above, the audit memo may please be dropped.

The Committee has recommended that these cases be re-looked carefully and a detailed report be submitted to the Committee for its consideration.

[77] 2.2.8 Excess benefit of ITC:

ITC is admissible on purchases of the dealers made from within the State after payment of VAT and paid to the State by the selling dealers. The purchases are adopted as per the books of accounts/returns and reconciliation statement filed by the dealer.

During audit of records of eight DETC (ST) offices, we noticed between March 2010 and May 2014 that 14 dealers in 14 cases claimed ITC of Rs. 225.44 Crore as per the returns/accounts field. The AAs, while finalizing assessments in these cases between March 2009 and March 2013, allowed ITC of Rs. 229.32 Crore. This resulted in excess grant of ITC of Rs. 3.88 Crore.

On this being pointed out, the department stated (October 2014) that in three cases demand of Rs. 3.11 Lakh had been created and adjusted/recovered and two cases had been sent to Revisional Authority for suo motu action.

During Exit Conference the Government stated that in one case, a dealer had three units and the material was transferred from the main unit to another unit. The main unit did not claim ITC on the transferred goods and the receiving units claimed such ITC though these were not booked in the purchase account but such purchases are booked by the purchasing unit/transferring unit. The reply of the Government was not tenable as the unit was availing the benefit of deferment and as such assessment was to be framed with respect to the restrictions and conditions governing the scheme and ITC was required to be allowed as per the allocation made by the dealer in respect of this unit.

The department in its written reply stated as under:

1. M/s Khandelwal Steel, Gurgaon (East) TIN 06051817853, A.Y. 2005-06:

In reply to the audit objection, it is submitted, "No liability can fastened on the purchasing registered dealer on account of non-payment of tax by the selling registered dealer in the treasury

unless it is fraudulent, or collusion or connivance with the registered selling dealer or its predecessors with the purchasing registered dealer is established. In the case of M/s Gheru Lal Bal Chand Vs. State of Haryana Civil Writ Petition No. 6573 of 2007 date of decision: September 23, 2011. In the light of the above decision the case was remanded and was accordingly decided vide order No. 125 dated 26.06.2013. Copy of the order placed on file. Hence, para may please be dropped.

2. M/s MSK Project (India) Ltd, Panipat TIN 06942615043, A.Y. 2009-10:

In this case, it is intimated that the case was examined by Revisional Authority in detail and illegality and impropriety made by the Assessing Authority in the assessment order has been removed and order stands revised vide order dated 14.07.2015 creating additional demand of Rs. 17074367/-. Dealer got aggrieved from order of Revisional Authority and filed an appeal before Hon'ble Haryana Tax Tribunal on dated 14.06.2014; the same is still pending before Haryana Tax Tribunal. No recovery out of above arrears has been made. However the dealer has furnished Bank Guarantee having no. 2016/84 dated 16.06.2016 of Corporation Bank, Baroda-390007 of Rs. 17100000/-. In view of the above, the para may be dropped.

The Committee has recommended that responsibility of the Assessing Authority be fixed for making wrong assessment and rest of the cases be re-looked and action taken report be submitted to the Committee at the earliest for its consideration.

[78] 2.2.9 Incorrect carry forward of Input Tax Credit:

As per the provision of Section 8 of HVAT Act, read with corresponding rules, ITC is admissible to a dealer on account of tax paid to the state by the selling dealers on sale of goods to him against his output tax on sale of goods as such or the goods manufactured therefrom. In case the goods or the goods manufactured there from are disposed of in the circumstances prescribed in Schedule E the ITC shall be disallowed accordingly and if the goods are disposed of partly in the circumstances specified in Schedule E and partly otherwise the ITC shall be allowed on Pro rata basis. Thus if the stock of goods or the goods manufactured therefrom happens to be nil or sold tax free, the excess ITC remaining unadjusted, if any, shall lapse to the Government accounts.

During test check of record of four DETC (ST) offices we noticed between May 2012 and June 2014 that eight dealers in eight cases purchased goods or reflected loss in the accounts worth Rs. 313.23 Crore on which ITC of Rs. 12.53 Crore was claimed. The goods worth Rs. 305.40 Crore were sold at a lower price with output tax of Rs. 12.22 Crore and thus, ITC worth Rs. 31.60 lakh was carried forward in excess.

On this being pointed out the department stated (October 2014) that in three cases, matter had been referred to Revisional Authority for suo-motu action and the matter was under examination in one case. In four cases replies of the department were not relevant to the observations raised.

The department in its written reply stated as under:

1. M/s Futuristic Agencies Ltd, Faridabad (West) TIN 06811329137, A.Y. 2009-10:
In this case, it is intimated that the audit objection raised by audit party has been admitted and the case for the year 2009-10 has been sent to the Dy. Excise & Taxation Commissioner (inspection) Cum-Revisional Authority for Suo-motu action vide this office Endst. No. 3568/TI(SS) W-4 dated 08.12.2016.

2. M/s Sucon India Ltd, Faridabad (West) TIN 06221316609, A.Y. 2009-10:

In this case, it is intimated that the audit para has been admitted. The assessment file sent to the Dy. Excise & Taxation Commissioner (inspection) for Suo-motu action. The Dy. Excise & Taxation Commissioner (inspection) has reversed the input tax for 405941/- vide order dated 31.03.2016. TDN for Rs. 405941/- has been issued to the dealer. Which is duly served upon the dealer. (Copy of TDN attached herewith). Efforts are being made to recover the same amount.

The Committee has recommended that responsibility of the defaulting officer/official be fixed in the matter of M/s Futuristic Agencies Ltd, Faridabad (West) for not taking action for a long period of three years under intimation of the Committee.

The Committee has also desired that state interest be protected meticulously in the case of M/s Sucon India Ltd, Faridabad (West) which is pending in appeal.

[79] 2.2.10 Non production of records:

Audit had requisitioned 427 assessment files involving tax amount of Rs.7,096.69 Crore during audit in 12 DETC (ST) offices against which only 354 files involving tax amount of Rs. 4,962.06 Crore were produced. The remaining 73 assessment files involving tax amount of Rs. 2,134.63 Crore were not produced to audit despite several reminders.

The department in its written reply stated as under:

1. **M/s Shiv Shakti Iron Store, Ambala RC 22955, A.Y. 2009-10.**
2. **M/s Hindustan Petroleum Co-operation, Ambala RC 10438, A.Y. 2003-04.**
3. **M/s LMC Enterprises (P) Ltd., Faridabad (East) TIN 06431212849, A.Y. 2009- 10.**
4. **M/s ACC Concrete Ltd, Faridabad (East) TIN 6841221014, A.Y 2009-10.**

In this case, it is intimated that the file in question has already been produced before the audit party and the same has been audited. Therefore, in view of the above submission the Audit objection may please be dropped.

5. **M/s Fx. Enterprises Solution, Faridabad (East) TIN 06031216658, A.Y. 2009-10.**
6. **M/s Blue Pressicion Ltd, Faridabad (East) TIN 06021210892 A.Y. 2009-10.**
7. **M/s Haden International Group India, Faridabad (E) TIN 068821211971, A.Y. 2009-10.**
8. **M/s Garg and Company, Faridabad (East) TIN 06082128910, A.Y. 2009-10.**
9. **M/s Elofic Industries Ltd, Faridabad (East) TIN 06431203828, A.Y. 2009-10.**
10. **M/s Jyoti Tyre, Faridabad (East) TIN 641215802, A.Y. 2011-12.**
11. **M/s Atlus Construction (P) Ltd., Faridabad (East) A.Y. 6831214957, A.Y. 2009-10.**
12. **M/s Sandeep Engineer (P) Ltd. Faridabad (East), TIN 06441204065, A.Y. 2009-10.**
13. **M/s Jenrus Metal Industries, Faridabad (East) TIN 6051214028, A.Y. 2009-10.**
14. **M/s Vijay Sons, Faridabad (East) TIN 6761214786, A.Y. 2009-10.**
15. **M/s P.R. Rolling Mills (P) Ltd., Faridabad (East) TIN 6811200418, A.Y 2009-10.**

(Reply from Sr. No. 5 to 15)

In reply to this para, it is submitted that the file in question is available in record for audit and visiting audit party may inspect the file in their next visit.

16. **M/s Orient Steel and Industries, Faridabad (West) TIN 6291303136, A.Y . 2009-10.**

17. **M/s Supermax Metal (P) Ltd., Faridabad (West) TIN 6051327324, A.Y. 2009-10.**

18. **M/s Bhagwat Steel, TIN 06291308374, Faridabad (West) A.Y 2009-10.**

19. **M/s Northern Steel and General Mill, Faridabad (W) TIN 06591318782, A.Y 2010-11.**

(Reply from Sr. No. 16 to 19)

In reply to this para, it is submitted that the assessment file was produced to the audit party at the time of their visit and the same was inspected and audited by the audit party. Hence, the audit para may please be dropped.

20. **M/s STI Sneh India Ltd, TIN 6771819882, Gurgaon (East) A.Y. 2005-06 to 2009-10.**

In this case, it is intimated that the file in question has already been produced before the audit party and the same has been audited. Therefore, in view of the above submission the Audit objection may please be dropped.

21. **M/s ASK Automotives (P) Ltd., TIN 6041814803, Gurgaon (E) A.Y 2005-06 to 2009-10.**

22. **M/s AG Industries, TIN 1816539, Gurgaon (East) A.Y. 2005-06 to 2009-10.**

23. **M/s Jai Ushin Ltd, TIN 6921814610, Gurgaon (East) A.Y. 2009-10.**

24. **M/s NKG Infrastructure, Gurgaon (East) TIN 6981826508, A.Y. 2009-10.**

(Reply from Sr. No. 21 to 24)

In reply to this para, it is submitted that the file in question is available in record for audit and visiting audit party may inspect the file in their next visit.

25. **M/s Jai Bharat Maruti Ltd., Gurgaon (East) TIN 6181814435, A.Y. 2009-10.**

26. **M/s Bharat Sheet Ltd, TIN 5631814042, Gurgaon (East) A.Y. 2009-10.**

27. **M/s Machino Plastic, Gurgaon (East) TIN 6461814087, A.Y. 2009-10.**

28. **M/s Pantaloon retail, Gurgaon (East) TIN 7911823266, A.Y 2009-10.**

29. **M/s Nappino Auto, Gurgaon (East) TIN 61818963, A.Y. 2009-10.**

(Reply from Sr. No. 25 to 29)

In this case, it is intimated that the file is in the office and on perusal of the file, it is found that the file has already been audited. However the file will be presented before the audit party on their visit.

30. **M/s Shri Cement Ltd, Gurgaon (West) TIN 06021913366, A.Y. 2009-10.**

31. **M/s O. Parkashan & Co. Gurgaon (West) TIN 06891920211, A.Y. 2009-10.**

32. **M/s Sona Kaya Steering System Ltd, Gurgaon (West) TIN 06461914191, A.Y. 2005-06 to 2009-10.**

33. **M/s HPL Electric and Power, Gurgaon (West) TIN 20154, A.Y. 2009-10.**

34. **M/s Sona Somic Lampforder Component Ltd, Gurgaon (W) TIN 18282, A.Y. 2009-10.**

(Reply from Sr. No. 30 to 34)

In reply to your objection for Non production of file it is intimated that the above file M/s Shree Cement Ltd holding TIN 0601913366 for the assessment year 2009-10 has already been audited by the audit party during the audit period. The same will be re-produced at the time of audit. Hence, there is no question of Non Production of file. So para may please be dropped.

35. **M/s Haryana auto Service, Kurukshetra TIN 06242302212 A.Y. 2009-10.**

It is submitted that the assessment file for the year 2009-10 has been audited by the audit party as there is sign of (tick) on the file in the red pencil. Further the same will be produced again when desired or at the time of next audit. In view of the above para may be dropped.

36. **M/s SG Construction Company, Panchkula TIN 6082507361, A.Y. 2010-11.**
37. **M/s Surya Pharmaceutical, Panchkula TIN 6702501006,, A.Y. 2009-10.**

(Reply of Sr. No. 36 and 37)

In this case, it is intimated that at the time of audit these files were not traceable. Now, the files have been traced and shall be duly submitted to the next audit team camp at Panchkula. Hence, the para may kindly be dropped.

38. **M/s Sugar Mill, Panipat A.Y. 2005-06 to 2009-10.**
39. **M/s IOCL, Panipat A.Y. 2009-10.**
40. **M/s Palwal GDR Home Style (P) Ltd., Panipat RC 032615194, A.Y 2010-11.**
41. **M/s Garg Spinning Mill, Panipat TIN 06632606338, A.Y. 2011-12.**
42. **M/s R.D. Spinning Mill, Panipat Tin 6292607495, A.Y 2010-11.**
43. **M/s Shiv Waltax India (P) Ltd., Panipat TIN 6492619801, A.Y. 2011- 12.**
44. **M/s Palwal GDR Home sytle (P) Ltd., Panipat TIN 06932015194, A.Y. 2011-12.**
45. **M/s RD Fibers (P) Ltd., Panipat TIN 6712618419, A.Y. 2011-12.**
46. **M/s GG Spentax, Panipat TIN 67626160115, A.Y. 2011-12.**
47. **M/s Riviera Home Furnishing, Panipat TIN 64626066, A.Y. 2011-12.**
48. **M/s SSA International Ltd, Panipat TIN 6432608582, A.Y. 2009-10.**
49. **M/s Durga Spinning and Weaving Mill, Panipat TIN 066326066582, A.Y. 2009-10.**

(Reply from Sr. No. 38 to 49)

In reply to this para, it is submitted that the file in question is available in record for audit and visiting audit party may inspect the file in their next visit.

49 **(a) M/s Mesto Mineral (P) Ltd., Rewari, TIN 6312703902, A.Y. 2009-10.**

In this case, it is intimated that para is not admitted. File was produced before the audit. Audit has raised objection on this file and audit objection is included in this CAG report in para no. 2.2.4.

50. **M/s Samsung India Electronic (P) Ltd., Sonepat TIN 06613007444, AY 2009-10.**
51. **M/s Electronic India (P) Ltd., Sonepat TIN 6353007781, A.Y. 2009-10.**
52. **M/s Samsung India Electronics (P) Ltd., Sonepat TIN 05631007444, AY2005-06.**
53. **M.s Roop Oil Company, Sonepat TIN 6283002630, A.Y. 2010-11.**
54. **M/s Dynamic Powers, Sonepat TIN 6293009851, A.Y. 2010-11.**
55. **M/s D.U. Polychem, Sonepat TIN 6873016128, A.Y. 2010-11.**
56. **M/s Golden Roll (P) Ltd., Sonepat TIN 539, A.Y. 2009-10.**
57. **M/s Sethi Electronics, Sonepat A.Y. 2009-10.**
58. **M/s Genson Rubber Industries Sonepat, TIN 6303009603, A.Y. 2009-10.**
59. **M/s Inglayme India (P) Ltd., Sonepat TIN 6163011814, A.Y. 2009-10.**
60. **M/s Arkem Impex, Sonepat TIN 06128008820, A.Y. 2009-10.**
61. **M/s Combite Global D-2 Sonepat TIN 6863008616, A.Y. 2010-11.**
62. **M/s Vadifal Enterprises, Sonepat TIN 1192, A.Y. 2009-10.**
63. **M/s Singh Motor, Sonepat TIN 6943004013, A.Y. 2010-11.**
64. **M/s Sons Star overseas, Sonepat TIN 725656, A.Y. 2005-06.**
65. **M/s Kohinoor Food Ltd, Sonepat TIN 5800, A.Y. 2005-06.**
66. **M/s Shri Lal Mehal Ltd, Sonepat TIN 9859, A.Y. 2005-06.**
67. **M/s Mittar Sain Sukhbir singh Sonepat TIN 6503009008, A.Y. 2010-11.**
68. **M/s J.K. Iron and Steel, Sonepat TIN 6343008999, A.Y. 2009-10.**
69. **M/s Sonepat Co-op Sugar Mill Ltd, Sonepat TIN 6483000871, A.Y. 2007-08 to 2009-10.**
70. **M/s Sakshi Trader, Sonepat TIN 61333007223, A.Y. 2009-10.**
71. **M/s Ajit Singh Co-op (P) Ltd. Sonepat, TIN 6203010046, A.Y.**
72. **M/s Kalinga Cable and Conduct Co, Sonepat TIN 6093011998, A.Y. 2009-10.**

(Reply from Sr. No. 50 to 72)

In this case, it is intimated that all the record will be produced before the auditor at the time of next audit.

The Committee has desired the Principal Accountant General, Haryana to provide a copy of the requisition to produce those files for audit, if available in the record, to the department and then the department to submit fresh reply for consideration of the Committee.

[80] 2.3.1.2 Incorrect deduction of transit sale where goods were dispatched directly to ultimate purchaser:

During scrutiny of records of the office of nine DETCs (ST) between July 2011 and February 2014, we noticed that while finalizing assessments during February 2011to March 2013 in 32 cases of 28 dealers for the years 2007-08 to 2009-10, the AAs allowed deduction of Rs. 1,005.02 Crore on account of transit sale against production of

E-1 & C forms. But as per the assessment records it transpired that the goods were dispatched by first sellers direct to ultimate purchasers. As such the deduction of transit sale was not admissible to such dealers as subsequent sale was not proved and the goods were delivered directly to the ultimate purchasers. Accordingly allowing inadmissible deduction resulted in underassessment of tax of Rs. 32.69 Crore.

On this being pointed out, the department stated (October 2014) that in five cases of DETC (ST) Ambala, Revisional Authority had created additional demand of Rs. 46.63 Lakh. In the cases of DETCs (ST) Ambala, Faridabad (East) and Karnal cases had been sent to Revisional Authority for taking suo-motu action. In the cases of D.E.T.C. (ST) Faridabad (East), Faridabad (West), Gurgaon (East) and Rohtak deduction was rightly allowed after verification of E-1 and C forms. DETCs (ST) Faridabad (East), Faridabad (West), Gurgaon (East), Karnal and Sonepat stated (May 2014) that deduction was rightly allowed in view of the decision of Haryana Tax Tribunal (H.T.T.) in case of BPCL Vs. State of Haryana. Further, D.E.T.C. (ST) Karnal stated in May 2014 that the dealer company had its branch in Gurgaon and the goods were consigned directly to the branch and there was no impropriety in issuing E-1Form in the name of the Gurgaon dealer. In one case, the reply of DETC (ST) Karnal was not correct as no dealer was registered in Gurgaon. Replies submitted by DETCs in remaining cases were not correct in view of definition of sale price and the judgment of Hon'ble High Court of Kerala in the case CINZAC Technical Services Vs. State of Kerela (2009) 25 VST 165 (Ker) which held that subsequent sale was not proved as the lorry receipts contained the address of ultimate purchaser.

The department in its written reply stated as under:

The issue of transit sale was discussed at length in Public Accounts Committee meeting on CAG report for the year 2009-10 under para no. 2.14.1.1 and in Public Accounts Committee meeting on CAG report for the year 2011-12 under para no. 2.2.12.2 and in both meetings issue of transit sale was dropped by Public Accounts Committee. The stand of the department is as under:-

The audit objection is neither valid nor sustainable in the eyes of law as is shown here in below:

The Central Act 1956 defines only two categories of inter-state sales. One is defined in section 3 (a) of the Act. This is a sale which occasions the movement of goods from one state to another. The other is defined in section 3 (b) of the Act which is a sale effected by transfer of documents of title to the goods during the course of movement of goods from one state to another. Only section 3 (b) of the Act sale can be subsequent inter-state sale. The two sales are district and different. Both these sales are mutually exclusive (There is no third category of Inter-state sale).

It is also to be noted that a 3 (b) of the Act sale is exempted from tax u/s6 (2) of the Central Act subject to production of E-1 forms the supplier and "C" forms from the purchasers. If the dealer fails to produce E-1 & C forms then the 3 (b) of the Act sale loses the exemption u/s 6(2) and become taxable.

The objection by the audit regarding pre-existing orders from the ultimate purchasers and hence not 3 (b) of the Act sale is entirely mistaken. The audit has failed to appreciate the distinction between the agreement to sell/purchase and a contract of sale.The definition given in section 3 of CST Act 1956 makes the position very clear.

Section 3(a) sale occasions the movement of goods from one stage to another while section 3 (b) sale is effected by transfer of documents of title to the goods during the movement from one state to another. Thus for section 3 (a) there has to be a prior or existing contract of sale requiring the movement of goods from one state to another.

The legal position in respect of sale u/s 3 (b) is well settled in a number of judicial decisions reported as GA Galikotwala & Co. (1976) 37 STC 536 (SC), state of Gujrat Vs. Haridas Mufji Takkar (1992) 84 STC 317 (Guj.) State of West Bangal V. Jossi Jute Corporation (1996) 100 STC 17 (Cal) and BPCL VSTI2011 C 783 (Haryana Tax Tribunal).

However, the dealer wise replies are given below:-

1. **M/s M.M. Traders, Ambala Cant, TIN 6581046266, A.Y. 2009-10:**

In this case, it is intimated that the case was sent to Dy. Excise & Taxation Commissioner (I) – Cum-Revisional Authority, Ambala for taking Suo-motu action in the matter who vide their order dt. 28.10.2013 created an additional demand of Rs. 4,36,845.00/- under the CST Act, 1956 against the dealer. The dealer preferred an appeal before the Hon'ble Haryana Tax Tribunal Chandigarh. The case is still pending before the Tribunal.

2. **M/s Jai Durga Traders, Ambala Cant, TIN 6961039073, A.Y. 2008-09:**

In this case, it is intimated that the case was sent to the Revisional Authority –Cum-Dy. Excise & Taxation Commissioner (ST) for taking Suo-motu action and Revisional Authority vide order dt. 17.02.2014 revised the order and created additional tax liability of Rs. 678076/- under the Haryana Value Added Tax Act, 2003. Tax demand notice and copy of order has been served upon the dealer on 16.05.2014. Now the dealer filed and appeal in Haryana Tax Tribunal vide STA No. 382/2014-15 dated 25.07.2014, which is still pending.

3. M/s Jai Durga Traders, Ambala Cant, TIN 6961039073, A.Y. 2009-10:

In this case, it is intimated that the case was sent to the Revisional Authority –Cum- Dy. Excise & Taxation Commissioner (ST) for taking Suo-motu action and Revisional Authority vide order dt.23.05.2014 revised the order and created additional tax liability of Rs. 1246881/- under the Haryana Value Added Tax, 2003. Tax Demand Notice and copy of order has been served upon the dealer on 10.06.2014. Now the dealer filed an appeal in Haryana Tax Tribunal vide STA No. 491/2014-15, dated 07.08.2014, which is still pending.

4. M/s Garg Traders, Ambala Cant, TIN 6451037559, A.Y. 2009-10:

In this case, it is intimated that the case was sent to the Dy. Excise & Taxation Commissioner-Cum-Revisional Authority, Ambala for Suo-motu action taken vide order dt. 23.05.2014 and an additional demand of Rs. 22,59,125/- was created against tax demand. Now the dealer filed an appeal with Haryana Tax Tribunal vide sTA No. 683/14-15, dated 07.08.2014. The case is still pending with the Hon'ble Haryana Tax Tribunal at Chandigarh.

5. M/s Unitech Machines Ltd., Gurgaon (East) TIN 6131818003, A.Y. 2009-10:

The dealer has claimed transit sales deduction for Rs. 870693698/- u/s 6(2) of the CST Act against form E-l and corresponding C forms which arc placed on file. While carrying out the assessment, Assessing Authority, Gurgoan (East) has duly verified the transaction by matching the E-1 against C forms alongwith the details of the transactions by way of invoices/Builties carrying enforcements and list submitted therewith carried out while claiming the deductions. These

documents in no uncertain terms establish beyond any shadow of doubt that the transactions falls within the Para-meters of Section 6(2) of the CST Act. Hence, the claim was rightly allowed by the Assessing Authority, Gurgoan. None of the transactions as mentioned in the Audit objections dated 7-9.-13 & 27-9-13 are pre-determined as can be verified from the copies of Builty carried by the vehicle carrying the goods which were submitted by the dealer alongwith the copies of invokes and while allowing the claim, the entire record was verified by the concerned Assessing Authority. The Audit has failed to take note of the endorsement on the Builties (Copies) submitted by the dealer at the time of assessment.

A careful examination/verification of the same would show that the entire sale in the nature of subsequent sale during the movement of goods form one state effected by a transfer of documents of title to the goods to the registered dealer. Hence, covered by Section 6(2) of the CST Act and thus eligible for deduction. The dealer has no male-fide intention of claiming any wrong deduction in order to avoid legible tax payable to the Govt. of Haryana. It is a genuine dealer and has been carrying out its business in a most bona-fide and honest manner.

It is, therefore, requested that the Audit Paras in view of the above submission and genuine nature of the transaction deserves to be dropped and oblige.

6. M/s Jindal Traders, karnal Tin 06062220640, A.Y. 2008-09.

In reply to the said audit para it is submitted that the assessement file was sent to the Dy. E.T.C. (I) –Cum-Revisional Authority vide memo No. 2527/ward-7, dated 30.08.2013. The Revisional Authority has decided the matter vide his order dated 31.07.2014 recevied in this office vide Endst. No. 2029/Dy. ETC (I) Karnal dated 30.12.2014. Dy. ETC (I) –Cum-Divisional Authority Karnal rejected the E-I sale worth Rs. 4074099/- and Tax of Rs. 87431/- under CST Act has been levied and TDN has been served to the dealer.
Further against the order of Dy. ETC (I) –Cum-Revisional Authority, Karnal the dealer has preferred an appeal against the order of Dy. ETC (I) –Cum-Revisional Authority before Haryana Tax Tribunal, Chandigarh. Since the matter stil pending before Haryana Tax Tribunal, the recovery has not been effected. So, keeping in view of the above para may please be droped.

The Committee has desired that State interest be protected meticulously in cases pending in appeal and pragmatic efforts be made to make the recovery to augment the State revenue.

[81] 2.3.2.2 Sale during import:

During test check of records of DETC Faridabad (East) and Gurgaon (East), we noticed in September 2013 and February 2014 that a dealer of Faridabad (East) executed works contract on turnkey basis and a dealer of Gurgaon (East) traded I.T. Products etc. While finalizing assessments of two dealers in December 2012 and March 2013 for the year 2009-10, the AAs allowed the deduction of sale during import worth Rs. 68.78 Crore. But the conditions for allowing such deduction were not met in view of judgment of Hon'ble High Court of Delhi in the case Goesccke & Debrient I.P. Ltd. Vs. Commissioner of Sale Tax Delhi (2012) 47 VST 343 (Delhi). Therefore, allowing wrong deduction of sale during import resulted itno underassessment of tax of Rs. 2.75 Crore.

On this being pointed out, the department stated (October 2014) that one case of DETC (ST) Gurgaon (East) had been sent to Revisional Authority for taking suo-motu action. Further in case of DETC (ST) Faridabad (East) the contractee had authorized the contractor to receive the goods from foreign suppliers. The reply of the department was not correct as no documents in support of reply were available on record. Further no such deduction was allowed to turnkey contractor in view of definition of sale price.

Thus irregular deduction of transit sale (19 cases), High Sea Sales (four cases) to turnkey contractors and wrong deduction of sale during import (two cases) resulted in under assessment of tax of Rs. 195.38 Cr. Exempted (Transit) sales against E-I and C forms was incorrectly allowed in 32 cases which resulted in under assessment of VAT of Rs. 32.69 Crore.

The department in its written reply stated as under:

Note: The issue of High sea sale was discussed at length in Public Accounts Committee meeting on CAG report for the year 2011-12 under para no. 2.2.12.1 and issue of High Sea sale was dropped by Public Accounts Committee. However, dealer wise reply is given below:-

1. **M/s Larsen & Turbo (P) Ltd, Faridabad (East), TIN 6811200418, A.Y. 2009-10:**

The dealer has claimed exemption of tax on sale occasioning import to the tune of Rs.238990491/- in the Returns tiled by him. In this case, the goods have been imported by M/s. Indian Oil Corporation Ltd (IOCL). Panipat directly from foreign Suppliers for which authorits was given to Larsen & Toubro Ltd (L &T) to take delivers of the goods on behalf of IOCL. Panipat and make delivers thereof to IOCL. In this case, the transaction of Sale and Purchase is between IOCL and Foreign Suppliers and L&T was only authorized to take delivery of the goods from the Port and handover the same to IOCL. Panipat which was claimed as sale occasioning import and was not as a intra state sale made by L&T to IOCL Panipat. These goods have not been imported by L&T on his import License but the same have been imported bs IOCL in its Import License. After the goods having been delivered to IOCL Panipat. the same were later on handed over to L&T bs IOCL. Panipat for erection and commissioning of the same. You may refer to clause 6.5 & 6.6 of special condition of contract which concludes that there was no direct intra state sale of these goods by L&T to IOCI in this way. L&T is not liable to be taxed on these transactions. Therefore Audit para may please be dropped.

2. **M/s Dell India (P) Ltd., Gurgaon (East) TIN 6951824633, A.Y. 2009-10:**

In this case, it is intimated that the documentary proof the sale in course of import of Rs. 448836495/- was submitted by the dealer is placed in separate file which is in the possession of the office record and produced during the visit of the audit party. In light of the above para may please be dropped.

