

HARYANA VIDHAN SABHA
PUBLIC ACCOUNTS COMMITTEE
(2017-2018)
SEVENTY FIFTH REPORT
ON THE
REPORTS OF THE
Comptroller and Auditor General of India
ON
Social, General and Economic Sectors
(Non- Public Sector Undertakings),
State Finances
and
Revenue Sector
for the year ended 31st March, 2013



(Presented to the House on 15th March, 2018)

HARYANA VIDHAN SABHA SECRETARIAT,
CHANDIGARH
2018

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COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

CHAIRPERSON

- | | | |
|----|-----------------------------|-------------|
| 1. | Shri Gian Chand Gupta, MLA. | Chairperson |
|----|-----------------------------|-------------|

MEMBERS

- | | | |
|-------|-------------------------------------|--------|
| 2. | Shri Ranbir Gangwa, MLA | Member |
| 3. | Shri Jai Tirath, M.L.A | Member |
| 4. | Prof. Dinesh Kaushik, M.L.A. | Member |
| *5. | Smt. Renuka Bishnoi, M.L.A | Member |
| 6. | Shri Harvinder Kalyan, M.L.A | Member |
| 7. | Dr. Pawan Saini, M.L.A | Member |
| 8. | Shri. Randhir Singh Kapriwas, M.L.A | Member |
| 9. | Shri Nagender Bhadana, M.L.A | Member |
| **10. | Shri Bakhshish Singh Virk, M.L.A | Member |

SECRETARIAT

- | | |
|----|--|
| 1. | Shri R.K.Nandal, Secretary |
| 2. | Dr. Purushottam Dutt, Deputy Secretary |

* Smt. Renuka Bishnoi, MLA, resigned from the membership of the Public Accounts Committee of Haryana Vidhan Sabha w.e.f. 17th July, 2017 vide this Secretariat notification No. HVS/PAC-1/2017/75, dated 17th July, 2017.

** Shri Bakhshish Singh Virk, MLA, nominated as Member of the Public Accounts Committee in place of Smt. Renuka Bishnoi, MLA w.e.f. 27th July, 2017 vide this Office notification No. HVS/PAC-1/2017/77, dated 27th July, 2017.

INTRODUCTION

1. I, the Chairperson of the Public Accounts Committee, having been authorized by the Committee in this behalf, present this Seventy Fifth Report on the Reports of the Comptroller and Auditor General of India on Social General and Economic Sectors (Non- Public Sector Undertakings), State Finances and Revenue Sector for the year ended 31st March, 2013.

2. The Report of the Comptroller and Auditor General of India on Social, General and Economic Sectors (Non- Public Sector Undertakings), for the year ended 31st March, 2013 was laid on the Table of the House on 14th July, 2014 and the Reports of the Comptroller and Auditor General of India on State Finances and Revenue Sector for the years ended 31st March, 2013 were laid on the Table of the House on 04th March, 2014

3. The Committee examined the Reports of the Comptroller and Auditor General of India on Social General and Economic Sectors (Non- Public Sector Undertakings), State Finances and Revenue Sector for the year ended 31st March, 2013 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 28th February, 2018.

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 Secretary, Deputy Secretary and officials of the Haryana Vidhan Sabha Secretariat for the whole hearted co-operation and assistance given by them to the Committee.

CHANDIGARH
THE 28TH FEBRUARY, 2018

GIAN CHAND GUPTA
CHAIRPERSON

REPORT

GENERAL

1. The Committee for the year 2017-2018 was nominated on 25th April, 2017 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 28th February, 2017, authorizing him to nominate the Members of the Committee on Public Accounts for the year 2017-2018.

2. The Committee held total 88 meetings during the year at Chandigarh and other places upto 28TH FEBURARY, 2018 till the finalization of the Report.

PART – I
SOCIAL, GENERAL & ECONOMIC SECTORS
(Non-Public Sector Undertakings)
for the year ended 31 March, 2013

PUBLIC HEALTH ENGINEERING DEPARTMENT

[1] **2.1.7.1 Expenditure in excess of estimates:**

As per paragraph 10.16 of the Public Works Department (PWD) Code, a revised estimate must be submitted when the sanctioned estimate is likely to be exceeded, either due to the rates being found insufficient or for any other reasons whatsoever.

In nine out of 18 test checked divisions, it was noticed that against the approved estimated cost of Rs.98.80 crore, an expenditure of Rs.108.55 crore was incurred during 2008-13 on 16 sanctioned works (more than 5 *per cent* in each case). The revised estimates of these works were not prepared as of March 2013.

The EIC stated during the exit conference that the field officers would be directed to prepare the revised estimates for the approval of the competent authority.

The department in its written reply stated as under:-

Out of these 16 test checked sanctioned works, 10 works were completed after incurring expenditure, within 10% excess of the sanctioned estimates, as per clause 9.4.1 read with clause 9.3.7 of the Haryana PWD Code. It is accepted that the revised estimate should be got approved from the competent authority within 6 Months of the foreseen expenditure in excess of sanctioned estimates. Booking of expenditure beyond 10% of the estimated cost has been stopped from May 2017, till the revised estimate is sanctioned.

Since the para pointed out a systemic shortcoming, it may be dropped in view of the system solution that has been implemented.

The Committee has observed that in terms of the PWD Code, as has been adopted by the Public Health Engineering Department, the case for obtaining revised administrative approval, where it is necessary, is to be put up at the earliest, preferably within one month. But the provisions of the PWD Code have not been complied with. The Committee has, therefore, recommended that in all the remaining six cases, responsibility of the officers/officials be fixed within a period of two months under intimation of the Committee.

[2] **2.1.7.2 Recoverable amount from HUDA:**

(i) Non-recovery of proportionate O&M charges:

Under YAP, STPs were constructed in six towns of the State. Sewage from areas deurgaon (where HUDA had its own STPs) was also diverted to these STPs. The Department was required to recover proportionate O&M charges of STPs from HUDA. It was noticed during audit that an amount of Rs.10.02 crore for four YAP towns and Rs.80.70 lakh for Fatehabad town remained un-recovered (June 2013) by the department on account of proportionate operation and maintenance charges of STPs.

Further, 35 *per cent* of the total wastewater generated from HUDA Sectors of Rewari town was diverted to sewer of the PHED for treatment. But, bills on account of proportionate operation and maintenance charges of STPs were not raised. On being pointed out, the EE, Rewari stated (April 2013) that the bills for proportionate cost would be raised after obtaining approval from the EIC.

The EIC intimated during the exit conference that HUDA had also to recover charges from PHED on account of water supply and sewerage services being provided by HUDA in few areas of various towns. It was further stated that EE, Rewari would be directed to raise bills for proportionate operation and maintenance charges of STPs against HUDA.

The department in its written reply stated as under:-

In this connection, it is submitted that this department has made sincere efforts to recover the requisite amount from HUDA and has been requested many times to deposit the proportionate charges and instructions in this regard has already been issued to field offices from Head Office.

The matter for recovery of proportionate cost chargeable to HUDA for operation and maintenance of STPs has already been taken up and the amount will be recovered from HUDA as early as possible.

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount from HUDA under intimation of the Committee.

[3] 2.1.7.3 Irregular splitting of works:

As per instructions issued from time to time by EIC, bifurcation/splitting of the estimate in order to keep the allotment of works within official's authority should be avoided except in emergent conditions.

In 18 of test checked divisions, it was noticed that 56 estimates/works were bifurcated by the respective EEs into 499 agreements (**Appendix 2.1**) costing Rs.19.14 crore by splitting of works in order to keep the allotment of works within their authority.

Appendix 2.1

Statement showing the details of splitting of works

Sr. No.	Name of district	Name of PHE Division	Number of Estimates	Number of Works	Total amount (Rs.In lacs)
1.	Rewari	Rewari No.2	2	32	150.98
2.		Kosli	2	11	51.32
3.	Fatehabad	Fatehabad No.1	1	15	70.26
4.		Fatehabad No.2	3	66	268.76
5.	Gurgaon	Gurgaon	2	5	13.89
6.		Sohna	4	13	34.30
7.	Hisar	Hisar No.2	2	9	22.92
8.		Hisar No.3	2	31	144.65
9.	Kaithal	Kaithal No.3	5	62	220.67
10.	Karnal	Karnal	10	94	414.64
11.	Kurukshetra	Kurukshetra	1	2	3.66
12.	Mohindergharh	Narnaul	2	34	52.62
13.	Palwal	Palwal No.3	3	24	78.35
14.	Panipat	Panipat No.2	2	15	59.82
15.	Amblala	Ambala Cantt	2	11	46.92
16.	Sonapat	Sonapat No. 2	8	60	221.46
17.		Sonapat No. 3	3	9	39.60
18.		Gohana	2	6	18.98
	Total		56	499	1913.80

Source: Compiled from the data received from the department.

Audit scrutiny further showed that most of these agreements were finalized without ensuring the commissioning and connectivity of sewer lines with the main sewer. This irregular and unauthorized procedure had vitiated the transparency in allotment of works. Further, in case of work of gravity flow, levels were to be maintained and as such, the work should be allotted to one agency by adopting the prescribed procedure of tendering to have competitive rates. Thus, the violation of EIC's instructions had not only resulted into financial indiscipline but also failed to bring about transparency in allotment of works. Besides, the agencies executing the works of high value had deprived of participating in the tendering process.

The EIC intimated during the exit conference that the concerned SEs had been directed to call for the explanation of the EEs concerned on this issue.

The department in its written reply stated as under:-

As per Departmental Financial Rules (DFR), power of Executive Engineer & Superintending Engineer for allotment of works against administratively approved estimate is as under: -

- | | | |
|----------------------------|---|----------------------|
| 1. Executive Engineer | : | Upto Rs.5.00 lacs. |
| 2. Superintending Engineer | : | Upto Rs.100.00 lacs. |

Keeping in view above financial power and as per ground level priority, the works are being executed in phases. In general, Executive Engineer being Engineer-in-Charge plans the execution depending upon fund availability and ground level priority/ urgency and invite tenders accordingly within his financial power through e-tendering for the works where tender estimated amount is more than one lakh to ensure transparency.

Therefore, splitting of work as mentioned in the para cannot be considered as major deviation from the rules. However, the department is always vigilant and instructions are issued by Head Office from time to time avoid splitting of tenders.

The Work for construction of an STP (Sewage Treatment Plant) of a specific size & Technology and laying of sewerage lines linking households up to the STP are designed as a composite work and hence given administrative approval through one estimate. However, it has been seen that erection, procurement and construction of the STP, being highly technical and specialized, is taken up only by a few companies who qualify the technical requirement. The tenders for component of STP are therefore invited and finalized at the apex level of Engineer-in-Chief and committee of Chief Engineers. The rest of the work of laying of sewerage lines generally varies across streets and is spread over different components at the Division level since this involves smaller contractors. In between a couple of larger works, e.g., crossing of a railway track, construction of a puca sullage drain, etc are decided and the level of Chief Engineer or Superintending Engineer. The composite work is invariably supervised under the close guidance and control of the Chief Engineer and Superintending Engineer concerned and the presumption that work are split up leading to financial indiscipline and failure to bring about transparency in work is not correct. Moreover, the companies taking up EPC work of STP construction do not take up

small works of laying of sewerage lines across a few streets. Another point to be kept in mind is that the sewerage lines are laid over a period of 2-3 years in a town due to spreading of the available funds, since the STP construction work itself takes about 3 years. This obviously rules out large contractors.

To give a specific example in the work of construction of STP and laying of sewerage line in Division No 1 Rewari (Easter while Division No 2 Rewari) estimated to cost Rs.22.00 Crore, one work of Rs.12.99 Crore for the STP was finalized as one bid at the level of Engineer-in-Chief, one work of Rs.25.70 lac for crossing of the railway line by the sewerage line was finalized at the level of Superintending Engineer and ten different works costing Rs.25.09 lac for laying of sewerage lines over a period of about 4 years. The need for this splitting is obvious and needs no further explanation. It also exemplifies the fact that supervision of the work does not end at the level of Executive Engineer and goes right up to the level of Chief Engineer. It is also obvious that issuing one bid for the laying of sewerage line to one contractor for a long period of 3-4 year for a Total sum of Rs.25.09 lac would have hardly invited a different kind of company, as suggested by Audit. In fact if the suggestion of Audit is followed, smaller contractors would start agitating for non – payment or unnecessary exposure to long gestation works. However, Chief Engineers and Superintending Engineers will be advised to ensure that unnecessary splitting of works should not be allowed. As such the para may be dropped.

The Committee, after considering the seriousness of the matter, has recommended that the matter be entrusted to State Vigilance Bureau/ Vigilance Department, Haryana to enquire into thoroughly on all aspects of the matter.

[4] 2.1.7.4 Advances to Land Acquisition Collectors:

As per Article 54 read with article 57 of Account Code Volume III, the payments advanced to Land Acquisition Collectors (LACs) should be placed under 'Miscellaneous Public Works Advances (MPWA)'.

In nine test checked divisions, it was noticed (June 2013) that advances of Rs.39.93 crore made to various LACs for acquisition of land for various sewerage schemes, were not placed in the MPWA resulting in non-monitoring for the recovery of balance funds. Further, other records to monitor adjustment of such advance payments were not maintained.

Two cases of inadequate monitoring of advances to LACs are as follows:

➤ Rs.2.34 crore was deposited with LAC, Panipat on 26 February 2009 for acquisition of land for construction of STP at Samalkha against which award dated 25 June 2009 for Rs.2.39 crore was given. Out of this, Rs.75.36 lakh was disbursed to various land owners as land compensation. However, this award was quashed by the Punjab and Haryana High Court on 14 June 2010. The PHED filed a writ petition which was dismissed (18 March 2011). Balance amount of Rs.1.59 crore was utilized by the LAO against another award dated 26 April 2013.

Payment of Rs.75.36 lakh made to the land owners had not been recovered so far (June 2013) despite quashing of the award on 14 June 2010. LAC replied (13 June 2013) that

EE Panipat had not made available the copy of dismissal of writ petition. The reply indicates lack of co-ordination between LAC and EE of the division. The EIC stated during exit conference that the EEs and SDEs concerned had been directed to contact the LAC for the recovery of the amount as early as possible.

➤ Rupees 1.50 crore was deposited (7 September 2011) by EE, PHE Division II, Rewari with the LAC Rewari for acquisition of land for STP and other disposal works. Land could not be acquired due to opposition from the owners of the land (Builders). Later on, the MC, Dharuhera handed over six acre of land free of cost. Neither the EE had asked the LAC to refund the deposited amount nor the LAC refunded the amount. As a result, the amount was lying unutilised with LAC for more than 22 months (August 2013). The EIC stated during exit conference that the matter had been taken up with Sub Divisional Officer (SDO) (Civil)-cum-LAC, Rewari for refund of the amount.