The Committee has desired that the matter be re-examined in consultation with the office of Principal Accountant General, Haryana and action aken report be submitted to the Committee for its consideration.

[82] 2.4.1 Under assessment of tax due to application of incorrect rate of tax:

The rates under HVAT Act, 2003 have been prescribed as per Schedules A to G. However, under section 7 (1)(iv) of the HVAT Act, any commodity other than the commodities classified in any of

the schedules, is taxable at the rate 12.5 percent with effect from 1 July 2005. Further interest is also leviable under section 14 (6) of the HVAT Act in case of default in payment of tax.

During test check of records of offices of DETC (ST), Karnal and Sonepat we noticed between June 2013 and January 2014 that three dealers sold machinery parts valued at Rs. 7.97 Cr in 2009-10 and paid tax of Rs. 32.25 lakh at the rate of four/five per cent. The AAs while finalizing assessments during August 2012 to March 2013 also levied tax at the rate of four/five per cent instead of correct rate of tax of 12.5 per cent as applicable in respect of unclassified item. This had resulted in short levy of tax of Rs. 67.39 Lakh, besides interest of Rs. 54.94 lakh.

On this being pointed out between June 2013 and January 2014, the department stated (October 2014) that cases had been sent to the Revisional Authority for taking suo-motu action.

The matter was reported to the Government their reply has not been received (November 2014).

The department in its written reply stated as under:

1. **M/s Rishi Laser Ltd, Sonepat, TIN 06623013113, A.Y. 2009-10:**

In this case, it is intimated that the file has been sent to Dy. Excise & Taxation Commissioner (Inspection)-Cum-Revisional Authority, Sonepat for taking necessary Suo-motu action memo no. 2360 dt. 27.11.2013 In this case and as and when this action is completed the audit will be informed accordingly.

The Committee has desired that State interest be protected meticulously.

[83] 2.4.2 Under assessment of tax due to application of incorrect rate of tax:

The Financial Commissioner and Principal Secretary to Govt. of Haryana has clarified on 11 September 2007 that Ultra High Temperature (UHT) sweetened flavored milk is different from Ultra High Temperatured Milk which is covered under entry 81 of Schedule C of HVAT Act. Hence, UHT sweetened flavored milk products are taxable at general rate of tax 12.5 per cent and CST rate is same rate as VAT rate applicable in the state of selling dealers without C forms.

During test check of the records of office of DETC (ST), Sonepat in July 2012, we noticed that a dealer sold fermented milk drink worth Rs. 2.18 Crore during the year 2008-09 and claimed as tax-free sale. The AA while finalizing the assessment in February 2012, also did not levy tax at the general rate of 12.5 per cent and allowed the consignment sale (Without F form) and Inter State Sale is valuing Rs. 2.18 Crore as tax free. This had resulted in non-levy of tax Rs. 27.24 lakh besides interest of Rs. 22.33 lakh.

After pointed out the case in July 2012, the department stated (October 2014) that additional demand of Rs. 27.24 lakh had been created by the Revisional Authority in February 2014. The assessee had filed an appeal before HTT and same was pending.

The department in its written reply stated as under:

1. M/s Yakult Danone India (P) Ltd., Sonepat TIN 06573013383, A.Y. 2008-09:

In reply to the audit para, it is submitted that the case/file referred to Revisional Authority for taking suo-motu action in the case. The Revisional Authority has decided the case by creating an additional demand to the tune of Rs. 27,23,507/- under CST Act without 'F' forms. Thereafter the order was rectified after submission of 'F' forms and the demand was reduced to Rs. 8,87,074/- including interest. The dealer has deposited Rs. 4,43,537/- vide TR No. 3690 dated 11-10-2014. Further the dealer has preferred an appeal before the Haryana Tax Tribunal Chandigarh, against the said order.

The Committee has desired that responsibility of the Assessing Authority be fixed in the matter and action taken report be submitted to the Committee at the earliest.

[84] 2.5 Under assessment of tax due to calculation mistake:

Under section19 of HVAT Act, any taxing authority or Appellate Authority, may, at any time, within a period of two years from the date of supply of copy of the order passed by it in any case, rectify any clerical or arithmetical mistake apparent from the record of the case after giving the person adversely affected thereby a reasonable opportunity of being heard.

During test check of the records of office of DETC (ST), Kaithal in February 2014, we noticed that a lump sum dealer made sale valued at Rs.10.93 Cr during 2009-10. The AA while finalizing the assessment in March 2013, levied lump sum tax as Rs.4.74 Lakh erroneously at the rate of four per cent on sale of Rs.10.93 Cr instead of correct amount of Rs.43.74 lakh. This had resulted in underassessment of tax as Rs. 39.00 Lakh due to calculation mistake.

On the being pointed out in February 2014, the department stated (October 2014) that the order had been rectified by creating an additional demand of Rs. 5.48 lakh and the case had been sent to J.E.T.C Ambala for revision to levy interest under section 14 (6) of HVAT Act, 2003 on due demand of Rs.5.48 lakh.

The matter was reported to the Government their reply has not been received (November 2014).

The department in its written reply stated as under:

1. **M/s Punj Lloyed Ltd, Pundri, Kaithal TIN 06272104076, A.Y. 2009-10:**

This case has been rectified u/s 19 of HVAT Act, 2003 by Dy. Excise & Taxation Commissioner, vide disposal no. 62-B, dated 28.02.2014. the dealer preferred an appeal before Jt. Excise & Taxation Commissioner (A). The case was remanded back for de novo assessment and again assesst the remand case vide disposal no. 90, dated 16.10.2015 by creating demand of Rs. 7887816/-. Now again the dealer has gone to appeal and case is pending before Jt. Excise & Taxation Commissioner (A) Ambala and **the case is fixed for 17.01.2017 for hearing.**

The Committee has desired that inquiry be got conducted in the matter to fix the responsibility of defaulting officer/official and action taken report be submitted to the Committee within a fortnight.

[85] 2.6 Evasion of tax by submitting fake declaration forms 'C':

Section 8 (4) of the CST Act, 1956 provides that the concession under sub section (1) shall not apply to any sale in the course of interstate trade or commerce unless the dealer selling the goods furnishes to the Assessing Authority a declaration form duly filled and signed by the registered dealer to whom the goods are sold containing the prescribed particulars in the form. The ETC issued instructions in March 2006 that in the cases of specific traders (selected for scrutiny), all transactions totaling more than Rs. One lakh from a single VAT dealer in a year should be cross verified. Further, penalty was also leviable under section 38 of the HVAT Act.

During test check of the records of the offices of DETC (ST), Faridabad (East), Karnal and Sonepat between May 2013 and March 2014, we noticed that four dealers claimed concessional rate of tax on declaration forms C for sale value of Rs. 9.79 Crore during the years 2009-10 to 2010-11. The AA at the time of rectification (May 2013) admitted the form C without verification of the transaction and allowed the concession of Rs. 83.52 lakh on form C which was found fake on cross verification. This resulted in evasion of tax amounting to Rs. 83.52 lakh, besides penalty of Rs. 2.50 Crore.

On this being pointed out between May 2013 and March 2014, the department stated in October 2014 that the case was taken up for reassessment and order had been rectified. The dealer had filed an appeal in the case. In one case of DETC (ST) Karnal, the case had been sent to the Revisional Authority for taking suo-motu action and in another two cases of DETC (ST) Sonepat, notices had been issued to the dealers.

The matter was reported to the Government their reply has not been received (November 2014).

The department in its written reply stated as under:

1. **M/s Perfect Mechanical Industries, Faridabad (East), TIN 06881211680, A.Y. 2009-10:**

In reply to audit objection it is submitted that the original assessment has been framed by the Assessing Authority on dated 05-02-2013. Upon verification from the Commercial taxes Department, Madhya Pradesh (Asstt. Commercial tax Officer Jabalpur-1) it has come to know that the declaration forms as mentioned below were not issued by the said office. Hence the case was taken for reassessment and has been assessed accordingly 05.05.2014. (Copy of order attached). Tax and penalty and interest of Rs. 3,66,33,535/- levied on account of disallowing of fake "C" forms submitted by the dealer. The dealer has filed an appeal with the Joint Excise & Taxation Commissioner Faridabad and as per directions of Joint ETC (appeal) the dealer filed a Bank Guarantee of Rs. l,46,00,000/-. The appeal has been rejected vide Joint ETC order dt. 19.11.2014. After that out of total interest, tax and penalty of Rs. 3,66,33,535/- an amount of Rs. 1,46,00.000/- has been recovered against Bank Guarantee issued by HDFC Bank on dated 24.11.2014. HDFC Bank. NIT Faridabad has issued DD No.088l33 dared 24.11.2014 for Rs. 1.46,00,000/- in favour Assessing Authority Faridabad and the same demand draft has been encashed on dated 27.11.2014 vide DCR No.2484. (Copy of DCR and letter from HDFC Bank is placed on file) Now the dealer has filed an appeal before the Haryana Tax Tribunal and the same is still pending.

2. **M/s Perfect Mechanical Industries, Faridabad (East), TIN 06881211680, A.Y. 2010-11:**

On the subject cited above, it is submitted that assessment file has been examined by the audit party and no audit objection has been raised. Although, the brief facts of the case is as under. The original assessment has been framed by the Assessing Authority on dated 07-10-2013. Upon verification from the Commercial Taxes Department, Madhya Pradesh (Asstt. Commercial Tax Officer Jabalpur-1) it has come to know that the declaration forms as mentioned below were not issued by the said office. Hence the case was taken for reassessment and has been assessed accordingly 31.03.2015. Tax and penalty and interest of Rs. 5,21,74,265/- levied on account of disallowing of Fake 'C' forms submitted by the dealer. The dealer has filed an appeal with the Joint Excise & Taxation Commissioner Faridabad and directions given by Joint ETC (appeal) to the dealer to file a surety bond of two registered dealers in Haryana or Bank Guarantee equal to demand created. The dealer refused to submit surety bond of two registered dealers of Haryana. He has submitted surety bond in personal capacity before the Assessing Authority and same has been rejected by the Assessing Authority with the direction to submit surety bond of the said amount of two registered dealers of Haryana. The dealer has filed an appeal before the Hon'ble Punjab & Haryana High Court vide CWP No.19929 of 2015. Now the dealer has withdraw his appeal before the Punjab & Haryana High Court. The Hon'ble Court has passed order dated 13.07.2016 in this regard. Now the dealer has submitted surety bonds of two registered dealers of Rs. 5,21,74,265/- before the Assessing Authority on dated 18.07.2016 and the same has been accepted by the Assessing Authority. The case is still pending before Joint ETC Faridabad (Appeal).

3. **M/s Bhardwaj & Sons, Sonepat TIN 06273009086, A.Y. 2009-10:**

In reply to audit para, it is submitted that the assessment of the firm for the year 2009-2010 was framed by Shri N.K.Grewal the then Assessing Authority vide order dated 19.03.2013. The dealer submitted C forms worth Rs.9032644/- which were allowed @ 2%. The declaration forms submitted by the dealer were cross verified by the audit party through the respective offices to ascertain the veracity and genuineness of these documents. The verification report received from such authorities revealed that the aforesaid declarations were not proper and genuine. In the light of the above the case was sent to the Dy. Excise & Taxation Commissioner (Inspection) on 16/09/2013 with a request to take the case in revision as per provision Section 34 of the HVAT Act, 2003 but the Revisional Authority returned the case – with the remarks that **"the case is not fit for revision u/s 34(1) of the HVAT Act. Hence the assessment file is returned back and you are directed to reassess the case as per law"** meaning thereby the penal action against the dealer for submission of false and fake declarations was to be initiated by the Assessing Authority based on the cross verification report so received.

Now the Assessing Authority has issued last and final notice issued to the dealer for penal action u/s 9(2) of CST Act, 1956 read with Section 38 of HVAT Act and it has been served upon the dealer. The final outcome after the reassessment of the case will be intimated after finalization of the case.

4. **M/s Mercury Polyfoam (P) Ltd, Sonepat TIN 06403009451, A.Y. 2010-11:**

In reply to audit memo it is submitted that the letter regarding verification of C forms has been sent to the Delhi Authorities vide this office Memo No. 1487/TI(W-2), dated 06.09.2013, No. 1099/TI(W-2), dated 25.04.2014, No. Spl. 53/T. I. (W-2), dated 14.10.2016, No. Spl. 57/T.I.(W-2)/dated 29.12.2016 & No. 4808/T.I/(W-2)/dated 13.01.2017 and also sent to the Sale Tax

Authority, Distt. Faridkot (Punjab) vide this office Memo No. 1098/T.I./(W-2) dt. 25.04.2014, No. Spl. 54/T.I.(W-2) dated 14.10.2016, No. Spl. 58/T.I.(W-2)/dated 29.12.2016 & No. 4809/T.I.(W-2)/dated 13.01.2017 and Sale Tax Authority, Abohar (Punjab) vide memo No. 1097/TI(W-2) dt. 25.04.2014, No. Spl. 55/T.I.(W-2) dated 14.10.2016, No. Spl. 59/T.I.(W-2)/dated 29.12.2016 & No. 4810/T.I.(W-2)/dated 13.01.2017 & Sale Tax Authority, Pathankot (Punjab) vide memo No. 1105/TI(W-2) dt. 08.05.2014, No. Spl. 56/T.I.(W-2) dated 14.10.2016, No. Spl. 60/T.I.(W-2)/dated 29.12.2016 & No. 4811/T.I.(W-2)/dated 13.01.2017. Irrespective of multiple letters and reminders as stated above, no reply or verification letter have been received so far from the concerned District Sale Tax Authorities. The final reply will be sent as and when verifications received from the concerned authorities.

5. **M/s P.W. Northern Railway, Karnal TIN 06982225469, A.Y. 2009-10:**

In reply to audit, it is submitted that the dealer is a Central Govt. Department. 'C' forms submitted by the department have been verified from Sales tax Department Delhi, which were found ingenuine. So the case was sent to the Revisional Authority-cum-DETC (1), Karnal for taking suo-moto action. The DETC-(l)-cum-Revisional authority has decided the case creating an additional demand of Rs 452608/- in the year 2009-10 vide order dated 20.05.2014 conveyed vide endst. No. 9326/DETC (1), dated 02.09.2014 and remanded the case to the assessing authority on the issue of calculation of interest. The remand case was decided by the AA vide order dated 31.08.2016 calculating the interest at Rs 560482/-. Since as per provisions u/s 14(6) of the VAT Act, 2003, interest leviable under this Act shall not exceed the amount of tax on the non/late payment of tax on which such interest is charged, so interest is charged of Rs 452608/- i.e. equal of tax amount. The amount of tax Rs 452608/- alongwith interest of Rs 65734/- has been recovered lying balance interest of Rs 386873/-. The proceedings to recover the balance interest are under process. As and when the interest amount will be recovered, audit may be informed accordingly. The detail of TRs vide which the amount has been recovered is as under:- GRN No. 9248161, dated 26.03.2015 Rs. 387475-00, GRN No. 8665088, dated 12.01.2015 Rs 130866-00: Total 518341-00 (with interest). The above TRs are attached herewith for kind perusal of audit. So the para may please be dropped.

The Committee has recommended as under:-

i) State interest be protected meticulously where case(s) is/are pending in appeal;

ii) Sincere and pragmatic efforts be made to recover the tax/penalty to augment the State revenue; and

iii) FIR be got registered not only against the dealer(s) concerned but also against the concerned Assessing Authority for accepting bogus form without verification.

[86] 2.8 (ii) Under assessment of tax due to wrong deduction of sale to SEZ units:

During test check of the records of the office of DETC (ST) Gurgaon (West) in January 2014, we noticed that a contractor had executed works valuing Rs. 107.16 Crore in notified projects in SEZ area of Rai and Sonepat during the year 2008-09. The AA, while finalizing the assessment in March 2012, wrongly allowed deduction of Rs. 107.16 Crore in view of SEZ sale to the dealer. This had resulted in underassessment of tax of Rs. 4.29 Crore, besides interest of Rs. 3.60 Crore.

On this being pointed out in January 2014, the department stated (October 2014) that the case had been sent to Revisional Authority for taking Suo-motu action.

The matter was reported to the Government; their reply has not been received (November 2014).

The department in its written reply stated as under:

1. M/s Ananat Raj Construction & Development, Gurgaon (West) TIN 06931931344, A.Y. 2008-09:

In this case it is intimated that the assessment order for A.Y. 2008-09 has been revised by Dy. Excise & Taxation Commissioner (ST)-Cum- Dy. Excise and Taxation Commissioner cum Revisional authority, Gurgaon (West) in Suo-motu action vide order no. ID dated 24.02.2015 and created a demand of Rs. 4,28,71,208/- hence no issue of excess carried forward during 2008-09 remain pending. AS well as interest levied by the Assessing Authority of Rs. 4,28,71,208/- vide disposal no. 4A dated 09.03.2015 accordingly. The appeal case is pending before Haryana Tax Tribunal Haryana. Hence, the audit para may please be dropped.

The Committee has desired that State interest be protected meticulously and pragmatic efforts be made to make the recovery of tax/penalty to augment the revenue of the State.

[87] 2.9 Non levy of tax and penalty for unauthorized collection of tax:

Under section 9 (2) of the Haryana Value Added Tax (HVAT Act, 2003) no dealer in whose case composition under sub-section (1) is in force, shall issue a tax invoice for sale of goods by him. Further, penalty is also leviable under section 39 of HVAT Act, if any dealer who is not a registered dealer or not otherwise authorized to collect tax, shall collect in respect of any sale of goods effected by him in the State any amount by way of tax, and no registered dealer shall make any such collection except in accordance with this Act. Such authority may after affording such dealer a reasonable opportunity of being heard, direct him to pay by way of penalty, in addition to the tax to which he is assessed or is liable to be assessed, a sum equal to the amount of tax to collected.

During test check of the records of DETC (ST) Rohtak in September 2013, we noticed that a work contractor opted to pay lump sum tax under composition scheme for the year 2009-10. The contractor had made sale of Rs. 51.68 lakh at the rate of 12.5 per cent to a dealer in Kurukshetra and collected tax of Rs. 6.46 Lakh. The transaction was got verified by AA Kurukshetra from AA Rohtak (July 2012) and DETC Rohtak had informed that since the contractor had opted to pay lump sum tax, hence no input tax credit could be allowed as per law. However, the AA while finalizing the assessment in March 2013 did not take any action to levy tax valuing Rs. 6.46 Lakh and had also not imposed penalty for unauthorized collection of tax though the matter was in prior knowledge of the AA. This had resulted in non-levy of tax of Rs. 6.46 Lakh, besides penalty of Rs. 6.46 Lakh.

On this being pointed out in September 2013,the department stated in October 2014 that the case had been remanded back by the Revisional Authority to the AA for assessment.

The matter was reported to the Government; their reply has not been received (November 2014.

The department in its written reply stated as under:

1. M/s Narinder Singh, Rohtak TIN 06042826028, A.Y. 2009-10:

In this case, it is intimated that the file of the said dealer has been sent to DETC (I) Rohtak vide memo no. Nil dated 14.10.2013 for Suo-motu action revisional action against this point. The Dy. Excise & Taxation Commissioner cum-Revisional Authority vide order dated 09.06.2014 remanded back the case to the Assessing Authority for re-assessment. The Assessing Authority vide its order dated 25.07.2014 re-assessed the case and a demand of Rs. 134000/- was created. The said amount was recovered vide draft register no. 9960 dt. 12.01.2015.

Keeping in view of the above said facts, the para may kindly be dropped.

The Committee has desired that the matter be re-looked into and sincere efforts be made to recover the tax/penalty from the dealer and action taken report be submitted to the Committee at the earliest.

[88] 2.10 Under assessment of tax due to irregular deduction allowed:

Section 2(u) of the Haryana Value Added Tax HVAT Act, 2003 defines "gross turnover" as and when used in relation to any dealer means the aggregate of the sale prices received or receivable in respect of any goods sold, whether as principal, agent or in any other capacity bu such dealer and includes the value of goods exported out of the State or disposed of otherwise than by sale. However, deduction shall be made from the gross turnover as per section 6(1) of the HVAT Act.

During test check of the records of the office of DETC (ST) Bhiwani in January 2013, we noticed that the gross turnover of dealer was Rs. 49.75 Cr as per profit and loss account and R-2 (final return) of the dealer during the year 2008-09. The AA while finalizing the assessment in January 2012, allowed deductions of Rs. 1.84 Cr on account of payment to Labour Welfare Fund as shown in reconciliation statement, whereas these deductions were not allowed from the gross turnover as per section ibid. This had resulted in underassessment of tax of Rs. 23.03 Lakh.

On this being pointed out in January 2013, the department stated (October 2014) that the above deductions were earmarked in the memorandum of understanding (MOU) of dealer in September 2008. The reply of the department was not in consonance with the provisions of the Act. Moreover, as per clause 7 of the MOU the amount deposited in this fund shall be treated as donation to Red cross. Hence, deduction on account of this donation was not allowable under the Act.

The matter was reported to the Government their reply has not been received (November 2014).

The department in its written reply stated as under:

1. M/s HSIIDC, Khanak, Bhiwani, TIN 06441109975, A.Y. 2008-09:

In this case, it is intimated that the case was decided by Assessing Authority on 17.01.2012 the case has been taken up in revision by the Dy. Excise & Taxation Commissioner (ST) Bhiwani. Notice has been issued to the dealer for 25.01.2017.

The Committee has desired that re-assessment proceedings be concluded in a time bound manner and action taken report be submitted to the Committee as early as possible.

[89] 3.2.1 Non-realisation of differential amount of license fee on re-allotment of vends:

The HLL Rules read with the State Excise Policy for the years 2009-10 to 2012-13 provide for payment of monthly payment of licence fee by the 15th / 20th of each month by the license/allotee and the balance 80 percent in nine equated monthly installments and for the year 2013-14, the full amount of licensefee of the vends/group of vends shall be deposited in twelve equated monthly installments starting from April 2013 to March 2014 failing which he is liable to pay interest and the licensed outlet shall cease to be in operation on the first day of the following month and shall ordinarily be sealed by the DETC (Excise) of the district concerned. In such an event, the DETC (Excise) may re-allot it at the risk and cost of the original allottee by seeking prior permission of the Financial Commissioner.

During test check of the M-2 registers for watch of payment of licensee fee in seven offices of DETC (Excise), we noticed that 74 retail outlet licensees did not deposit the amount of security/license fee of Rs. 46.08 Crore out of Rs. 74.86 Crore. The department cancelled their retail liquor outlets and forfeited the entire amount of security/license fee. These retail outlets were re-auctioned/re-allotted between November 2009 and January 2014 for the remaining period for Rs. 28.41 Crore at the risk and cost of original licensees, of which Rs. 22.38 Crore were deposited by them. The department did not initiate any action to recover the differential amount of license fee of Rs. 23.70 Crore (Rs. 46.08 Crore – Rs. 22.38 Crore) from the original allottees resulting in non realization of Government revenue of Rs. 23.70 Crore.

On this being pointed out between April and June 2014, department stated that notices to the concerned licensees would be issued under intimation to Audit. DETCs (Excise) Faridabad and Rohtak stated in October 2014 that notices had been issued/recovery proceedings had been initiated against the sureties to recover the outstanding amount of Rs. 5.81 Crore.

The matter was reported to the Government, their reply has not been received (November 2014).

The department in its written reply stated as under:

In this para an amount of Rs. 23.70 Crore was pointed out by Principal Accountant General (Audit), Haryana and out of which Rs. 0.03 Crore has been recovered leaving a balance of Rs. 23.67 Crore. Efforts are being made to recover the balance amount. The concerned DETC have been directed to make the recovery at the earliest. Details are given below:-

(Figure in Lakh)

Non realization of differential amount of license fee of Re-allotment of vends							
Districts	**Year**	**No. of licenssee**	**Amt in lakh**	**Recovered**		**Pending**	
				Case	**Amount**	**Case**	**Amount**
Panipat	2010-11	1	29.22	0	0.00	1	29.22
F/bad	2010-11 & 2013-14	2	145.45	0	0.00	2	145.45

Gurgaon	2010-11	6	739.61	0	0.00	6	739.61
Bhiwani	2012-13	33	709.89	0	0.00	33	709.89
Rohtak	2012-13	15	435.28		0.00	15	435.28
Narnaul	2010-11, 2011-12 & 2013-14	10	227.63	0	0.00	10	227.63
Hisar	2010-11, 2011-12 & 2013-14	7	82.87	0	3.46	7	79.41
Total		**74**	**2369.95**	**0**	**3.46**	**74**	**2366.49**

The Committee has observed that there is need to improve the process of issuing license and desired that while issuing license to the person, it be determined as to whether he is eligible in all respect or not.

[90] 3.2.2 Non/short recovery of license fee and interest:

During test check of the M-2 registers of payment of licensee fee in the office offices of DETC (Excise) Kurukshetra and Panipat for the year 2010-11 to 2012-13, we noticed that 12 licensees had failed to pay the monthly installments of license fee for the periods between April 2010 and March 2013 in full by the prescribed dates. The licensees had paid only Rs. 7.13 Crore out of Rs. 7.26 Crore payable. The DETC (Excise) had not initiated any action to seal the vends. This resulted in non/short recovery of license fee of Rs. 18.13 lakh including interest of Rs. 5.35 Lakh.

On this being pointed out between November 2011 and August 2013, DETC (Excise) Panipat stated in January 2014 that notice for recovery had been issued to the defaulters. DETC (Excise) Kurukshetra stated in March 2012 that efforts would be made to recover the outstanding amount. We had not received further progress report on recovery and action taken to recover the outstanding amount.

The department in its written reply stated as under:

In this para an amount of Rs. 18.13 Lacs was pointed out by Principal Accountant General (Audit), Haryana and out of which Rs. 8.41 lacs has been recovered leaving a balance of Rs. 9.72 Lacs. Efforts are being made to recover the balance amount. The concerned DETC have been directed to make the recovery at the earliest. Details are given below:-

(Figure in Lakh)

Non/short recovery of licensee fee and interest							
District	**Year**	**No. of licensee**	**Amount**	**Recovered**		**Pending**	
				Case	**Amount**	**Case**	**Amount**
Panipat	2011-12 & 2012-13	11	15.94	0	7.94	11	8
K/shetra	2010-11	1	2.19	0	0.47	1	1.72
Total		**12**	**18.13**	**0**	**8.41**	**12**	**9.72**

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount to augment the State revenue.

[91] 3.2.3 Non/short recovery of licence fee and interest:

During test check of the M-2 registers for watch the payment of license fee in five offices of DETC (Excise) for the years 2010-11 to 2012-13. We noticed that 45 licensees had paid the monthly installments of license fee amounting to Rs. 19.58 Crore for the period between April 2011 and March 2013 after the prescribed due dates. The delay ranged between 21 days to 2170 days. The DETCs (Excise) however, did not initiate any action to seal the vends for non-deposit of monthly installments by the end of the month and to levy interest for delayed payments of license fee. This resulted in non-levy of interest of Rs. 30.24 lakh.

On this being pointed out between October 2011 and August 2013, DETCs (Excise) Panipat and Rohtak stated between December 2013 and April 2014 that an amount of Rs. 12.76 Lakh had been recovered in 16 cases and efforts would be made to recover the outstanding amount of Rs. 6.53 Lakh. The remaining DETCs (Excise) Narnaul, Bhiwani and Karnal stated between January 2012 and February 2014 that efforts would be made/notices had been issued to recover the outstanding amount of Rs. 10.95 Lakh. We had not received further progress report of recovery of interest (November 2014).

The matter was reported to the Government, their reply has not been received (November 2014).

The department in its written reply stated as under:

In this para an amount of Rs. 30.24 Lacs was pointed out by Principal Accountant General (Audit), Haryana and out of which Rs. 1.81 lacs has been recovered leaving a balance of Rs. 28.43 lacs. Efforts are being made to recover the balance amount. The concerned DETC have been directed to make the recovery at the earliest. Details are given below:-

(Figure in Lakh)

Non recovery of interest on delay payment of license fee							
Distirct	**Year**	**No. of license**	**Amount**	**Recovered**		**Pending**	
				Case	**Amount**	**Case**	**Amount**
Narnaul	2010-11	6	1.51	1	0.17	5	134
Bhiwani	2011-12	8	4.06	1	0.04	7	4.02
Panipat	2011-12	9	6.63	0	1.60	9	5.03
Rohtak	2012-13	8	10.69	0	0	8	10.69
Rohtak	2011-12	9	1.97	0	0	9	1.97
Karnal	2012-13	5	5.38	0	0	5	5.38
Total		**45**	**30.24**	**2**	**1.81**	**43**	**28.43**

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount to augment the State revenue.

[92] 3.3 Non levy / recovery of penalty for illegal possession and trade of liquor:

Under Section 61 (1) of the Punjab Excise Act 1914 as applicable to the State of Haryana, penalty not less than Rs. 50 and not more than Rs. 500 per bottle of 750 millimeters is leviable on the offender for possession of illicit liquor. Further, Haryana Imposition and Recovery of penalty Rules, 2003, provide that if penalty is not paid within the stipulated period, the Collector or DETC (Excise) shall pass order for confiscation of means of transport shall be put to auction within 30 days from the date of order of confiscations.

During test check of the records of the offices of DETC (Excise) Ambala, Fatehabad and Panchkula for the years 2010-11 to 2012-13, we noticed that the department had detained 87,810 bottles of illicit Indian Made Foreign Liquor (IMFL)/country liquor (CL) in 27 cases and confiscated twenty two vehicles between May 2009 and December 2012. The department after giving reasonable opportunity, decided 22 cases and imposed penalty of Rs. 58.76 Lakh during 2010-11 and 2011-12 and in five cases penalty of Rs. 10.28 lakh could not be levied. Neither the defaulters paid the penalty nor the department initiated any action to recover the amount by auctioning the confiscated vehicles even after a lapse of 15 to 60 months. Non-observance of Rules 12 and 13 of the Haryana Imposition and Recovery Rules resulted in non-recovery of penalty of Rs. 69.04 Lakh.

On this being pointed out between December 2011 and October 2013, DETC (Excise) Ambala stated in April 2014 that an amount of Rs. 24.19 lakh (Rs. 17.07 lakh recovered earlier) had been recovered and efforts would be made to recover the outstanding amount of Rs. 29.92 lakh. DETCs (Excise) Fatehabad and Panchkula stated in March and April 2014 that efforts would be made recover the outstanding amount of Rs. 14.93 lakh. We had not received further progress report on recovery (November 2014).

The matter was reported to the Government, their reply has not been received (November 2014).

The department in its written reply stated as under:

In this para an amount of Rs. 69.04 Lacs was pointed out by Principal Accountant General (Audit), Haryana and out of which Rs. 16.93 lacs has been recovered leaving a balance of Rs. 52.11 Lacs. Efforts are being made to recover the balance amount. The concerned DETC have been directed to make the recovery at the earliest. Details are given below:-

(Figure in Lakh)

Non levy/recovery of penalty of illegal possession and trade of liquor							
Distirct	**Year**	**No. of license**	**Amount involved**	**Recovered**		**Pending**	
				Case	**Amount**	**Case**	**Amount**
Ambala	2010-11	14	54.11	0	16.93	0	37.18
Fatehabad	2011-12	8	4.65	0	0.00	8	4.65
Panchkula	2011-12	5	10.28	0	0.00	0	10.28
Total		**27**	**69.04**	**0**	**16.93**	**8**	**52.11**

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount to augment the State revenue.

[93] 5.3 Non/short realization of passengers tax from taxi/maxi owners:

Under Section 9 of the PPGT Act and rules framed there under, passenger tax on five seater taxi car is leviable at the rate of Rs. 3,000 per annum and on seven to 12 seater maxi cab at the rate of Rs. 100 per seat per month. Tax is payable in equal quarterly to which payment relates. In case of default, penalty and interest are leviable.

During test check of the records of five offices of Dy. Excise & Taxation Commissioner (Passengers and Goods Tax) {DETC (PGT)} between January 2013 and January 2014 we noticed that passenger tax in respect of 165 car/maxi owners either had not deposited the passenger tax or short deposited between April 2011 and March 2013. No demand notices had been issued. This resulted in non/short realization of tax Rs. 13.90 lakh (including interest of Rs. 4.23 lakh).

On this being pointed out between January 2013 and January 2014, all DETCs stated in January 2014 that a sum of Rs. 1.37 lakh had been recovered in 17 cases and efforts would be made to recover the balance amount. We had not received further progress report on recovery and action taken to levy interest (November 2014).

The matter was reported to the Government their reply has not been received (November 2014).

The department in its written reply stated as under:

Out of total 165 cases involving an amount of Rs. 13.90 Lakh, Rs. 4.60 Lakh has been recovered upto 31.12.2016. Efforts are being made to recover the balance amount of Rs. 9.30 Lakh. Details are given below:-

(Figure in Lakh)

Non/short recovery of passenger tax from taxi/maxi owners (PGT)				
District	**No. of cases**	**Amount involved**	**Recovered**	**Balance**
Bhiwani	22	200604	200604	0
Jind	31	193242	116400	76842
Karnal	27	209519	45000	164519
Rewari	55	492378	58800	433578
Panchkula	30	295224	39600	255624
Total	**165**	**1390967**	**460404**	**930563**

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount to augment the State revenue.

REVENUE DEPARTMENT

[94] 4.L2 Results of audit:

In 2013-14, test check of the records of 89 units of the Revenue Department showed non/short levy of stamp duty and registration fee etc. and other irregularities involving Rs.265.01 crore, in 1,209 cases, which fall under the following categories in Table 4.1.

Table 4.1

(Rs. in crore)

Sr. No.	Categories	Number of eases	Amount
1.	IT Audit on "Haryana Registration Information System"	1	203.87
2.	Fixation of circle rates by Collector and Determination of market value of property	1	14.75
3.	Short recovery of stamp duty and registration fee due to		
	• non-charging of residential rates on purchase ofland	405	5.45
	• undervaluation of iuunovable property	138	5.08
	• misclassification of instrwnents	179	31.39
4.	Short realisation of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds	92	1.26
5.	Irregular exemption of stamp duty on mortgage deeds/compensation certificates to land acquired	19	0.24
6.	Miscellaneous irregularities	374	2.97
	Total	1,209	265.01

During the course of the year, the Department accepted under assessment and other deficiencies of Rs.7.19 crore in 346 cases, out of which Rs.7.00 crore involved in 303 cases were pointed out during the year and the rest in earlier years. The department recovered Rs.19.47 lakh in 43 cases pointed out in earlier years.

An IT Audit on "Haryana Registration Information System" having money value of Rs.203.87 crore and few illustrative cases involving Rs.18.30 crore are discussed in the following paragraphs:

The department in its written reply stated as under:

4.1.2 (1) IT audit Haryana registration system is a one case amounting to Rs 203.87 crore which is a repetition and total of figures explained in further paragraph 4.2.7.1 to 4.2.9.1.

The Audit party of AG Haryana has pointed out the cases of deficiency of stamp duty during I.T audit due to failure of input control of HARIS software the cases of short recovery of stamp duty and registration fee due to Non charging of residential rates on purchase of land, loss of stamp duty and registration fees due to Undervaluation of immovable property, short levy of stamp duty due to misclassification of instruments, short realization of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds, loss of stamp duty due to irregular exemption of stamp duty on mortgage deeds/compensation certificates to land acquired and miscellaneous irregularities.

Though new HARIS application has been modified by NIC and has been released HARIS version 30.1.19 dated 19.01.2017. However a committee has been constituted under the chairmanship of Shri. Maheshver Sharma HCS special Secretary Revenue consisting of three members Sh. Shishan Singh, Chief Stamp Auditor, from Revenue and Disaster Management Department Sh. Surjeet Singh Technical Director and Sh. Gurpreet Singh Senior scientist from NIC and one member from state emission team (SeMT) to sort out the shortcomings in the software of HARIS. They have been directed to submit their report within month after reviewing all the cases of irregularities mentioned above. The progress report of all the paras will be submitted to PAC within two months after making remedy of the shortcomings in the software of HARIS.

4.1.2 (2) Fixation of circle rates by Collector and Determination of market value of property shown one case amounting to Rs 14.75 cr is also repetition one which has been explained in further paragraphs 4.3.1 to 4.3.4.

The Reply of the department of this para may be considered as mentioned in above para.

4.1.2 Serial No 3 the para relates to short recovery of stamp duty and registration fee due to Non charging of residential rates on purchase of land.

The position of this Para is as under:-

		No. of cases	Amt (in lakh)
1	Amount Recovered by the department.	28	27.66
2	Amount dropped by Collectors	24	17.89
3	Amount dropped by A.G.	4	0.58
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	293	420.60
5	Amount pending for recovery	56	78.68
	Total	**405**	**545.41**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

Para No 4.1.2 Serial No 3(i) this para relate to Short recovery of stamp duty and registration fee due to undervaluation of immovable property.

		No. of cases	Amt (in lac)
1	Amount Recovered by the department.	2	2.30
2	Amount dropped by Collectors	11	42.43
3	Amount dropped by A.G.	-	-
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	73	381.47
5	Amount pending for recovery	52	81.53
	Total	**138**	507.74

The position of this Para is as under:-

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

Para No 4.1.2 Serial No 3(ii) this para relate to Short recovery of stamp duty and registration fee due to misclassification of instruments.

The position of this Para is as under:-

		No. of cases	Amt (in lakh)
1	Amount Recovered by the department.	44	8.44
2	Amount dropped by Collectors	3	3.44
3	Amount dropped by A.G.	1	0.10
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	119	260.55
5	Amount pending for recovery	12	12.99
	Total	**179**	**285.52**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

Para No 4.1.2 Serial No 4 :- Its relates to Short realization of stamp duty due to sale of property at lower consideration than the amount mentioned in the agreement deeds.

The position of this Para is as under:-

		No. of cases	Amt (in lakh)
1	Amount Recovered by the department.	10	3.41
2	Amount dropped by Collectors	8	7.85
3	Amount dropped by A.G.	1	0.13
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	56	93.93
5	Amount pending for recovery	17	19.57
	Total	**92**	**124.89**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

Para No 4.1.2 Serial No 5 The para relates to Irregular exemption of stamp duty on mortgage deeds/compensation certificates to land acquired.

The position of this Para is as under:-

		No. of cases	Amt (in cr)
1	Amount Recovered by the department.	1	0.02
2	Amount dropped by Collectors	3	0.54
3	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	8	19.55
4	Amount pending for recovery	7	4.32
5	Total	**19**	**24.43**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount

of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

Para No 4.1.2 Serial No 6 the para relates to miscellaneous irregularities.

The position of this Para is as under:-

		No. of cases	Amt (in lacs)
1	Amount Recovered by the department.	40	26.57
2	Amount dropped by Collectors	2	56.39
3	Amount dropped by A.G.	29	0.66
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	236	146.50
5	Amount pending for recovery	67	64.34
	Total	**374**	**296.46**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the

Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

The Committee has viewed it seriously that the Govt. instructions issued from time to time, recently issued by the Additional Chief Secretary to Govt. Haryana and Financial Commissioner, Revenue & Disaster Management Department, Haryana to all Divisional Commissioners and Deputy Commissioners in the State vide letter dated 07.11.2013 with regard to the disposal of the cases under Section 47-A of the Indian Stamp Act, 1899 in a time bound manner, are not being complied with by the Divisional Commissioners and District Collectors in the State.

The Committee has also observed that after conducting the IT audit between June 2013 and July 2014; the IT audit report was forwarded to the Government in July 2014; the exit conference was held on 23 December 2014 with the Additional Chief Secretary to Govt. Haryana, Revenue and Disaster Management Department wherein findings of the IT Audit were discussed. But it is very sorry state of affair that the department has not taken any remedial initiative to get the shortcomings rectified in the software of HARIS during the long period of above two years. It seems that the department has come into action only after receiving the notice of the meeting of the Public Accounts Committee and constituted a three members' committee to sort out the shortcomings in the software of HARIS.

The Committee has, therefore, desired that the following information be supplied to the Committee within a period of two months positively:-

1. District-wise list of pending cases under Section 47-A of the Indian Stamp Act, 1899 before the District Collectors and Divisional Commissioners separately, mentioning the date since these are pending;

2. Details of disciplinary action initiated/taken against any authority for non-compliance of the Govt. instructions for the disposal of the cases under Section 47-A of the Indian Stamp Act, 1899, in a time bound manner;

3. District-wise details of appeal filed by the Sub-Registrars against the orders of District Collectors against the Govt. in the cases under Section 47-A of the Indian Stamp Act, 1899;

4. Details of disciplinary action initiated/taken against the Sub Registrars for non-compliance of the Govt. instructions to file the appeal against the orders of District Collectors; and

5. It be ensured that the three members' Committee constituted for the purpose of sorting out the shortcomings in the software of HARIS, to complete its task within the stipulated time and action taken report in the matter be submitted to the Committee within a period of two months positively.

[95] 4.2.7.1 Misclassification of sale deeds"

HARIS application allows the remission of SD in case of transactions captured under "Purchase against compensation" option. The application is required to capture the amount of compensation received by the purchaser enabling application to assess the quantum of remission of SD to be allowed and no other type of transaction should be processed through this option. Due to failure of input control, the sale deeds were wrongly registered under the "Purchase against compensation" option allowing remission of SD when no compensation was received in these cases.

The analysis of HARIS database in the offices of SRs Gurgaon, Manesar and Panipat showed that 254 instruments conveying possession and transfer of property valued at Rs.1,409.17 crore to the subsidiary companies from whom the holding companies received either actual cash or in the shape of equity shares or partly cash or part promised were misclassified as 'Purchase against compensation instead of 'sale' due to wrong input by the operator charging stamp duty (SD) of Rs.7.79 lakh, which was incorrect as against duty leviable at Rs.70.98 crore for conveyance deeds, resulting in short levy of SD of Rs.70.90 crore.

On this being pointed out between June and August 2014, the Government admitted that the users had either deliberately or by mistake selected the wrong option to provide benefit to the party (November 2014).

The department in its written reply stated as under:

The Audit party of AG Haryana has pointed out during the I.T audit the objection due to failure of input control by which the sale deed were wrongly registered under the exemption of stamp duty purchased of land against compensation. Though new HARIS application has been modified by NIC and has been released HARIS 30.1.19 version dated 19.01.2017. However a committee has been constituted under the chairmanship of Shri. Maheshver Sharma HCS special Secretary Revenue consisting of three members Sh. Shishan Singh, Chief Stamp Auditor, from Revenue and Disaster Management Department Sh. Surjeet Singh Technical Director and Sh. Gurpreet Singh Senior scientist from NIC and one member from state emission team (SeMT) and they have been directed to submit their report within month after reviewing the 254 instruments mentioned in this para after examining and comparing the HARIS system in the field and the changes in the software will be made as per requirements and the progress report of the para will be submitted to PAC within two months after making remedy of the shortcomings in the software of HARIS.

After scrutiny of the replies submitted by the department, the Committee has observed that after conducting the IT audit between June 2013 and July 2014; the IT audit report was forwarded to the Government in July 2014; the exit conference was held on 23 December 2014 with the Additional Chief Secretary to Govt. Haryana, Revenue and Disaster Management Department wherein findings of the IT Audit were discussed. But it is very sorry state of affair that the department has not taken any remedial initiative to sort out the shortcomings in the software of HARIS during the long period of above two years. It seems that the department has come into action only after receiving the notice of the meeting of the Public Accounts Committee and constituted a three members' committee to sort out the shortcomings in the software of HARIS.

The Committee has, therefore, recommended to ensure that the three members' committee constituted for the purpose of sorting out the shortcomings in the software of HARIS to complete its task within the stipulated period and all necessary corrective measures be taken at the earliest possible so as to avoid any further loss to the State revenue under intimation of the Committee.

[96] 4.2.7.2 Critical fields left blank:

Any transaction in agricultural and residential/commercial property is identified by the *khewat* number and address of the plot number respectively.

Further, the cost of land is calculated on the basis of area, measurement unir and Collector's rate.

The analysis of HARIS database in the offices of 21 SRs showed that out of 5,17,811 transactions, *khewat* column in 13,476 agricultural properties and address column in 91,872 residential and 8,239 commercial properties, constituting 22 *per cent* of the total transactions, and measurement unit field in 1,451 cases were left blank leading to failure in calculating the actual land cost on the basis of prevailing Collector's rate in 1,404 cases by the application. These blank columns in the HARIS application led to short/ non-levy ofSD, as discussed in the paragraph 4.2.7.3 below.

On this being pointed out between May and August 2014, the Government replied that the software does not allow the entry of blanks in khewat/plot number, address and measurement unit fields. However, it was admitted that the blank/junk data in the reported cases may be data input error (November 2014).

The department in its written reply stated as under:

The shortcomings of the para will also be reviewed by the committee and progress report in this regard will be submitted to the PAC after making remedy of the error in HARIS software.

The Committee has recommended that all necessary corrective measures be taken at the earliest possible under intimation of the Committee.

[97] 4.2.7.3 **Measurement units**

Input controls require that adequate checks have been incorporated in the application to ensure that the necessary fields are not left blank. HARIS application calculates cost of land on the basis of essential data input i.e. area, measurement unit and rate. In case, any of these fields are left blank, the application fails to calculate the cost of land on the basis of Collector's rate and SD is calculated on the basis of transaction value only.

During analysis of HARIS database in the offices of SRs Gurgaon and Kurukshetra, we noticed that 41 sale deeds were registered on the basis of transaction value without taking into account the cost of land. These sale deeds were required to be assessed for Rs.9.21 crore on which SD of Rs.95.66 lakh was leviable. Due to lack of input control over the measurement unit field, SD of Rs.65.86 lakh was levied, resulting in short levy of SD of Rs.29.80 lakh.

On this being pointed out between August and October 2013, the Government admitted that the operator might have filled any value to complete the transaction or might have been using the older version of HARIS (November 2014).

The department in its written reply stated as under:

Lack of input the field measurements unit in 41 sale deed registered in the office of Sub Registrar Gurgaon and Kurukshetra resulting short levy of stamp duty Rs 29.80 lacs will also be reviewed by the committee in the progress report after remedy of shortcomings will be sent to the PAC within two month. Though NIC is the view of that it is not possible to leave the measurement unit blank as the software does not allow the proceeding with blank value. The operator might have filled any value two complete the transactions SR Gurgaon might have been using might be using some older version of HARIS.

The Committee has recommended that all necessary corrective measures be taken at the earliest possible so as to avoid any further loss of State revenue under intimation of the Committee. The Committee has also desired that the matter may also be got examined as to any possibility of filling any value by the operator deliberately and purposely to complete the transaction.

[98] 4.2.7.4 Wrong input of construction year:

SD, at the rate applicable on a particular date, is levied on either the transaction value or the sum of the land cost calculated on the basis of Collector's rate and the depreciated structure cost of the property, whichever is higher. After allowing appropriate depreciation allowance on the residential/commercial properties, the depreciated structure cost can be zero but it cannot be negative.

The analysis of HARIS database in the offices of four SRs showed that due to insufficient control over input, the structure cost showed unrealistic amounts ranging between minus Rs.20,211,481,459,077,602,000,000 and minus Rs. one in 1,788 cases and the construction year ranged between one and 1971. We also noticed that in 20 cases, the constructed area was shown as zero but the depreciated structure cost ranged between minus Rs.16,148,644,851,359.10 and minus Rs. six.

It was further noticed that the land cost of the residential/commercial properties in 109 cases was2.15 crore more than the transaction value. But, due to insufficient control over input, the land cost became less than the transaction value and SD was wrongly levied by the system only on transaction value after adjustment of negative value of the depreciated structure cost from the land cost. These sale deeds were required to be assessed for Rs.7.10 crore, on which SD of Rs.41.85 lakh was leviable. But, due to insufficient control over input, these sale deeds were assessed at Rs.4.95 crore and SD of Rs.30 lakh was levied, resulting in short levy of SD of Rs.11.85 lakh.

On this being pointed out between October and November 2013, the Government replied that software would not calculate the structure cost in minus. It would set the structure cost to zero if it was coming in minus after applying the depreciation based on the construction year (November 2014). The reply is not tenable as the software did calculate minus structure cost in these cases as well as compensated the land cost by adding the minus structure cost and therefore, software needs suitable validation checks so as to avoid minus values in this field.

The department in its written reply stated as under:

Lack of input the field measurements unit in transaction value or the sum of the land cost calculated on the basis of Collector's rate and the depreciated structure cost of the property, whichever is higher. After allowing appropriate depreciation allowance on the residential commercial properties, the depreciated structure cost can be zero but it cannot be negative. It will also be reviewed by the committee and the progress report made after remedy of shortcomings will be sent to the PAC within two month.

The Committee has desired that the corrective measures be taken at the earliest possible under intimation of the Committee.

[99] 4.2.7.5 Incomplete data capturing

The analysis of HARIS database in the office of SR Kurukshetra showed that 39,670 sale deeds were registered as residential properties. The structure details were not captured in these cases, resulting in 'zero' structure cost. When the HARIS data was matched with the HUDA's data available, it was found that plots transacted in 29 sale deeds had constructed areas. In 10 out of 29 sale deeds, the transaction value was higher than the costs of the land and structure, resulting in correct evaluation of SD. But, due to non-capturing of structure details in the database, the remaining 19 sale deeds that were required to be assessed for Rs.3.72 crore, were erroneously assessed at Rs.2.95 crore, which led to underassessment of the properties to the extent of Rs.76.72 lakh, resulting in short levy of SD of Rs.4.10 lakh.

On this being pointed out in July 2013, the Government admitted that such cases occurred due to input error and lapses on the part of users of the application (November 2014).

The department in its written reply stated as under:

Lack of incomplete data captured in 29 sale deeds in the office of Sub Registrar Kurukshetra. Will also be reviewed by the committee and the progress report made after remedy of shortcomings will be sent to the PAC within two month.

The Committee has desired that after taking corrective measures to remove the shortcomings in the software of HARIS, the Committee be informed of the progress report in the matter.

[100] 4.2.7.6 Acceptance of junk data input

In an IT application, it should be ensured that documents contain proper names of the parties instead of junk data so that subsequent extraction of information of any party/ individual can be obtained easily.

We found that 72,277 cases contained junk data in place of party names/ details in 21 SRs. Incomplete/junk input rendered the data unreliable. An illustrative case is given below:

In SR Bahadurgarh, in sale deed No. 1232, dated 05.05.2008, we found that property was purchased by a male but in place of his name, only junk data in the form of '-' was entered in the party name field in the database.

On this being pointed out in June 2014, the Government replied that it was not possible to impose exhaustive checks on name fields and users are required to verify and validate the data before approving the documents (November 2014). The reply is not tenable as the details of party names may be required for subsequent extraction in future. Accordingly, the Government must ensure to capture complete particulars of the transaction.

The department in its written reply stated as under:

It is not possible to restrict char in the name filled as it may occur in some names. If data entry operator is entering such chars in the name filled then in all the reports such as endorsement and certificate of registration etc such junk char will appear in the place of name. The said error will also be reviewed by the said committee and remedy will be got made. It is requested that the para may kindly be settled in view of facts mentioned above.

The Committee has desired that the corrective measures be taken at the earliest possible under intimation of the Committee.

[101] 4.2.7.7 Non-capturing of second p roperty details:

In case of exchange of property by two parties, HARIS application was required to capture the details of both the properties being exchanged to assess their values to determine the property having higher value for levy of SD.

In view of the above business rule, it was noticed that HARIS application was not designed to capture the details of all the properties being exchanged, resulting in failure to compare their values to calculate SD on the property having higher value.

The analysis of HARIS database in the office of the SR, Gurgaon showed that 52 exchange deeds were registered during 2013-14 and leviable SD was assessed by the HARIS application on the lone property details captured in the application. We further noticed that in 13 out of 52 exchange deeds, details of agricultural properties were captured to determine the SD leviable. However, in respect of other property being exchanged, a license to develop a Residential Group Housing colony was obtained from Town and Country Planning Department, Haryana. Thus, consideration value of the land of the other property was required to be assessed on the basis of residential rates, which was much higher than the consideration value of the first property.

These 13 exchange deeds were liable to be assessed for Rs.135.18 crore, on which SD of Rs.6.76 crore was leviable. But, these exchange deeds were assessed at Rs.50.67 crore on the basis of lone property details captured in the application, on which SD of Rs.2.70 crore was levied, resulting in short levy of SD of Rs.4.06 crore.

On this being pointed out, the Government admitted that there was no provision in the application to capture the details of second property.

However, users are expected to exercise primary checks and verify the details of the properties having the highest transaction amount (November 2014).

The department in its written reply stated as under:

The 13 exchange deeds in which deficient amount of Rs. 4.06 crore was pointed out. All the cases amounting to amounting to Rs.4.06 crore have been decided by the Collector Gurgaon vide his orders dated 28-10-2015. The Collector dropped deficiency of stamp duty amounting to Rs.4,04,43,163/- in 12 exchange deeds and determined proper stamp duty amounting to Rs.2,84, 697 in one exchange deed under section 47-A of the Indian Stamp Act, 1899. Efforts are being made to recover the said amount as an arrear of land Revenue under section 48 of the said Act. The provision of charging of rate of stamp duty having higher value contained in article 31 of Schedule-1- A of the Indian Stamp Act, 1899 has been provided in the HARIS software by the NIC.

The Committee has desired that the corrective measures be taken at the earliest possible under intimation of the Committee.

[102] 4.2.8.5 Non-mapping of locations falling within/outside MC limits:

In the application, the operator manually selects the option of sub-deed name: 'Sale outside MC area'/'Sale within MC area' instead of drop down from a master database. The segments falling within/outside MC limits were required to be mapped properly to avoid the manual selection of 'Sale outside MC area'/'Sale within MC area' to enable the application to calculate the SD correctly.

As per instructions issued by the Government, two *per cent* additional SD is leviable in case of sale of land/property falling within the MC limits.

(i) The analysis of HARIS database in the offices of five SRs showed that 89 sale deeds were registered as land/property falling outside MC limits by erroneously selecting option of 'Sale outside MC area' whereas these properties were actually within the municipal limits. It was further noticed that agricultural land sold in municipal limits was with an area less than 1,000 square yards or in case where purchasers were more than one, the share of each purchaser was less than 1,000 square yards. Thus, in these cases, the land/property was required to be assessed at the rate fixed for residential property and two *per cent* additional SD was to be levied. These sale deeds were liable to be assessed for Rs.36.24 crore, on which SD of Rs.2.17 crore {including additional two *per cent* SD) was leviable. But, these sale deeds were assessed at Rs.13.84 crore, on which SD of Rs.55.20 lakh was levied, resulting in short-levy of SD of Rs.1.61 crore.

(ii) Cross verification of data recorded in HARIS application with notifications of Municipal Corporations of different districts with respect to14 SRs showed that 3,497 sale deeds were registered as land/property fallingoutside MC limits by erroneously selecting option of 'Sale outside MC area' whereas these properties were actually within the municipal limits. These sale deeds were assessed at Rs.1,647.64 crore, on which SD of Rs. 108.84 crore {including additional two *per cent* SD) was leviable. But, SD of Rs. 7.22 crore was levied, resulting in short levy of SD of Rs.31.62 crore due to non-mapping of segments.

On this being pointed out, the Government admitted that the audit suggestion of mapping locations of areas falling in MC limit would be helpful in reducing such cases and if selection is made through a drop down menu users will be more careful while choosing the right option {November 2014).

The department in its written reply stated as under:

The provision of Khasra numbers notified in the notification of the area within municipal limits and municipal corporation will be incorporate in the collector rates and these will be uploaded in the HARIS software for the remedy of such loss of stamp duty this year at the time of the fixation of collector rate of immovable property for the year 2017-18.

The Committee has desired that the necessary corrective measures be taken at the earliest possible to avoid any further loss of stamp duty under intimation of the Committee.

[103] 4.2.8.6 Non-digitisation of prime Khasra master:

HARIS application has been designed to store the prime Khasra numbers of immoveable properties having higher value to assess the correct value of these properties on the basis of prime rates and SD leviable thereon. In order to check evasion of SD in sale deeds, Haryana Government issued instructions in November 2000 to identify and digitise the prime Khasras. Due to non- digitisation of the prime Khasras, the following deficiencies were noticed:

During data analysis in six SRs, identified pricme kharas were matched with the khasars mentioned in mutations entered in the Haryana land records information system (HALRIS) applications. Due to non-digitisation of prime Khasras, only limited data could be analysed electronically. After matching the analyzed data with the manual records, we found that prime Khasras, having higher land rates, in addition to normal Khasras were transacted in 31 sale deeds.

We found that in these sale transactions, the value of land was assessed by applying normal land rates only whereas some portion of the land was situated in prime *Khasras* attracting prime land rates, which were much higher than the normal land rates. As such, the value of the land in the test checked cases was liable to be assessed for Rs.27.87 crore, on which SD of Rs.1.25 crore was leviable. But, SD of60.90 lakh was levied due to non-digitisation of prime *Khasras* and its rates, resulting in short levy of SD of Rs.63.81 lakh.

It was further noticed that five SRs failed to identify prime *Khasras* in contravention of above instructions.

On this being pointed out, the Government admitted that prime Khasra numbers should be identified by the Circle Revenue Officer and entered in the database (November 2014).

The department in its written reply stated as under:

Database of all the prime Khasra numbers have been identified and their provision have been provided in the Collector rates and in the software of HARIS. The option of prime Khasra & prime rates are there in the HARIS IT application & these two parameters were defined & entered during master data entry. There is a provision in the software to create as many as segment as required and the accuracy depends upon the selection of proper/right segments. The HARIS operator is required to check the portion of land situated in prime Khasra & after entering the details the HARIS automatically picks the prime rates for that portion. Para may be settled in view of position mentioned above.

The Committee has recommended that all necessary corrective measures be taken at the earliest possible so as to avoid any further loss of State revenue under intimation of the Committee.

[104] 4.2.8.7 Transactions by farmers and minus data in case of land purchased against compensation:

Business rules of the department provide remission of SD on the purchase of agricultural land under the "Purchase against compensation" option. As per business rule, a validation check should have been incorporated in the application to allow remission of SD only on purchase of agricultural land under this option. In case residential/commercial property is purchased under this option the application should not allow any remission of SD.