The department in its written reply stated as under:-

The matter is being regularly pursued with the DRO-cum-LAC, Panipat for recovery of Rs.75.36 lacs. Out of which Rs.50.00 lacs have been received till date leaving a balance of Rs.25.36 lac. Further, the correspondence for recovery of balance payment is being made with the DRO-cum-LAC, Panipat by the EE PHED No 2 Panipat and it will be recovered as early as possible. A D.O. was written to DC Panipat on 13.02.2015 by PSPHE to direct the DRO Panipat to refund the balance amount to the concerned EE at the earliest. The DRO-Cum-LAC, Panipat has been reminded to recover the balance amount of Rs.25.36 lac from the Land Owners vide EE. No 2 Panipat memo No 7824 dated 09/05/2017.

SDO (Civil), Rewari has refunded the payment of land of Rs.1.89 crores with interest and EE No.2 Rewari PHED has deposited the same into treasury vide challan No 0020043307 dated 26/07/2016.

In view of the above, sub-para may be dropped please.

The Committee has recommended that the matter be got inquired into within a month and inquiry report be submitted to the Committee as well as Principal Accountant General, Haryana.

[5] 3.12 Unfruitful expenditure on incomplete water supply scheme:

Water works constructed by spending Rs.74.32 lakh at Nathusari Chopta in Sirsa District remained unutilised due to non-construction of inlet channel:

Paragraph 10.1.3 of PWD Code provides that while preparing the estimate of any project, the site shall be inspected to ascertain field conditions including availability of land. Paragraph 10.7.2 of the Code inter-alia further provides that while taking up work of water supply schemes, the preparation of detailed project report including feasibility study is required to examine a proposal from technical, financial and other parameters.

The State Sanitary Board, Haryana approved (May 2006) an estimate amounting to Rs.85.30 lakh for providing independent water works at Nathusari Chopta in Sirsa district on the demand of village residents. Raw water for water work was

proposed from Kutiana Distributory for which a provision of 7,200 feet long 12" internal dia (i/d) reinforced cement concrete (RCC) pipe channel was to be made. The construction of channel was proposed along existing road and common paths for which acquisition of land was not required. The work was allotted to a contractor in February 2007 at an agreement amount of Rs.69.75 lakh with the completion period of nine months that was upto November 2007. The contractor completed the work to the extent of Rs.50 lakh upto February 2009 and left the balance work incomplete as the farmers refused to give the land free of cost for laying inlet channel. A total expenditure of Rs.74.32 lakh was incurred on the work upto July 2010 and it was lying abandoned since February 2009.

Thereafter, the State Sanitary Board approved (June 2011) a revised estimate amounting to Rs.1.30 crore, technical clearance of which was still awaited. In the revised estimate, the source of raw water was changed from Kutiana Distributory to Baruwali Distributory due to non-availability of land and less discharge and provision was made to acquire land for laying of inlet channel from the new source. After being pointed out in audit, the Executive Engineer on 24 July 2013 submitted a proposal to DRO, Sirsa to issue notification under Section-4 for acquisition of land.

It was observed that the above work was taken up without conducting any feasibility study and ensuring availability of land for construction of inlet channel due to which the work was lying abandoned since February 2009. Thus, improper planning made an investment of Rs.74.32 lakh unutilised besides denying the intended benefits of the scheme to the inhabitants.

The Principal Secretary, Public Health Engineering Department in his reply (July 2013) intimated that land acquisition papers for the proposed inlet channel were being processed through District Revenue Officer, Sirsa and after acquiring land the work of construction of inlet channel would be undertaken. Thus, the fact remains that the structure of water works constructed by spending Rs.74.32 lakh, had not served the intended purpose due to ill planning.

The department in its written reply stated as under:-

The State Sanitary Board Haryana had approved an estimate amounting .85.30 lakh for Providing Independent water works at village Nathusari Chopta in District Sirsa on the demand of residents of this village. The work was allotted with start date reckoned w.e.f. 28.02.2007 with a time limit of nine months and the work was completed except the inlet channel and some miscellaneous works by incurring expenditure of Rs.73.74 lakh upto 31.03.2010. Due to increase in the scope of work and higher tender rates, the revised estimate amounting Rs.130.00 lakh was approved by the State Sanitary Board Haryana on dated 04.05.2011. The inlet channel was to be laid from Kutiana Distributory to the proposed water works having 7200' length as per original estimate. Some part of the inlet channel was to be constructed in the private land and the land owners were ready to give their land free of cost at that time. But later on at the time of construction of inlet channel, the land owners refused to give their land for construction of channel even with the cost. Moreover, the discharge and gradient of the Kutiana Distributory was not sufficient to fill the water works. Therefore, proposal for laying of inlet channel has been changed from Baruwali Distributory to

the proposed water works having length 8570 ft. The land for laying of proposed inlet channel could not be acquired.

Now, revised estimate for balance scope of work for providing independent water works at Nathusari Chopta at District Sirsa has been approved in the WSSB meeting held on 27.04.2017 under CM Announcement Code No.15120 Dated 16.10.2016.

All the scope of work as per previous estimate could not be completed within the sanctioned amount due to the reason that RCC inlet channel was to be laid from Kutiana Distributory to proposed water works in a length of 7200 ft.

As per revised estimate, the rising main will be laid along the existing road/ common public path from Baruwali Distributory in place of Kutiana Distributory. Hence land for the construction of the raw water channel is not required to be acquired. The land for the construction of raw water pumping station will be given by the Gram Panchayat free of cost for which the necessary resolution has been passed by the Gram Panchayat. Now, there is no need to acquire land and it will save a lot of money and the scheme will be commissioned by 31.12.2017 without any investment on land acquisition.

In view of the circumstances explained above, the para may kindly be got dropped.

The Committee has recommended that vigorous efforts be made to make the water supply scheme functional by December, 2017, as promised by the Department under intimation of the Committee.

[6] **3.14 Miscellaneous Public Works Advances:**

Rs.213.18 crore was outstanding in Miscellaneous Public Works Advances which was mainly due to non-adjustment of advances of Rs.127.62 crore even after receipt of material/services, non-recovery of Rs.27.51 crore from contractors and Rs.1.55 crore from officers/officials.

Miscellaneous Public Works Advance (MPWA) is a transitory suspense head under which items are recorded temporarily and are cleared either by actual recovery or by transfer to relevant head of account under proper sanction of the competent authority. There were huge outstanding balances in MPWA in March 2008 for which a mention was made in paragraph 4.5.2 of the report of the Comptroller and Auditor General of India for the year ended 31 March 2008 (Civil). The Public Accounts Committee recommended (March 2012) that the departments should make efforts for early settlement of pending amount and expedite the cases under arbitration. However, during scrutiny of monthly accounts of March 2013 submitted by divisions of all the three departments, Audit observed that an amount of Rs.213.18 crore lying outstanding under MPWA against suppliers, contractors, officers/officials and other departments. The reasons for accumulation of huge outstanding balances under MPWA were examined by selecting 74 divisions out of 201 divisions in all three departments. Position of outstanding balances of the three departments as of March 2008 as well as of March 2013 is depicted in Table 3.14.1.

Table 3.14.1: Position of outstanding balances of MPWA**(Rs. in crore)**

Description	Irrigation	B&R	PHED	Total	Irrigation	B&R	PHED	Total	Increase
	As of March 2008				As of March 2013				
Position in the department	94.74	41.95	44.16	180.85	31.81	131.67	49.70	213.18	32.33
Position of test-checked 74 Divisions	8.37	24.85	33.61	66.83	29.21	109.88	43.68	182.77	115.94

(Source: Monthly accounts submitted by the divisions)

There were Rs.182.77 crore outstanding against 1,660 items in the 74 test-checked divisions as of 31 March 2013. Out of these 1,080 items involving Rs.26.07 crore were more than ten years old. During test-check records of 74 divisions following shortcomings were noticed:

(i) Non-adjustment of outstanding balances:

It was noticed in test checked divisions that out of Rs.182.77 crore shown outstanding in the MPWA (31 March 2013), Rs.127.62 crore were outstanding against suppliers/firms and other departments on account of non-adjustment of payment made in regard to electricity charges, acquisition of land, etc; as detailed in **Table 3.14.2.**

Table 3.14.2: Accumulation of MPWA due to non-adjustment

Name of Division	Outstanding balance as on 31 March 2013 (Rs. in crore)	Date of Advance	Purpose of Advance	Reasons for non-adjustment
Public Works Department (B&R)				
Provincial Division Panipat	81.32	Running account balance	Procurement of bitumen for all divisions of the Department	Material received but not adjusted in MPWA due to non-Adjustment of accounts Amongst various divisions within the department
Public Health Engineering Department				
PHE Division Panchkula	16.12	March 2002	Payment of outstanding energy charges	Non-adjustment of accounts amongst various divisions of the department
PHE Division Panchkula	5.30	1992-93	Payment of outstanding energy charges	Non-adjustment of accounts amongst various divisions of the department
PHE Division No.1 Rewari	3.82	June 2010	Payment of Charges	Non-adjustment of payment against various water works due to lack of co-ordination amongst Sub Divisional Offices
PHE Division 1 Bhiwani, D&P Sonapat and PHED Panchkula	0.57	Between March 2004 and July 2011	Procurement of Cement	Drafts were prepared showing utilisation of LOC but cement was not actually Procured

Irrigation Department				
Water Services Divisions I and II, Rewari and Mohindergarh Canal Water Services Division, Charkhi Dadri	15.72	March 2010 to June 2011	Acquisition of land	Land awards were made during January 2010 to October 2011 but amounts were not adjusted in MPWA
Water Services Division, Jagadhari	4.77	February 2009 and December 2011	Construction of RCC Box Railway Bridge on the Shahpur Nalvi Feeder	Not adjusted as the department failed to get the completed from Railways
Total	127.62			

(Source: Information supplied by divisions concerned)

After pointed out by Audit two Divisions cleared Rs.12.29 crore. The action on remaining items was awaited (January 2014).

(ii) Non-recovery of penalties from contractors:

An amount of Rs.27.51 crore was outstanding against 315 contractors on account of liquidated damages, cost of left out works got executed at their risk and cost, etc. Out of these, Rs.7.54 crore were outstanding in 209 cases for more than five years. On being pointed out in audit, the department intimated (June and July 2013) that these items were outstanding due to non-finalization of bills, arbitration and court cases, non-functioning of agencies in division/circle and in old cases whereabouts of the contractors/agencies were not known. The fact, however, remains that concrete efforts were not made by the departments to clear the MPWA balances either by actual recovery/adjustment or by getting the balances written off from Government.

The Executive Engineer, Provincial Division No. 4, Rohtak placed Rs.12.17 crore in MPWA for want of recovery from an agency in January and April 2009 on account of liquidated damages for non completion of three works. The Government accorded approval (May 2013) to file a civil suit in the Court for recovery of the amount which was yet to be filed (February 2014).

(iii) Non-recovery from officers/officials:

An amount of Rs.1.55 crore was outstanding in 522 cases against officers/officials of the three departments on account of shortage of material, unauthorized payments, excess payments, telephone charges, etc. Out of 522 cases, 479 cases involving Rs. 0.90 crore were pertaining to period before March 2008. Thus, the departments had not taken timely action against the officers/ officials concerned for recovery of outstanding amounts.

(iv) Other shortcomings:

➤ There were negative balances of Rs. 1.40 crore against 67 items in 18 Divisions mainly due to wrongly crediting of receipts to MPWA, showing the excess receipt of material, etc. EIC, PWD (B&R) intimated (October 2013) that such items were being investigated and proper adjustment would be made soon.

➤ By not complying with the provisions of Article 57 of Account Code Volume III, the advance payment made to LAOs were irregularly being charged to the works concerned

instead of keeping in MPWA in five divisions and Rs.7.42 crore refunded by the LAOs were deposited as miscellaneous receipts of the department instead of reducing the expenditure on works concerned. This resulted in inflated figures of revenue receipts of State Government as well as inflated expenditure on works.

➤ The system of monitoring had not proved effective as the reports submitted by the Executive Engineers merely indicate the increase and decrease in balances, old items involving substantial amounts were not cleared and effective steps were not taken to affect recovery from officers/officials. Only in Irrigation Department a monitoring cell was established and position was being reviewed through the quarterly progress report as well as by holding meetings with field staff which helped to contain the MPWA considerably.

The matter was referred to the Government in August 2013 but reply had not been received. However, during exit conferences (September and October 2013) the Principal Secretaries, Public Works (B&R), Irrigation and Public Health Engineering departments ensured that efforts were being made to recover/adjust the amounts outstanding in the MPWA for which all the field offices had been sensitized towards these outstanding amounts and directed to initiate immediate action regarding making recoveries/adjustments of outstanding amounts.

The department in its written reply stated as under:-

It is submitted that the latest position of outstanding balances of MPWA relates to this department is as under:-

Sr. No	Name of Divn.	Total Amount	Recovered	Rs.in lac.
				Balance Amount
1	No 1 Bhiwani	22.83	00.00	22.83
2	No 2 Bhiwani	29.90	4.70	25.20
3	Tosham	1.34	0.00	1.34
4	Ch. Dadri	253.87	127.36	126.51
5	No 1 Panipat	22.23	19.71	2.52
6	No 2 Panipat	25.24	00.00	25.24
7	Panchkula	3121.91	912.72	2209.19
8	No 1 Rohtak	175.64	175.64	000.00
9	No 2 Rohtak	2.59	2.59	0.00
10	No 3 Rohtak	0.37	0.37	0.00
11	No 1 Rewari	404.51	382.21	22.30
12	Kosli	3.48	3.48	0.00
13	GWI Sonapat	1.96	0.50	1.46
14	No 2 Sonapat	187.53	127.36	60.17
15	D&P Sonapat	45.63	45.63	00.00
16	No 1 Gohana	34.80	34.80	00.00
17	No 2 Y. Nagar	34.03	34.03	00.00
	Total	4367.86	1871.10	2496.76

EE. Panchkula

Regarding outstanding amount of Rs.16.12 Crore:-

In this context it is submitted that amount of Rs.25.00 Cr., Rs.15.00 Cr. Paid to UHBVNL, Panchkula and Rs.10.00 Crore to DHBVNL, Hisar out of which only Rs.8.88 Cr. has been adjusted till date and balance of Rs.16.12 Cr. is yet to be cleared. The matter is under correspondence and vigorous efforts are being made to clear the outstanding amount.

Regarding Procurement of Cement:- SE Bhiwani

As per report by SE Bhiwani the draft has already been deposited and the point noted for future.

EE. D&P Sonapat

As per the record, the demand draft of Rs.5.00 lacs in the month of 07/2008, Rs.5.00 lacs in the month of 08/2008, 15.00 lacs in the month of 09/2008, 5.00 lacs in the month of 11/2008, 5.00 lacs in the month of 12/2008 & 5.20 lacs in the month of 03/2009 was prepared in favour of M/s Shree Cement. The total amount comes out to be 40.20 lacs. The cement of Rs.1000088/- was received in R/Stock for which transfer entry has been made in the month of 10/2012 vide transfer entry order No.2 & adjusted. The cement has been received vide GR No.14/271 dt.05.08.2008, 26/271 dt.01.10.2008, 45/271 dt.22.12.2008, 47/271 dt.19.01.2009, 01/53 dt.30.01.2009 & 45/53 dt.01.12.2009. The balance amount of Rs.3020000/- has been adjusted by making payment into treasury vide Challan Nos. 7/63714 amount 5.00 lacs dt.19.03.2013, 8/63715 amount 5.20 lacs dt.19.03.2013, 12/63727 amount 5.00 lacs dt.19.03.2013 & 11/63725 amount 15.00 lacs dt.19.03.2013. No amount is outstanding as on date as MPWA in favour of M/s Shree Cement.

EE. Panchkula

Regarding outstanding amount of Rs.5.30 Cr.:-

In this context it is submitted that the advance payment of Rs.20.15Cr was made during 04/1992 to 07/1993 to the erst while HSEB, Panchkula now Haryana Bijli Vitwan Nigam limited (HBVNL) out of which an amount of Rs.14,85,24,547.61 has been adjusted upto 08/1993 and for balance amount of Rs.5,29,75,452.39 say Rs.5.30 Cr, the electricity authorities have been requested to refund the same.

EE. No 1 Rewari

Payment of energy charges Rs.3.82 Crore.

It is intimated that the said amount of Rs.38210000/- on a/c of energy charges has already been adjusted in monthly account 10/2013 vide TEO No.1 dated 10/2013 as per direction of the Head Office.

It is submitted that the amount to Rs.34.76 lacs against officers /officials the outstanding recovery relates to this department .

The latest position is as under:-

				Rs. In lac
Sr. No	Name of officer/officials	Total Amount	Recovered	Balance Amount
1	Sh Om Parkash, SDE	2.50	2.50	0.00
2	Sh. R.C. Jain JE.	2.50	2.50	0.00
3	Sh. G.S. Boura SDE	29.76	0.00	29.76
	Total	34.76	5.00	29.76

SE Sonapat has intimated that Government vide memo No 3/69/2010-PH-1 dated 29-02-2016 has decided to file the complaint against Sh. G.S. Boora Executive (Now retired) after consideration.

It is submitted that 4 Nos divisions relates to this department amounting to Rs.1.53 crore in which 1.31 crore has been cleared and balance amount Rs.0.22 crore will be cleared shortly. The latest position is as under:-

Sr No	Name of Divn.	Amount	Recovered	Rs. In lac
				B. amount
1	Ch. Dadri	0.19	0.19	0.00
2	No 2 Panipat	0.62	0.40	0.22
3	No 1 Rohtak	0.45	0.45	0.00
4	Siwani	0.27	0.27	0.00
	Total	1.53	1.31	0.22

The Committee has desired that a detailed report in the case of non-recovery from the officers/officials of the department alongwith the details of the officer(s)/official(s), date of their retirement, amount outstanding and from when it is due, be submitted to the Committee before the next meeting.

[7] **3.5 Misappropriation, 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 of 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 *ibid*, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 144 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.60 crore on which final action was pending as of June 2013. 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 3.3.

Table 3.3: 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)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	20	34.40	Theft	96	80.93
5 – 10	40	45.20			
10.15	33	54.23	Misappropriation/ loss of material	49	79.52
15.20	11	06.89			
20.25	24	16.64	Total	145	160.45
25 and above	16	03.09	Cases of losses written off during the year	1	00*
Total	144	160.45	Total pending cases	144	160.45

* Measurement book theft

Reasons for pendency of cases are listed in Table 3.4.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	04	08.05
ii)	Departmental action initiated but not finalized	69	53.73
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending	14	08.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in Courts of Law	16	52.94
Total		144	160.45

Out of the total loss cases, 66 per cent cases related to theft of Government money. Further in respect of 50 *per cent* cases of losses, departmental action had not been finalized and 28 *per cent* cases were outstanding for want of orders of the competent authority for recovery or write off of losses. It was further noticed that out of 144 cases of losses due to the /misappropriation etc., 124 cases were more than 5 years old including 16 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	10	2,3,4 (i) (ii), (iii) 5,6,7,8,9,10 & 11
3	Pending	1	

The Committee has desired that the disciplinary proceedings be concluded in a time bound manner under intimation of the Committee.

URBAN LOCAL BODIES DEPARTMENT

[8] 2.2.6.1 Non-preparation of perspective and annual plans:

Planning is the main tool for development in the municipal area. It was, however, noticed that the selected municipalities had neither prepared annual plans nor perspective plan. Only annual budgets were prepared by the municipalities. As a result, the development works were not carried out in a systematic manner. In order to have better planning for carrying out development activities systematically, municipalities should prepare a long-term perspective plan.

The PS while admitting lack of preparation of perspective and annual plans during the exit conference assured that efforts would be made to prepare annual and perspective plans in future.

The department in its written reply stated as under:-

It is true that planning is the main tools for development in the municipal area. But, due to lack of capacity of municipal staff the prospective planning has not been done in many municipalities. The Govt. has decided for capacity building training of whole staff of all the ULBs in the State, so that work could be carryout in systematic manner. As assured in the exit conference that efforts would be made to prepared annual and perspective plans in future, the action has already been initiated by Govt. by providing training to the ULB staff. Once such capacity building was organized for ULBs Engineers/ officials at ESCI Hyderabad in which 7 officers/ officials participated (**Annexure 'A'**). The training was scheduled from 23.5.2017 to 25.5.2017.

Since, the Govt. has initiated the action, this para may be dropped.

The Committee has desired that as and when the plan of the department is ready, the Committee be informed accordingly.

[9] 2.2.7.1 Accounts of ULBs:

The maintenance of accounts of Municipalities is governed by the Municipal Account Code 1930. The Draft Municipal Account Code 2012 consistent with accounting format and codification pattern suggested by National Municipal Accounts Manual was notified in March 2012 for seeking comments from municipalities but the same had not yet been finalised.

As per provision contained in Para III-7 of the Municipal Account code 1930, a financial statement containing receipt and payment account, income and expenditure account, balance sheet for every year in respect of Municipality is to be prepared. But it was observed in audit that annual accounts in the shape of balance sheet were not being prepared by the Municipalities since their inception. Only monthly accounts showing receipts and payments were being prepared by the municipalities. Due to non-preparation of balance sheets, true and fair view of the state of affairs of ULBs could not be ascertained.

The department in its written reply stated as under:-

In this connection it is submitted that a meeting on 07.06.2017 under the Chairmanship of Director, Urban Local Bodies has been convened for the finalization of Draft Municipal Account Code 2012. In the said meeting a direction has been given to the Chartered Accountant regarding incorporation of suggestions received from the municipalities. He has been directed to incorporate the said amendments. Next meeting will be held on 18.07.2017 for discussion/finalization of the suggestions received from municipalities upto 17.07.2017. Thereafter, Chartered Accountant will be directed to incorporate all the suggestions in the Municipal Account Code for taking final decision in order to put up before the Cabinet of the State for enactment.

The Committee has desired that the report in the matter be submitted to the Committee within a period of one month.

[10] 2.2.7.2 Financial performance:

Details of sources of funds and expenditure thereagainst by municipalities as reported by the Director, ULBs Department is given in Table 2.2.1.

Table 2.2.1: Details of sources of funds and expenditure

(Rs. in crore)

Year	Opening Balance	Income from own sources	Grants received	Loans	Miscellaneous Income	Total funds Available	Expenditure	Closing Balance
2008-09	281.02	433.92	196.33	1.80	48.00	961.07	202.09	758.98
2009-10	758.98	376.46	240.40	1.05	212.00	1,588.89	517.68	1,071.21
2010-11	1,071.21	636.14	242.20	77.36	105.08	2,131.99	949.14	1,182.85
2011-12	1,182.85	890.85	537.28	42.97	147.34	2,801.29	1,244.18	1,557.11
2012-13	1,557.11	1,079.67	1,392.55	Nil	NA	4,029.33	2,235.28	1,794.05

Source: Data supplied by the Urban Local Bodies Department Haryana

The closing balances were increasing due to non-completion of development works by municipalities as discussed in succeeding paragraphs of the Report.

While accepting the facts, the PS stated during the exit conference that the unspent funds were lying with some of the municipalities due to extra source of income for some Urban Bodies on account of share of stamp duty and other receipts such as grants from State Finance Commission and Central Finance Commission, etc. It was further stated that funds of the municipalities were not inter-transferable.

The department in its written reply stated as under:-

Unspent funds were lying with some municipalities due to non-completion of development works because of lack of capacity to execute the development works at required pace. In most of the ULBs, there was acute shortage of staff and they were not able to spend the funds available with them in time. Hence, the closing balance kept increasing year by year. The Govt. has created some addition post and has made efforts to fill the sanction post in ULBs by way of promotion and by way of deputation. In all the municipal corporation post of SE's

has been created in addition to the post of Execution Engineers and Assistant Engineers. Similarly, efforts are being made to fill all the vacant post in the ULBs and till regular appointment is made the ULBs have been allowed to keep the staff through outsourcing policy, so that development works are executed at required pace.

As assured the in the exit conference that efforts would be made to spent the grants on development works in future, the action has already been initiated by Govt. by providing training to the ULB staff. Once such capacity building was organized for ULBs Engineers/ officials at ESCI Hyderabad in which 7 officers/ officials had participated (**Annexure 'A'**). The training was scheduled from 23.5.2017 to 25.5.2017.

Since, the Govt. has initiated the action, this para may be dropped.

The Committee has desired that complete details regarding this para be submitted to the Committee at the earliest possible.

[11] **2.2.7.3 Non-recovery of supervision charges:**

As per provisions contained in Section 57 of the Haryana Municipal Act, 1973, each municipality was to deposit an amount equal to one *per cent* of its annual income with the Director, ULBs for the purpose of advising, assisting and supervising the work of municipalities.

Supervision charges amounting to Rs.13.80 crore were pending for recovery from the municipalities. The Department had not taken concrete steps to recover the amount as the amounts were outstanding even for more than 17 years.

The PS while admitting the facts during Exit Conference stated that necessary instructions would be issued to all municipalities for depositing the outstanding supervision charges at the earliest without failure.

The department in its written reply stated as under:-

In compliance of this para, each municipality was requested to deposit an amount equal to one per cent of its annual income. Out of Rs.13.80 crore, Rs.5.00 crore has been recovered from municipalities for the balance amount, concerned MCs has been directed to deposit the said amount vide this office letter dated 05.07.2017(**Annexure 'B'**).

The Committee has desired that sincere and pragmatic efforts be made to make the recovery at the earliest possible under intimation of the Committee.

[12] **2.2.7.4 Diversion of grants:**

As per sanctions issued by the Government, funds received from Central Finance Commission (CFC), receipts from surcharge on VAT, and State Finance Commission (SFC) were to be utilized for development works. As such, payments of salaries, wages, etc. out of these funds were not to be made.

Audit, however, noticed that an amount of Rs.7.69 crore was utilized towards payment of salary/wages of staff, DCRG, leave encashment, LTC, audit fee, etc. during 2010-13 out of these funds by seven municipalities (Appendix 2.3).

The PS while admitting the facts during exit conference directed all the DCs to issue instructions to all municipalities under their jurisdiction not to divert funds without their prior permission.

The department in its written reply stated as under:-

Hansi:- The financial position of MC was not sound at that time. In a meeting of DULB held at Karnal oral order was given to pay the arrear of 6th Pay Commission and wages of sanitation staff amounting to Rs. 19.20 lakh from the VAT grant. If the oral order is not confirmed MC Hansi will recoup this fund of Rs. 19.20 lakh to the Vat grant. MC Hansi has been directed to recoup the said amount vide this office Memo No. BA-2/2017/4114 dated 06.07.2017 (**Annexure 'C'**). hence it is requested that para may please be dropped.

Faridabad:- It is clarified that the CFC grant letter received from the Govt. accompanied a UC performa in which head of expenditure were mentioned., details of heads are as follows:-

Sr.No.	Particular
1	Water Supply
2	Sanitation
3	Solid Waste Management
4	Drainage
5	Governance
6	Transporation
7	Salary and wages
8	Strengthening Fire Service
9	Strengthening local fund audit department
10	Other

Thus, according to the performa, the utilization certification after getting it verified from the audit was sent to the government. Thus, the municipal corporation did not make diversions from the fund of CFC Grant at its own level.

MC Faridabad has been directed to recoup the said amount vide this office Memo No.BA-2/2017/4114 dated 06.07.2017. So it is requested to drop para no. 2.2. 7.4.

Bawal:- VAT (13.58 lacs), a sum of Rs. 13.58 lacs relate to M.C Bawal as per appendix 2.3 the detail is given as under:

Audit fees for 2011-12=2.33 lacs

Director, ULB=1.06 lacs

Pension Share=1.66 lacs

1% share of Director ULB=8.53 lacs

It is submitted that sufficient amount is lying credit in MC. Fund, A sum of Rs. 13.58 lacs has been transferred to surcharge on VAT grant vide cheque no 343905 dated 12.11.2013 to recoup the said amounts. Hence the Para may please to dropped.

SFC (2.00 lacs):- Payment of loan to Haryana slum clearance board- 2.00 lacs (as per appendix 2.3)

In 2009-10 MC Bawal was allotted the grant of SFC for Rs. 5,00,000 but payment was done to Haryana slum clearance board for the Rs. 2,00,000 by the Directorate Office & then the remaining 3,00,000 for the grant of State Finance Commission was transferred in favor of MC Bawal from Directorate ULB via Cheque no 019716 dated 22.07.2009. so MC Bawal only received Rs. 3,00,000 for the grant of SFC from the Directorate & it has utilized the amount for Rs. 3,00,00 as per Govt. Instructions only. Hence this para may please be dropped.

Jhajjar:- As per guideline for C.F.C scheme, the salary of Municipal Committee staff can be given. Due to shortage of Municipal funds the salary of sanitation worker and other staff was paid out of CFC. Payment of street light can also be made as per guideline of VAT Scheme. Payment of salary and street light were made in extra ordinary condition in unavoidable circumstances due to critical financial condition of MC. MC Jhajjar has been directed to recoup the said amount. So keeping in view of these factual conditions para may be dropped please.

Ratia:- The amount of 29.59 lakh rupees received from the Central Financial Commission grant fund, were spent in payment of the salary, leave encashment, Gratuity etc by the Municipal Committee, Ratia. If payment of salaries, leave encashment, Gratuity etc. is not made on time to employees then there could be a possibility of employee protest, court case. Therefore, in view of these situations, the municipal committee had to pay the salary encashment, gratuity, LTC etc from this amount. As soon as the committee receives the amount from Stamp Duty, House Tax, Rent, etc, the said amount will be recouped to the grant account.

Tohana:- As per terms and conditions containing letter no 6/7/2011-4C-1 dated 24.06.2011 from Financial Commissioner and Principal Secretary to Govt. Haryana ULBD for development.