(i) The analysis of HARIS database in the offices of 19 SRs showed that in 334 cases residential/commercial properties were purchased against the amount of compensation received on acquisition of agricultural land. In such cases, no remission in SD is allowed. In these cases, transactions were valued at Rs.1,070.94 crore and SD of Rs.70.61 crore was leviable. In the absence of appropriate validation check, the application allowed the remission of SD in these cases. However, SD of Rs.36.14lakh was deposited by the purchasers on their own, resulting in short levy of SD of Rs.70.25 crore.

(ii) It was further noticed in 21 SRs that agricultural land was purchased against the compensasion. Thus, ale deeds, the HARIS application computed and stored minus data valuing Rs.3.84 crore in respect of SD in the database, which rendered it unreliable.

On this being pointed out (June 2014), the Government replied that in the absence of backend database of compensation awarded by the Government it was not possible to validate the amount of compensation entered by the user. Government while admitting the audit observation stated that cases of minus stamp duty were not reported to the software development team to check the exact position (November 2014).

The department in its written reply stated as under:

(i) (ii) The Audit party of AG Haryana has pointed out during the I.T audit the objection due to failure of input control by which the sale deed were wrongly registered under the provision of exemption of stamp duty purchase of land against compensation. However a committee has been constituted under the chairmanship of Shri. Maheshver Sharma HCS special Secretary Revenue consisting of three members Sh. Shishan Singh, Chief Stamp Auditor, from Revenue and Disaster Management Department Sh. Surjeet Singh Technical Director and Sh. Gurpreet Singh Senior scientist from NIC and one member from state emission team (SeMT) and they have been directed to submit their report within month after reviewing the 334 instruments mentioned in this para after examining and comparing the HARIS system in the field and the changes in the software will be made as per requirements and the progress report of the para will be submitted to PAC within two months after making remedy of the shortcomings in the software of HARIS.

The Committee has desired the three members' Committee constituted for the purpose of sorting out the shortcomings in the software of HARIS to complete its task within the stipulated time and the progress report be submitted to the within two months positively.

[105] 4.2.8.8 Transactions on agricultural land within municipal Omits:

Business rules of the department provide that agricultural land sold within municipal limits, with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than I,000 square yards, be valued at the rate fixed for the residential property of that locality for the purpose of levying SD.

As per the above business rule, a check should have been incorporated in the application to validate the share of each purchaser in the agricultural land purchased. In case, such share is less than 1,000 square yards, the application should calculate the value of the land on the basis of residential rates fixed by the Collector.

(i) The analysis ofHARIS database in the offices of 16 SRs showed that 1,213 sale deeds for purchase of agricultural land within the MC limits were registered wherein the share of each purchaser was less than 1,000 square yards. These deeds were liable to be assessed for f 505.94 crore based on the rates fixed for residential areas and SD of Rs.30.48 crore was leviable. However, due to absence of appropriate validation check in the application, these deeds were assessed at Rs.172.01 crore based on the rates fixed for agricultural land and levied SD of Rs.10.58 crore. This resulted in short levy of SD of Rs.19.90 crore.

(ii) Further analysis of HARIS database in the offices of eight SRs showed that 39 sale deeds were registered for purchase of agricultural land against the compensation received on account of acquisition of agricultural land, within MC limit. In these cases, the area was less than 1,000 square yards or in case where purchasers were more than one and the share of each purchaser was less than 1,000 square yards. These sale deeds were liable to be assessed for Rs. 20.29 crore on the basis of residential rates but were assessed at Rs. 7.60 crore, resulting in wrong benefit of compensation to the purchasers to the extent of Rs.12.69 crore.

On this being pointed out in June 2014, the Government admitted that these cases occurred due to wrong selection of option by the user (November 2014).

The department in its written reply stated as under:

The Audit party of AG Haryana has pointed out during the I.T audit the objection due to failure of input control by which the sale deed were registered in the type of agricultural land sold within municipal limits, within area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, be valued at the rate fixed for the residential property of that locality for the purpose of levying SD. The matter will be reviewed by the committee and remedy will be made in the HARIS software and progress report in this regard will be sent to PAC within month.

The Committee has recommended that all necessary corrective measures be taken at the earliest possible so as to avoid any further loss of State revenue. The Committee has also desired that the matter may also be got examined as to any possibility of fraud played by the operator(s) and progress report in the matter be submitted to the Committee within two months.

[106] 4.2.8.9 HUDA plots having preferential number 'P':

Business rules of the Collector, Kurukshetra provide that cost of land of Haryana Urban Development Authority (HUDA) 'P' plots would be 25 *per cent* higher than the rates fixed for that locality whereas Collector, Gurgaon approved levy of 10 *per cent* extra SD on HUDA 'P' plots.

The IT application should have been suitably modified to include the above business rule to assess the correct value of the properties transacted and SD leviable thereon.

The analysis of HARIS database in the offices of SRs Gurgaon, Kurukshetra and Panchkula showed that sale deeds of 860 plots (Gurgaon: 2007-08 to 2010-11, Kurukshetra: 2007-08 to 2012-13 and Panchkula: 2013-14) with preferential number 'P' were registered, which were liable to be assessed for Rs.395.22 crore, on which SD of Rs.25.82 crore was leviable. But we found that SD of Rs.23.51 crore was levied due to non-incorporation of suitable changes in the application, resulting in short levy of SD of Rs.2.31 crore.

On this being pointed out, the Government admitted that the request to add such business rule in the application was not made by the concerned SRs (November 2014).

The department in its written reply stated as under:

The said constituted committee has been directed to submit their report within month after reviewing the 860 amounting to Rs 231.97 lakh instruments mentioned in this para after examining and comparing the HARIS system in the field and the changes in the software will be made as per requirements and the progress report of the para will be sent to PAC within two months after making remedy of the shortcomings in the software of HARIS.

The Committee has desired the three members' Committee constituted for the purpose of sorting out the shortcomings in the software of HARIS to complete its task within the stipulated time and the progress report be submitted to the Committee within two months positively.

[107] 4.2.9.2 Continued dependence on manual procedures:

HARIS application is designed to capture and store the processed financial figures of SD due and realised through stamp paper/'B' book, RF and pasting fee. Application is also capable of generating certain reports (Endorsement, Cash Book, Statements No.1 and 3, 'B' book details, etc.) based on these data.

We noticed that RF and 'B' book receipts were continued to be maintained and issued manually, which showed that there was lack of dependency on the IT application.

On this being pointed out, the Government replied that strict instructions to ban the use of manual receipts needs to be issued. (November 2014).

During the exit conference, the findings of the IT audit were discussed. The Government while admitting the system deficiencies such as selection of wrong option, incorrect data entry by operators, misclassification of sales deed, non capturing of details of second property, non conversion of measurement units, transfer of agricultural land within Municipal limits and purchase of land against compensation etc., requested (January 2015) NIC to rectify the shortcomings in the software and to apply suitable checks. Further the Government issued instructions to all the Deputy Commissioners to make recovery of the amount as pointed out by audit. Regarding non-reconciliation of cash collected with manual cash receipts and system generated cash receipts, the Government issued instructions that no amount should be deposited through B book in future and all the shortages of stamp duty be deposited in Government treasury through Challan only. However, the action taken by the assessing authorities and NIC in this regard is awaited.

The department in its written reply stated as under:

Now the HARIS application has been modified by NIC and has released HARIS version 3.0.119 dated 19.01.2017 for remedy of misuse of B Book/ E Chalan. The said committee will also

examine the shortcomings in this para and the action taken report will be sent to PAC within two month.

The Committee has desired that the necessary corrective measures be taken at the earliest possible and progress report be submitted to the Committee within a period of two months.

[108] 4.3.1 Non recording of Khasra numbers in the Collector rate list

(i) Prime land/Colonies/Wards/Sectors:

As per Government instructions issued in November 2000 and various other instructions issued from time to time, the "Evaluation Committee has to fix separate rates for prime land i.e land situated on National Highways, State Highways, link roads up to 2-3 acres of depth, developed Colonies/Wards/Sectors and record the Khasra numbers in the Collector's rate list to avoid evasion of stamp duty. Thereafter, these rates are sent to the registering authority for their guidance. No guidelines for fixation of circle rates has been issued by the Government.

During test check of records of Collector rates and records relating to sale deeds registered during the years 2008-09 to 2013-14 in the offices of the Collector-cum-District Revenue Officer and Sub/Joint sub registrars of six districts[22] between March and June 2014, we noticed that the rates of prime land/colonies/wards had been fixed by the "Evaluation Committee but the Department did not identify and record the Khasra numbers of prime land and Colonies/Wards/Sectors in the Collector rate list. In the absence of prime Khasra numbers, proper valuation of immovable properties could not be made for the purpose of levy of SD and RF. Scrutiny of records showed that such an exercise of identification and recording of the Khasra numbers was undertaken only in Fatehabad and Hisar district (except in colonies/wards/sectors). In the remaining four districts no such exercise was ever undertaken.

(ii) Land falling within MC limits

The registering authority was required to collect the latest Municipal Committee Khasra numbers list from concerned Municipal Committee and to record the same in Collector rate list.

During test check of records of Collector rates and sale deeds registered during the years from 2008-09 to 2013-14 in the offices of the Collector cum District Revenue Officer (DRO) and Sub/Joint sub registrars of five districts[23] between March to June 2014, we noticed that the rates ofMC area land had been fixed by the "Evaluation Committee" but the department did not identify and record the Khasra numbers ofMC land in the Collector rate list. In the absence ofMC Khasra number, proper valuation of immovable properties could not be verified for the purpose of levy of SD & RF and thus additional stamp duty and short levy of SD and RF could not be checked in audit.

On this being pointed the Government admitted the facts (August 2014) and stated that all the Collectors in the State had been instructed to provide the Khasra numbers of the land falling on such roads.

The department in its written reply stated as under:

The Haryana Government had vide letter No. 4219-STR-1-86/27607 dated 11.09.86, in which Government had instructed to all the collectors to fix the collector rates for registration purpose and these rates will be treated as guidelines for revenue offices. The Collector rate has no legal

authentication. The collector rate is a guide line for registering authority for the registration of transfer of any property. There is no hard and fast rule for implement the rates on 1st April each year. However, the state government makes effort to revise the Collector rate in the month of April every year. The Collector rates are fixed in view of situation of the estate market and facts affecting valuation of immoveable property. Sometimes these rates are to be increase and in some time these rated are to be decreased in view of slowdown in economy. For example these rates were decreased in this year due to slow down in rates of immoveable property. Similarly these rates may be got decreased for the year 2017.18 also. Therefore, keeping in views the up and down of the estate market these collector rates are revised every year. So, loss and benefit depends on the situation of the estate market.

Database of all the prime Khasra numbers have been identified and their provision have been provided in the Collector rates and in the software of HARIS. The option of prime Khasra & prime rates are there in the HARIS IT application & these two parameters were defined & entered during master data entry. There is a provision in the software to create as many as segment as required and the accuracy depends upon the selection of proper/right segments. The HARIS operator is required to check the portion of land situated in prime Khasra & after entering the details; the HARIS automatically picks the prime rates for that portion. Para may be settled in view of position mentioned above.

(ii) Land Falling within MC Limits

The provision of Khasra numbers notified in the notification of the area within municipal limits and municipal corporation will be incorporative in the collector rates and these will be uploaded in the HARIS software for the remedy of such loss of stamp duty this year at the time of the fixation of collector rate of immovable property for the year 2017-18.

The Committee has recommended that vigorous and sincere efforts be made to identify and record the Khasra numbers of prime land, whether within MC limit or outside MC limit and colonies/wards/sectors in the collector rate list so that proper valuation of immovable properties could be made for the purpose of levy of stamp duty and registration fee so as to augment the revenue of the State and progress report be submitted to the Committee within a period of two months.

[109] 4.3.4 Non-disposal/recovery of pending cases of under-valuation referred to the Collectors:

(i) The Collector, after issue of notice to the concerned person, is required to conduct summary enquiry, as he may deem proper and assess the amount of deficient duty recoverable from the person concerned after determining the value of property. After finalisation of case, the documents are returned to the concerned registering officer. The Additional Chief Secretary to Government of Haryana, Revenue and Disaster Management Department had issued instructions in April 2013 for disposal/decision of pending cases referred to the collectors under section 47-A within six months. Further, instructions were also issued November 2013 for disposal of similar cases received after issue of these orders within two months from the date of their receipt.

During test check of records of offices of 19 Collectors (SDMs cum collector and DROs who have delegated powers to decide the cases referred u/s 47-A) in six districts, we noticed that 9,802 cases of undervaluation were referred to the Collectors for decision between March 2009 and March 2014, out of which 7,227 cases were disposed of and balance 2,575

cases involving Rs.35.77 crore were pending adjudication despite issuance of above said instructions.

On this being pointed out the Government admitted the facts and stated in August 2014 that the necessary directions had been to all the Collectors to finalise the cases under Section 47-A of the IS Act.

(ii) During test check of records of offices of 18 SRs, we noticed that out of 7,227 decided cases by the respective Collectors between 2009-10 to 2013-14, recovery amounting to Rs.13.93 crore in 757 cases had not been made yet.

On this being pointed out, the Government stated in July 2014 that efforts would be made to recover the outstanding amount.

The department in its written reply stated as under:

This para relates to disposal of court case pending to collector under section 47-A of the Indian Stamp Act, 1899. In this regard all the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persuade their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

Keeping in view the facts mentioned above the para may be removed from CAG.

The Committee has recommended that the Additional Chief Secretary to Govt. Haryana & Financial Commissioner, Revenue Department should take vigorous and sincere steps to get the Govt. instructions complied with in its true spirit and command so as to augment the State revenue and progress report in this regard be submitted to the Committee within a period of four months positively.

[110] 4.3.5 Short levy of stamp duty due to undervaluation of immovable property:

As per Government order issued in May 2010, stamp duty shall be levied on the market value of land to be sold and not on the basis of value agreed between the buyer and the seller. If the Registering Authority has reason to believe that the value of the property or the consideration, has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for determination of the value or consideration, as the case may be, and the proper duty payable thereon.

During test check of records of 17 offices of SRs/ JSRs, between April 2011 to November 2013 for the years 2010-11 to 2012-13, we noticed that in 25 cases, the registering authorities assessed the value of land at Rs.1.25 crore on the basis of rates agreed to between the parties earlier and levied SD of Rs.9.34 lakh, but the actual value of the immovable property was Rs.16.07 crore as per Collector rate applicable at the time of registration of documents and SD of Rs.91.23 lakh was leviable resulting in short levy of SD Rs.81.89 lakh.

On this being pointed out between June 2011 and December 2013, 13 SRs/JSRs stated between May 2011 and December 2013 that the cases had been referred to the Collector for assessment of correct value of property mentioned in sale deeds. SRs Hisar and Balsmand stated in February 2014 that cases would be referred to Collector. We had not received reply from SRs Hathin and Radaur and further progress report on recovery (November 2014).

The matter was reported to the Government; their reply has not been received (November 2014).

The department in its written reply stated as under:

This para relates to Short levy of stamp duty due to undervaluation of immovable property

The position of the para is as under :-

	No. of cases	Amt (in lakh)
Amount Recovered by the department.	4	2.97
Amount dropped by Collectors	_	_
Amount dropped by A.G.	_	_
Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	8	62.62
Amount pending for recovery	**13**	**1.38**
Total	**25**	**81.17**

Out of above 25 cases amounting to Rs 81.17 lacs deficiency of stamp duty was pointed out by Accountant General audit party during the month December 2010 to June 2011 in the office of the Sub Registrars Asandh, Bhallabhgarh, Bass, Balsamand, Bilaspur, Chhachhrouli, Faridabad, Fatehabad, Hathin, Hissar, Karnal, Kalka, Nilokhedi, Radour, ratia, and Raipur Rani.

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to hold special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

The Committee has desired to know as to whether the 25 cases as pointed out by the audit wherein the Registering Authorities have assessed the value of the land on the basis of the rates agreed to between the parties i.e buyer & seller and not as per the Govt. instructions i.e. on the basis of market value, have been referred to respective District Collector for the determination of value and/or consideration and proper duty payable thereon. If not referred, responsibility of the respective Registering Authorities be fixed for non-compliance of the Govt. instructions and the status report in the matter be submitted to the Committee within a period of two months.

[111] 4.3.6 Improper maintenance of record

Rule 6 of Haryana Stamp Prevention of Undervaluation of Instruments Rules 1978, provides that cases under Section 47A of the IS Act shall be entered by the Collectors in a register in prescribed Proforma 3 so that full particulars of the cases are recorded in the register. Adjudication orders are also entered in this register. A copy of final orders passed by the Collector shall be forwarded to the Registering Officer (SRs/JSRs) concerned in order to enable him to make necessary entries in prescribed Proforma 4 to be kept in his office and to

communicate the same to the person concerned.

During test check of records of Collectors/JSRs/SRs in Kurukshetra, Panipat, Faridabad, Palwal, Gurgaon and Fatehabad districts, we noticed that these registers were not maintained in the prescribed proforma by the Collectors as well as by the JSRs/SRs. Due to non-maintenance of these registers in prescribed proforma, the information regarding the decided cases could not be monitored and also the recovery cases could not be watched properly. We also noticed that due to non recording of disposal of cases in the registers by SRs/JSRs, there was difference of pending cases between the offices of Collectors and SRs/JSRs. As per Collectors record, 2,575 cases amounting to Rs.35.77 crore were pending as on 31 March 2014 whereas as per records of SRs/JSRs, there were 5,380 cases amounting to Rs.70.47 crore pending as on 31 March 2014. Thus, there was huge difference of 2,805 cases involving an amount of Rs.34.71 crore.

On this being pointed the Government admitted the facts and stated in August 2014 that all the Collectors had already been instructed to maintain the register for cases under Section 47-A.

Thus, the Department failed to identify and record Khasra number of prime land/colonies/wards/sectors and land falling within MC limit in the Collector rate list and also did not follow the instructions for cases decided by the Collectors within two months resulting in short realisation of revenue of Rs.14.75 crore in 782 cases.

The department in its written reply stated as under:

Though the deficiency register of cases concerning to under valuation u/s 47-A are maintained in offices of Courts of Collectors and registering authority in the state, however these cases will also be made online in near future. Objection may be settled.

The Committee has recommended that the register/record of the cases, adjudicated and/or pending under Section 47-A of the Indian Stamp Act be maintained in a proper manner strictly in accordance with the provisions of the Haryana Stamp Prevention of Undervaluation of Instrument Rules, 1978 and the record maintained in the offices of SRs/JSRs and District Collectors be got reconciled and status report be submitted to the Committee within a period of two months positively.

[112] 4.4 Short levy of stamp duty due to misclassification of sale deeds into collaboration agreement:

Section 2 (10) of the Indian Stamp Act, 1899 (IS Act), provides that 'conveyance' includes conveyance on sale and every instrument by which property, whether movable or immovable, is transferred inter vivos and which is not otherwise specifically provided for by schedule 1-A of the Act. Further, Section 54 of the Transfer of Property Act, 1882 defines "sale" as transfer of ownership in exchange for a price paid or promised or part paid and part promised. The classification of an instrument depends upon the nature of the transaction recorded therein.

During test check of records, we noticed that 10 Collaboration Agreements relating to four districts were registered between January 2011 and November 2012 in respect of land on which Stamp Duty (SD) of Rs.1,300 was levied as applicable in the case of agreement, not involving sale of land. Scrutiny of these agreements further showed that the owners of land authorised the developers to take possession of the land with the right to construct, built-up shop-cum-flats and residential houses in exchange for a share of the developed land

and/or receive part payments. The developers were entitled to dispose of their shares of developed land in such a manner as they deemed fit without requiring any consent from the owners. Hence, the development right/collaboration agreements were conveyance deeds and were liable to pay SD on sale of property in respect of the developers' share of land. As per rates fixed by the Collector, total value of agricultural land transferred to the developers worked out to Rs.45.89 crore on which SD of Rs.2.32 crore was leviable. However, the registering authorities misclassified these documents as agreement to sell charging SD of Rs.1,300 instead of Rs.2.32 crore, resulting in short levy of SD of Rs.2.32 crore.

On this being pointed out between December 2011 and October 2013, SRs Assandh (Kamal) and Jhajjar stated in March 2012 and February 2014 respectively that cases had been sent to Collector under Section 47A of the IS Act. Further progress report on recovery and reply in remaining cases (November 20I4).

The matter was reported to the Government; their reply has not been received (November 20I4).

The department in its written reply stated as under:

The position of this para is as under:-

		No. of cases	Amt (in cr)
1	Amount Recovered by the department.	_	_
2	Amount dropped by Collectors	_	_
3	Amount dropped by A.G.	_	_
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	10	2.42
5	Amount pending for recovery	**1**	**0.04**
	Total	**11**	**2.46**

Noted:- As per key received from AG Audit party there are 11 cases amounting to Rs 2.46 cr instead up 10 cases amounting to Rs 2.32 cr. These cases are concerned to SR Gurgaon, Manesar, SRPanipat, SR Jhajjar and SR Assandh.

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the

matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to hold special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

The Committee has desired that the status report with regard to all the 10 cases of collaboration agreements as pointed out by the audit be submitted to the Committee within a month positively.

[113] 4.5 Evasion of stamp duty due to undervaluation of immovable property

Section 27 of the Indian Stamp Act, I899 (IS Act), provides that 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 or truly set forth therein. Further, Section 64 of the 1S Act provides that 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 Rs.5,000 per instrument.

During test check of the records of I5 registering offices, we noticed that 42 conveyance deeds were registered between February 20IO and October 20I3 on account of sale of immovable properties worth Rs. 6.58 crore. Cross verification of these deeds with the agreements executed between the concerned parties noticed that the total sale value of agreements worked out to Rs.12.36 crore resulting in undervaluation of immovable properties. This resulted in evasion of stamp duty and registration fee of Rs.22.9I lakh. In addition, penalty not exceeding Rs.2.05 lakh was also leviable for incorrect information in the documents.

On this being pointed between July 2011 and November 20I3, SR Hodel stated in June 2014 that an amount of Rs.73,833 had been recovered and all other JSRs/SRs stated between February 2013 and June 20I4 that the cases had been sent to the Collector for decision between December 20II and February 2014 and efforts would be made to recover the outstanding amount. We had not received further progress report on recovery and action taken to levy penalty (November 2014).

The matter was reported to the Government; their reply has not been received (November 20I4).

The department in its written reply stated as under:

		No. of cases	Amt (in cr)
1	Amount Recovered by the department.	**3**	**1.21**
2	Amount dropped by Collectors	**2**	**3.33**
3	Amount dropped by A.G.	_	_
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	**31**	**12.34**
5	Amount pending for recovery	**6**	**4.79**
	Total	**42**	**22.37**

The position of this para is as under:-

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to hold special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

The Committee has desired that the status report with regard to all the 42 cases of conveyance deeds as pointed out by the audit be submitted to the Committee within a month positively.

[114] 4.6 Short levy of stamp duty due to application of incorrect rates of immovable property:

In order to check evasion of stamp duty (SD) in sale deeds, the Government issued instructions in November 2000 to all registering authorities in the State to the effect that agricultural land sold within municipal limits, with an area less than 1,000 square yards or in case where purchasers are more than one and the share of each purchaser is less than 1,000 square yards, be valued at the rate fixed for residential property of that locality for the purpose of levying SD.

During test check of the records of 18 registering offices between May 2011 and February 2013, we noticed that 77 sale deeds of plots falling within the parameter of above notification were registered between March 2010 and March 2012. The deeds were liable to be assessed for Rs.15.28 crore based on the rates fixed for residential areas and SD of Rs.91.45 lakh was chargeable. However, the Registering Authorities assessed the deeds for Rs.4.70 crore based on the rates fixed for agricultural land and levied SD of Rs.29.48 lakh. This resulted in short levy of SD of Rs.61.97lakh.

After we pointed out these cases between May 2011 and February 2013, all the JSRs/SRs stated between August 2011 and June 2014 that the cases had been referred to the Collector and action would be taken as per rules.

The matter was reported to the Government; their reply has not been received (November 2014).

The department in its written reply stated as under:

The position of this para is as under**:-**

		No. of cases	**Amt (in lacs)**
1	Amount Recovered by the department.	9	2.50
2	Amount dropped by Collectors	10	8.41
3	Amount dropped by A.G.	_	_
4	Pending in various courts of Collectors u/s 47- A	52	47.28
5	Balance cases/ Amount for recovery	**6**	**3.78**
	Total	**77**	**61.97**

Out of 77 cases amounting to deficiency of Rs. 61.97 lac concerning to Sub-Registrars of Districts Ambala, Bhiwani, Fatehabad, Jind, Karnal, Narnaul, Sonipat, Sirsa, Panipat. In 9 cases 2.50 lac has been recovered by Sub-Registrars of Districts Ambala and Sirsa in 10 cases deficiency Rs. 8.11 lac has been dropped by Collcetor Jind, Sirsa and Bhiwani In 52 cases amounting to deficiency of Rs. 68.46 lac are pending in the court of Collectors of Districts Bhiwani, Fatehabad, Karnal, Narnaul, Sonipat, Sirsa, Panipat under section 47-A of the Indian Stamp Act, 1899 are being persuaded by the concerned sub-registrar for quick decision. In 6 cases

amounting to Rs. 3.78 lac are being persuaded by Sub-Registrars of Districts Ambala and Bhiwani for recovery. Strenuous efforts are being made by concerned Sub-Registrars.

The Committee has desired that the status report with regard to all the 77 cases of sale deeds as pointed out by the audit and stated to have been referred to the respective District Collectors for determination of the value and proper duty payable thereon, be submitted to the Committee within a month positively.

[115] 4.7 Undue benefit through reduction in stamp duty

As per notification issued on November 2010, under the Indian Stamp Act, 1899 (IS Act), the Government reduced the Stamp Duty (SD) by one *per cent* in respect of instrument of transfer of self acquired immovable property executed in favour of son or daughter or father or mother or spouse of the executants.

During test check of records of registered documents of gift deeds in nine offices of Sub Registrars (SRs) between June and November 2013 for the year 2012-13, we noticed that 83 instruments of gift deeds were executed in respect of persons other than those allowed in the above notification of Government. The registering authorities allowed the exemption of SD by one *per cent* to donees which was in contravention of above orders of the Government. Thus, undue benefit through reduction in SD resulted in loss of revenue to State exchequer to the extent of Rs.19.93 lakh.

On this being pointed out between June and November 2013, SRs Panchkula and Uklana stated in February 2014 that an amount of Rs.34,250 had been recovered in five cases between August 2013 and January 2014 and efforts would be made to recover the balance amount. Seven SRs stated in February 2014 that cases had been sent to Collector for decision under Section 47A of the IS Act. The reply of the registering authorities did not explain why these cases had been referred to the Collector since there was no need to refer the cases to the Collector for decision as it had been clearly specified in the notification regarding reduction in SD for execution of transfer of self acquired immovable property. We had not received further progress report on recovery (November 2014).

The matter was reported to the Government; their reply has not been received (November 2014).

The department in its written reply stated as under:

The position of this para is as under:-

		No. of cases	Amt (in cr)
1	Amount Recovered by the department.	24	4.43
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	49	13.56
5	Amount pending for recovery	**10**	**1.88**
	Total	**83**	**19.87**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

. **The Committee has recommended that responsibility of the Sub Registrar be fixed for extending undue benefits through illegal reduction in stamp duty in violation of the Govt. instructions and thereby caused the loss to the State exchequer and the action taken report in this regard be submitted to the Committee within a period of two months positively.**

[116] 4.8 Exemption of stamp duty on collusive decrees:

Under Section 17 of the Registration Act, 1908 non-testamentary instruments transferring or assigning any decree or order of a Court or any award when such decree or order or award purports or operates to create, declare, assign, limit or extinguish, whether in present or in future any right, title or interest, whether vested or contingent, of the value of Rs.100 and upwards, to or in immovable property are compulsory registrable documents. Thus, a compromise decree which is not bonafide is liable to be charged as an instrument of conveyance. The Financial Commissioner and Secretary to Haryana Government, Revenue Department had issued instructions in September 1996 to all the registering authorities that mutated property registered on the basis of a compromise decree which is not bonafide is liable to be charged as an instrument of conveyance as per Schedule 1-A of the Indian Stamp Act, 1899. The Sub Registrars (SRs) were asked to carefully examine each document so as to ensure that there is no deliberate attempt for evasion of stamp duty (SD) and the same is properly stamped under the Act.

During test check of the records of offices of four SRs/JSRs, we noticed that six compromise

decrees which were not bonafide were registered between May 2010 and January 2012 without charging stamp duty on total consideration of Rs.3.57 crore. These parties obtained collusive decrees to evade SD. The registering authorities did not comply with the above instructions and allowed exemptions from payment of SD without confirming the facts that properties mutated were executed between blood relations. This resulted in irregular exemption of SD of Rs.18.06 lakh.

On this being pointed out between July 2011 and January 2013, SRs Pehowa, Pundri and Thanesar stated between January 2012 and February 2014 that cases had been sent to the Collector for decision between October 2011 and January 2012. JSR Pillukhera stated in October 2012 that efforts would be made to recover the outstanding amount. We had not received further progress report on recovery (November 2014).