Rs. 40 Lacs reserved for employee's pension share and other liabilities duly signed by RAO Municipal Council, Tohana. However, the instructions dated 2011 clearly indicates that funds granted under Vat Grant can be used on the salary of sanitation staff. MC Tohana has been directed to recoup the said amount. Hence Para may please be dropped.

Fatehabad. It is submitted that in the year 1999 octroi charges was abolished by the Government and VAT charges were introduced. Before introduction of VAT, the income from the octroi charges were to be used in payment of staff salary etc. the grant received from VAT is spent on development works. In case of court cases and non availability of MC fund, payment of salary etc is made from VAT grant. Income sources of MC Fatehabad is very less and street light bill, misculnisation expense of Gaushala etc comes to Rs. 50.00-60.00 lakh. payment of salary to the employees is necessary and nonpayment of electricity bill, connection of street light is discontinued by the electricity department. To avoid

this situation electricity bill are paid and on availability of MC fund the amount taken from other grants is recouped. In a meeting held in karnal oral order was given that on non availability of MC fund salary and retrial benefits may be paid from the VAT grant. In this matter the then accountant of MC ratia also inform that they are paying salary from VAT grant. The amount received for a particular work under VAT grant it is spent for that particular work only. This payment is being paid to avoid court cases. This amount is spent with the approval of Executive Officer, Chairman and Administrator who exercise financial powers. As per order given during meeting this expenditure has been stopped from the Vat grant. On non availability of MC fund. The amount is taken as a loan from VAT and recouped on availability of MC fund. In addition to this, according to 13th Finance Commission and 14th Finance Commission there is provision of city cleanness which was spent from CFC grant. 124 safai karmachari are working on Contract basis. These wages are being paid from MC fund.

Under CFC grant expensive on establishment, development, audit fee etc has been made as per government letter dated 23.09.2010. under solid wage management the amount transferred and spent for other works has been recouped. Hence the para may be please dropped.

The Committee has desired that some mechanism be evolved to increase the income of the municipal bodies in the State and the grants diverted be recouped at the earliest under intimation of the Committee.

[13] **2.2.7.5 Split-up of estimates:**

Split-up of estimates to avoid sanction of higher authorities is not permitted under the Municipal Account Code and the Haryana Municipal Works Rules.

Municipal Corporation, Hisar spent (2008-09) Rs.6.39 crore (received under the Local Area Development Tax scheme) for construction of CC roads in the industrial area. It was noticed that instead of preparing a single detailed estimate for the work and getting technical sanction from the Director, ULBs, 229 different estimates were prepared by keeping the amount of each estimate below Rupees three lakh. The amount of each estimate was kept within the competence of Municipal Engineer to avoid sanction of higher authorities. Besides, the agencies executing the works of high value were deprived of participating in the tendering process.

The DC, Hisar while admitting the facts during the exit conference assured that such things would not be allowed to be repeated in future.

The department in its written reply stated as under:-

The works in MC Hisar were executed after taking approved of competent authority. The works were related with construction of streets of different colonies and the house of council & president of council approved these works being the competent authority, as per Haryana Municipal Act, 1982. These works have been executed in the year 2008-09 and it cannot be reverted back. It is also mentioned that staff available in the Municipal Council was not competent to deal

with big projects due to lack capacity of staff and big projects often went in litigation which results in financial loss to councils, most of the works were related to construction of street paving and construction of drain and each street was a separate unit and the schemes were approved by the competent authority i.e the house of council. No financial loss had accrued in these cases. However, the Govt. has taken steps to avoid the splitting of the estimates by creating additional posts and has made efforts to fill the sanction post in ULBs by way of promotion and by way of deputation. In all the municipal corporation the post of SE's have been created, in addition to the posts of Executive Engineers and Assistant Engineers. Similarly, efforts are being made to fill all the vacant post in ULBs and till regular appointment is made the ULBs has been allowed to keep the staff through outsourcing policy, so that development works are executed at required pace.

In addition to this, in the ease of doing business the Govt. has authorized to grant/accord technical sanction of the estimates from nearby competent authority by issuing letter No. TA/DULB/2016/5032, dated 27.07.2016 (**Annexure 'D'**). Since, the Govt. has already been taken steps to avoid the splitting of estimates and no financial loss has occurred to MC Hisar in this case, this para may be dropped.

The Committee has recommended that responsibility of the erring officers/officials in the matter be fixed within a period of three months and action taken report be submitted to the Committee.

[14] **2.2.8.1 Non-recovery of regularisation charges:**

The State Government had regularised (December 2004) unauthorised colonies falling within the jurisdiction of Municipal Corporation/Council/Committee in the State. Under the provisions contained in Section 203A of the Haryana Municipal Act, 1973 and instructions issued while regularizing these unauthorised colonies, regularization charges at the rate Rs.120 per sq. yard in the case of Municipal Council and at the rate of Rs.80 per sq. yard in the case of Municipal Committee were to be recovered from the residents who had already constructed their houses in these colonies.

Test check of records of municipalities showed that recovery of regularisation charges had not been made from the concerned residents (March 2013). Demand notices had not been issued to the owners for making payment of these charges even after lapse of a period of more than eight years. Further, no action has been initiated to recover the amount as arrears of land revenue as provided under Section 98 of the Act. As a result of this, revenue of Rs.170.40 crore remained unrecovered from house owners of regularized colonies since December 2004 in respect of 10 municipalities (**Appendix 2.4**). Records were not maintained in this regard by the remaining nine selected municipalities.

The PS while admitting the facts during the exit conference directed the DCs to issue notices to house owners for deposit of regularization charges, failing which action to disconnect their water supply, sewerage and electricity connections be initiated.

The department in its written reply stated as under:-

Sr. No.	Name of MC	Total Built-up area (in sq. yards)	Rate per sq. yards (In Rs.)	Amount to be recovered (Rs. In Crore)	Amount recovered by Municipality (Rs.in Crore)	Justification given by Municipality																														
1	Fatehabad	22.70	120	27.24	5.40	<p>Rs.540.40 lacs have been deposited up to March 2017 as Development Charges. Efforts are being made to recover the balance amount.</p> <p>Year wise details of Development charges:</p> <table><tr><th>Year</th><th>Amount (in Rs.)</th></tr><tr><td>2004-05</td><td>1680594</td></tr><tr><td>2005-06</td><td>2311136</td></tr><tr><td>2006-07</td><td>1093863</td></tr><tr><td>2007-08</td><td>2572329</td></tr><tr><td>2008-09</td><td>2966909</td></tr><tr><td>2009-10</td><td>4920298</td></tr><tr><td>2010-11</td><td>5689838</td></tr><tr><td>2011-12</td><td>12406517</td></tr><tr><td>2012-13</td><td>6981725</td></tr><tr><td>2013-14</td><td>3811922</td></tr><tr><td>2014-15</td><td>2751530</td></tr><tr><td>2015-16</td><td>3880813</td></tr><tr><td>2016-17</td><td>2972302</td></tr><tr><td>Total</td><td>54039806</td></tr></table>	Year	Amount (in Rs.)	2004-05	1680594	2005-06	2311136	2006-07	1093863	2007-08	2572329	2008-09	2966909	2009-10	4920298	2010-11	5689838	2011-12	12406517	2012-13	6981725	2013-14	3811922	2014-15	2751530	2015-16	3880813	2016-17	2972302	Total	54039806
Year	Amount (in Rs.)																																			
2004-05	1680594																																			
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2006-07	1093863																																			
2007-08	2572329																																			
2008-09	2966909																																			
2009-10	4920298																																			
2010-11	5689838																																			
2011-12	12406517																																			
2012-13	6981725																																			
2013-14	3811922																																			
2014-15	2751530																																			
2015-16	3880813																																			
2016-17	2972302																																			
Total	54039806																																			
2	Tohana	17.97	120	21.56	8.6380.	<p>The Govt. decided to withdraw the sanction accorded to regularize unauthorized colonies vide Director Urban Development Haryana Memo No.CTP/02/2710-49 dated 15-1-2003 (Annexure 'E') and further regularized the unauthorized colonies vide memo No. CTPA/A-III/2004/50068-86 dated 17.12.2004 (Annexure 'F'). In this letter it was directed to sanction the building plans in these colonies by charging development/ regularization charge @ Rs. 120/sq yd and Rs.80/sqyd. for the municipal councils and Municipal committees respectively. At the time of issuance of this letter Tohana was Municipal Committee. These Directions were only for sanctioning of the building plans but there was no direction to recover development/ regularization charges from the existing building plans. The building plans in these colonies are being sanctioned by depositing development charges as per directions. However this office has collected development charges to the tune of Rs.8,63,80,551/.</p>																														
3	Ratia	5.52	80	4.42	1.7617	<p>Vide DULB memo no. CTP/A-III/2004/50068--86, dated 17.12.2004, 9 colonies within MC Ratia had been regularized and from time to time development charges of Rs. 1,76,17,862 are being levied with building plans.</p>																														
4	Hisar	22.70	120	27.24	11.40	<p>The audit party has pointed out Rs. 27.24 Crore for non-recovery of development/ regularization charges of 33 no. colonies by showing total built up area 469.02 Acre i.e. 2270056 sq. yards @ 120 per yards.</p> <p>On scrutinized the above case it has been found that total area of Santro enclave colony has been shown 165 Acre and built up area 132 Acre @ 80%, whereas actual total area of Santro enclave is 30 Acre and built up area @ 80% i.e. 24 Acre.</p> <p>As per record, there are 32 no. colonies which were regularized instead of 33 no. colonies and total built up area of 32 no. colonies 361.02 Acre i.e. 1747336.80 Yards and amounting to Rs. 20,96,80,416/- at the rate Rs.120/- per yards (Annexure 'H'). A sum of Rs. 11.40 Crore has been recovered up to 31.03.2017 from the concerned residents and further efforts are being made to recover the balance amount of development charges, hence the para may be settled please.</p>																														

5	Hansi	23.01	120	27.61	4.8854	निदेशालय के पत्र क्रमांक सी0टी0पी0/ए-III/2004/50068-86 दिनांक 17-12-2004 में कलोनियां नियमित करते समय निम्न निर्देश दिये गये थे कि "The Building plans in these colonies may be sanctioned by the Municipalities in accordance with Municipal building bye laws 1982 by charging development/regularization charges @ 120/- per sq. yds." यहां यह भी स्पष्ट किया जाता है कि सरकार के आदेशों की अनुपालना में नगर परिषद, हासी द्वारा नक्शा स्वीकृति करते समय विकास चार्जिज लिये जा रहे हैं । The development charges recovered till 30.4.2017 is Rs. 4,88,54,518/-																				
6	Narnaund	0.12	80	0.10	0.863	As per issued instructions developments/ regularization charges are to be levied @ Rs. 80 per sq. yd. In compliance of instructions Rs. 8.63 lakhsh as been recovered till date. Therefore the para may be dropped.																				
7	Bahadurgarh	26.04	120	31.25	13.6799	It is to inform that colonies within MC Bahadurgarh limit were regularized in year 2004. The MC has recovered Rs. 13,67,99,946 as Development charges from year 2004 to 2014.																				
8	Bawal	8.19	80	6.55	1.30	As per Appendix 2.4 of the Audit report, Municipal Committee Bawal is to be recovered Rs.6.55 Crores from 08 Nos. of colonies which were regularized in Dec.2004 by the State Govt. As per the record of Municipal Committee Bawal Rs.1.30 Crores of the Development Charge have been recovered in these regularized colonies. Efforts are being made for recovery of balanced regularization charges in colonies which were approved by the State Govt.																				
9	Rewari	16.86	120	20.23	8.95	In this para, a sum of Rs.20.23 crore pointed out by AG (Audit) Haryana relates to this office. It is submitted that development charges is required to be made from house owners of the colonies regularized by Government. The statement showing amount recovered by M.C. Rewari from 2005-06 to 2012-13 is attached herewith (Appendix-I) It is evident to statement that out of a sum of Rs. 20.23 crore outstanding against house owner on a/c of development charges Rs.8.95 Crore has been recovered from house owner during the year 2005-06 to 2012-13. The sincere efforts are being made to make recovery of balance amounts worth Rs.11.28 crore from house owners. Notices are being issued separately to each and every owner to who recovery be made. The progress in this matter shall be made submitted before next before next audit party.																				
10	Mohindergarh	5.25	80	4.20	4.86	Regularization charges of Rs. 4.86 Crore has been recovered by MC Mahendergarh. Year wise details as under: <table><tr><th>Year</th><th>Amount (in Rs.)</th></tr><tr><td>2005-2006</td><td>1314092</td></tr><tr><td>2006-07</td><td>6089596</td></tr><tr><td>2007-08</td><td>4252783</td></tr><tr><td>2008-09</td><td>3266092</td></tr><tr><td>2009-10</td><td>5086879</td></tr><tr><td>2010-11</td><td>10281371</td></tr><tr><td>2011-12</td><td>11053975</td></tr><tr><td>2012-13</td><td>7253575</td></tr><tr><td>Total</td><td>48598363</td></tr></table>	Year	Amount (in Rs.)	2005-2006	1314092	2006-07	6089596	2007-08	4252783	2008-09	3266092	2009-10	5086879	2010-11	10281371	2011-12	11053975	2012-13	7253575	Total	48598363
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Total	48598363																									

The Committee has recommended that some mechanism be evolved so that maximum recovery on account of development charges in all the municipalities in the State be made.

[15] **2.2.8.2 Non-recovery of Service Tax on rental receipts:**

As per Section 65(105) (zzzz) of the Finance Act 1994, the term taxable service for renting of immovable property service means any service provided or to be provided to any person, by any other person in relation to renting of immovable property for use in the course of furtherance of business or commerce. Immovable property includes renting, letting, leasing, licensing or other similar arrangements of immovable property. With the introduction of negative list from 1 July 2007, Section 66B prescribes levy of tax at the rate of 12 *per cent* on the value of services other than those specified in the negative list.

Scrutiny of records of municipalities revealed that shops/booths of the municipalities had been rented out on monthly rental basis. The municipalities were liable to pay Service Tax on the rent after collecting the same from tenants. It was noticed that six municipalities had neither collected Service Tax from tenants nor had deposited with the Central Excise, Custom and Service Tax Department as details given in Table 2.2.2.

Table 2.2.2: Details of Service Tax not collected

Name of Unit	Period	Amount of Rent collected (Rs. in lakh)	Service Tax not collected (Rs. in lakh)
Municipal Council,	June 2007 to September	64.34	7.59
Municipal Corporation,	June 2007 to November	108.46	13.41
Municipal Council, Hansi	June 2007 to March 2013	262.40	28.66
Municipal Council, Narnaul	April 2008 to March 2013	107.51	11.42
Municipal Committee,	April 2008 to March 2013	180.60	19.16
Municipal Committee,	April 2008 to March 2013	431.62	45.68
Total		1,154.93	125.92

Source: Data provided by municipalities

It was also noticed that Service Tax amounting to Rs.8.68 lakh for the period from October 2009 to June 2011 and Rs. 17.17 lakh for the period June 2007 to March 2011 was deposited by the Municipal Council, Fatehabad and Ratia respectively out of their own income without recovering the same from the tenants. This had resulted in loss to the municipalities. Further, due to delay in deposit of Service Tax, interest amounting to Rs.4.17 lakh had to be deposited (March 2013) by the Municipal Committee, Ratia.