The matter was reported to the Government; their reply has not been received (November 2014).

The department in its written reply stated as under:

The position of this para is as under:-

		No. of cases	Amt (in cr)
4	Pending in the courts of Collectors u/s 47-A of the Indian Stamp Act, 1899	6	18.06
5	Amount pending for recovery		
	Total	**6**	**18.06**

All the Deputy Commissioners concerned have been impressed upon vide letter dated 02.09.2015, 26.11.2015, 13.01.2016, 02.02.2016, 16.03.2016, 28.04.2016, 28.06.2016. 10.11.2016, 23.11.2016 and last letter dated 20.01.2017 to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending to Collectors under section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty for early decision by the Government time to time.

The D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 have been issued from Secretary Revenue and Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department to all the Divisional Commissioners of the State to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee on fortnightly basis and to send progress report in respect of Paras pertaining to various CAG reports on year-wise and para-wise basis to the Government by 10th day of every month. It has also been further requested to all the Divisional Commissioners of the State that the progress of cases pertaining to Stamp duty and registration fee under section 47-A of the Indian Stamp Act, 1899 should also be reviewed at their monthly meetings and review report be sent to Government. They have also been impressed upon to held special campaigns to dispose of the court cases and to affect recovery.5

The Additional Chief Secretary and Financial Commissioner Revenue & Disaster Management Department have also held meetings time to time at the level of Deputy Commissioners of the State in which directions have been given to the revenue officers and collectors of the districts for

expediting disposal of cases pending to Collector under section 47-A of the said Act pertaining to determination of proper stamp duty and registration fee and recovery of deficient amount of stamp duty and registration fee determined by the Collectors. The Registering Authorities have also been directed in the meetings to persue their cases of deficient amount of stamp duty in the Courts of Collectors and recovery thereof.

. **The Committee, while scrutinize the reply submitted by the department, has observed that though the Additional Secretary to Govt. Haryana & Financial Commissioner, Revenue Department and Secretary, Revenue have been issuing instructions/letters/DO letters from time to time to impress upon the Divisional Commissioners and Deputy Commissioners in the State to expedite the matters pertaining to recovery of deficient amount of stamp duty and registration fee and the cases pending before the Collectors under Section 47-A of the Indian Stamp Act, 1899 for determination of proper stamp duty and concluding the proceedings in a time bound manner, but all exercise is otiose and meaningless if the instructions/letters/DO letters are not complied with by the Divisional Commissioners/District Commissioners.**

The Committee has, therefore, recommended that the Govt. instructions be got complied with in a strict manner

The Committee has also desired that the status report with regard to all the 6 cases of compromise decrees as pointed out by the audit be submitted to the Committee within a month positively.

MINES AND GEOLOGY DEPARTMENT

[117] 6.2.2 Non/short realisation of bid money:

As per Punjab Minor Mineral Concession Rules, 1964, as applicable to the State of Haryana, a mining contract for quarrying is granted by auction or by accepting tender of highest bidder. The bidder is required to deposit 25 *per cent* of bid as security plus one twelfth of the annual bid where contract value exceeds rupees five lakh, as advance payment immediately on the allotment of the contract. In the event of default in payment, the competent authority may, by giving a notice, terminate the contract and forfeit the amount of security. Further, interest at the rate of 24 *per cent* per annum is also recoverable for the period of default in payment of instalment of contract money till such amount is paid.

During test check of records in the office of Mining Officer, Bhiwani, we noticed that minor mineral quarrying permits were granted to five contractors on the basis of highest annual bid amount of Rs.4.43 crore due for the periods 2007-08 to 2009-10 (upto February 2010). Mining activities were banned by Hon'ble High Court since 1 March 2010. The contractors had not deposited bid money amounting to Rs.1.88 crore for different periods. The department had terminated the contract by delayed period of 10-11 months after the contract money had not been paid. Even the recovery certificates were issued after delayed period of 35 to 42 months in three cases from the date of termination of contracts. Lack of timely action by the Department to recover the bid money of Rs.1.88 crore from the contractors resulted in short realisation of bid money amounting to Rs.4.43 crore (including interest of Rs.2.55 crore).

On this being pointed out the Government stated (October 2014) that all-out steps to recover the dues were taken by the department and recovery of dues from the defaulters was in process.

The department in its written reply stated as under:

The recoverable amount of **Rs. 4.43** Crore **(Rs. 1.88 Crore on account of contract money and Rs. 2.55 Crore on account of interest till audit**) pertains to **05 contracts** cases of stone mines of district Bhiwani. In which an amount of rs. 1.88 Crore on amount of contract money and Rs. 2.55 Crore on account of interest till audit is still to be recovered. The mining officer, Bhiwani have issued the recovery certificates in all these 05 cases and is actively pursuing the recovery under Land Revenue Act. The writ of demand has been issued on dated 30.11.2016. Hance, this amount of Rs. 4.43 Crore is yet to be recovered.

The Committee has desired that vigorous and pragmatic efforts be made to recover the outstanding bid money alongwith interest thereon.

TRANSPORT DEPARTMENT

[118] 5.5 Non renewal of permits of transport vehicles:

As per section 66 of the Motor Vehicles Act, 1988, no owner of a motor vehicle shall use or permit the use of vehicle as a transport vehicle in any public place without valid permit granted or countersigned by a Regional or State Transport Authority whether or not such vehicle is actually carrying any passenger or goods. Further Section 81 of the Act provides that validity of a permit is five year and may be renewed on an application made not less than 15 days before the date of expiry of the permit. Plying of the vehicles without a valid permit attracts minimum penalty of Rs.2,000 under the provision of Section 192-A of the Act.

During test check of the records of the offices of the Secretary, Regional Transport Authorities (RTAs) Ambala, Faridabad and Hisar for the year 2012-13 pertaining to issue and renewal of permits of transport vehicles, we noticed that 96 vehicles which were issued permits for plying as transport vehicles by the authorities for five years from date of issue of permits, but owners of these vehicles did not renew permits of vehicles even after the expiry of last date of validity permits. Further scrutiny of records revealed that neither there was any recorded reasons for non renewal of permits of these vehicles nor these vehicles were declared off-road. This resulted in non realization of revenue amounting to Rs.5.40 lakh including minimum penalty of Rs.1.92 lakh.

On this being pointed out between November, 2013 and January 2014, all the RTAs stated between April and October, 2014 that notices would be/had been issued to the defaulting owners to recover the outstanding amount. We had not received further progress report on recovery (November 2014).

This matter was reported to the Government; their reply has not been received (November, 2014).

The department in its written reply stated as under:

The para relates to 3 Registering Authorities. The detail of which is as under:-

Name of authority	No. of permits	Amount
RTA, Ambala	50	181250+100000 penalty
RTA, Hisar	17	61625+34000 penalty
RTA, Faridabad	29	105125+58000 penalty
Total	96	348000+192000 penalty

Under RTA, Ambala, in the starting there were 50 cases of non renewal of permits amounting to Rs.281250/- including penalty of Rs.100000/-. The detail of these 50 cases is as under:-

No. of cases	Amount	Remarks
14	50750	NOC issued before creation of audit para.
4	14500	The owners have obtained basic permit in place of national permit before ending of its validity.
1	3625	The vehicle have been stolen as per record before creation of audit para.
13	47125	The ownership of the vehicle have been transferred. No further record is available.

4	14500	The vehicles were already renewed but the entry was not done at the time of audit which has been done now.
14	50750	Notices have been issued to the concerned vehicle owners
50	181250	

It is clear from above that actual amount of recovery is Rs. 50,750/- + penalty instead of Rs.1,81,250/-+ penalty Rs. 1,00,000/-.

Under RTA, Hisar, there were 17 cases of non renewal of permits. Out of Rs. 61625/- , Rs. 7450/- have been recovered at the time of issue of NOC of two vehicles and one vehicle had already paid one time tax being private vehicle.

No. of cases	Amount	Remarks
1	3725	Vehicle No. HR-39C-8297 is registered as a private vehicle and paid one time tax. Permit is not applicable.
2	7450	NOC of the Vehicle No, HR-39A-7669 and HR-39A-0043 had been issued on dated 16.10.2015 and 4.9.2013.

The detail is as under:-

Final notices have been issued on dated 30.12.2016 to 14 vehicle owners to deposit the outstanding recovery otherwise RC will be cancelled. The record of the vehicles has been blocked in the software.

Similarly, under RTA Faridabad, an amount of Rs.87000/- has been recovered out of Rs.1,05,125/- An amount of Rs.18125/- is not due as out of 5 cases, Three cases are entered twice in audit para, one vehicle is private vehicle and in one case, NOC had been issued on dated 16.02.2009. so no recovery is due. The detail is as under:-

No. of cases	Amount	Remarks
3	10875	Vehicle No. HR-38M-3945, HR-38M-3831, HR-38V-2196 entered twice.
1	3625	Vehicle No. HR-38M-4616 registered as personal car in which permit is not applicable.
1	3625	NOC of the Vehicle No. HR-38M-3941 had been issued to other State on dated 16.2.2009.

Hence it is requested that para may kindly be dropped.

The Committee has desired that vigorous and pragmatic efforts be made to recover the outstanding dues from the vehicles owners to augment the State revenue.

[119] 6.3.2 Non collection of Adda fees:

Under Faridabad and Gurgaon City Private Bus Service Scheme, 2004 private persons were to be issued permits by the State Transport Authority (STA) for City Bus service operated in the area for a period of five years. Renewal of the permits was to be made subject to payment of all taxes,

fees and Government dues. Further, the operators were liable to pay *Adda* Fee at the rate prescribed by Transport Department from time to time per single trip to the Haryana Roadways for using its bus stops and in case of violation of any of the conditions, the STA could initiate action for suspension/ cancellation of the permit/ imposition of penalty.

(i) During test check of the records of the office of Director General State Transport (DGST), we noticed that STA had issued 194 permits (Faridabad: 67 and Gurgaon: 127) to private operators for city bus service in Faridabad and Gurgaon. The routes for plying the buses were finalised by Regional Transport Authority (RTA), Faridabad and Gurgaon. The buses started plying on the routes from March 2004 onwards. However, *Adda* fee as prescribed from time to time was not paid by these private operators between March 2004 to March 2014 to the General Manager, Faridabad and Gurgaon. Neither GM had taken any steps to recover these outstanding dues from the private operators nor RTAs had initiated any action for suspension/cancellation of the permit/imposition of penalty. Non- collection of *Adda* fee from April 2009 to March 2014.amounted to Rs. 7.55 crore (Faridabad: Rs.2.91 crore and Gurgaon: Rs.4.64 crore).

(ii) Further scrutiny of record of Faridabad depot showed that one private operator had sold his bus in 25 March 2010 to another private operator. However, when the purchaser applied to get the vehicle registered by obtaining No Objection Certificate from the Regional Transport Authority (RTA) Faridabad, the same was not issued as the requisite *Adda* fee (Rs. 4.34 lakh) had not been deposited in respect of this bus. The purchaser filed writ petition in Punjab & Haryana High Court, Chandigarh on the plea that she was not liable to pay the *Adda* fee up to the date of agreement (25 March 2010). However, the High Court dismissed the writ petition and decided (10 March 2014) that without clearing the dues the NOC could not be issued and directed the State Government to take steps to recover the dues from the vehicle owners of all the buses. During this case, it was also noticed that eight such buses were already sold and NOCs were issued for these buses without recovering *Adda* fee (Rs.29.46 lakh in seven cases) in respect of these buses. Thus, the department was allowing the sale and registration of buses in the names of other private operators without recovering its dues. As the record of non-payment of Adda fees is maintained by GM but the RTA is required to confirm the outstanding Adda fees from the GM before issuing the NOC to the private operator for renewal of permit or transfer of registration of buses in the name of purchasers. Thus, Audit observed that a proper system was not in place for collection of dues and renewal and transfer of registration before issue of NOCs for sale of vehicles and no corrective action has been taken by the Department which shows the failure of the Department.

On this being pointed out the Department stated in October 2014 that recovery proceedings had been started for *Adda* fee under Punjab Land Revenue Act, 1887 (PLR Act).

The department in its written reply stated as under:

Gurgaon

1) It is intimated that in Gurgaon 127 permits for private City Bus Services were issued in 2004 and Adda Fees was being started @ Rs. 10/- per trip . Adda fees was enhanced from Rs. 10/- per trip to Rs. 50 /- per trip vide Transport Commissioner letter no. 2527-46/TI -4 dated 1.5.2006 (Annexure –I) & thereafter the Private Operators became reluctant to pay the same .

ii) The District Transport Officer was requested vide this office letter nos. 2927/TI- dated 6.6.2005 (Annexure–II-A),2317/C.I.dated6.1.2006 (Annexure–II-B), 2398/C.I. ,dated

13.1.2006(Annexure–II-C),4516/C.I. dated 22.2.2006(Annexure–II-D), 5189/C.I. dated 14.3.2006 (Annexure II-E) ,7349/C.I. dated 8.5.2006 (Annexure –II-F)8942/C.I. dated 13.6.2006(Annexure–II-G),1019/C.I.dated-26.7.2006 (annexure II-H) [Annexure II(A- H)] to enforce the private city bus operators to deposit Adda Fees. Also Transport Commissioner was requested to direct for enforcement of deposition of Adda Fees by private Operators vide this office D.O. No. 7324/C.I. dated 8.5.2006 (Annexure-III) and letter no. 8513/C.I. dated 1.6.2006(Annexure –IV). The Joint Transport Commissioner vide letter no. 796/TI-4 dated 8.2.2007 had directed the SDO Civil Cum District Transport Officer, Gurgaon to take necessary steps for releasing the Adda Fees (Annexure –V).

2) Sh. Rampal S/o Sh.Hukam Chand and Sh.Narender Singh S/o Sh. Jagmal Singh went to Punjab and Haryana High Court in CWP No. 10790 of 2006 wherein the Hon'ble High Court Directed to Transport Commissioner Haryana to consider the plea of the petitioners relating to parking of their buses in the bus stand and to pass suitable directions. In the light of responsibility passed U/R 196 of Haryana Motors Rules 1993 for the development of the bus stand. Sh. M. Ram Shekhar IAS Transport Commissioner after considering the plea of the private Operators directed General Manager, Haryana Roadways, Gurgaon not to charge Adda Fees from the petitioners and other private bus operators till the booth space and time could be provide to them in the bus stand (Annexure-VI).

3) The General Manager Haryana Roadways, Gurgaon vide D.O. No. 8943/C.I. dated 15.1.2007 (Annexure-II-G) informed the Transport Commissioner that separate bus stand with boundary wall ,SulabhShauchalaya has been provided to the Private City Bus Operators. It is also pertinent to mention here that this separate bus stand was in open ground with boundary wall constructed booths were not there for operation of city bus service and the floor was made concrete in 2013-14 by PWD B & R.

4) After Transport Commissioner Haryana directions dated 22.12.2006 the Private City Bus Operators did not deposit the Adda fees. They violated the terms & condition of scheme of 2004 and operated at their will.

5) The matter was taken up with Secretary RTA Gurgaon vide this office letter no. 8944/C.I. dated 15.1. 2007,(Annexure II-G) , 10510/C.I. dated 22.2.2007 mentioning (citing the letter no. 797/TI-4 dated 8.2.2007 (Annexure –VII) of Transport Commissioner) & 13661/C.I. dated 5.12.2014 (Annexure-VIII)but the requisite action was not taken by the Secretary RTA. No NOC from Office Of Haryana Roadways, Gurgaon was taken.

6) The District Collector Gurgaon was requested vide this office letter no. 18655/C.I. dated 22.3.16 (Annexure-IX) to declare Rs. 4.64 crore balance of audited amount as a arrear of land revenue. Out of this Rs. 96,5389/- had been deposited by 05 Operator (1. Bus No HR55B-6842, Sh. Naresh Kumar S/o Sh. Kesuram, Amt. 69050/-, 2. HR55B-8037,Sh. Tej Pal Yadav S/o Sh. Laxman Singh, Amt. 92420/-, 3. HR55B-9634, Sh. Krishan Kumar S/o Sh. Jogsi Chand, Amt. 43120/-, 4. HR55B-8317, Sh. Vijay Pal S/o Sukh Dev, Amt. 96599/-, 5. HR55C-8696, Sh. Dhiraj Kumar S/o Sh. Jagdish, Amt. 664200/-) directly to this office.

7) Sh.Surender Kumar and Others (Ravinder, Satbir, Kamleshvati, Krishan Kumar,Dharampl Singh, Darshana Devi, Mukesh Kumar, Praveen ,Kamleshvati, Mukesh, Jaideep, Satish, Surajmal) 14 petitioners went to State Transport Appellate Tribunal Court Ambala in the Court of Sh.DeepakGupta,Ambala in STAT (CA) 01 to 14 of 2015 (CIS registration no. 264, 265, 266, 267, 268, 269, 270, 271, 272,297,298,299,300 & 301 of 2015). In this judgement report of

Local Commissioner 3.3.2016 has mentioned that the proper facilities has not been provided to the Private Bus operators (Annexure-X) .

8) The L.R. Haryana vide memo no. 30929/Co.10(522 to 530,577 to 581) 2015 dated 31.5.16 has opined that this case is not fit case for appeal (Annexure –XI).

9) In compliance of directions 2051/A4/DA/16 dated 27.6.16 of Director State Transport Haryana (Annexure–XII) . this office submitted appeal documents for 14 cases in the Advocate General Office, Haryana, Chandigarh for appeal. The A.G. Office filed the appeal in first instance in case of Sh.Surender Kr. and Satish Kumar vide CWP No. 18493 of 2016 and 22093 of 2016 respectively in Punjab and Haryana High Court, Chandigarh. The Court dismissed the appeal on 22.12.2016 (Annexure-XIII).

10) In another CWP No. 5536 of 2015 of Sh. Krishan Kumar with 16 petitioners(Suresh Kumar, Naresh Kumar, Pawan, Sat Parkash, Narayan Singh, Krishan Kumar, Om Parkash, Ashok Garg, Karan Singh, Ajit Singh, Karan Singh, Ramesh Kumar, P.K.Mudgal, Jai Bhagwan, Mahender Singh) and CWP No. 5539 of 2015 Satbir Singh with 15 petitioners (Satpal, Jai Kumar, Ram Parvesh, Ram Kumr, Nityanand, Rajesh Kumar, Hari Singh, Rameh Chand, Shiv Shanka, Satbir Singh, Bharat Singh, Agnivsh Kumar, Rohtash Singh, Nahar Singh) went to High Court for not charging of Adda Fees.

The Hon'ble High Court decided that it is of considered opinion that demand of Adda Fees from petitioners is patently illegal (Annexure –XIV).

11) The Director, State Transport was apprised about this vide letter no. 16708/C.I. dated 17.10.16 (Annexure –XV).

The L.R. Haryana was requested vide this office letter no. 16709/ADA dated 17.10.16 (Annexure-XVI) & 17078 /ADA dated 25.10.16 (Annexure –XVII) to provide opinion for the same.

12) (i) The Advocate General, Haryana Chandigarh was requested vide this office letter no. 17832/ADA dated 11.11.16 (Annexure –XVIII) to supply the comments for filing appeal to L.R. Haryana .

ii) L.R. Haryana has sought clarification from Advocate General, Haryana Chandigarh vide letter no 40143-147/Co 2380-2381/H/2015 dated 10.11.16(Annexure-XIX). The opinion of L.R. is still awaited and the necessary action will be taken accordingly.

In this regard, RTA Gurgaon has intimated that 127 permits were issued. NOCs have been issued to all the permit holders without obtaining NDC from GM Roadways, Gurgaon. Name of defaulting officials are being asked from the Secretary, RTA Gurgaon so that disciplinary action may be initiated against them. Recovery could not be done in 31 cases as Hon'ble Punjab & Haryana High Court has disposed off the CWP No. 5539 of 2015 and 5536 of 2015 (Annexure-II) regarding recovery of adda fee from the Petitioners (Copy enclosed). The operative part of the decision is an under:-

In the absence of any material to prove that the petitioners have been allotted designated booth for the purpose of picking up passengers from inside the bus stand at a specified allotted time, no fault can be attributed to them for the purpose of alleging that the petitioners are not bringing their buses inside the bus stand and also for the purpose of charging the adda fee from them as it can be charged only if the facilities are provided because in the matter of fee, it is always quid pro quo

and in the absence of the facilities to be provided to the petitioners who have been asked to pay the adda fee, the same cannot be charged from them.

FARIDABAD DEPOT:

1- In April 2004 Government of Haryana issued 67 permits in Faridabad City for City Bus Service. The Adda Fee was decided Rs.10 per trip which was increased to Rs. 50 vide T.C Haryana letter no. 7845-64/TI-4 dated 15.12.05. Thereafter, it was further increased to Rs.1800 per month or if paid in advance then Rs.5000 per quarter, Rs. 10000/- Half yearly, &Rs. 19500 per annum vide TC Haryana letter no 18521-542/T-II Dated 20.09.2011. **(Annexure -1 and 1-A).**

The private bus operator opposed the enhancement of Adda Fee and werereluctant in payment of Adda Fee and at times manhandled the Roadways staff. Taking into cognizance of this situation, GM Haryana Roadways wrote to R.T.A Faridabad vide letter no. 4607/TI dated 18.08.06 **(Annexure II),** 6040/TI Dated 6.03.09 **(Annexure II-A**) 6685/T.I Dated 25.10.09 **(Annexure II-B)** 1400/TI Dated 9.6.10**(Annexure II-C)** for taking stern action against the bus operators and for recovery of outstanding Adda Fee. But no action was taken, thereafter HQ was also informed vide letter no. 1401/TI dated 9.06.10 **(Annexure II-D)**.

2 G.M Haryana Roadways informed R.T.A Faridabad for recovery of Adda fee being Permit and NOC Issuing Authority. But RTA Faridabad hadnot taken any action and Adda Fee could not be recovered **(Annexure II to II-C).**

GM Faridabad collected a list of 67 permit holder which includes Vehicle No, Owner's Name, period of Permit, from RTA Faridabad **(Annexure -III**).

3 Sh. FatehMohd s/o shHasnoo VPO DhojDistt Faridabad sold his Bus No. HR 38K 1981 to Smt Nisha Tomar W/o Sh. Subhashtomar R/o HN 224 D Bhagat Singh Colony Ballabgarh, Faridabad and applied NOC in RTA Faridabad, but RTA Faridabad did not transfer the Vehicle. Aggrieved by non-transfer Smt. Nisha Tomar filed a CWP No. 18317 of 2010 in Pb. & Hr. High Court, which was dismissed by Honourable Punjab and Haryana High court vide order dated 10.03.14 and directed to Haryana Government for recovery of outstanding Adda Fee. **(Annexure - IV)**

4.. In compliance of CWP no 18317 of 2010 Director, Transport Department, Haryana, obtained advice dated 17.06.14 of L.R, Govt. of Haryana and sent to GM Hr Roadways vide memo no. 131-32/TI-4 dated 23.06.14 with the direction to recover Adda Fee under section 98 (a) of Land Revenue Act 1887 as Arrears of Land Revenue. **(Annexure V)**

5. GM Haryana Roadways wrote letter No. 1157/TI dated 30.06.14 to D.C Faridabad with the request to recover Adda Fee as arrears of Land Revenue **(Annexure VI).** Collector Faridabad sought details of each defaulter vide memo no. 1728/DRA dated 10.07.14. **(Annexure VI-A).** The information was sent vide memo no. 1517-18/TI dated 28.07.14 **(Annexure VI B)** of all 67 defaulters in detailed letter 1424-1490/TI Dated 25.07.14. **(Annexure VI -C)**

6. Collector Faridabad issued 19 Nos. Recovery Certificates from sr. No 260 to 278 dated 7.8.14 and sent to Collector Palwal for recovery**(Annexure VII**) a copy of which was endorsed to this office also. Collector,Fariabad also informed vide letter no. 2186/DRA Dated 8.09.14 that 41 Recovery Certificates sent to TehildarBallabgarh, 09 Recovery Certificates sent to Tehsildar Faridabad, 02 to Collector Gurgaon and 18 to Collector Palwal. **(Annexure VII-A**)

7. Out of these 67 defaulter 11 defaulters filed a CWP no. 9437 of 2014 Sukhram&Ors. Vs State of Haryana and Ors. wherein Honourable Pb. And Haryana High Court granted stay vide interim order dated 10.07.14. the next date is 28.03.17 **(Annexure VIII).**

8. Thereafter, information sought from Distt Collector Faridabad vide letter no.1987/TI Dated 10.09.14, Tehsildar Ballabgarh 2409/TI dated 13.10.14, 6073/TI dated 25.11.14, 6822/CI dated 26.02.15, 11621/SS dated 4.12.15, 159/SS dated 18.04.16, Spl/SS dated 14.12.16 **(Annexure X-A to X-G)** for latest status of Recovery. DC Faridabad vide letter no. 2974/DRA 14.12.15 sought information from Tehsildar Faridaba and Palwal for latest status but no information provided by the concerned Tehsildar till now. **(Annexure XI-XI-A)**.

DC Palwal vide letter no 2145/DRA ated 17.12.14 asked for contacting concerned Tehsildar. **(Annexure -XII).**

DC Mewat, Nuh vide letter no. 1905-06/DRA dated 19.11.14 asked tehsildar Tauru for ensuring recovery. **(Annexure XII-A**). Tehsildar Hodal vide letter no 967/Lekha dated 18.09.14 and 970/Lekha Dated 18.09.14 informed about non-recovery. **(Annexure XIII, XIII-A).** Despite of continuous efforts of Transport deptt and Revenue Authorities,no recovery has been made. Only 09 Permit holders paid a meagre amount of Rs. 18,700.00 till 31.03.2006. **(Annexure XIV).** The detailed list of 67 defaulters (as on dated of cancellation of RC) is enclosed. **(Annexure XIV-A)**Vide which Balance Adda fees upto 31-01-2010 comes to Rs. 2,82,20,750/-, this amount includes Rs. 38,68,540/- of 11 permits holders under stay vide CWP No. 9437 of 2014. As per record of RTA Faridabad regarding date of cancellation of RC, balance Adda fees upto cancellation of RC's or issuance of 8 Nos NOC comes to Rs.4,87,00,448/-.

This amount includes Rs. 85,47,182/- of 11 permit holders under stay vide CWP No. 9437 of 2014. At present no Private society Bus among these 67 is plying from Bus Stand Faridabad.

In this regard RTA Faridabad has informed that 67 permits were issued. Recovery of Adda Fees is pending. 12 permit holders have filed CWP No. 9437 of 2014 in the Hon'ble Punjab & Haryana High Court. Next date of hearing is fixed for 28-03-2017 (Annexure-I). 8 NOCs have been issued without obtaining NDC from the General Manager, Haryana Roadways, Faridabad. Disciplinary action has been initiated on 21-05-2014 against the defaulting officials under rule 8 against three employees (Surinder Singh, Clerk now Accountant, Jagbir Singh Assistant, Shamsher Singh Clerk now Assistant) and under rule 2.2 (B) of CSR Vol-II against 4 retirees (Phool Singh, Deputy Superintendent, Ram Kumar Boora, T SI, Devraj, Assistant Secretary, Hawa Singh Bhoria, Superintendent)(Copy enclosed Annexure XVI).

Keeping in view the status you are requested to drop the para.

The Committee has desired that responsibility of the then RTA and GM for not making recovery of the Adda Fees be fixed and action taken report be submitted to the Committee within a month positively.