The PS during the exit conference directed the DCs concerned to issue demand notices to tenants for deposit of Service Tax.

The department in its written reply stated as under:-

Narnaul- Arrear of service tax has been recovered from the tenant of the shopkeepers of MC and the Service tax is being got deposited in Govt. account on monthly basis. So the para may kindly be dropped.

Hansi- It is submitted that the rent as well as service tax on the rent of the shops which has been rented out, have recovered. So the para may kindly be dropped.

Fatehabad:-As per record of this Council old service tax which were not recovered from the tenants at that time. Now, out of which a sum of

Rs. 1652850/- has been recovered & deposited in the proper head vide cheque no. 16147 dated 08.11.2013 in axis bank, Fatehabad and there is no arrear of the service tax on old and new rent. Now the service tax @ 15% are being collected from the tenants every month with the rent and are being deposited in the proper head.

It has been confirmed by MC, Hisar, Kanina and Bawal that the recoveries have been made by them.

Therefore, the para may kindly be dropped.

The Committee has desired that all outstanding dues be recovered at the earliest possible under intimation of the Committee till then para is kept pending.

[16] **2.2.8.3 Non-availment of exemption from Service Tax:**

The Government of India, Ministry of Finance (Department of Revenue) vide their Notification dated 20 June 2012 exempted the services provided to a local authority by the manpower supplying agencies from Service Tax, where manpower was supplied to a municipality for sanitation purpose.

Scrutiny of records showed that despite exemption from service tax as stated above, 13 selected municipalities had not availed of exemption and paid Service Tax amounting to Rs.1.95 crore during July 2012 to March 2013 to the manpower supplying agencies for supply of manpower for sanitation purposes resulting in avoidable financial burden on the municipalities.

While admitting the facts during the exit conference, the PS directed the DCs to issue instructions to all municipalities to avail exemption from Service Tax on the staff outsourced for sanitation.

The department in its written reply stated as under:-

Dharuhera – At that time MC, Dharuhera was not aware of any such instruction/ notification from Government. As soon as Municipal Committee, Dharuhera of this notification (Government of India, Ministry of Finance) (Department of Revenue) vide their notification dated 20.06.2012 stopped the payment of service tax to the concerned sanitation manpower, Municipal Committee has notice to contractor who have availed Service Tax from Municipal Committee during July, 2012 to July, 2013. Efforts are being made for the recovery of services tax paid to the concerned agencies during July, 2012 to March 2013. So the outstanding para may kindly be dropped.

Narnaul- Service tax has been recovered from Oct, 2014 to upto date and the arrear of service tax has also been deposited in Govt. account. After observing the challan/record para may kindly be dropped.

Narnaund- The Govt. letter regarding non-payment of service tax to the contractor was not received. Now, the recovery of service tax amounting to Rs. 1,81,799/- on account of service tax on manpower services has been made from the contractor. Therefore, the para may kindly be dropped.

Ateli Mandi- It is submitted that the service tax was paid to the outsource agency for providing of manpower to the committee upto Oct, 2013. The service tax was stopped after April 2013 as the matter came to the notice of the Municipal authorities notices were given to the agencies but in their reply the agencies said that they have got deposited the service tax in to government account and it is not possible to refund the service tax at this stage. So it is requested that the amount of the para may kindly be dropped.

Rewari – In this para a sum of Rs. 14.66 lakh pointed out by AG (Audit) Haryana pertains to this office. It is submitted that the two nos. contractor were paid service tax as per detailed below:-

- 1- Sh. Dinesh Sharma-847960-00
 - 2- Sharma Labour Contractor-618015-00
- Total= 1465975-00

Both contractors have been asked to deposit the requisite amount on account of service tax vide this office memo no. 3344-45/Accts dated 8-11-13 and reminders issued time to time. The entire efforts shall be made to effect the recovery from contractors at earliest possible.

Jhajjar- Since the copy of notification regarding exemption of Service Tax on the sanitation related man power services was not received from the Govt. at the time of payment. In this regard the notification was obtained by the A.G. Audit Department after writing the clause exemption of service tax on sanitation men power contract services no payment of Service Tax on sanitation work was entertained by the municipality. And regarding the excess payment the shape of Service tax notice was served to the agency to depositing the amount involved in Audit Para efforts are being made.

Hansi- All the recoveries were made for the period from 2/2013 to 7/2013. Therefore, the para may kindly be dropped.

It has been confirmed by MC, Faridabad, Hisar, Barwala, bawal, Kaniaana, Uklana Mandi for the period from 2/2013 to 7/2013 the recoveries have been made by them. Therefore, the para may kindly be dropped.

The Committee has recommended that the matter be looked into as to whether the notification has actually been circulated in all the municipal bodies in the State or not and if it has actually been circulated, as to why the same has not been reached in the field offices and at what level negligence has taken place. Action taken report be submitted to the Committee at the earliest possible.

[17] **2.2.8.4 Non-recovery of Labour Cess:**

As per Building and other Construction Workers Welfare Cess Act, 1996, Labour Cess at the rate of one *per cent* of the total cost of construction was to be levied. Haryana Government made (February 2007) Rules to levy Cess at the rate of one *per cent* in accordance with the requirements of the Cess Act. Cess Rules provide that the cess collected should be remitted to the Board within 30 days after deducting the collection charges. The Director, ULBs issued instructions (July 2007) that the municipalities should

collect Labour Cess at the rate of one *per cent* of the estimated cost of construction before granting approval of Building Plans. These provisions were not applicable to individual residential houses whose total cost of construction did not exceed Rs.10 lakh.

Test check of records showed that Labour Cess amounting to Rs.26.84 lakh and Rs.3.58 lakh was collected by the Municipal Council, Fatehabad and Municipal Committee, Barwala respectively but had not been deposited (March 2013) with the Haryana Building and Other Construction Workers Welfare Board.

Further, while sanctioning Building Plans in test-checked cases, Cess amounting to Rs.79.15 lakh in 15 municipalities (**Appendix 2.5**) was not recovered from the applicants. Non-deduction of Cess from the applicants before approval of their Building Plans by the MCs was a violation of the Cess Act, 1996 and had impacted the welfare measures of the construction workers.

The PS while admitting the facts stated during the exit conference that action would be taken for recovery of outstanding labour cess.

The department in its written reply stated as under:-

MC, Narnaul has submitted that notices have been issued to the applicant and efforts are being made to recover the amount. **MC, Ratia** has submitted that the labour cess fees is being collected from 2011-12 and for the year 2008 -2011 Rs. 41,366/- has been recovered from the concerned people after issuing notices and the remaining amount will also be recovered. **MC, Tohana** has submitted that Rs. 7,37,320/- have been recovered and notices have been issued to recover the remaining amount. **MC, Hansi** has submitted that as per the report of audit team recovery of 2.10 Lakh has been shown against 16 No's building plans of the year 2008 but in compliance to this office letter no. TA/2010/20380/454 dt. 17.06.2010 the labour cess is being collected from year 2010. **MC, Narnaund** has submitted that Rs. 1.15 Lakh has been recovered out of pending Rs. 1.17 Lakh till 31.10.2015. **MC, Jhajjar** has submitted that notification regarding implementation of labour cess on building plans was received in the year 2010, however, notices to the concerned applicants have been issued to deposit labour cess. **MC, Beri** has submitted that notification regarding implementation of labour cess on building plans was received in the year 2010, however, notices to the concerned applicants have been issued to deposit labour cess. **MC, Mahendergarh** has submitted that notices have been sent to the applicants and efforts are being made to recover the amount. **MC, Fatehabad** has submitted that no instructions were received from Govt. to recover labour cess till March, 2011, after receiving of instructions labour cess is being collected amounting to Rs. 25,48,101 . **MC, Barwala** has submitted that after the improvement of financial position of MC, Barwala labour cess amount will be deposited. MC, Rewari has submitted that notices to the applicants have been issued and sincere efforts are being made to recover the cost.

The Committee has desired that responsibility of the erring officers/officials be fixed in the matter and action taken report be submitted to the Committee within a period of two months.

[18] **2.2.8.5 Non-recovery of Municipal Electricity Tax:**

As per provisions under Section 70 of the Haryana Municipal Act, 1973, a tax on the consumption of electricity at the rate five paise for every unit of electricity consumed by any person within the limits of the municipality is leviable. The tax is collected by the Uttar/Dakshin Haryana Bijli Vitran Nigams in the State. As per annual accounts maintained by the UHBVNL and DHBVNL for the year 2012-13, municipal tax amounting to Rs.62.03 crore and Rs.54.57 crore respectively was payable to the municipalities in the State.

Out of 19 test-checked municipalities, 11 municipalities had adjusted their municipal electricity tax against street lights bills. However, the following shortcomings were noticed in respect of remaining eight municipalities:

- Municipal Electricity Tax amounting to Rs.451.23 lakh and Rs.109.27 lakh was outstanding as on 31 March 2013 in respect of Municipal Corporation, Hisar and Municipal Corporation, Faridabad respectively.
- Municipal Council, Fatehabad and Narnaul as also Municipal Committee, Jhajjar, Beri, Kanina and Uklana had not maintained any record regarding Municipal Electricity Tax recoverable from electricity supplying companies.

The PS admitted the facts during the exit conference and directed the DCs to collect details of this tax recoverable in respect of each MC and maintain proper record to watch recovery/adjustment of the tax.

The department in its written reply stated as under:-

Due to non-reconciliation of Municipal Corporation/Councils/ Committees from UHBVNL and DHBVNL, the municipal tax could not be recovered. It is also mentioned here that necessary directions have been issued to all MCs to complete reconciliation. A D.O. letter in this regard from W/PSULB has also been issued to W/PSPD on dated 02.06.2017 and letter dated 05.06.2017 has been issued to all Municipal Corporations/Councils/Committees to get the necessary reconciliation from UHBVNL and DHBVNL. Last reminder has been issued on dated 30.6.2017 (**Annexure 'K'**).

The Committee has observed that till the issue is resolved at the Government level, the para is kept pending.

[19] **2.2.8.6 Non-recovery of old outstanding taxes, fees etc.**

As per provisions contained in the Haryana Municipal (Erection of Communication Towers) Bye-laws, 2009, an installation fee of Rs.2 lakh, Rs.1.5 lakh and rupees one lakh in high potential zone, medium potential zone and low potential zone respectively and annual renewal fee at the rate of 10 *per cent* of the installation fee per communication tower was recoverable from the cellular mobile companies. However, scrutiny of records maintained in 13 selected municipalities disclosed that installation fees amounting to Rs. 0.73 crore in respect of five municipalities and annual renewal fees amounting to Rs.1.58 crore in respect of all the 13 municipalities was outstanding against the mobile companies at the end of 2012-13 (**Appendix 2.6**). In respect of remaining six selected municipalities, it was noticed that list of mobile companies along

with number of towers installed by them had not been prepared for raising demand against these cellular mobile companies. Inaction on the part of the municipalities resulted in loss of revenue to the municipalities.

The PS directed during the exit conference to DCs to prepare proper records of mobile towers installed by the companies and to recover outstanding amounts from mobile companies.

➤ House tax which is a main source of revenue for the municipality was in arrears and no effective steps were taken to recover the same. As per records maintained by 16 selected municipalities, House Tax including fire tax amounting to Rs.95.82 crore (**Appendix 2.7**) was in arrears as of March 2013. In the case of Municipal Committees, Barwala and Uklana, details of outstanding house tax were not worked out by the Committees. Similarly, Rent of municipal shops amounting to Rs.3.69 crore was outstanding in 16 selected municipalities (**Appendix 2.8**).

The PS directed the DCs during the exit conference to take appropriate action to recover the outstanding tax and rent from the persons concerned.

➤ As per Rule XVII 14 of Municipal Account Code 1930, advance of any sort should be adjusted regularly and promptly. It was the duty of the head of the Municipalities to ensure that accounts were rendered as early as possible and unspent balances refunded immediately after the finalization of occasions or purchases. Test-check of records of six selected municipalities showed that temporary advances amounting to Rs.274.48 crore were pending against Government Departments, officers/officials, contractors, etc. as on 31 March 2013.

The Commissioner, Municipal Corporation, Faridabad stated during exit conference that accounts in all the cases were being reconciled and early action would be taken for recovery/adjustment of temporary advances.

The department in its written reply stated as under:-

Sr. No.	Name of MCs	Annual fee to be recovered (Rs. in Lakh)	Fee Recovered by municipalities (Rs. in Lakh)	Justification given by Municipalities
1	Faridabad	84.40	84.40	It is to inform that during 31.03.2013, the amount to be recovered has been shown 84.40 lac as per audit para, which as per information provided by regional and taxation officers has been recovered as per one time deposition policy.
2	Fatehabad	1.55	1.90	The installation fee for Rs. 190000 has been deposited. The notices have been issued to the concerned cellular mobile companies and efforts are being to recover the above said the installations fee.
3	Tohana	0.45	12.17	A survey of existing mobile towers in the area of Municipal Council, Tohana has been conducted. Show cause notices were issued in the month of October, 2016 against the mobile towers for which

				<p>installation/renewal fees has not been deposited. Then in the month of February, 2017 a public notice was published in the newspapers for the same. Then again in the month of June, 2017 show cause notices have been issued to Mobile Tower Companies for submission of renewal/installation fees. But no company replied satisfactorily. Few companies cited the Punjab & Haryana High Court Orders regarding stay on coercive action against Mobile Towers. The detailed report for further necessary action has been sent to Deputy Commissioner, Fatehabad vide letter no. 2050/MCT Dated 27.06.17. Further this office has received a sum of Rupees 12,17,177/- in respect of installation/renewal fees during the period 2013-17. Hence Para may please be dropped.</p>
4	Barwala	1.10	Explanation given by the MC	<p>Mc Barwala is conducting survey of mobile towers. After completion of survey, action will be taken against the mobile towers illegally installed in the Municipal Limits</p>
5	Hisar	54.49	11.86	<p>The Installation fees foe Rs.481000 has been deposited during the year 2012-13 and Rs.705000 has been deposit during the year 2012-13 (list attached at Annexure 'M').</p> <p>The Notices have been issued to the concerned cellular Mobile Company and efforts are being to recover the above said the installation fee. It is submitted that Indus towers Limited has intimated vide letter dated 23.05.2017 that his company are providing passive infrastructure to telecom operators & Further submitted that he has filled a writ petition No. CWP 3220-2014 in the Municipal Corporation to regulate the telecommunication services in the state of Haryana and the Hon'ble court has granted stay order vide dated 26.02.2014 (Annexure 'O').</p> <p>Further other CWP No.15522 of 2014 is also in process and Hon'ble court has ordered "no coercive steps shall be taken against the petitioner." (Annexure 'P')</p> <p>Keeping in view, the above cases are in court proceeding & recovery could not be made till finalization the case.</p>
6	Hansi	7.05	23.99	<p>There are 43 Mobile Towers within Municipality limit Hansi, out of which fee from 30 Mobile towers have been recovered which amount to Rs.23,99,906. The Municipality is levying Rs 1.00 Lakh per tower for installation. Notices have been issued to all the illegal towers copy of which is enclosed.</p>
7	Narnaund	1.50	MC has given the explanation	<p>नगरपालिका की सीमा के अर्न्तगत लगाये गये सभी टावरों की Annual renewal fee वसूली जा रही थी टावर कम्पनियों ने माननीय उच्च न्यायालय से स्टे ले लिया था जो माननीय उच्च न्यायालय में CWP 5293/2014 में</p>

				दायर किया था माननीय उच्च न्यायालय चण्डीगढ़ के आदेशानुसार टावर लगाते समय Low Potential Zone में 1.00 लाख Medium Zone में 1.50 लाख रु व High Potential Zone में 2.00 लाख रु फीस ली जानी है व फीस पहले जमा हो चुकी है। रिकार्ड अवलोकन हेतु प्रस्तुत है। अतः पैरा समाप्त करने का कष्ट करे।
8	Beri	0.70	8.18	Notices have already been issued to all defaulting Tower Companies for recovery of pending installation/renewal charges. However there are some CWP pending in Hon'ble High Court in which status quo have been ordered due to which at present no action can be taken against the defaulters. Further proceedings will be done in this regard after decision of concerned court cases. Rs.81828 out of old outstanding taxes from Rs.112000 has been recovered notice has been issued to defaulter and necessary actions are being made for early recovery. So para may please be dropped.
9	Jhajjar	3.60	90.67	Notices have already been issued to all defaulting Tower Companies for recovery of pending installation/renewal charges. However there are some CWP pending in Hon'ble High Court in which status quo have been ordered due to which at present no action can be taken against the defaulters. Further proceedings will be done in this regard after decision of concerned court cases. Rs.9067412 out of old outstanding taxes from Rs.122.22 has been recovered and remaining balance taxes the notice have been issued to defaulter and necessary actions are being made for early recovery. So para may please be dropped.
10	Ateli Mandi	0.20	MC Submitted explanation	It is submitted that efforts are being make for recovery of old outstanding taxes/rent etc. due to shortage of staff in the committee it is very difficult to recover the old outstanding amount from the defaulters but as and when any owner/person came to the committee for taking any service the outstanding amount are being collected from, the beginning to the end. The property tax bills have been disbursed and the taxes are being deposited by the owners.
11	Narnaul	1.50	MC submitted explanation	It is submitted that efforts are being make for recovery of old outstanding taxes/rent etc. due to shortage of staff in the committee it is very difficult to recover the old outstanding amount from the defaulters but as and when any owner/person came to the committee for taking any service the outstanding amount are being collected from, the beginning to the end. The property tax bills have been disbursed and the taxes are being deposited by the owners. Show cause notices have been issued to the cellular operators for erecting their towers.

12	Bawal	0.90	14.28	<p>7 Mobile Towers have been installed in Municipal Limit of MC Bawal out of which 6 mobile towers have deposited the fee.</p> <p>(i) Bharti Infratel Ltd. Rs. 410000/-.</p> <p>(ii) Induce Tower Ltd. Rs. 160000/-.</p> <p>(iii) Tulip Telecom Ltd. Rs.293690/-</p> <p>(iv) Tower Vision India Pvt. Ltd. Rs.254810/-</p> <p>(v) Reliance Com. Ltd. Rs.155000/-.</p> <p>(vi) Vyom Network Ltd. Rs.155000/-</p> <p>(vii) BSNL has not deposited the fees with MC Bawal. The MC has issued notice to BSNL vide its memo No.SCB/2017/ 417 dated 31.03.2017 to deposit the fees.</p> <p>Now, only 6 towers have been installed within Municipal limit. One tower has been removed.</p> <p>As per the policy of the Haryana Govt. 2012-13, only one time fees can be charged from the Tower Company.</p>
13	Dharuhera	0.30	27.70	<p>In year 2012-13 there were total 12 No. of mobile towers were installed in municipal area. Out of 12 MC Dharuhera had recovered fees (Rs.27,70,296) from 11 No. of mobile towers. Remaining 01 mobile tower of BSNL did not pay the fees (Rs.30,000) to municipality despite many verbal & written communications request. Thereafter MC Dharuhera issued demand notice to BSNL vide letter No. MCD/2011/230 dated 15.03.2011 (Rs. 30,000). The tower has been removed.</p>
13	Dharuhera	0.30	27.70	<p>In year 2012-13 there were total 12 No. of mobile towers were installed in municipal area. Out of 12 MC Dharuhera had recovered fees (Rs.27,70,296) from 11 No. of mobile towers. Remaining 01 mobile tower of BSNL did not pay the fees (Rs.30,000) to municipality despite many verbal & written communications request. Thereafter MC Dharuhera issued demand notice to BSNL vide letter No. MCD/2011/230 dated 15.03.2011 (Rs. 30,000). The tower has been removed.</p>

House Tax:

Tohana- The arrear of house tax including fire tax (Rs. 31.65 Lakhs) has been recovered during rebate from 2/2/2017 to 31/5/2017. So the para may kindly be dropped.

Narnaund- Sincere efforts are being made to recover the arrear of house tax from the house owners. However, 55 house owners have filled civil court cases against recovery.

ii) Similarly, notices have been issued from time to time as per rules to the tenants for the recovery of house tax. Therefore, Para may kindly be dropped.

Mohindergarh- Necessary action have been taken to recover house tax including fire tax. Recovery will be made soon.

Ateli Mandi- it is submitted that efforts are being made for recovery of old outstanding taxes/rent etc. due to shortage of staff in the committee it is very difficult to recover the old outstanding amount from the defaulters but as and when any owner/person came to the committee for taking any service the outstanding amount are being collected from, the beginning to the end. The property tax bill have been disbursed and the tax are being deposited by the owners.

Rewari- A sum of Rs. 151.48 lakh have been recovered out of total outstanding of Rs. 280.02 Lakhs. Since efforts are being made to recover the balance amount from the Assesse. Therefore, para may kindly be dropped.

Jhajjar- Rs. 90,67,412/- out of old outstanding taxes from Rs. 122.22 Lakhs have been recovered and remaining balance taxex, the notice have been issued to defaulters and necessary action is being taken for the recovery of balance taxes. So, para may kindly be dropped.

Fatehabad- Property tax survey was conducted by GIS consortium, Noida which was completed in Jan 2016. As per survey record there are 24000 property tax unit in MC Fatehabad. The total demand and arrear of property tax is Rs. 36084174, out of which recovery of Rs. 25170745 has been realized. The property tax Brach is preparing the data of 100 defaulters, sot that notices for recovery of property tax can be issued.

Ratia- Recovery of Rs. 3.50 Lakhs have been made from the shop keepers to whom the shops have been rented out. Efforts are being made to recover the balance amount which will be recovered shortly.

Hansi- The recovery of house tax amounting to Rs. 56.13 Lakhs have been made during the year 2013-14 to 2015-16.

Bahadurgarh- MC has recovered the Rs. 12.37 crore development charge from 2004-05 to 2012-13. So para may kindly be dropped.

Narnaul- The survey of property tax was got made for preparations and distribution of property tax bills and after distribution of the bills maximum outstanding taxes have been recovered and rent/tehabatzari etc, are regularly deposited by the lease holder/shopkeepers.

Fatehabad- Fire tax from the person, Institution & Villager have been recovered and deposited in the MC fund. Fire tax has been recovered from the owner of the building alongwith house tax/property tax of previous year.

It has been confirmed by MC, Faridabad, Hisar, Kanina and Bawalthe recoveries have been made by them. Therefore, the para may kindly be dropped.

The Committee has desired that vigorous and pragmatic efforts be made to recover the outstanding dues to augment the revenue of the State Government.

[20] **2.2.9.1 Non-allotment of EWS houses constructed under JNNURM:**

Under the Jawahar Lal Nehru National UrbanRenewal Mission Project, Municipal Corporation, Faridabad was provided funds during 2007-11 for construction of EWS houses. The aim of the scheme was to resettle slum clusters, settled on Municipal Corporation/HUDA lands in Faridabad. The construction of 2,896 Economically Weaker Section (EWS) houses was completed (July 2012) at Faridabad (Dabua Colony and Bapu Nagar) at a cost of Rs.59.26 crore. Scrutiny of records of Municipal Corporation, Faridabad showed that out of 2,896 houses, only 203 houses were allotted to the eligible beneficiaries. Balance 2,693 houses had not been yet allotted by the Corporation to the beneficiaries. It was further noticed that comprehensive final list of eligible beneficiaries had not been finalised by Municipal Corporation, Faridabad. This had resulted in blocking of funds of Rs.55.10 crore spent on construction of these houses.

The Commissioner, Municipal Corporation, Faridabad while admitting the facts replied (December 2013) that the eligibility criterion of the beneficiaries has been a matter of dispute between the State Government and Central Government. Efforts would be made to allot these houses at the earliest to eligible beneficiaries on receipt of the policy from GOI.

The department in its written reply stated as under:-

That 1968 dwelling units in Dabua Colony and 928 dwelling units at Bapu Nagar stands constructed in the year 2011 & 2013 respectively under Basic Services to Urban Poor Scheme of JnNURM.

That a policy called the "Policy for shifting of Jhuggi clusters and allotment of EWS flats constructed under JnNURM/RAY.

That MCF has already allotted 202 dwelling units in 2009 at Dabua colony to the Jhuggi dwellers squatting on the 10 acre MCF land allotted to M/s Drishti India Ltd. Near Surajkund Faridabad and 149 dwelling units in 2014 at Bapu Nagar to the nearby jhuggie dwellers in accordance with the aforesaid policy.

That a lease rent @ Rs. 300/- per month is being charged from the allottees of these EWS houses.

That biometric survey of jhuggi clusters was got conducted by MCF in the year 2008-09 and subsequently another survey was conducted under RAY in the year 2012-13.

That it has been found that there is a great difference between the no. of slum families verified and fulfilling this criteria and no. of actually slum families found squatting during the socio-economic survey conducted under RAY.

That keeping in view the same a proposal to revise the Clause No. 3 (f) and 6 (a) was sent to the Govt. vide Memo No. 83 dated 10-10-2013 so as to include all the slum families surveyed under RAY for allotment of these EWS flats. Reminders have also been sent on 22-6-2016 and 28-11-2011.

That initially MCF decided to shift the following Jhuggie clusters:

- i) Rahul Colony, Central Green (10 acres)
- ii) Kalyanpuri Jhuggie, NH-3 NIT (3 acres)
- iii) 2C park Jhuggie (3.5 acres)
- iv) 1 K park Jhuggi (0.4 acres)
- v) ID park jhuggie
- vi) 3A park

That this office has already got a 'Public Notice' published in the National Newspapers on 2-5-2011, 6-7-2012, 9-9-2013 and 2-1-2016 calling upon the eligible Jhuggi dwellers of Jhuggie to apply for allotment of EWS flats constructed under JnNURM scheme.

That the response received from the Jhuggie dwellers is not encouraging and is very lukewarm mainly because of their non-willingness to move from existing slum clusters.

That shifting of Jhuggies require a strong political will as it involves socio-economic, safety, security and law and order issues. A meeting of all the stake holders including local administration shall be a required prior to finalize the strategies to shift these jhuggies.

Since, Govt. is its best efforts to allot the dwelling units constructed under JNNURM this para may be dropped.

The Committee has desired the department to frame a suitable policy so that these houses may be allotted to the eligible persons of the economical weaker section under intimation of the Committee within a period of one month.

[21] 2.2.9.2 Solid Waste Management:

Waste represents a threat to the environment and human health if not handled or disposed of properly. Surface and ground water contamination takes place when waste reach water bodies. Residues from waste can change the water chemistry, which can affect ecosystem.

As per the provisions contained in the Municipal Solid Wastes (Management and Handling) (MSWMH) Rules, 2000, every municipal authority shall within the municipal area would be responsible for infrastructure development for collection, storage, segregation, transportation, processing and disposal of municipal solid waste.

Scrutiny of records of test-checked municipalities showed that the Government had released funds for Solid Waste Management from time to time but the municipalities had not completed the works. As a result of this, the objective of the schemes could not be achieved and also the funds remained unspent in seven municipalities as per details given in Table 2.2.3.

Table 2.2.3: Details of unspent funds by municipalities

Name of municipalities	Period of release of funds	Amount	Amount spent	Unspent amount	Remarks
		(Rs. in lakh)			
Municipal Council, Fatehabad	2005-11	135.00	75.00	60.00	Work held up for want of clearance from State Pollution Control Board
Municipal Corporation, Hisar	2009-11	272.16	327.11 ²²	-	Expenditure incurred on purchase of land and
Municipal Council, Hansi	2005-11	150.32	20.69	129.63	Expenditure incurred on purchase of land

Municipal Committee, Narnaund	2009-10	21.20	4.81	16.39	Land not yet purchased
Municipal Committee, Ratia	2005-11	76.67	-	76.67	Land not yet purchased
Municipal Committee, Jhajjar	2003-11	76.75	-	76.75	Land not yet purchased
Municipal Council, Bahadurgarh	2003-11	162.12	24.00	138.12	Expenditure incurred on purchase of land
Municipal Committee, Karnal	2005-07	52.00	-	52.00	Land not yet purchased
Municipal Council, Narnaul	2005-07	73.37	-	73.37	Land not yet purchased
Municipal Committee, Kanina	2009-11	22.51	-	22.51	Land not yet purchased
	Total	1,042.10	451.61	645.44	

Source: Data provided by municipalities

The provisions of the MSWMH Rules had not been implemented even 13 years after these came into force. Improper disposal system has led to adverse environmental consequences. The Council/Committee had not taken effective protective measures to prevent adverse effect on the health of the people.

While admitting the facts, the DCs assured during the exit conference that steps would be taken to construct the Solid Waste Treatment Plants after obtaining NOC from the Pollution Control Board. However, DC Rewari stated that land would have to be acquired for setting up of the Plant. The PS also assured that the land would be acquired to set up the solid waste treatment plant at Rewari.

The department in its written reply stated as under:-

There are 80 Urban Local Bodies (ULBs) in the State of Haryana with a population of about 88 lakhs as per Census 2011. These ULBs generate about 4,249 TPD of MSW and this quantity is likely to be more than 7,675 TPD by 2035. Government of Haryana has decided to adopt cluster based solid waste management and 15 cluster based integrated solid waste management facilities for 80 ULBs of Haryana have been formed.