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
			9th Report
1.	Industries	5(2)	Credit facilities for development of small industries
			14th Report
2.	Industries	16	Purchase of Cotton Yarn
			16th Report
3.	Industries	2 (a)&(d)	Subsidy of setting up industries Units in selected Backward areas. (Cases of M/s B.K. Steel Rolling Mill), Tohana and M/s Modern Industries, Charkhi Dadri
			18th Report
4.	Co-operation	39	Co-operative Consumer Stores
			22nd Report
5.	Industries	10 (ii)	Industrial Estate
6.	Irrigation	20	Penal recovery of cost of coal issued to Kiln Contractors in excess requirement
7.	Revenue	40	Non-levy of registration fee
8.	Excise and Taxation	54	Shortfall in duty.
9.	Excise and Taxation	56	Recovery due from contractor
			23rd Report
10.	Food and Supplies	35	Haryana State Federation of Consumer Co-operative Wholesale Stores Limited, Chandigarh
11.	Excise and Taxation	47	Uncollected Revenue
12.	Excise and Taxation	55	Result of test audit in general
13.	Excise and Taxation	57	Failure to initiate action to recover the licence fee
14.	Excise and Taxation	59	Loss of duty on excess wastage in bottling operation
			25th Report
15.	Colonization	9	Encroachment of Land
16.	Colonization	11	Recoveries from plot holders
17.	Fisheries	31	Development of Fisheries
18.	Excise and Taxation	54	Un-collected revenue
19.	Excise and Taxation	58	Incorrect computation of tax on interstate sales
20.	Excise and Taxation	67	Irregular allowance for wastage
21.	Excise and Taxation	69	Failure to enforce licence condition

			26th Report
22.	Revenue	10	Gratuitous relief for crops/houses damaged
23.	Irrigation	22	Faulty measurement of work resulting in over payment
24.	Excise and Taxation	49	Uncollected revenue
25.	Excise and Taxation	61	Duty not recovered on spirit loss in bottling operation in excess of norms
26.	Excise and Taxation	63	Non-recovery of licence fee and interest
			28th Report
27.	P.W. (B&R)	14	Shortage of Steel
28.	Excise and Taxation	41	Registration of dealers under Sale Tax Act
29.	Excise and Taxation	44	Non-recovery of licence fee and interest
			29th Report
30.	Forest	8	Forestation Social Forestry & including Rural fuel wood plantation and farm forestry
31.	Irrigation	17	Excess issue of coal
32.	Excise and Taxation	47	Non-levy of penalty
33.	Excise and Taxation	50	Non-levy of penalty
34.	Excise and Taxation	51	Non-levy of penalty
35.	Excise and Taxation	53	Interest not charged
36.	Revenue	62	Results of Audit
37.	Revenue	63	Under valuation of immovable property
38.	Mines and Geology	71	Results of Audit
			32nd Report
39.	Industries	4	Development of small industries
40.	Irrigation	12	Misappropriation
41.	Irrigation	20	Shortage of Stores
42.	Revenue	25	Inadmissible payment
43.	Town and Country Planning (HUDA)	36	Loss due to defective storage of Cement
44.	Mines and Geology	47	Uncollected revenue
45.	Mines and Geology	48	Results of Audit
46.	Excise and Taxation	61	Uncollected revenue
47.	Excise and Taxation	69	Irregular levy of tax at concessional rate
			34th Report
48.	Development and Panchayat	8	Irregular and wasteful expenditure on books
49.	Revenue	29	Land reforms
50.	Revenue	30	Compensation to landowner
51.	Revenue	31	Consolidation of holdings

52.	Food and Supplies	47	Under storage of wheat
53.	Mines and Geology	55	Uncollected revenue
54.	Excise and Taxation	63	Uncollected revenue
55.	Excise and Taxation	66	Short-levy/non-levy of purchase tax
56.	Excise and Taxation	69	Non-levy of penalty
57.	Excise and Taxation	70	Non-filling the quarterly returns
58.	Irrigation	72	Arrears of revenue
59.	Irrigation	74	Non-raising of demand
60.	Chief Electrical Inspector	78	Uncollected revenue
61.	Chief Electrical Inspector	80	Arrears of electricity duty
62.	Revenue	83	Results of Audit
63.	Revenue	84	Under valuation of immovable property
			36th Report
64.	Local Self Government	3	Non-recovery of Government dues
65.	Food and Supplies	7	Loss due to storage of wheat.
66.	Transport	9	Irregular payment of overtime allowance
67.	Industries	13	Non-utilization of loan
68.	Revenue	18	Inadmissible gratuitous relief
69.	Public Health	23	Construction of a water tank
70.	Haryana State Lotteries	25	Suspended misappropriation of Government money
71.	P.W. (B&R)	29	Excess measurement
72.	Revenue	43	Results of Audit
73.	Revenue	46	Misclassification of instruments
74.	P.W. (B&R)	51	Results of Audit
75.	Excise and Taxation	53	Uncollected Revenue (P.G.T.)
76.	Excise and Taxation	54	Uncollected Revenue (State Excise)
77.	Excise and Taxation	58	Results of Audit (Sales Tax)
			38th Report
78.	Renewable Energy	16	Evaluation and monitoring.
79.	Medical and Health	18	Stores and Stock
80.	Irrigation	32	Surplus material
81.	Irrigation	36	Shortage of tiles
82.	Public Health	41	Excess payment to the contractor
83.	Public Health	42	Excess Payment
84.	Mines and Geology	50	Results of Audit
85.	Mines and Geology	51	Receipts from Mines and Minerals
86.	Agriculture	56	Interest not charged on belated payments
87.	P.W. (B&R)	61	Arrears of rent
88.	Revenue	64	Results of Audit

89.	Revenue	68	Misclassification of Instrument
90.	Excise and Taxation	71	Uncollected revenue
91.	Excise and Taxation	79	Suppression of purchases
92.	Excise and Taxation	81	Irregular stay of tax and interest
93.	Excise and Taxation	87	Recovery at the instance of Audit
			40th Report
94.	Town and Country Planning	19	Delay in land acquisition cases
95.	Public Health	33	Stores and stock
96.	Public Health	34	Injudicious purchases
97.	P.W. (B&R)	37	Extra payment due to incorrect entries in Measurement Books
98.	P.W. (B&R)	38	Avoidable extra expenditure due to retendering
99.	Co-operation	41	Embezzlement
100.	Food and Supplies	47	Damage caused to wheat in Storage
101.	Supplies and Disposal	49	Extra expenditure due to retendering
102.	Excise and Taxation	51	Uncollected Revenue (Sales Tax)
103.	Excise and Taxation	52	Uncollected Revenue (State Excise)
104.	Excise and Taxation	55	Delay in re-assessment of remand cases
105.	Excise and Taxation	57	Appeals entertained without deposit of tax
106.	Excise and Taxation	60	Loss of revenue due to delays in assessment and demand of tax
107.	Excise and Taxation	66	Incorrect deduction on account of sales to registered dealers
108.	Excise and Taxation	68	Non-levy of penalty
109.	Excise and Taxation	69	Interest not charged
110.	Excise and Taxation	74	Non-recovery of duty on wastage in excess norms
111.	Excise and Taxation	75	Interest not charged
112.	Revenue	79	Outstanding Inspection Reports
113.	Revenue	80	Results of Audit
114.	Revenue	81	Under valuation of immovable property
115.	Revenue	82	Misclassifications of instruments
116.	Revenue	83	Irregular grant of exemption
117.	Revenue	84	Non/Short levy of stamp duty
118.	Revenue	85	Irregular registration of supplementary deeds
119.	Revenue	87	Evasion of stamp duty and registration fee through power of attorney
120.	Revenue	89	Embezzlement of Government revenue
121.	Mines and Geology	93	Outstanding Inspection Reports.
122.	Mines and Geology	94	Results of Audit

		42nd Report	
123.	Irrigation	13	Jawahar Lal Nehru Lift Irrigation Scheme
124.	Food and Supplies	42	Loss due to negligence
125.	Public Health	60	Inflated/Fictitious measurement
126.	P.W. (B&R)	71	Shortage of tools and Plant
127.	Revenue	101	Outstanding Inspection Reports
128.	Revenue	103	Results of Audit
129.	Revenue	104	Irregular exemption of stamp duty
130.	Excise and Taxation	108	Uncollected Revenue
131.	Excise and Taxation	109	Frauds and evasion of taxes
132.	Excise and Taxation	113	Delay in taking up of appeal cases
133.	Excise and Taxation	115	Stay of Sales Tax demands by the Appellate Authorities
134.	Excise and Taxation	116	Recovery of Demands in arrears under Sales Tax
135.	Excise and Taxation	118	Non-recovery of arrears due to delay in assessment
136.	Excise and Taxation	119	Failure to verify the genuineness of dealers/sureties
137.	Excise and Taxation	120	Irregular grant of exemption certificate
138.	Excise and Taxation	121	Delay in initiating/non-pursuance of recovery proceedings
139.	Excise and Taxation	125	Application of incorrect rate of tax
140.	Excise and Taxation	126	Non/Short levy of interest
141.	Excise and Taxation	127	Results of Audit
142.	Excise and Taxation	129	Loss of revenue due to re-auction of vends
143.	Excise and Taxation	130	Short recovery of composite fee
144.	Excise and Taxation	131	Non-recovery of license fee and interest
145.	Excise and Taxation	132	Loss due to non-observance of prescribed procedure regarding auction of vends
146.	Excise and Taxation	134	Non-recovery of penalties
147.	Excise and Taxation	136	Uncollected Revenue
148.	Excise and Taxation	138	Results of Audit
149.	Excise and Taxation	139	Under assessment due to irregular grant of exemption to non-manufacturers
150.	Excise and Taxation	142	Under assessment due to short levy of purchase tax and incorrect deduction
151.	Excise and Taxation	144	Short levy of penalty
152.	Excise and Taxation	145	Results of Audit
		44th Report	
153.	Public Health	3	Sub-Standard execution of work.
154.	Irrigation	12	Surplus materials
155.	Irrigation	17	Shortage of T&P articles
156.	Social Welfare	23	Payment of pension to ineligible persons
157.	Social Welfare	26	Liberation of scavengers

158.	Rural Development	36	Integrated Rural Development Programme
159.	Town and Country Planning	41	Functioning of State Planning Cell
160.	Town and Country Planning	43	Avoidable payment of interest
161.	Revenue	46	Mewat Development Board
162.	Mines and Geology	48	Uncollected Revenue
163.	Mines and Geology	50	Results of Audit
164.	Mines and Geology	53	Short Calculation of interest
165.	Mines and Geology	54	Uncollected Revenue
166.	Mines and Geology	56	Results of Audit
167.	Mines and Geology	57	Non-realisation of contract money and interest
168.	Mines and Geology	58	Non-recovery of dead rent and interest thereon
169.	Mines and Geology	59	Interest not charged on delayed payments
170.	Mines and Geology	60	Uncollected revenue.
171.	Mines and Geology	61	Results of Audit
172.	Mines and Geology	62	Non-recovery of contract money and interest
173.	Mines and Geology	63	Non-recovery/Short-recovery of royalty
174.	Mines and Geology	64	Interest not charged
175.	Revenue	66	Uncollected Revenue (Land Revenue)
176.	Revenue	67	Results of Audit
177.	Revenue	68	Short levy of Stamp duty
178.	Revenue	69	Under valuation of immovable property
179.	Revenue	70	Evasion of Stamp duty and registration fee through power of attorney
180.	Revenue	71	Irregular exemption of Stamp duty and registration fee
181.	Revenue	72	Misclassification of instruments
182.	Revenue	73	Uncollected Revenue
183.	Revenue	76	Results of Audit
184.	Revenue	78	Irregular exemption of stamp duty
185.	Revenue	79	Short realization of stamp duty due to under valuation of immovable property
186.	Revenue	80	Misclassification of instruments.
187.	Prohibition, Excise and Taxation	92	Uncollected Revenue (Sales Tax)
188.	Prohibition, Excise and Taxation	95	Non-registration of dealers liable to registration
189.	Prohibition, Excise and Taxation	96	Grant of Certificates of registration without following proper procedure
190.	Prohibition, Excise and Taxation	97	Non-observance of departmental instructions regarding cross verifications

191.	Prohibition, Excise and Taxation	98	Non-observance of prescribed procedures for receipt and issue of declaration forms
192.	Prohibition, Excise and Taxation	99	Non-observance of prescribed procedures for receipt and issue of declaration forms
193.	Prohibition, Excise and Taxation	100	Irregular deduction allowed against stolen forms
194.	Prohibition, Excise and Taxation	101	Incorrect deduction from turnover
195.	Prohibition, Excise and Taxation	102	Incorrect levy of Concessional rate of Tax
196.	Prohibition, Excise and Taxation	103	Other points of interest
197.	Prohibition, Excise and Taxation	106	Results of Audit
198.	Prohibition, Excise and Taxation	107	Interest not charged
199.	Agriculture	108	Non-recovery of purchases tax and interest
200.	Agriculture	109	Non-recovery of purchase tax and interest
			46th Report
201.	Housing	6	Loss owing to construction of houses on unapproved layout plan
202.	P.W. (B&R)	25	Short receipt of material
203.	P.W. (B&R)	27	Procurement of sub-standard cement
204.	Irrigation	34	Procurement of sub-standard cement
205.	Haryana State Lotteries	36	Appointment of main stockists
206.	Haryana State Lotteries	37	Loss due to excess claims of Prize winning tickets
207.	Haryana State Lotteries	40	Other points of interest
208.	Prohibition and Excise	41	Arrears in revenue
209.	Prohibition and Excise	42	Results of Audit
210.	Commercial Taxes	43	Arrears in revenue
211.	Commercial Taxes	46	Outstanding inspection reports and audit observations
212.	Commercial Taxes	47	Results of Audit
213.	Commercial Taxes	48	Sales Tax Check Barriers
214.	Commercial Taxes	50	Short levy of Purchases Tax
215.	Commercial Taxes	51	Non/Short levy of interest and penalty
216.	Commercial Taxes	52	Results of Audit
			48th Report
217.	Agriculture	4	Arrears in revenue
218.	Animal Husbandry	8	Frauds and evasion of taxes/duties
219.	Mines and Geology	14	Arrears in revenue
220.	Mines and Geology	15	Outstanding inspection reports and audit observations
221.	Transport	20	Outstanding audit objections in internal audit
222.	Housing	27	Avoidable liability of interest

223.	Education	29	Purchases without assessment of requirement
224.	P.W. (B&R)	31	Irregular/Excess expenditure on execution of works
225.	Excise and Taxation	33	Arrears in revenue
226.	Excise and Taxation	37	Results of Audit
227.	Excise and Taxation	43	Irregular deduction allowed against invalid declaration forms
228.	Excise and Taxation	44	Loss of revenue due to defray in finalization of assessment
229.	Excise and Taxation	45	Non-levy of interest and penalty
			50th Report
230.	Finance (Lotteries)	3	Printing of lottery tickets
231.	Industries	5	Capital investment subsidy
232.	Industries	6	Irregular release/non-recovery of assistance
233.	Social Welfare	8	Panjiri Plants
234.	Home (Jail)	9	Injudicious purchase
235.	Irrigation	18	Stores and Stock
236.	Irrigation	21	Physical verification
237.	Irrigation	22	Surplus materials
238.	Town and Country Planning	24	Construction of Building and Roads by HUDA
239.	Town and Country Planning	25	Construction of Building
240.	Town and Country Planning	26	Test check of records relating to construction of roads
241.	Town and Country Planning	27	Other points of interest
242.	Town and Country Planning	28	Non-recovery of compounding fee
243.	Town and Country Planning	29	Avoidable payment of interest
244.	Transport	32	Purchase of Sub-standard tubes of butyl rubber
245.	Forest	36	Generation of employment
246.	Forest	38	Alkali/saline land plantation
247.	P.W. (B&R)	47	Construction of major building including Staff Quarters
248.	P.W. (B&R)	49	Execution of works without technical sanction of cost estimates
249.	P.W. (B&R)	52	Undue financial favour to the contractors
250.	P.W. (B&R)	57	Reimbursement claims
251.	P.W. (B&R)	58	World Bank and Asian Development bank loan
252.	P.W. (B&R)	60	Execution
253.	P.W. (B&R)	61	Release of advances not covered by agreement
254.	P.W. (B&R)	63	Excess payment of price increase on diesel
255.	P.W. (B&R)	65	Irregular adjustment of expenditure
256.	Rural Development	77	Other points

257.	Rural Development	78	Non-recovery/non-adjustment of advances to Ex-Sarpanches
258.	Rural Development	79	Non-recovery of misutilised subsidy
259.	Town and Country Planning	80	Non-levy of Penalty
260.	Town and Country Planning	81	Non-recovery of auction money
261.	Town and Country Planning	82	Non-transfer of developed sectors
262.	Transport	87	Avoidable payment of compensation due to incorrect filing of affidavit before the Tribunal
263.	Revenue	92	Arrears in revenue
264.	Revenue	93	Frauds and evasion of taxes/duties
265.	Revenue	94	Results of Audit
266.	Revenue	95	Internal Audit
267.	Revenue	96	Results of Audit
268.	Revenue	97	Stamp duty and Registration Fees
269.	Revenue	98	High pendency of cases of undervaluation with Collectors
270.	Revenue	99	Misclassification of instruments
271.	Revenue	100	Short levy of stamp duty
272.	Revenue	101	Pre-audit of registrable documents
273.	Revenue	102	Arrears in Revenue
274.	Revenue	103	Frauds and evasion of taxes/duties
275.	Revenue	104	Results of Audit
276.	Revenue	105	Outstanding audit objections in Internal Audit
277.	Revenue	106	Results of Audit
278.	Revenue	107	Short recovery of stamp duty on mortgage deed
279.	Revenue	108	Evasion of stamp and registration fees through power of attorney
280.	Revenue	109	Evasion of Stamp Duty
281.	Chief Electrical Inspector	110	Arrears in revenue
282.	Mines and Geology	112	Results of Audit
283.	Animal Husbandry	115	Frauds and evasion of taxes/duties
284.	Excise and Taxation	116	Arrears in revenue
285.	Excise and Taxation	118	Under assessment due to inadmissible deduction from turnover
286.	Excise and Taxation	120	Under assessment due to irregular deduction allowed against invalid declaration forms and non/short levy of purchase/sales tax
287.	Excise and Taxation	122	Under assessment
288.	Excise and Taxation	124	Under assessment due to application of incorrect rates of tax
289.	Excise and Taxation	125	Non/short levy of purchase tax
290.	Excise and Taxation	126	Results of Audit
291.	Excise and Taxation	127	Internal control mechanism of receipts from distilleries and breweries

292.	Excise and Taxation	128	Low yield of spirit
293.	Excise and Taxation	129	Loss of spirit due to re-distillation
294.	Excise and Taxation	133	Interest short charged
295.	Excise and Taxation	134	Short realization of composite fee
296.	Revenue	135	Results of Audit
297.	Revenue	137	Arrears in revenue
298.	Mines and Geology	139	Arrears in revenue
299.	Agriculture	141	Arrears in revenue
300.	Agriculture	142	Results of Audit
301.	Agriculture	143	Non-recovery of purchase tax and interest
302.	Finance (Lotteries)	146	Results of Audit
			52nd Report
303.	Education	6	Extra expenditure on purchase of paper
304.	Agriculture	15	Non-recovery of principal and interest from Sugar Mills
305.	Irrigation	39	Miscellaneous Public Works Advances
306.	P.W. (B&R)	43	Miscellaneous Public Works Advances
307.	P.W. (B&R)	44	Stores and Stock
308.	P.W. (B&R)	46	Short receipt of material
309.	Town & Country Planning	51	Excess payment of land compensation due to partial implementation of Supreme Court's Judgment
310.	Town & Country Planning	52	Avoidable payment of interest due to abnormal delay in processing of land award cases
311.	Town & Country Planning	53	Non-recovery of rent from the lessees due to non-observance of conditions of lease deed
312.	Town & Country Planning	54	Recovery due from Junior Engineer owing to mis-appropriation of material
313.	Housing	56	Delayed disbursement of loan to the beneficiaries led to avoidable liability of interest
314.	Housing	58	Infructuous expenditure due to construction of retaining wall without requirement
315.	Social Welfare	60	Embezzlement of Rs.3.99 lakh
316.	Food and Supplies	63	Possibility of pilferage of four thousand quintals of wheat
317.	General	65	Write-off of losses etc
318.	Animal Husbandry	67	Arrears in revenue
319.	Revenue	69	Results of Audit
320.	Revenue	71	Evasion of Stamp Duty due to under valuation of immovable property
321.	Power (Chief Electrical Inspector)	74	Levy and collection of Electricity Duty
322.	Power (Chief Electrical Inspector)	76	Non-charging of electricity duty on extended load

323.	Power (Chief Electrical Inspector)	77	Short realization of electricity duty due to application of incorrect rates
324.	Power (Chief Electrical Inspector)	78	Electricity duty not charged after expiry of exemption period
325.	Transport	79	Results of audit
326.	Haryana State Lotteries	86	Results of audit
327.	Haryana State Lotteries	87	
328.	Agriculture	88	Arrears in revenue
329.	Agriculture	89	Results of Audit
330.	Excise and Taxation	94	Arrears in revenue
331.	Excise and Taxation	95	Arrears in assessment
332.	Excise and Taxation	96	Frauds and evasions of taxes/duties
333.	Excise and Taxation	97	Results of Audit
334.	Excise and Taxation	101	Under assessment due to non-levy of tax on branch transfers/consignment sale
335.	Excise and Taxation	102	Under assessment due to non-submission of declaration forms.
336.	Excise and Taxation	104	Arrears in assessments
337.	Excise and Taxation	105	Evasion of tax due to suppression of purchases
338.	Excise and Taxation	106	Under assessment due to incorrect deduction allowed against invalid declaration forms
339.	Excise and Taxation	107	Incorrect levy of concessional rate of tax
340.	Excise and Taxation	108	Inadmissible deduction from turnover
341.	Excise and Taxation	109	Non-levy of purchase tax.
342.	Excise and Taxation	112	Non-levy of tax
343.	Excise and Taxation	114	Under assessment due to excess rebate
344.	Excise and Taxation	115	Non-levy of penalty
345.	Excise and Taxation	116	Non-reconciliation of revenue deposits into treasury
346.	Excise and Taxation	117	Results of Audit
347.	Excise and Taxation	118	Short/non-recovery of passenger tax
			54th Report
348.	Revenue	17	Inadmissible payment of cash compensation to manufacturing units/industry owners
349.	Revenue	18	Fictitious payment of gratuitous relief
350.	Revenue	19	Drawal of funds without requirement
351.	P.W.D.(B&R)	22	Avoidable payment of interest
352.	Irrigation	24	Failure of the Sprinkler Irrigation Scheme and wastage of Government funds
353.	Agriculture	30	General
354.	Education	31	Nugatory expenditure due to payment of idle wages

355.	Town and Country Planning	34	Non-utilization of land
356.	Town and Country Planning	35	Loss due to non–recovery of rebate
357.	Printing and Stationery	36	Pilferage of Paper
358.	Animal Husbandry	47	Fraud and evasion of taxes/duties
359.	Chief Electrical Inspector	48	Arrear in revenue
360.	Revenue	49	Arrear in revenue
361.	Revenue	50	Results of Audit
362.	Revenue	51	Results of Audit
363.	Revenue	52	Non/Short recovery of Stamp duty
364.	Revenue	53	Incorrect exemption of Stamp duty
365.	Revenue	54	Evasion of stamp duty due to undervaluation of immovable property
366.	Revenue	55	Short levy of stamp duty due to misclassification of instruments
367.	Revenue	56	Incorrect refund of Stamp duty
368.	Revenue	57	Evasion of stamp duty and registration fees through power of attorney
369.	Revenue	58	Short recovery of stamp duty on exchange deeds
370.	Revenue	59	Results of Audit
371.	Revenue	60	Internal Controls in Land Revenue Department for recovery of dues treated as arrears of land revenue
372.	Revenue	61	Procedure for receipt and disposal of revenue recovery cases
373.	Revenue	62	Return of RRCs
374.	Excise and Taxation	64	Arrears in revenue
375.	Excise and Taxation	65	Arrears in assessment
376.	Excise and Taxation	67	Results of Audit
377.	Excise and Taxation	68	Disposal of appeal cases
378.	Excise and Taxation	69	Delay in finalizing assessments
379.	Excise and Taxation	70	Delay in finalization of remand cases
380.	Excise and Taxation	72	Recovery certification cases
381.	Excise and Taxation	73	Incorrect levy of concessional rate of tax
382.	Excise and Taxation	74	Incorrect deduction allowed against invalid declaration forms
383.	Excise and Taxation	75	Inadmissible deduction from turnover
384.	Excise and Taxation	76.	Short levy of tax on sales to Non-government bodies
385.	Excise and Taxation	77	Excess refund due to incorrect exemption from payment of tax
386.	Excise and Taxation	78	Under assessment due to excess rebate
387.	Excise and Taxation	79	Results of Audit
388.	Excise and Taxation	80	Incorrect levy of entertainments duty
389.	Transport	81	Results of Audit
390.	Irrigation	84	Recovery of water rates from canal water

391.	Irrigation	85	Arrears of revenue
392.	Irrigation	86	Less measurement of area irrigated
393.	Irrigation	88	Excess credit to an industrial unit
394.	Irrigation	90	Short recovery of lease rent
395.	Agriculture	91	Arrears in revenue
396.	Agriculture	92	Results of Audit
397.	Agriculture	93	Non-recovery of purchase tax and interest
398.	Mines and Geology	97	Arrears in revenue
399.	Mines and Geology	98	Results of Audit
400.	Mines and Geology	99	Short recovery of contract money and interest
			56th Report
401.	Education	4	Nutritional support to Primary Education
402.	Forest	5	Rehabilitation of common lands in Aravali Hills
403.	Medical and Health	6	Working of Medical and Health Department including Manpower Management
404.	Medical and Health	7	Hospitals and dispensaries
405.	Medical and Health	9	Hospital Waste Management
406.	Medical and Health	11	Outstanding Inspection Reports
407.	Finance	14	Overpayment of pensionary benefits
408.	Home	18	Stores and Stock
409.	Prohibition, Excise and Taxation	20	Fraudulent drawls and embezzlement of Government money
410.	Revenue	21	Loss of interest due to delayed refund of unspent amount
411.	Revenue	22	Excess payment of Gratuitous Relief
412.	Irrigation	34	Undue retention of heavy Cash Balances
413.	Co-operation	37	Loss due to negligence and improper maintenance of cold storage plant
414.	Supplies and Disposal	42	Extra expenditure due to finalization of tenders after validity period
			58th Report
415.	Forest	3	Rehabilitation of common lands in Aravalli Hills
416.	Excise and Taxation	4	Arrears in revenue
417.	Excise and Taxation	5	Arrears in assessment
418.	Excise and Taxation	6	Frauds and evasions of taxes/duties
419.	Excise and Taxation	8	Results of Audit
420.	Excise and Taxation	9	Cross verification by Audit
421.	Excise and Taxation	10	Incorrect deduction from turnover
422.	Excise and Taxation	12	Non-levy of purchase tax
423.	Excise and Taxation	13	Non-recovery of tax
424.	Excise and Taxation	15	Non/short levy of purchase tax
425.	Excise and Taxation	16	Non-levy of tax

426.	Excise and Taxation	17	Results of Audit
427.	Excise and Taxation	18	Short realization of passenger tax
428.	Mines and Geology	19	Arrears in revenue
429.	Mines and Geology	20	Results of Audit
430.	Mines and Geology	21	Receipts from Mines and Minerals
431.	Mines and Geology	22	Non/Short recovery of dead rent, royalty and interest
432.	Mines and Geology	23	Non/Short recovery of royalty from Brick Kiln Owners
433.	Mines and Geology	24	Non-recovery of lease fee on short term permits
434.	Mines and Geology	25	Non recovery of interest on belated payments
435.	Animal Husbandry	27	Frauds and evasions of taxes/duties
436.	Revenue	29	Results of Audit
437.	Revenue	30	Stamp Duty and Registration Fees
438.	Agriculture	31	Arrears in revenue
439.	Agriculture	32	Results of Audit
440.	Transport	33	Results of Audit
441.	Transport	34	Non deposit of token tax
442.	Irrigation	36	Results of Audit
443.	Co-operative	38	Results of Audit
444.	Finance	39	Non charging of interest and penal interest
445.	Finance	40	Loans to Municipal Councils/Municipal Committees
446.	Forest	41	Short Recovery of royalty on forest produce
447.	Power	43	Arrears in revenue
448.	General	44	Results of Audit
449.	Education	46	Working of Education Department (Primary Education wing including Manpower Management
450.	Education	47	Incentives to scheduled castes and weaker section students
451.	Education	48	Pass percentage in class V
452.	Education	49	Literacy rate
453.	Education	50	Internal Audit
454.	Education	51	Sanctioned posts and actual strength
455.	Education	52	Deployment of teachers beyond norms
456.	Education	53	Outstanding inspection reports
457.	Education	54	Monitoring and Evaluation
458.	Education	55	District Primary Education Programme
459.	Education	56	Management cost in excess of norms
460.	Education	57	Programme management.
461.	Education	58	Civil Works
462.	Education	59	Appointment of teachers/instructors/staff
463.	Education	60	Training

464.	Education	61	Monitoring and Evaluation
465.	Medical and Health	66	Manpower position
466.	Medical and Health	68	Working of Pandit Bhagwat Dayal Sharma Post Graduate Institute of Medical Sciences, Rohtak
467.	Medical and Health	69	Implementation of Prevention of Food Adulteration Act
468.	Co-operative	71	Storage gain on account of moisture in wheat stocks below norms
469.	Finance	72	Overpayment of pensionary benefits
470.	Irrigation	76	Unauthorized excess execution of work in post tender stage
471.	Irrigation	77	Hathnikund Barrage
472.	Irrigation	78	Avoidable expenditure due to incorrect sanction of estimates
473.	Irrigation	79	Unfruitful expenditure on extension of existing channel
474.	Public Health	80	Non-responsiveness to Audit findings and observation resulting in erosion of accountability
475.	Printing and Stationery	82	Excess issue of paper to private printers
476.	Environment	83	Implementation of environmental Acts and Rules relating to Water Pollution
477.	Environment	84	Status of water pollution
478.	Environment	85	Treatment of Industrial effluent
479.	Environment	86	Domestic sewage treatment plants
480.	Environment	88	Environment training, education and awareness
481.	Environment	89	Monitoring and Evaluation
482.	Urban Development	90	Urban Employment Generation Programme
483.	Town and Country Planning	93	Non-recovery of enhanced compensation of land
484.	Food and Supplies	94	Pilferage of large quality of wheat due to manipulation of weight
485.	General	97	Write-off of losses, etc
486.	Excise and Taxation	101	Arrears in revenue
487.	Excise and Taxation	102	Arrears in assessment
488.	Excise and Taxation	103	Frauds and evasions of taxes/duties
489.	Excise and Taxation	105	Results of Audit
490.	Excise and Taxation	106	Evasion in sales tax
491.	Excise and Taxation	107	Non compliance of departmental instructions regarding cross verification
492.	Excise and Taxation	108	Under assessment of ‘notional’ sales tax liability computed on taxable turnover
493.	Excise and Taxation	109	Non-levy of purchase tax
494.	Excise and Taxation	110	Non-recovery of tax
495.	Excise and Taxation	111	Non-levy of interest
496.	Excise and Taxation	112	Under assessment due to excess rebate
497.	Excise and Taxation	113	Results of Audit
498.	Excise and Taxation	114	Short realization of passengers tax towards expenditure

499.	Excise and Taxation	115	Non-recovery of licence fee
500.	Revenue	116	Results of Audit
501.	Revenue	117	Short levy of stamp duty on exchange of property
502.	Revenue	118	Evasion of stamp duty due to undervaluation of immovable property
503.	Revenue	119	Evasion of stamp duty
504.	Revenue	120	Short levy of stamp duty
505.	Transport	121	Taxes on Motor Vehicles
506.	Transport	123	Short realization of permit/countersignature fee
507.	Transport	124	Lack of co-ordination between Transport and Excise and Taxation Department
508.	Transport	125	Non-recovery of token tax in respect of Stage carriage buses
509.	Finance	126	Results of Audit
510.	Forest	129	Results of Audit
511.	Forest	130	Loss due to delay in harvesting of poplar trees
512.	Forest	132	Absence of physical verification of timer
513.	Forest	133	Loss due to excess unit cost.
514.	Irrigation	135	Results of Audit
515.	P.W. (B&R)	136	Utilization of departmental receipts towards expenditure
516.	Co-operative	137	Non charging of interest and penal interest
			60th Report
517.	Medical and Health	3	Prevention and Control of Diseases.
518.	Architecture	14	Fraudulent drawls and embezzlement of Government money by a Cashier
519.	Animal Husbandry	16	Non-recovery of cost of land
520.	Co-operative	17	Non-responsiveness to audit findings and observations resulting in erosion of accountability
521.	Education	18	Utilized girls hostel
522.	Revenue	24	Fraudulent drawals and embezzlement of Government money
523.	Revenue	25	Drawal of funds in advance of requirement
524.	Social Welfare	26	Fraudulent payment of Old Age Pension
525.	Town and Country Planning	27	Non-collection of External Development Charges (EDCs)
526.	Town and Country Planning	29	Less recovery of plan scrutiny fee
527.	Town and Country Planning	30	Avoidable loss due to delay in handling over possession of plots
528.	Irrigation	34	Formulation of schemes
529.	Irrigation	36	Implementation of schemes
530.	Irrigation	39	Land under unauthorized possessions
531.	Irrigation	41	Recoverable amount

532.	Irrigation	42	Store management
533.	Irrigation	43	Complaint Cases
534.	Irrigation	44	Introduction of selection grade of Engineers
535.	Irrigation	46	Recoverable amount from HUDA.
536.	Irrigation	51	Monitoring
537.	Irrigation	54	Wasteful expenditure on construction of irrigation channels
538.	P.W. (B&R)	63	Extra expenditure
539.	P.W. (B&R)	64	Non-responsiveness to Audit findings and observations resulting in erosion of accountability
540.	Environment	65	Implementation of Environmental Acts and Rules in regard to Air Pollution and Waste Management
541.	Environment	66	Environment laboratories grossly underutilized
542.	Environment	67	Status of industrial pollution
543.	Environment	68	Stone crushing units
544.	Environment	69	Rice shelling units/solvent extraction plants
545.	Environment	70	Vehicular pollution
546.	Environment	71	Training/mass education programme
547.	Environment	72	Waste Management
548.	Environment	73	Prosecution under Air Act
549.	Agriculture	74	Non-recovery of extension fee from allottees
550.	Food and Supplies	90	Loss due to delay in supply of wheat to Food Corporation of India
551.	Printing and Stationery	90A	Overpayment to private printer
552.	Excise and Taxation	95	Arrears in revenue
553.	Excise and Taxation	99	Outstanding inspection reports and audit observations
554.	Excise and Taxation	101	Results of Audit
555.	Excise and Taxation	102	Recovery of sales tax in arrears
556.	Excise and Taxation	103	Non-recovery due to delay in assessment
557.	Excise and Taxation	104	Non-delay in raising of demands for the assessed dues
558.	Excise and Taxation	105	Failure to initiate follow up action for recovery of arrears
559.	Excise and Taxation	106	Disposal of recovery certificates
560.	Excise and Taxation	107	Demands under stay
561.	Excise and Taxation	108	Non-inclusion of interest in the demand sent to the liquidator
562.	Excise and Taxation	109	Under assessment of notional sales tax liability
563.	Excise and Taxation	110	Application of incorrect rate of tax
564.	Excise and Taxation	111	Non-levy of purchase tax
565.	Excise and Taxation	112	Non-recovery of tax
566.	Excise and Taxation	113	Results of Audit
567.	Revenue	114	Results of Audit
568.	Revenue	115	Outstanding inspection reports and audit observations
569.	Revenue	116	Results of Audit

570.	Revenue	117	Short levy of stamp duty on exchange of property
571.	Revenue	118	Short levy of stamp duty on plant and machinery
572.	Revenue	119	Short levy of stamp duty on lease deed
573.	Revenue	120	Embezzlement/evasion of stamp duty
574.	Revenue	121	Incorrect exemption of stamp duty
575.	Agriculture	122	Results of Audit
576.	Agriculture	123	Outstanding inspection reports and audit observations
577.	Agriculture	124	Results of Audit
578.	Agriculture	125	Non/short recovery of purchase tax and interest
579.	Agriculture	126	Non-realization of lease money
580.	Agriculture	127	Results of Audit
581.	Transport	128	Results of Audit
582.	Transport	129	Non/short charging of fitness fee (Passing fee)
583.	Transport	130	Non-realization of fees
584.	Home	131	Arrears in revenue
585.	Home	134	Arrears in revenue
586.	Co-operative	136	Results of Audit
587.	Co-operative	137	Non-redemption of Government share capital
588.	Forest	139	Outstanding inspection reports and audit observations
589.	Forest	140	Results of Audit
			61st Report
590.	Development and Panchayats	3	Non-responsiveness to audit findings and observations resulting in erosion of accountability
591.	P.W. (B&R)	8	Execution of Works
592.	Water Supply and Sanitation	9	Tool and plant returns
593.	Public Health	12	Shortage of material
594.	Rural Development	15	Allotment of houses to ineligible families
595.	Rural Development	16	Other irregularities
596.	Rural Development	22	Reclamation work not taken up for 2½ years
597.	Animal Husbandry	24	Non recovery of lease money
598.	Town and Country Planning	26	Non recovery of external development charges
599.	Food and Supplies	27	Avoidable loss due to delay in disposal of rice
600.	General	28	Misappropriations, defalcations, etc.
601.	General	31	Lack of accountability
			62nd Report
602.	Excise and Taxation	3	Arrears in revenue
603.	Excise and Taxation	4	Arrears in assessment

604.	Excise and Taxation	5	Frauds and evasions of taxes/duties
605.	Excise and Taxation	6	Results of Audit
606.	Excise and Taxation	7	Assessment in arrear
607.	Excise and Taxation	8	Irregularities in the grant of eligibility certificates
608.	Excise and Taxation	9	Incorrect acceptance of applications
609.	Excise and Taxation	10	Incorrect determination of zones
610.	Excise and Taxation	11	Implementation of the Scheme by Sales Tax Department
611.	Excise and Taxation	12	Excess availing of tax deferment
612.	Excise and Taxation	13	Irregularities in assessment of exempted/deferred units
613.	Excise and Taxation	14	Under-assessment due to application of concessional rate of tax
614.	Excise and Taxation	15	Under-assessment tax due to irregular deduction
615.	Excise and Taxation	16	Under assessment of notional sales tax liability
616.	Excise and Taxation	17	Non-monitoring of exempted/deferred units
617.	Excise and Taxation	18	Non-levy of purchase tax
618.	Excise and Taxation	19	Non-levy of tax on lease rent
619.	Excise and Taxation	20	Non-levy/under assessment of purchase tax due to application of incorrect rate of tax
620.	Excise and Taxation	21	Irregular deduction allowed against invalid declaration forms
621.	Excise and Taxation	22	Non-levy of interest and penalty
622.	Excise and Taxation	23	Non-raising of demands for interest
623.	Excise and Taxation	24	Non-realization of tax
624.	Excise and Taxation	25	Results of Audit
625.	Excise and Taxation	26	Receipts of excise duty from auction of venders
626.	Excise and Taxation	27	Short recovery of licence fee and interest
627.	Excise and Taxation	28	Loss of revenue due to re-auction of vends
628.	Excise and Taxation	29	Non-recovery due to incorrect adjustment of security
629.	Excise and Taxation	33	Results of Audit
630.	Excise and Taxation	34	Non/short realization of passengers tax
631.	Revenue	36	Results of Audit
632.	Revenue	37	Results of Audit
633.	Revenue	38	Evasion of stamp duty due to under valuation of immovable property
634.	Revenue	39	Non-levy of stamp duty on exchange of property
635.	Revenue	40	Evasion of stamp duty
636.	Revenue	41	Short levy of stamp duty
637.	Revenue	42	Inadmissible exemption of stamp duty
638.	Transport	43	Non-realization of token tax
639.	Agriculture	44	Arrears in revenue
640.	Agriculture	45	Results of Audit
641.	Agriculture	46	Outstanding inspection reports and audit observations

642.	Agriculture	47	Non/short recovery of purchase tax and interest
643.	Co-operation	49	Non-redemption of Government share capital
644.	Agriculture	50	Recovery from Patedars
645.	Medical and Health	56	Manpower
646.	Medical and Health	57	Manufacturing and selling units
647.	Medical and Health	59	Statistics of prosecutions vis-à-vis cases filed
648.	Social Justice and Empowerment	60	Facilities to handicapped persons
649.	Social Justice and Empowerment	61	Budget provision and expenditure
650.	Social Justice and Empowerment	62	Identification of persons with disabilities
651.	Social Justice and Empowerment	63	Non-maintenance of record
652.	Social Justice and Empowerment	64	Monitoring
653.	Urban Development	66	Non-collection of fire tax
654.	Education	67	CBI inquiry
655.	Finance and Justice	68	Recovery regarding appointment of daily wage workers
656.	Forest	69	Felling of Trees
657.	Town and Country Planning	70	Exemption of Sales Tax
658.	Irrigation	72	Non-responsiveness to Audit findings and observations resulting in erosion of accountability
659.	Food and Supplies	73	Recovery of amount from the Millers
660.	P.W. (B&R)	76	Non-adjustment of storage charges
661.	P.W. (B&R)	77	Irregular/un-authorized expenditure of storage charges
662.	P.W. (B&R)	78	Non-recovery of difference of sales tax
663.	Education	80	Delay in issue of Inspection Reports and settlement of old objections
			63rd Report
664.	Excise and Taxation	3	Arrears of revenue
665.	Excise and Taxation	4	Evasion of tax
666.	Excise and Taxation	5	Results of Audit
667.	Excise and Taxation	6	Position of collection of revenue receipts and arrears
668.	Excise and Taxation	7	Delay in finalizaion of remand cases
669.	Excise and Taxation	8	Under assessment of tax due to incorrect deduction of subsequent sale under CST
670.	Excise and Taxation	9	Under assessment of tax due to inadmissible deduction
671.	Excise and Taxation	10	Non levy of purchase tax
672.	Excise and Taxation	11	Non levy of interest and penalty
673.	Excise and Taxation	12	Non recovery of tax

674.	Excise and Taxation	13	Other tax receipts
675.	Excise and Taxation	14	Non recovery of penalties
676.	Excise and Taxation	15	Non/short realization of passengers tax
677.	Excise and Taxation	16	Short/non recovery of entertainment duty
678.	Revenue	17	Results of Audit
679.	Revenue	18	Evasion of stamp duty due to under valuation of immovable property
680.	Revenue	19	Short levy of stamp duty on exchange of property
681.	Revenue	20	Evasion of stamp duty on release deeds
682.	Revenue	21	Short levy of stamp duty
683.	Transport	25	Non deposit of token tax
684.	Agriculture	26	Arrears in revenue
685.	Agriculture	27	Results of Audit
686.	Agriculture	28	Non recovery of purchase tax and interest
687.	Co-operation	29	Results of Audit
688.	Co-operation	30	Audit in arrears
689.	Co-operation	33	Short levy of audit fee due to incorrect computation of profit
690.	Co-operation	34	Non deposit of Government share capital
691.	Co-operation	35	Non redemption of Government share capital due to late fixation of terms and conditions
692.	Co-operation	36	Non redemption of Government share capital as per terms and conditions
693.	Finance	38	Results of Audit
694.	Finance	39	Incorrect classification / non-collection of guarantee fee
695.	Finance	40	Government guarantees
696.	Finance	41	Conclusion/Recommendations
697.	Urban Development	42	Results of Audit
698.	Urban Development	43	Non recovery of 832 supervision charges
699.	Forest	44	Results of Audit
700.	Power	45	Arrears of Revenue
701.	Mines & Geology	47	Arrears of revenue
702.	Mines & Geology	48	Results of Audit
703.	Home	49	Arrears of revenue
704.	Home	50	Results of Audit
705.	Home	51	Results of Audit
706.	P.W. (B&R)	52	Results of Audit
707.	Irrigation	54	Results of Audit
708.	Medical & Health	55	Results of Audit
709.	Animal Husbandry	56	Results of Audit

710.	Education (Prathmik Shiksha Pariyojna Parishad)	58	Mis-utilization of teaching learning equipment funds
711.	Education (Prathmik Shiksha Pariyojna Parishad)	59	Irregular purchase of material
712.	Education (Prathmik Shiksha Pariyojna Parishad)	60	Payment of teachers and School grant
713.	Public Works (B&R)	61	Deficient agreements
714.	Public Works (B&R)	62	Execution of works without technical sanctions
715.	Public Works (B&R)	64	Loss due to failure to include sales tax clause in the contract document
716.	Public Works (B&R)	65	Supply of Portland pozzolona cement instead of ordinary Portland Cement
717.	Revenue	66	Policy for recovery of beneficiaries share not formulated
718.	Revenue	67	Inadequate supply of drinking water
719.	Food & Supplies	68	(i) Food Security, Subsidy and Management of Foodgrain (ii) Financial arrangements
720.	Food & Supplies	69	Loss of interest due to delay in deposit of cheques
721.	Food & Supplies	70	Loss due to non adherence of the instructions of FCI
722.	Food & Supplies	71	Millers had not supplied the rice after milling of paddy
723.	Food & Supplies	72	Loss due to damage of wheat
724.	Food & Supplies	73	Suspected misappropriation/pilferage of wheat due to short accounting of moisture gain
725.	Food & Supplies	74	Supervision mechanism of PDS
726.	Food & Supplies	75	Conclusions
727.	Finance	76	Mismatch of expenditure data in OTIS database
728.	Home	77	Wastefull expenditure on creation of Haryana State Industrial Security Force
729.	Forest	79	Nugatory expenditure
730.	Transport	81	Avoidable expenditure due to non adjustment of insurance premium
731.	Irrigation	83	Lack of response to audit findings and observations resulting in erosion of accountability
732.	General	84	Financial assistance to local bodies and other institutions
733.	General	85	Misappropriations, defalcations, etc.
734.	General	86	Write-off of losses, etc.
			64th Report
735.	Public Health	3	Non-recovery of loans and non-contribution of share by MCs
736.	Public Health	4	Recoverable amount from HUDA
737.	Public Health	5	Non-completion of sewerage schemes
738.	Public Health	6	Yamuna Action Plan
739.	Revenue	7	Organizational set up
740.	PW(B&R)	8	Over payment to contractors

741.	General	9	Financial assistance to local bodies and others institutions
742.	General	10	Misappropriations, defalcations etc.
743.	General	11	Write-off losses etc.
744.	Agriculture	12	Arrears of revenue
745.	Agriculture	13	Results of Audit
746.	Agriculture	14	Results of Audit
747.	Agriculture	15	Non/short recovery of purchase tax and interest
748.	Transport	18	Cost of collection
749.	Transport	19	Results of Audit
750.	Transport	20	Replies to Inspection Reports
751.	Transport	21	Departmental Audit Committee Meetings
752.	Transport	22	Response of the Departments to Draft Audit Paragraphs
753.	Transport	23	Results of Audit
754.	Transport	24	Short realization of bid money on stage carriage permits
755.	Excise and Taxation	25	Arrears of revenue
756.	Excise and Taxation	26	Arrears in assessments
757.	Excise and Taxation	27	Evasion of tax
758.	Excise and Taxation	28	Write-off and waiver of revenue
759.	Excise and Taxation	29	Results of Audit
760.	Excise and Taxation	30	Delay in assessments and their impact on revenue and collection of sales tax demands
761.	Excise and Taxation	31	Absence of provisions for finalizing assessments
762.	Excise and Taxation	32	Recovery Certificates
763.	Excise and Taxation	34	Delay in issue of demand notice
764.	Excise and Taxation	35	Delay in finalization of assessment
765.	Excise and Taxation	37	Under assessment due to incorrect deduction at first stage
766.	Excise and Taxation	38	Non levy of purchase tax
767.	Excise and Taxation	39	Non levy of interest
768.	Excise and Taxation	40	Results of Audit
769.	Excise and Taxation	41	Short recovery of licence fee and interest
770.	Excise and Taxation	42	Non/short realization of passengers tax
771.	Revenue	43	Results of Audit
772.	Revenue	44	Levy and Collection of Stamp Duty and Registration Fees
773.	Revenue	45	Sales and utilization of non judicial stamps
774.	Revenue	46	Defects noticed in Sub-Registrar Offices
775.	Revenue	47	Indents for supply of non-judicial stamps
776.	Revenue	48	Short receipt of stamps
777.	Revenue	49	Non-disposal of obsolete/damaged stamps
778.	Revenue	50	Evasion of stamp duty due to misclassification of sale deeds into release deeds

779.	Revenue	51	Failure to cross verify the transactions
780.	Revenue	52	Short levy of stamp duty
781.	Revenue	53	Under valuation of immovable properties
782.	Revenue	54	Short levy of stamp duty due to incorrect application of rates
783.	Revenue	55	Non levy of stamp duty on exchange of property
784.	Revenue	56	Incorrect grant of exemption
785.	Revenue	57	Incorrect grant of exemption
786.	Revenue	58	Misclassification of instruments
787.	Revenue	59	Short levy of stamp duty on lease deeds
788.	Revenue	60	Short levy of stamp duty
789.	Revenue	61	Non/short levy of registration fee
790.	Revenue	62	Results of Audit
791.	Revenue	63	Failure of senior officials to enforce accountability and protect interest of Government
792.	Power	64	Arrears of revenue
793.	Health	65	Results of Audit
794.	Industries	66	Results of Audit
795.	Co-operation	67	Non redemption of Government share capital
			65th Report
796.	Town and Country Planning	3	Outstanding recovery of Planning water sewerage charges
797.	Town and Country Planning	6	Avoidable payments of Planning interest due to delay making payment of enhanced Acquisition to land owners
798.	Town and Country Planning	7	Execution of work without Planning technical sanction/preparation of detailed estimates
799.	Town and Country Planning	8	Undue financial aid to Planning contractors
800.	Town and Country Planning	9	Occupation of shops by Planning Government departments
801.	Town and Country Planning	10	Land under unauthorized Planning possession
802.	Food and Supplies	11	Additional Benches not constituted
803.	Food and Supplies	12	Non-constitution of Circuit Benches
804.	Food and Supplies	13	Inadequate infrastructure
805.	Food and Supplies	14	State/District Consumer Protection Councils not functional
806.	Food and Supplies	15	Consumer club in schools scheme not implemented
807.	Food and Supplies	16	Excess consumption of gunny bags
808.	Rural Development	17	Misappropriation of wheat under Samporna Grameen Rozgar Yojana
809.	Rural Development	18	Advances from former Sarpanches not recovered/adjusted
810.	Agriculture	19	Inadmissible payment of special pay

811.	Finance	20	Overpayment of pensionary benefits
812.	Finance	21	Response of the Departments to Draft Audit paragraph
813.	Family welfare	22	Lack of response to Audit findings and observations resulting in erosion of accountability
814.	General	23	Financial assistance to local bodies and other institutions
815.	General	24	Misappropriations, defalcations, etc.
816.	General	25	Write-off of losses, etc.
817.	Excise and Taxation	26	Arrears of revenue
818.	Excise and Taxation	27	Arrears in assessments
819.	Excise and Taxation	28	Evasion of tax
820.	Excise and Taxation	29	Write-off and waiver of revenue
821.	Excise and Taxation	30	Results of Audit
822.	Excise and Taxation	31	Disposal of remand cases
823.	Excise and Taxation	32	Non levy of penalty
824.	Excise and Taxation	33	Delay in deciding cases in revision
825.	Excise and Taxation	34	Under assessment due to incorrect deduction from gross turnover
826.	Excise and Taxation	35	Non levy of purchase tax
827.	Excise and Taxation	36	Application of incorrect rate of tax
828.	Excise and Taxation	37	Irregular refund of tax
829.	Excise and Taxation	38	Under assessment due to non levy of surcharge
830.	Excise and Taxation	39	Results of Audit
831.	Excise and Taxation	40	Non recovery of penalty
832.	Excise and Taxation	41	Non imposition of fine
833.	Excise and Taxation	42	Loss of revenue due to re-auction of vend
834.	Revenue	43	Results of Audit
835.	Revenue	44	Short levy of stamp duty and registration fee
836.	Revenue	45	Non realization of stamp duty
837.	Revenue	46	Non levy of stamp duty on Exchange of Property
838.	Revenue	47	Short levy of stamp duty due to incorrect application of rate of tax
839.	Transport	48	Results of Audit
840.	Transport	49	Short realization of bid money on stage carriage permits
841.	Transport	50	Non recovery of token tax in respect of stage carriage buses
842.	Transport	51	Short charging of driving licence fee
843.	Transport	52	Short realization of Registration fees
844.	Transport	53	Short/non levy of penalty on overloading of vehicles
845.	Transport	54	Private Service Vehicles
846.	Irrigation	55	Arrear position of Abiana
847.	Irrigation	56	Arrear of water charges
848.	Irrigation	57	Non/short levy of additional charges/surcharge

849.	Irrigation	58	Non/short imposition of penalty for un-authorized supply of water to gardens
850.	Agriculture	59	Arrear of revenue
851.	Agriculture	60	Results of Audit
852.	Agriculture	61	Non/short recovery of purchase tax and interest
853.	Co-operation	62	Results of Audit
854.	Co-operation	63	Non-deposit of dividend on State share capital
855.	Co-operation	64	Non realization of dividend on share capital of State Government
856.	Mines and Geology	65	Arrears of revenue
857.	Mines and Geology	66	Arrears of revenue
858.	Mines and Geology	67	Non/short recovery of royalty and interest
859.	Home	68	Arrears of revenue
860.	Power	69	Arrears of revenue
861.	Power	70	Outstanding inspection reports and audit observations
862.	Power	71	Results of Audit
863.	Public Health	72	Results of Audit
864.	Finance	73	Results of Audit
865.	Forest	74	Results of Audit
866.	Health	75	Results of Audit
			67th Report
867.	Forest	3	Misappropriation, Losses, defalcations, etc.
868.	Forest	4	Financial Management
869.	Forest	5	Selection of villages
870.	Forest	6	Implementation of project components/Physical targets and achievements
871.	Forest	7	Fire protection measures not taken
872.	Forest	8	Community institution strengthening process/Villages Resource Management Committee
873.	Forest	9	Expenditure in violation of project guidelines
874.	Forest	10	Expenditure in violation of project guidelines/Wasteful expenditure on construction of coffer dam
875.	Forest	11	Expenditure on labour on construction works
876.	Rural Development	12	Execution of works/Works undertaken
877.	Rural Development	13	Execution of works without technical sanctions and splitting of works
878.	Rural Development	14	Wasteful expenditure on Below Poverty Line census
879.	Housing	15	Financial and physical performance/ Profitability and working results
880.	Housing	16	Loss of interest due to delay in transfer of funds to head office
881.	Housing	17	Avoidable loss due to delay in deposit of advance tax

882.	Housing	18	Non-achievement of financial and physical targets of construction of houses
883.	Housing	19	Construction of houses without .demand survey
884.	Housing	20	Utilization of land meant for EWS houses towards LIG houses
885.	Housing	21	Extra expenditure due to allotment of work at higher rates
886.	Housing	22	Non-recovery of compensation from contractors.
887.	Housing	23	Fire fighting systems remaining non-functional
888.	Education	24	Misappropriation, losses, defalcations, etc./ Write off of losses, etc.
889.	Town & Country Planning	25	Estate Officer, HUDA Faridabad
890.	P.W. (B&R)	26	Misappropriation, losses, defalcations, etc./ Write-off of losses, etc.
891.	P.W. (B&R)	27	Violation of contractual obligations/undue favour to contractors/avoidable expenditure/inadmissible payment of interest to the entrepreneur
892.	P.W. (B&R)	28	Analysis of outstanding balances
893.	Irrigation	29	Misappropriation, losses, defalcations, etc./ Write-off of losses, etc.
894.	Irrigation	30	Extra/avoidable expenditure on land acquisition
895.	Irrigation	31	Blocking of funds due to tardy implementation of Hisar-Ghaggar drain project
896.	Irrigation	32	Miscellaneous Public Works Advances/ Introduction
897.	Irrigation	33	Analysis of outstanding balances
898.	Irrigation	34	Other points of interest
899.	Transport	35	Extra financial burden on State exchequer
900.	Public Health	36	Idle investment/idle establishment/blocking of funds/unfruitful expenditure incurred on electrodialysis based Desalination Plants
901.	Finance	37	Overpayment of pensionery benefits
902.	Home	38	Inadmissible payment of conveyance allowance to the newly recruited constables during basic training period
903.	Co-operation	39	Regulatory issues and others/injudicious payment on account of training and managerial subsidies to self help groups
904.	Excise and Taxation	40	Arrears of revenue
905.	Excise and Taxation	41	Arrears in assessments
906.	Excise and Taxation	42	Evasion of tax
907.	Excise and Taxation	43	Write-off and waiver of revenue
908.	Excise and Taxation	44	Refunds
909.	Excise and Taxation	45	Results of Audit
910.	Excise and Taxation	46	Evasion of tax by unregistered dealers/Non levy of tax on contractees
911.	Excise and Taxation	47	Acceptance of incomplete/ invalid declaration forms
912.	Excise and Taxation	48	Acceptance of incomplete/ invalid declaration forms
913.	Excise and Taxation	49	Non compliance of departmental instructions regarding cross verification

914.	Excise and Taxation	50	Non compliance of departmental instructions regarding cross verification
915.	Excise and Taxation	51	Non compliance of departmental instructions regarding cross verification
916.	Excise and Taxation	52	Non compliance of departmental instructions regarding cross verification
917.	Excise and Taxation	54	Non levy of interest and penalty
918.	Excise and Taxation	56	Incorrect allowance of concessional rate
919.	Excise and Taxation	58	Under assessment due to application of incorrect rate of tax
920.	Excise and Taxation	59	Under assessment due to application of incorrect rate of tax
921.	Excise and Taxation	60	Results of Audit
922.	Excise and Taxation	61	Uncollected Excise revenue
923.	Excise and Taxation	62	Short recovery of licence fee and interest
924.	Excise and Taxation	63	Non recovery of additional licence fee for lifting of short/additional quota
925.	Excise and Taxation	64	Non imposition/recovery of compounding fee
926.	Excise and Taxation	65	Non imposition/recovery of compounding fee
927.	Excise and Taxation	66	Results of Audit
928.	Excise and Taxation	67	Arrears of revenue
929.	Excise and Taxation	68	Non-short realization of passengers tax/ Transport co-operative societies
930.	Excise and Taxation	69	Maxi cabs, taxis and auto rickshaws
931.	Excise and Taxation	70	City bus service
932.	Excise and Taxation	71	Non levy of interest
933.	Excise and Taxation	72	Non realization of goods tax and additional tax
934.	Excise and Taxation	73	Non registration of maxi cabs
935.	Excise and Taxation	74	Non disposal of challans
936.	Mines and Geology	75	938
937.	General	77	Results of Audit
938.	Transport	78	Taxes on Motor Vehicles/Short realization of permit and counter signature fee
939.	Transport	79	Non realization of token tax from private service vehicles
940.	Transport	80	Short realization of bid money on stage carriage permits
941.	Agriculture	81	Non recovery of purchase tax and interest
942.	Revenue	82	Results of Audit
943.	Revenue	83	Short levy of stamp duty due to misclassification of deeds
944.	Revenue	84	Irregular exemption of stamp duty & registration fee on mortgage deeds executed & registered by the agriculturists
945.	Revenue	85	Miscellaneous irregularities, i.e. the detail of stamp papers issued by Treasury Office was not mentioned on the office copies of the instruments registered
946.	Revenue	86	Evasion of stamp duty due to non execution of conveyance deeds