Pursuant to above and as a part of its project development activities for development of MSW management projects on regional basis, the entire State has been broadly divided into fifteen (15) clusters out of which four (4) will be Waste to Energy i.e. Faridabad, Rohtak, Sonapat and Ambala and eleven (11) will be Waste to Compost/RDF processing i.e. Jind, Hisar, Dabwali with Sirsa, Rewari, Panchkula, Bhiwani, Farukhnagar, Karnal, Yamunanagar, Punhana, and

Bhuna process for all the 15 cluster is likely to be completed by October 2017. Execution time for Waste to compost plant is approximately 15 months and for Waste to energy is 24 months from signing of agreement. All Solid Waste Management clusters in the State of Haryana shall be established before October, 2019.

The land for the establishment of Solid Waste Treatment Plant at Rewari has been acquired.

The Committee has recommended that all unspent funds be got deposited back as per the policy within a period of two months and action taken report be submitted to the Committee.

[22] **2.2.9.3 Urban wage employment programme:**

Urban Wage Employment Programme is one of the components of the Swarn Jayanti Sahari Rojgar Yojna. This component was implemented by municipalities in the State. The programme seeks to provide wage employment to beneficiaries living Below Poverty Line (BPL) within the jurisdiction of ULBs by utilizing their labour for creation of socially and economically useful public assets such as community centres, drains, roads, parks, solid waste management, etc. Against the receipt of Rs.3.71 crore, Rs.3.43 crore was spent on the implementation of the scheme in selected municipalities.

Scrutiny of records of municipalities showed that five municipalities incurred an expenditure of Rs.31.84 lakh under the programme. It was noticed that reference of BPL was not made in the muster rolls, in the absence of which it could not be ensured as to whether wage employment was given to BPL families.

In case of Municipal Council, Tohana, signatures or thumb impressions of the recipients were not found on two muster rolls involving an amount of Rs.0.92 lakh in respect of this scheme. Similarly, payment of Rs.5.47 lakh was made on 25 muster rolls without obtaining signatures/thumb impression during 2011-12 in respect of other schemes. In the absence of this, genuineness of payment to labourers could not be ascertained in audit.

The PS while admitting the facts viewed the matter seriously during the exit conference. The DC, Fatehabad assured that the necessary investigation would be done and also assured that such things would not be repeated in future and the officials responsible for the lapse would be brought to book.

The department in its written reply stated as under:-

This Para related to 5 ULBs ie. MC Bawal, MC Jhajjar, MC Narnaund, MC Ratia and MC Tohana and copies of para was supplied to them. The Replies received are as under:

1. MC Bawal -Rs. 4.16 Lakh:

MC, Bawal has submitted in there reply vide letter No. MCB/2017/810 dated 14.06.2017 along with muster Roll placed at Annexure –I that under the SJSRY

Scheme Expenditure incurred on Urban wage employment programme as per muster roll. The signature and thumb impression of BPL family members are mentioned in muster roll. A copy of reply enclosed at **Annexure- R (1-6)**

2. MC, Jhajjar – Rs. 5.97 lakh:

MC, Jhajjar has submitted in there reply that expenditure was incurred on its skilled/unskilled workers which were hired labour and some of them have left Jhajjar and due to death of some of the labour it is not possible to trace them. This scheme was closed in the year 2014. Hence, this para may be dropped. A copy of reply enclosed at **Annexure –II**

3. MC, narnaund- Rs. 3.02 lakh:

MC, Narnaund has submitted in there reply that expenditure was incurred on by engaging 12 workers. The MC official tried to contact them at given address but it was found that all of them have left Narnaund. A copy of reply enclosed at **Anneuxre –III (1-23)**

4. MC, Ratia- Rs. 7.62 Lakh:

MC, Ratia has submitted in their reply that the expenditure was incurred by engaging workers of BPL category and payment of wages have been made under proper signature of workers. A copy of reply enclosed at **Annexure IV**

5. MC, Tohana-Rs. 11.07 lakh:

MC, Tohana has submitted in their reply that the payments were made through cheque and the signature and thumb impression has been taken on muster rolls. Hence, the para may be dropped. A copy of reply enclosed at **Annexure- V (1-7).**

The Committee has observed that as per the Report of the Comptroller and Auditor General of India under consideration, the Principal Secretary to Govt. Haryana, Urban Local Bodies Department while admitting the fact viewed it seriously during the exit conference in 2013 and the Deputy Commissioner, Fatehabad assured that the matter would be investigated and also assured that such things would not be repeated in future and the officials responsible for the lapse would be brought to book. But no action been taken so far. The Committee has, therefore, desired that responsibility of the errying officer(s)/official(s) in be fixed and the action taken report be submitted to the Committee within a period of two months.

[23] 2.2.9.5 Payment made without execution of works:

Municipal Council, Bahadurgarh made the following payments to contractors on account of construction of Cement Concrete (CC) streets in Preet Vihar (Ward No. 13), Bahadurgarh under Central Finance Commission and Special Development Works Scheme.

Sr.No.	Name of Work	Month of Completion	Amount paid (Rs. in lakh)
1.	Gali Chandervatika road to H/o Vidhya, Brijlal and Subash	October 2008	16.55
2.	Construction of street and drain of Gali Maya Ram wali	October 2009	29.77
3.	Gali Satbirwali	July 2011	21.28
4.	Manish, Sanjay, Omprakash Raikumar, etc. waliqali	November 2009	22.03
5.	Gali Krishan and Gulabwali	November 2010	20.33
Total			109.96

A committee was constituted by Deputy Commissioner, Jhajjar for verification of above works. The Executive Engineer, Provincial Division, Public Works Department (Building and Roads), Bahadurgarh, submitted the Report of the Committee in December 2012 and brought out that these works were either not executed at all or executed partly at site. Further, physical verification of these works by audit conducted in June 2013 also disclosed that the status of these works was still the same as reported by the Committee constituted by the Deputy Commissioner.

It was further observed that no action had been initiated against the defaulters despite pointed out by the Committee in December 2012.

The PS viewed the matter seriously during the exit conference. The DC, Jhajjar stated that an inquiry was being conducted by the State Vigilance Department and that further action would be taken on receipt of inquiry report.

The department in its written reply stated as under:-

MC, Bahadurgarh vide letter no. SPL-1 dated 14.06.2017 has informed that enquiry regarding payment of Rs.109.96 Lakh in W. no. 13 without executing of work is being conducted by DULB through Ld. Retd. Judge. After submission of enquiry report further proceeding will be done in this regard. The requisite information related to this point was sought from Municipal Council, Bahadurgarh vide this office letter no. TA/DULB/5041 dt. 24.05.2017 and TA/DULB/5043 dated 24.05.2017 (**Annexure 'V'**) and through repeated reminders issued through e-mail but no reply has been received till date.

The Committee has recommended that the responsibility of all the officers/officials, who are responsible for the lapse be fixed alongwith a detailed report in the matter be submitted to the Committee within a period of one month.

[24] 2.2.10.2 Payment of wages:

(ii) As per GOI (Ministry of Labour and Employment) Notification dated 8 January 2011, all Municipal Councils and Corporations employing 20 or more persons in their establishments are covered under the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

Municipal Corporation, Faridabad had employed more than 20 daily wage employees on its roll but their EPF was neither recovered from the employees nor

deposited with the EPFO by the Corporation in terms of above said notification. The EPFO recovered (December 2012) from Municipal Corporation's bank account Rs.18.82 lakh on account of damages besides EPF of Rs.168.28 lakh (Employer Share:Rs.89.43 lakh and Employees Share:Rs.78.85 lakh) and interest amounting to Rs. 15.75 lakh for the period January to November 2011.

While admitting the fact during the exit conference, the PS directed the Commissioner, Municipal Corporation, Faridabad to avoid such lapses in future.

The department in its written reply stated as under:-

In reply to this Para, it is submitted that M/S Vishal Protection Force has deposited Rs. 4.85 lakh as EPF share of staff employed during the period of June'12 to March'13 is given as under:

Month	Amount	TRRN Challan No./Date
June 2012	51257	2001402004971/17.02.2014
July 2012	54639	20014002004976/17.02.2014
Aug. 2012	67303	2001402004980/17.02.2014
Sept. 2012	44278	2001402004985/17.02.2014
Oct. 2012	43605	2001402004988/17.02.2014
Nov. 2012	49865	2001402004989/17.02.2014
Dec. 2012	40937	2001402004990/17.02.2014
Jan. 2013	51668	2001402004991/17.02.2014
Feb. 2013	66056	2001402004994/17.02.2014
March 2013	15505	2001402004999/17.02.2014

Similarly, In case of M/s International Academy of Environmental Sanitation and Public Health, this agency has deposited Rs. 3.61 lakh vide TRRN Challan No. 2001403003868 dated 13.03.2014 as EPF share of staff employed in Municipal Corporation, Faridabad.

The Committee has desired that the responsibility of the erring officers/officials in the matter be fixed and action taken report be submitted to the Committee within a period of three months.

[25] 2.2.11.1 Internal Control:

Internal control provides reasonable assurance to the Management about the compliance of applicable rules and regulations. The internal control system in the Municipalities was inadequate with regard to financial management, assessment, demand and collection of taxes/fees, implementation of programmes, execution of works, etc. as discussed in foregoing paragraphs. Further, there was inadequate control over the sanction of building plans and unauthorised construction in Municipal areas as discussed below:

➤ As per the provisions of the Haryana Municipal Corporation Act, 1994 and Rules/Bye-laws framed thereunder, no building can be erected unless its Building Plan is approved by the Corporation. Where the erection of any building or execution of any work has been commenced contrary to the sanction, the Commissioner may in addition to any other action that may be taken under this Act by order stop the same. The Municipal Corporation, Hisar approved 1937 Building Plans during 2008-12 but not even a single

applicant had applied for the Completion Certificate. In 77 cases, notices were issued to the applicants who were involved in construction of buildings in-violation of approved building plans. The unauthorized constructions were not stopped before completion as of April 2013.

During the exit conference, the PS stated that it was due to failure of local authorities and lack of adequate enforcement machinery and directed DCs concerned to take strict action against the persons involved in unauthorised constructions.

➤ The Municipal Council is competent to sanction Building Plans in the areas of Lal Dora, colonies carved out before introduction of the Haryana Development and Regulation of Urban Areas Act, 1975 and the colonies approved by the State Government. The Council may sanction or refuse Building Plans. However, if the Council neglects or omits within 60 days of the receipt of a valid notice of such person's intention to erect a building, such erection be deemed to have been sanctioned.

Eight building plans submitted by the applicants were approved by the five²⁵ municipalities despite the fact that the plots of the applicants were not situated in the approved colonies. Further, three applications for approval of building plan for unapproved colony received in May 2012 had neither been approved nor refused by Municipal Council, Tohana as of March 2013. Their building plans would be deemed to be approved as the time limit of 60 days had already expired.

Similarly, in the case of Municipal Council, Bahadurgarh, in 105 cases building plans submitted during 2010-12 were approved by the Council despite the fact that the plots of the applicants were not located in the approved colonies.

During the exit conference, the PS directed the DCs concerned to take strict action against the officers concerned who had sanctioned the building plans in unapproved colonies.

The department in its written reply stated as under:

Sr. No	Name of MC	Reply of Municipality
1	Tohana	The Building plan of file No.6, 7 and 8 of year 2012-13 were not sanctioned within 60 days due to unapproved area and the case for approval of said colony was under consideration before the Govt. The concerned area was approved vide Govt. notification dated 04.10.2013. The buildings plan in question were sanctioned under the policy. Hence, Para may please be dropped
2	Hisar	The Audit party has pointed out 77 cases of unauthorized construction during the period 2008-2013. Notices were issued to the applicants under section 208 of Haryana Municipal Act, 1973 and under section 250, 261, 262 of Haryana Municipal Corporation act, 1994. Out of which 43 complaints were filed in the court Rs.8.15 Crore was recovered as development charges and composition fees during the period 2008-2013.

3	Hansi	In this regard, the MC, Hansi states that as per the Haryana Municipal Act, 1973, the building plans is to be get approved from municipality for its construction. As per rule if the applicant starts construction within a period of one year from the date of issuance of Building Plan then the validity of building plan extends to one year. The Building branch of MC Hansi regularly monitors the under construction building and take action as per rule. It is stated that notices have issued to 170 individuals and Court case has been filed against 46 individuals. Further 39 individuals have submitted building plans in the office. For the rest of violaters Court case will be filed after getting the proposal approved from the House. This clears that the MC is regularly monitors and taking action as per rules.
4	Naranu nd	With regard to levying of labour cess, the instruction from the Govt. was received late. However, out of Rs. 1.17 lakh, the municipality has recovered labour cess of Rs. 1.15 lakh from building plans.
5	Jhajjar	As per guidance given by AG Office the necessary steps have been taken and cash book have been reconciled. G-8 books have been signed by the competent authority in this regard. No buildings plans are being approved in unauthorized colonies. Proper monitoring is being done.

The Committee has desired that the matter be got inquired into thoroughly to fix the responsibility of the erring officers/officials in the matter and action taken report be submitted to the Committee within a month positively.

[26] **3.20 Loss due to non-recovery of outstanding lease money:**

Non-execution of lease deed of the land given to Digamber Jain Sabha, Ambala for more than 19 years resulted in non-recovery of Rs. 5.54 crore.

The Military Estate Officer of Ambala Cantonment Board, Ambala leased out 2.795 acre land (2.64 acre land in February 1963 and 0.155 acre land in August 1963) and a school building constructed thereon, on an annual rent of Rs.739.20 and Rs.43.20 respectively to Digamber Jain Sabha, Ambala (Ambala Sadar) in the name of Manager, Jain Girls High School, affiliated to Board of School Education (Bhiwani), Haryana for a period of 30 years (upto 15 August 1993) for running the school with 70 *per cent* reservation for Children of Defence Services personnel. The lease was not renewable. The Government of India, Ministry of Defence, excluded (February 1977) certain local areas from the limits of Military controlled Ambala Cantonment area which included the area of above school and transferred the same to Haryana Government. The Government appointed (January 1999) the Deputy Commissioner (DC), Ambala as Estate Officer for management of land falling under the area transferred.

Audit scrutiny of the records in the office of the Executive Officer, Municipal Corporation (MC), Ambala showed (September 2012) that after expiry of lease period in August 1993, the Manager, Jain Girls High School requested (February 1994) the Municipal Committee, Ambala to extend the period of lease. After a gap of nine years, the Government extended (April 2003) the lease of above land for further period of thirty years (16 August 1993 to 15 August 2023) and fixed rent at the rate of Rs.2,36,740 per month. The Estate Officer/Deputy Commissioner (DC) requested (May 2003) the Digamber Jain Sabha to deposit the outstanding lease rent at the above rates within fifteen days so that agreement could be executed. But the Sabha did not agree to pay the rent at increased rate and requested (March 2005) the DC and Government to reduce the rate of lease rent as the Sabha was not able to pay such a huge amount being a charitable educational institution imparting education to poor students as per Government policies. But the department did not agree (May 2007) to reduce the rate of lease rent and stated that the lease was extended at the minimum rates of Government on the request of the school authorities. The Department also advised the Sabha to submit fresh proposal for further extension of lease for 99 years under rule 9 of Haryana Management of Municipal Properties and State Properties (HMMP) Rule, 2007.