947.	Revenue	87	Evasion of stamp duty due to non execution of conveyance deeds
948.	Revenue	88	Misclassification of documents
949.	Revenue	89	Short levy of stamp duty due to under valuation of properties
950.	Revenue	90	Short levy of stamp duty due to under valuation of properties
951.	Revenue	91	Unauthorized relention of receipts
		68th Report	
952.	Agriculture	3	Financial management
953.	Agriculture	4	Non-preparation of Balance Sheet
954.	Agriculture	5.	Outstanding temporary advances
955.	Agriculture	6	Non-recovery of miscellaneous advances
956.	Agriculture	7	Non-recovery of expenditure incurred on the schemes
957.	Agriculture	8	Strength of teachers
958.	Agriculture	9	Execution of works
959.	Agriculture	10	Loss due to non-charging of interest from allottees
960.	Public Health	11	Misappropriation, losses, defalcations etc.
961.	Public Health	12	Avoidable payment of interest
962	Public Health	13	Blocking of funds
963.	Public Health	14	Physical targets and achievements
964.	Public Health	15	Taking up of schemes without ensuring availability of raw water
965.	Public Health	16	Extra burden on State exchequer due to unrealistic estimates
966.	Public Health	17	Taking up of schemes without ensuring availability of raw water
967.	Public Health	18	Taking up of schemes without ensuring availability of raw water
968.	Public Health	19	Delay in commissioning of schemes in the absence of electric connections
969.	Public Health	20	Execution of works without technical sanctions and excess expenditure over estimates
970.	Public Health	21	Defective execution of work
971.	Public Health	22	Excess consumption of pipes
972.	Public Health	23	Purchase of cement at higher rates
973.	Environment	24	Assessment of waste and risks associated with it
974.	Environment	25	Sale of used oil to unauthorized dealer
975.	Education	26	Budget provision and expenditure
976.	Education	27	Incorrect reporting of enrolment leading to excess claim of central assistance
977.	Education	28	Unauthorized utilization of mid-day meal packets
978.	Education	29	Extra expenditure on uneconomic hiring of vehicles
979.	Food and Supplies	30	Loss due to lack of supervision and improper storage of wheat stock
980.	Food and Supplies	31	Loss due to non-recovery of transportation charges
981.	Irrigation	32	Loss of interest due to heavy unspent balance

982.	Town and Country Planning	33	Due to slackness on the part of EO's HUDA, Faridabad, Gurgaon and Panchkula in revision of rent after every three years and non-charging of rent for additional filling points of petrol pumps installed subsequently, HUDA was deprived of the revenue of Rs.1.49 Crore (2003-Civil)
983.	Town and Country Planning	34	Extra expenditure on account of delayed payment of land, compensation and interest thereon
984.	Town and Country Planning	35	Unfruitful expenditure on incomplete work
985.	Home	36	Misappropriation, losses, defalcation, etc.
986.	Home	37	Extra expenditure on account of delayed payment of land, compensation and interest thereon
987.	P.W. (B&R)	38	Misappropriation, losses, defalcation, etc
988.	P.W. (B&R)	39	Irregular expenditure on operation of excess ex-cadre posts
989.	Sports and Youth Affairs	40	Non-realization of central share of assistance
990.	Revenue	41	Misappropriation, losses, defalcation, etc.
991.	Health	42	Delay in furnishing utilization certificates
992.	Health	43	Misappropriation, losses, defalcation, etc.
993.	Health	44	Avoidable payment due to non-insurance of vehicles
994.	Health	45	Unauthorized retention of the departmental receipts outside the Consolidated Fund of the State
995.	Health	46	Non-responsiveness to audit findings and observations resulting in erosion of accountability
996.	Health	47	Follow up on Audit Reports
997.	Industries	48	Abstract of performance of the autonomous bodies
998.	Animal Husbandry	51	Misappropriation, losses, defalcation, etc.
999.	Women and Child Development	52	Misappropriation, losses, defalcation, etc.
1000.	Fisheries	54	Non-submission of Accounts
1001.	Public Relations	55	Misappropriation, losses, defalcation, etc.
1002	Rural Development	56	Allotment of houses to ineligible families
1003	Technical Education	57	Misappropriation, losses, defalcation, etc.
1004	Urban Local Bodies	58	Delay in furnishing utilization certificates
1005	Urban Local Bodies	59	Non-submission of Accounts
1006	Urban Local Bodies	60	Non-furnishing of accounts of utilization of grants
1007	Excise and Taxation	61	Arrears of revenue
1008	Excise and Taxation	62	Arrears in assessments
1009	Excise and Taxation	63	Evasion of tax
1010	Excise and Taxation	64	Write-off and waiver of revenue
1011	Excise and Taxation	65	Refunds
1012	Excise and Taxation	66	Results of Audit
1013	Excise and Taxation	67	Non levy of interest

1014	Excise and Taxation	68	Non levy of interest and penalty
1015	Excise and Taxation	69	Arrears of sales tax
1016	Excise and Taxation	70	Non inclusion of interest in the demand sent to liquidator
1017	Excise and Taxation	71	Under assessment of tax due to incorrect determination of gross turnover
1018	Excise and Taxation	72	Under assessment of tax due to application of incorrect rate
1019	Excise and Taxation	73	Non levy of tax on liquor
1020	Excise and Taxation	74	Results of Audit
1021	Excise and Taxation	75	Non/short realization of passengers tax
1022	Excise and Taxation	76	Non/short realization of passengers tax
1023	Excise and Taxation	77	Non levy/recovery of penalty
1024	Excise and Taxation	78	Non levy/recovery of penalty
1025	Mines and Geology	79	Results of Audit
1026	Transport	80	Lack of control over monitoring of duplicate engine/chassis number
1027	Transport	81	Same registration numbers were allotted to two vehicles
1028	Transport	82	Registration of two or more vehicles with same insurance cover note
1029	Agriculture	83	Arrears of revenue
1030	Agriculture	84	Results of Audit
1031	Agriculture	85	Results of Audit
1032	Revenue	86	Results of Audit
1033	Revenue	87	Short levy of stamp duty due to application of incorrect rates of immovable property
1034	Revenue	88	Non levy of stamp duty on plant and machinery
1035	Finance	89	Non recovery of Loans and interest
1036	Finance	90	Non recovery of loans and interest
1037	Finance	91	Non recovery of interest and penal interest
1038	Finance	92	Non recovery of loans granted in lieu of deferment of sales tax and interest
1039	Finance	93	Non reconciliation of outstanding loans and interest
1040	Home	94	Arrears of revenue
1041	Home	95	Results of Audit
1042	Public Health	96	Results of Audit
1043	P.W.(B&R)	97	Results of Audit
1044	Irrigation	98	Results of Audit
1045	Power	99	Arrears of revenue
1046	Co-operation	100	Results of Audit
1047	Co-operation	101	Non deposit of dividend on State share capital
1048	Excise and Taxation	102	Analysis of arrears of revenue
1049	Excise and Taxation	103	Arrears in assessments
1050	Excise and Taxation	104	Performance of assessments

1051	Excise and Taxation	105	Evasion of tax
1052	Excise and Taxation	106	Write off and waiver of revenue
1053	Excise and Taxation	107	Refunds
1054	Excise and Taxation	108	Compliance with the earlier Audit Reports
1055	Excise and Taxation	109	Results of Audit
1056	Excise and Taxation	110	Absence of mechanism to verify the tax deposited before allowing input tax credit
1057	Excise and Taxation	111	Absence of a monitoring mechanism to ensure cross verification of purchase transactions
1058	Excise and Taxation	112	Misuse of declaration forms STD-IV/VAT-DI and C
1059	Excise and Taxation	113	Incorrect allowing of exemption/concession without declarations/documents or against incomplete declaration/documents
1060.	Excise and Taxation	114	Non-levy of penalty
1061.	Excise and Taxation	115	Non-levy of penalty
1062.	Excise and Taxation	116	Short recovery of lump sum tax on Works contract
1063.	Excise and Taxation	117	Excess allowing of input tax credit
1064.	Excise and Taxation	118	Underassessment of tax due to allowing of excess benefit of deferment
1065.	Excise and Taxation	119	Underassessment of tax due to application of incorrect rate
1066.	Excise and Taxation	120	Inadmissible allowing of input tax credit
1067.	Excise and Taxation	121	Results of Audit
1068.	Excise and Taxation	122	Non/short realization of passengers tax from Co-operative Transport Societies
1069.	Excise and Taxation	123	Non/short realization of passengers tax from educational institutions
1070.	Excise and Taxation	124	Non/short recovery of passengers tax from tax from City Bus Operators
1071.	Excise and Taxation	125	Results of Audit
1072.	Excise and Taxation	126	Non-realisation of differential licence fee
1073.	Excise and Taxation	127	Short recovery of licence fee and interest
1074.	Transport	128	Loss of revenue due to non-levy/collection of passengers tax on students' concession passes
1075.	Transport	129	Non-charging of permit transfer fee
1076.	Transport	130	Non-realisation of bid money on stage carriage permits
1077.	Transport	131	Non/short recovery of token tax from stage carriage bus owners
1078.	Transport	132	Short realization of conductor's licence fee
1079.	Agriculture	133	Analysis of arrears of revenue
1080.	Agriculture	134	Results of Audit
1081.	Agriculture	135	Results of Audit
1082.	Agriculture	136	Non-recovery of interest on purchase tax
1083.	Co-operation	137	Results of Audit
1084.	Revenue	141	Absence of database of revenue foregone

1085.	Revenue	142	Absence of mechanism to detect availing of irregular exemption by not presenting documents for registration
1086.	Revenue	143	Contracts for catching fish from pubic ponds
1087.	Revenue	144	Incorrect grant of exemption on instrument of SEZ/real estate developer
1088.	Revenue	145	Exemption of SD on collusive decrees
1089.	Revenue	146	Remission of SD on instruments of compensation awards
1090.	Revenue	147	Incorrect grant of remission of SD
1091.	Revenue	148	Irregular exemption of SD on supplementary deed
1092.	Revenue	149	Delay in implementation of enhanced rates
1093.	Revenue	150	Evasion of stamp duty due to undervaluation of immovable property
1094.	Revenue	151	Loss of stamp duty due to misclassification of documents
1095.	Revenue	152	Short levy duty due to application of incorrect rates of immovable property
1096.	Revenue	153	General controls
1097.	Revenue	154	Audit findings/General controls
1098.	Revenue	155	Inadequacy of input controls & validation checks
1099.	Revenue	156	Disputed lands and properties
1100.	Revenue	157	Non-allotment of unique ID number to land owner/cultivator
1101.	Revenue	158	Absence of provision in HARIS to capture serial number of stamp papers
1102.	Revenue	159	Other points of interest
1103.	Medical & Public Health	160	Results of Audit
1104.	Home	161	Analysis of arrears of revenue
1105.	Power	162	Analysis of arrears of revenue
1106.	Animal Husbandry	163	Results of Audit
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1107.	Health	3	Financial Management
1108.	Health	4	Shortage of staff at CHC and PHC level
1109.	Health	5	Fraud/misappropriation /embezzlement/loses/over payments
1110.	Health	6	Unfruitful expenditure on purchase of food testing equipment
1111.	Health	7	Misappropriations, losses, defalcations, etc.
1112.	Home	8	Financial Management
1113.	Home	9	Records of advances not maintained
1114.	Home	10	Construction of residential and non-residential buildings
1115.	Home	11	Delay/non-completion of building works
1116.	Home	12	Misappropriations, losses, defalcations, etc.
1117.	Rural Development	13	Financial performance
1118.	Rural Development	14	Programme management
1119.	Rural Development	15	Abnormal delay in completion of projects
1120.	Rural Development	16	Role of Self Help Groups in implementing DDP objectives

1121.	Rural Development	17	Execution of works
1122.	Rural Development	18	Other topics of interest
1123.	Rural Development	19	Maintenance of record
1124.	Education	20	Suspected embezzlement
1125.	Education	21	Loss due to non-utilization of Central grant
1126.	Education	22	Los due to non-availing of full Central assistance
1127.	Irrigation	23	Parking of funds outside the Government account
1128.	Irrigation	24	Misappropriations, losses, defalcations, etc.
1129.	Administration of Justice	25	Infructuous expenditure on empanelment of advocates
1130.	Public Works (B&R)	26	Extra expenditure due to non-allotment of work
1131.	Industries and Commerce	27	Block of funds
1132.	Revenue and Disaster Management	28	Non-refund of un-utilized balance of CRF
1133.	Revenue and Disaster Management	29	Payment of gratuitous relief on contradictory reports
1134.	Revenue and Disaster Management	30	Fraud in distribution and double payment of CRF
1135.	Excise and Taxation	31	Analysis of arrears of revenue
1136.	Excise and Taxation	32	Arrears in assessments
1137.	Excise and Taxation	33	Evasion of tax
1138.	Excise and Taxation	34	Write off and waiver of revenue
1139.	Excise and Taxation	35	Refunds
1140.	Excise and Taxation	36	Result of Audit
1141.	Excise and Taxation	37	Disposal of attached property
1142.	Excise and Taxation	38	Issue of recovery certificates
1143.	Excise and Taxation	39	Non-recovery of inter-district and inter-state arrears due to lack of co-ordination between the departmental officers and revenue authorities
1144.	Excise and Taxation	40	Non-recovery of inter-district and inter-state arrears due to lack of co-ordination between the departmental officers and revenue authorities
1145.	Excise and Taxation	41	Absence of provisions under HVAT Act to entertain appeals only on pre-payment of additional demands in dispute
1146.	Excise and Taxation	42	Absence of provision regarding allowances in installments in payment of arrears due
1147.	Excise and Taxation	43	Disposal of appeal cases by JETCs
1148.	Excise and Taxation	44	Non-declaration of arrears under Punjab Land Revenue Act
1149.	Excise and Taxation	45	Failure to intiate follow up action for recovery of arrears within the district
1150.	Excise and Taxation	46	Disposal of immovable property during the currency of recovery of arrears
1151.	Excise and Taxation	47	Underassessment of tax due to allowing of excess benefit of deferment`
1152.	Excise and Taxation	48	Incorrect allowing of input tax credit

1153.	Excise and Taxation	49	Underassessment of tax due to inadmissible deduction from gross turnover
1154.	Excise and Taxation	50	Result of audit
1155.	Excise and Taxation	51	Non-realization of differential license fee
1156.	Excise and Taxation	52	Short recovery of license fee and interest
1157.	Excise and Taxation	53	Short recovery of license fee and interest
1158.	Excise and Taxation	54	Non-recovery of penalty
1159.	Excise and Taxation	55	Result of audit
1160.	Excise and Taxation	56	Educational institutions
1161.	Excise and Taxation	57	Transport co-operative societies
1162.	Excise and Taxation	58	City bus operators
1163.	Revenue	59	Result of audit
1164.	Revenue	60	Evasion of stamp duty due to undervaluation of immovable property
1165.	Revenue	61	Evasion of stamp duty due to misclassification of documents
1166.	Revenue	62	Short levy of stamp duty due to application of incorrect rates of immovable property
1167.	Revenue	63	Exemption of stamp duty on collusive decrees
1168.	Revenue	64	Irregular exemption of stamp duty
1169.	Transport	65	Compliance with the earlier Audit Reports
1170.	Transport	66	Result of audit
1171.	Transport	67	Non-short recovery of token tax
1172.	Transport	68	City bus owners
1173.	Transport	69	Stage carriage buys owners
1174.	Transport	70	Short realization of permit transfer fee
1175.	Transport	71	Non-realization of additional fee for retention of choice registration
1176.	Home	72	Non-realization of police cost from Railways
1177.	Home	73	Non-existence of system to monitor the raising of claims for incentive money for passport verification reports
1178.	Home	74	Delay in submission of inventory of unclaimed vehicles
1179.	Home	75	Non-short raising of bills
1180.	Home	76	Non-short raising of bills
1181.	Home	77	Non-disposal of arms and ammunition
1182.	Home	78	Non-disposal of condemned vehicles
1183.	Public Health	79	Result of audit
1184.	Public Health	80	Non-recovery of water charges
1185.	Mines and Geology	81	Result of audit
1186.	Mines and Geology	82	Non-recovery of royalty and interest
1187.	Forest	83	Result of audit
1188.	Co-operation	84	Result of audit

1189.	Power	85	Analysis of arrears of revenue
1190.	Agriculture	86	Analysis of arrears of revenue
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1191.	Agriculture	3	Financial Management
1192.	Agriculture	4	Cash Management
1193.	Agriculture	5	Water and Sewerage Charges
1194.	Agriculture	6.	Infrastructural Facilities in Mandis
1195.	Agricultur	7	Conducting of non-agricultural business in the Mandis
1196.	Agriculture	8	Encroachment of mandi land
1197.	Agriculture	9	Auction of Mandi plots
1198.	Agriculture	10	Execution of works without technical sanctions
1199.	Agriculture	11	Purchase of packed bitumen
1200.	Agriculture	12	Expenditure on widening and strengthening of road
1201.	Women and Child Development	13	Pre-school education kits
1202.	Public Health Engineering	15	Execution of work without call of tenders
1203.	Public Health Engineering	16	Purchases
1204.	Public Health Engineering	18	Blocking of funds on purchase of stores in excess of requirement
1205.	Public Health Engineering	19	Misappropriations, losses, defalcation, etc.
1206.	Irrigation	20	Unfruitful expenditure on construction of channel
1207.	Irrigation	21	Extra expenditure due to non-finalisation of tenders within the validity period
1208.	Irrigation	22	Unfruitful expenditure on incomplete drainage scheme
1209.	Irrigation	23	Follow up on Audit Reports
1210.	Irrigation	24	Misappropriations, losses, defalcation, etc.
1211.	Transport	25	Excess expenditure on purchase of Cummins Naturally Aspirated Gas buses
1212.	Transport	26	Misappropriations, losses, defalcation, etc.
1213.	Education	27	Parking of funds outside Government Accounts
1214.	Education	28	Misappropriations, losses, defalcation, etc.
1215.	Fisheries	29	Sale of fish seed
1216.	Fisheries	30	Status of Utilization certificates
1217.	Fisheries	31	Training
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1219.	Rural Development	33	Delay in furnishing Utilization Certificates
1220.	Excise and Taxation	34	Compliance with the earlier Audit Reports
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1222.	Excise and Taxation	36	Position of Inspection Reports
1223.	Excise and Taxation	37	Results of audit
1224.	Excise and Taxation	38	Leased machinery and equipments

1225.	Excise and Taxation	39	Short/non-levy of purchase tax and penalty due misuse of VAT-DI
1226.	Excise and Taxation	40	Short levy of lump sum tax on works contract
1227.	Excise and Taxation	41	Underassessment of tax due inadmissible deduction from gross turnover
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1229.	Excise and Taxation	43	Evasion of value added tax due to Suppression of purchases and sales
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1231.	Excise and Taxation	45	Position of Audit Reports
1232.	Excise and Taxation	46	Results of audit
1233.	Excise and Taxation	47	Non-recovery/levy of penalty on illicit liquor owners
1234.	Excise and Taxation	48	Non-recovery/levy of penalty on illicit liquor owners
1235.	Excise and Taxation	49	Short/non-recovery of license fee and interest
1236.	Excise and Taxation	50	Short/non-recovery of license fee and interest
1237.	Excise and Taxation	51	Short/non-recovery of license fee and interest
1238.	Excise and Taxation	52	Analysis of arrears of revenue\
1239.	Excise and Taxation	53	Position of Audit Reports
1240.	Excise and Taxation	54	Results of audit
1241.	Excise and Taxation	55	City bus operators
1242.	Revenue	56	Revenue impact of the Audit/Position of Inspection Reports
1243.	Revenue	57	Position of Audit Reports
1244.	Revenue	58	Absence of mechanism to detect evasion of stamp duty by not presenting documents for registration
1245.	Revenue	59	Contracts for collection of toll by private entreneurs
1246.	Revenue	60	Sale of industrial units through public auction by Haryana Financial Corporation (HFC)
1247.	Revenue	61	Failure to levy stamp duty on land sold with less than 1,000 square yards as residential property and the market value of immovable properties
1248.	Revenue	62	Failure to levy stamp duty on land sold with less than 1,000 square yards as residential property and the market value of immovable properties
1249.	Revenue	63	Absence of time limit for disposal of undervaluation cases referred to the Collector
1250.	Revenue	64	Short levy of stamp duty and registration feedue to misclassification of documents
1251.	Revenue	65	Delay in implementation of enhanced rates of registration fee
1252.	Revenue	66	Evasion of stamp duty due to undervaluation of immovable property\
1253.	Revenue	67	Non-levy of stamp duty on collusive decrees 18
1254.	Transport	68	Failure of senior officials to enforce accountability and protect the interest of the State Government
1255.	Transport	69	Follow up on Audit Reports-summarised position
1256.	Transport	70	Analysis of arrears of revenue (Taxes on Vehicles)

1257.	Transport	72	Stage carriage bus owners
1258.	Transport	73	City bus owners
1259.	Transport	74	Non-realisation of additional fee for retention of choice registration mark
1260.	Finance	75	Non-raising of demand of guarantee fee
1261.	Town and Country Planning	76	Results of audit
1262.	Town and Country Planning	77	Non recovery / realization of licence fee
1263.	Town and Country Planning	78	Non recovery / realization of licence fee
1264.	Forest	79	Results of Audit
1265.	Co-operation	80	Results of Audit
1266.	Irrigation	81	Results of Audit
1267.	Mines & Geology	82	Results of audit
1268.	Mines & Geology	83	Non-recovery of royalty and interest
1269.	Public Health	84	Results of audit
1270.	Public Health	85	Non-recovery of water charges

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1272.	Health	4	Outstanding loans and advances
1273.	Higher Education	5	Financial Management
1274.	Higher Education	6	Compilation of annual accounts
1275.	Higher Education	7	Submission of false utilization certificate
1276.	Higher Education	8	Planning for courses
1277.	Higher Education	9	Under utilization of earmarked fund
1278.	Higher Education	10	Inadequacy of infrastructure in Instructional area
1279.	Higher Education	11	Avoidable expenditure on customs Duty
1280.	Higher Education	12	Performance evaluation
1281.	Higher Education	13	Misappropriations, losses, defalcations, etc.
1282.	Forest	14	Budget and expenditure control
1283.	Forest	15	Non-realization of compensation for Use of forest land for non-forest purposes
1284.	Forest	16	Haryana wood-based Industries Revolving Corpus Fund
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1286.	Forest	18	Conclusion
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1291.	Commissioner Hisar Division	23	Excess expenditure over estimates
1292.	Commissioner Hisar Division	24	Non-recovery of water and sewerage charges
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1294.	Commissioner Hisar Division	26	Silt clearance of canals and drains not done under Mahatma Gandhi National Rural Employment Guarantee Act
1295.	Commissioner Hisar Division	27	Non-payment of annuity under Rehabilitation and Resettlement policy
1296.	Commissioner Hisar Division	28	District Plan Scheme
1297.	Commissioner Hisar Division	29	Common irregularities in Panchayati Raj Institutions
1298.	Commissioner Hisar Division	30	Swarnjayanti Gram Swarojgar Yojna
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1301.	Commissioner Hisar Division	33	Crime trends
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1304.	Irrigation	36	Excess payment due to adoption of incorrect Wholesale price index of steel
1305.	Irrigation	37	Irrigation Channel lying unutilized since construction
1306.	Irrigation	38	Misappropriations, losses, defalcations, etc.
1307.	PWD (B & R)	39	Undue financial aid to contractor
1308.	PWD (B & R)	40	Wasteful expenditure due to execution of Sub-standard work
1309.	Agriculture	41	Unfruitful Expenditure on incomplete cold storage work
1310.	Public Health Engineering	42	Unfruitful expenditure on installation of water Purification plants in villages already provided With safe drinking water
1311.	Public Health Engineering	43	Misappropriations, losses, defalcations, etc.
1312.	Town & Country Planning	44	Follow-up on Audit Reports
1313.	Town & Country Planning	45	Blocking of funds due to non-allotment of dwelling units
1314.	Town & Country Planning	46	Inordinate delay in completion of scheme
1315.	Food and Supplies	47	Loss of interest due to delay in claiming refund of Bonus paid to farmers
1316.	Labour And Employment	48	Non-achievement of objectives due to non- Utilization of cess funds
1317.	Animal Husbandry	49	Receipt of funds from other sources
1318.	Animal Husbandry	50	Failure in recovering milk cess
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1321.	Animal Husbandry	53	Poultry Disease Investigation and Feed Analytical Laboratory
1322.	Animal Husbandry	54	Hi-Tech Dairy Shed Scheme
1323.	Animal Husbandry	55	Quality control of feed, milk and milk products
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1325.	Animal Husbandry	57	Construction of veterinary polyclinics
1326.	Animal Husbandry	58	Construction of Pet Clinic at Panchkula
1327.	Animal Husbandry	59	Lack of monitoring of execution of works
1328.	Animal Husbandry	60	Internal Audit System

1329.	Animal Husbandry	61	Delay in furnishing Utilisation Certificates
1330.	Animal Husbandry	62	Misappropriations, Losses, defalcations, etc
1331.	Excise And Taxation	63	Analysis of arrears of revenue
1332.	Excise And Taxation	64	Analysis of collection
1333.	Excise And Taxation	65	Position of Inspection Reports
1334.	Excise And Taxation	66	Results of audit
1335.	Excise And Taxation	67	Lack of co-ordination between implementing Agencies to recover the demand on premature Closure of business
1336.	Excise And Taxation	68	Non-maintenance of production level
1337.	Excise And Taxation	69	Non-recovery of tax
1338.	Excise And Taxation	70	Evasion of tax by fraudulent utilization of fake forms
1339.	Excise And Taxation	71	Evasion of tax by fraudulent utilization of fake forms
1340.	Excise And Taxation	72	Evasion of tax by fraudulent utilization of fake forms
1341.	Excise And Taxation	73	Concealment of sales
1342.	Excise And Taxation	74	Irregular grant of concession/exemption on invalid Forms/forms issued to other dealers
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1344.	Excise And Taxation	76	Input tax credit allowed incorrectly
1345.	Excise And Taxation	77	Incorrect allowance of input tax credit
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1347.	Excise And Taxation	79	Transit sale
1348.	Excise And Taxation	80	Transit sale
1349.	Excise And Taxation	81	Evasion of value added tax due to Suppression Of purchases and sale
1350.	Excise And Taxation	82	Non-realisation of differential license fee on Re-actuion
1351.	Transport	83	Lack of IT strategy and planning resulting in Implementation of unauthorized software
1352.	Transport	84	Partial utilization of the system
1353.	Transport	85	Lack of change control mechanism
1354.	Transport	86	Lack of proper documentation and system development controls
1355.	Transport	87	Inordinate delay in finalization of tenders of Smartcards
1356.	Transport	88	Non-development of technical expertise within the Department
1357.	Transport	89	Non-provision of citizen centric service
1358.	Transport	90	Monitoring and evaluation of the project
1359.	Transport	91	Deficiencies in operation of Vahan Software
1360.	Transport	92	Usage of local software having no linkage withVAHAN
1361.	Transport	93	Dual database
1362.	Transport	94	Delay in implementation of revised rates of road Tax
1363.	Transport	95	Delay in implementation of revised penalty rates
1364.	Transport	96	Non-availability of MIS reports to identify the Vehicle required to the

			re-registered
1365.	Transport	97	assigning of same engine number and chassis Number to more than one vehicle
1366.	Transport	98	Tampering of chassis number
1367.	Transport	99	Incomplete capture of chassis code
1368.	Transport	100	Unreliable data
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1370.	Transport	102	Data accuracy of SARATHI
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1378.	Revenue	110	Evasion of stamp duty due to misclassification of Documents
1379.	Revenue	111	Evasion of stamp duty due to undervaluation of immovable property
1380.	Revenue	112	Short levy of stamp duty due to application of incorrect rates of immovable property
1381.	Revenue	113	Suspected misappropriation of stamp duty
1382.	Revenue	114	Short levy of stamp duty on partition deed
1383.	Revenue	115	Irregular exemption of stamp duty
1384.	Industries	116	Excess benefit of deferment for expansion Of industrial unit
1385.	Industries	117	Non/short recovery of interest free loan
1386.	Industries	118	Non/short recovery of interest free loan
1387.	Industries	119	Incorrect computation of fixed capital Investment and excess tax concession
1388.	Power	120	Failure of senior officials to enforce accountability and protect the interest of the State Government
1389.	Mines and Geology	121	Non-recovery of royalty and interest
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1393.	Irrigation	6	Planning
1394.	Irrigation	7	Non-receipt of share from other States
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1396.	Irrigation	9	Jawahar Lal Nehru Lift Irrigation Scheme
1397.	Irrigation	10	Damage of head regulator costing Rs.1.35 crore

1398.	Irrigation	11	Disposal of sewage and effluent water in Western Jamuna Canal causing environmental hazards
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1400.	Irrigation	13	Non-recovery of balance amount from LAO
1401.	Irrigation	14	Mutation of land not made
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