The Sabha had neither deposited the lease at enhanced rates nor executed the lease deed for the extended period (February 2013). Instead of taking appropriate action to recover the rent from the Sabha by taking action under rule of 18 of HMMP Rule, 2007 to resume the properties, the department/MC had only issued notices for recovery of lease money. Consequently, neither the lease money of Rs.5.54 crore due for the period from 16 August 1993 to 15 February 2013 was recovered nor the lease deed got executed (February 2013).

It was also observed in audit that without permission of MC, Ambala, the Jain Sabha had started another school named Lord Mahavir Jain Public School affiliated to the Central Board of Secondary Education (CBSE) in the year 1999 on the leased land. The CBSE had issued (March 2005) a show cause notice for withdrawal of provisional affiliation on the ground that school was running on un-authorisedly occupied land and the school had failed in getting the lease deed further extended. However, the Estate Officer/DC, (Excised Area) had issued (February 2008) 'No Objection Certificate', to the Digamber Jain Sabha to run this newly started school without any condition which showed that undue favour was extended to the school.

On this being pointed out in audit, the Commissioner, Municipal Corporation, Ambala intimated (September 2013) that the notice to recover lease rent from the Sabha was issued but the Sabha had not paid the lease rent. The Commissioner further stated that the Sabha had been served notice for resumption of the land on account of non-payment of lease rent. The District Revenue Officer had been requested to recover the amount as arrears of Land Revenue and Chairmen, Central Board of Secondary Education was requested to direct the Sabha to deposit the lease money and if Sabha failed to deposit the lease money, the affiliation of Sabha to run a school may be cancelled. The fact, however, remains that even after the lapse of period of more than nineteen years, since the expiry of earlier lease period in August 1993, department/MC had failed to recover the lease money as well as to get the lease deed executed and the School was being run by the Sabha in an illegal and unauthorised manner.

The matter was discussed with the Principal Secretary to Government Haryana, (PS) Urban Local Bodies Department, in the exit conference held on 25 September 2013. While admitting the facts, the PS had stated that the lease rent appeared to be on higher side and that the issue will be reviewed shortly. The final action in the matter, was, however, awaited (January 2014).

The department in its written reply stated as under:-

The Government extended the period of lease of said land for further period of 30 year i.e. w.e.f 16 August 1993 to 15 August 2023 and fixed rent @ Rs. 2,36,740/- per month. due to lease money on the higher side, lease money is to be refixed. In this matter Estate Officer Excised area Cum Deputy Commissioner Ambala was requested to submit report on the rate of lease money which may be fixed.

Estate Officer Cum Deputy Commissioner Ambala reported that case of lease renewal of the said land is to be sent to the Government. On approval of the rates, the amount is to be relished from the institutions i.e. Jain girls high school.

The Committee has viewed it seriously that 'No Objection Certificate' has been issued to the Digamber Jain Sabha to run the school in a building constructed unauthorizedly; in absence of any lease agreement; and without making recovery of the outstanding lease amount from the Sabha. The Committee has recommended that responsibility of the erring officer be fixed for extending illegal and undue favour to the Digamber Jain Sabha and action taken report be submitted to the Committee within a period of two months.

The Committee has further desired that the issue relating to the execution of lease deed and the recovery of lease money from the Digamber Jain Sabha be sorted out at the earliest under intimation of the Committee.

[27] 3.1 Delay in furnishing utilization certificates:

Rule 8.14 of Punjab Financial Rules, as applicable to Haryana, Provides that utilization certificate (UCs) for the grants provided for specific purpose, should be obtained by the departmental officers from the grantees. After verification, these should be forwarded to the Principal Accountant General (A &E) within a reasonable time, unless a specific time limit is fixed by the sanctioning authority. However, of the 1,699 UCs due for submission in respect of grants and loans aggregating to Rs.3,474.05 crore, 812 UCs for an aggregate amount of Rs.1,567.85 crore were in arrears for the grants released during 2008-09 to 2011-12. The department wise break-up of UCs due, received and outstanding as on 31 March, 2013 is given in Appendix 3.1

Analysis of Appendix 3.1 show that out of 812 outstanding UCs 552 UCs (68 per cent) were outstanding from Rural Development department and 226 (28 Per cent) were outstanding from Education department. Further 18 UCs for Rs.43.70 crore were outstanding from the grant released in 2008-09, 32 UCs for Rs.179.09 crore for the grants released in 2009-10, 134 UCs for Rs. 130.51 crore for grants released in 2011-12. This not only indicates lack of internal control of administrative department but also indicates

the tendency on the part of the Government to go on disbursing the fresh grants without satisfying themselves about proper utilization of grants sanctioned earlier.

Details of utilization certificates due, received and outstanding as on 31 March, 2013 (Appendix 3.1)

(Rs.in Lakh)										
Sr. No.	Name of the Department	Year	Total grant paid		Utilization certificate due		Utilisation Certificate received		Utilisation certificate outstanding	
			Item	Amount	Item	Amount	Item	Amount	Item	Amount
5	Urban Development	2011-12	64	89,466.88	64	89,466.88	57	85,139.71	7	4,327.17

The department in its written reply stated as under:-

All the Municipal Corporations have been directed vide this office letter No. BA-2/2017/52686-85 dated 03.07.2017 and all the Municipal Councils/ Committee have been directed vide this office letter No. BA-2/2017/56115-19, 56160-64, 56155-58, 56168-70, 56166, 56150-53, 56146-48, 56121-25, 56139-44, 56133-37, 56127-31, 56111-13, 56106-09, 56101-04, 56096-99, 56093-94, 56091, 56087-89, 56172-74 dated 13.07.2017 to supply the utilization certificate immediately so that UCs can be sent to the AG office.

The Committee has desired that the outstanding utilization certificates be also submitted at the earliest possible.

EDUCATION DEPARTMENT
(Haryana School Shiksha Pariyojna Parishad)

[28] 2.3.6.3 Learning Enhancement Programmes:

District Project Coordinators are required to execute specific learning enhancement programmes with priority to enhance learning levels in language, mathematics and science.

As against budget allocation of Rs.15.12 crore, an expenditure of Rs.1.23 crore was incurred in test-checked districts during 2008-13. Audit observed that proper planning for implementation of various components of the programme was not made by any of the test-checked DPCs.

The Parishad stated (January 2014) that initially it took some time for taking up this new activity and the expenditure had been increasing with the passage of time. The reply was not convincing as the expenditure was still very low in test-checked districts.

The department in its written reply stated as under:-

In this connection, it is submitted that total budget was allocated for LEP in the test checked districts Rs.15.36 Crore not Rs.15.12 Crore as mentioned in the audit para against which an amount of Rs.3.88 Crore was incurred as expenditure where as AG audit has shown figure of Rs.1.23 Crore. The detail of approved budget and expenditure incurred is given below:-

Approved budget

District	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Bhiwani	37.97	75	121.52	77.28	NA	273.8
Kaithal	20.48	6.7	79.37	77.28	NA	163.35
Jhajjar	0	6.4	42.08	77.28	NA	125.76
Mewat	59.27	77.65	66.08	77.28	NA	221.01
Panchkula	0	25	52.79	77.28	NA	155.07
Sirsa	29.02	85.48	92.66	77.28	NA	255.42
Yamunanagar	30.31	8.78	79.39	77.28	NA	165.45
Total						15.36

Utilized amount

District	2009-10	2010-11	2011-12	2012-13	2013-14	Total
Bhiwani	NA	6,610,659	504,640	140,000	NA	7,255,299
Kaithal	NA	664,769		11,543,400	NA	12,208,169
Jhajjar	NA	636,481	58,732	818,702	NA	1,513,915
Mewat	NA	6,115,887		2,388,000	NA	8,514,275
Panchkula	NA	1,033,033	242,409	693,910	NA	1,969,352
Sirsa	NA	6,718,064	323,823	336,810	NA	7,378,697
Yamunanagar	NA				NA	-
Total						3,88,39,707

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

The Committee has desired the department to make some assessment with regard to the opening balances for the years 2009-10, 2010-11, 2011-12 and 2012-13 on the expenditure incurred in these years and action taken report be submitted to the Committee within a period of two months.

[29] 2.3.7.2 Maintenance of bank accounts:

As per paragraph 72 of MFMP, grants received from GOI/State Government are required to be credited in the bank accounts. As per instructions of GOI, only one bank account is to be opened for each scheme. In exceptional cases, more than one bank account can be operated with the prior approval of the State Executive Committee. The Parishad had operated as many as 33 bank accounts. Bank Reconciliation statements were not prepared by the Parishad, as a result of which an embezzlement occurred in the Parishad as discussed below:

An employee working as an Accounts Clerk had stolen four blank cheques and transferred an amount of Rs.31.26 lakh in his personal account by forging the signatures of authorized signatories as per details given below:

Sr. No.	Bank	Account No.	Cheque No.	Amount (In Rupees)	Date of drawls
1.	Union Bank of India, Sector- 17, Chandigarh	47528	534150	1,28,413	24 August 2008
2.	Punjab National Bank, Sector- 22, Chandigarh	009500	456526	6,26,986	13 October 2008
3.		0100617034	456527	22,32,218	31 December 2008
4.	Punjab National Bank, Sector- 22, Chandigarh	0095000 011564926	80303	1,37,956	1 May 2009
	Total			31,25,573	

An amount of Rs.8.73 lakh had been recovered between November 2009 and March 2010. An FIR was lodged on 16 February 2010 and the case was pending in the Court (August 2013). Had the cheque books been kept in the personal custody of the cheque drawing officer, the embezzlement could have been avoided. Further, had the regular bank reconciliation been done, the embezzlement could have been detected earlier i.e. in the Month of September 2008 itself and subsequent embezzlements could have been avoided.

The Parishad stated (January 2014) that all the bank accounts have since been closed and five new bank accounts have been opened for implementation of the scheme. As regards embezzlement, it was stated that it occurred due to heavy work load and operation of many bank accounts which were not reconciled regularly. This reflected poor control environment relating to financial management.

Further, there was a difference of Rs.9,80,269/- between the closing balance of the year 2006-07 and opening balance of the year 2007-08 in respect of Bank Account (3093020147528) of Union Bank of India. The Parishad stated (January 2014) that the bank reconciliation was in process and difference of Rs.2.35 lakh was yet to be reconciled.

The department in its written reply stated as under:-

In this connection, it is submitted that new bank accounts were opened with the prior approval of the competent authority. It pertinent to mention here that 33 bank accounts were got closed and only 5 new accounts was opened for smooth functioning of the schemes. Presently all bank accounts are being reconciled regularly.

So far as embezzlement case is concerned, it is submitted as and when the case came to the notice to the Parishad, the action was initiated to recover the embezzled amount.

The disciplinary action has been initiated against the culprit and the serves of the employee were terminated and the recovery proceeding have been filed in the Court and an amount of Rs. 8.73 lacs had been recovered during Nov, 2009 to March, 2010 against the embezzle amount of Rs. 31,25,533/-.

Keeping in view of the above para may kindly be dropped.

The Committee has recommended that interest of the State be protected meticulously and para is kept pending till the recovery is made fully.

[30] 2.3.7.3 Expenditure without approval of PAB and diversion of funds:

As per paragraphs 88.1 and 88.2, funds shall not be diverted or re-appropriated to meet any expenditure which has not been sanctioned by the competent authority. Expenditure cannot be incurred on any item which has not been provided for or contemplated in sanctioned budget estimates. Further, re-appropriations carried out will be reported to Project Approval Board (PAB) for its information while submitting the AWPB of the succeeding years. Following observations on diversion of funds from one head to another were noticed:

- An amount of Rs.16.51 crore was remitted (March 2013) to Board of School Education, Haryana, Bhiwani for making payment of honorarium to DEd interns for bringing 'Out of School Children' to the schools for admission to appropriate classes. DEd interns conducted special classes during summer vacation of enrolled students instead of bringing out of school children to schools. Thus, the amount of "special training for mainstreaming of out of school children" was diverted for payment to DEd interns irregularly. Further, the Board of School Education did not have any data of Out of school children which had been mainstreamed by these interns.

The department in its written reply stated as under:-

In the meeting held under the Chairmanship of FC&PS it was decided that the D.Ed interns will be engaged for providing training to Out of School Children (OoSC) and honorarium will also be paid to them by Board of School Education. Further it was also decided that this honorarium will only be paid with the verification of concerned BRC & DEEO. The record of mainstream children will be maintained by the DPC and he will also ensure that D.Ed interns will teach bridge course material to these OoSC and make them at par with their peer group of same age and classes of schools.

For the evaluation, it was also decided that the Board shall devise a proforma in consultation with the SCERT for the purpose of evaluation of the performances of internship and supply the same to the concerned institutes which will further make the same available to the concerned school where pupil teachers were deputed. On the basis of the performance of the interns the honorarium was paid.

Keeping in view of the above para may kindly be dropped.

The Committee has recommended that the matter with regard to the attendance of the children be got inquired into within a period of three months and report be submitted to the Committee.

[31] 2.3.7.4 Payment on muster rolls without obtaining signatures/thumb impressions:

As per procedure, every casual labourer receiving payment on muster rolls should mark his signature or thumb impression in token of receipt of payment in the presence of competent authority. Twenty three schools had made payment of Rs.12.96 lakh to labourers on muster roll without obtaining signature/thumb impressions as detailed given in **Appendix 2.11**. The procedure regarding obtaining the signature/thumb impression of the payee should be followed without fail.

The department in its written reply stated as under:-

In this connection, it is submitted that it is correct that every casual labour receiving payment on muster rolls should mark his signatures or thumb impression in token of receipt of payment in the presence of competent authority.

11(eleven) no. schools as mentioned have made the payment as per the procedure, but due to non availability of record at the time of inspection the detail could not be produced before the Audit inspection team. Now the record has been received from four schools three of kaithal district as at Sr. No.5, 6, 7 and one of Sirsa district as at Sr. no, 9 (Now attached). It is pertinent to mention here that each and every payment to the labourer has been made by following due procedure for payment and the labourer has already signed and thump impression in token of receipt of payment on muster roll.

Keeping in view of the above para may kindly be dropped.

The Committee has desired that the matter be got inquired into and action taken report be submitted to the Committee within a period of two months.

[32] 2.3.8.2 Intervention for 'Out of School Children':

As per AWPB, number of out of school children had decreased to 1.25 lakh at the end of 2012-13 from 1.61 lakh at the end of 2008-09. Thus, there was improvement in decreasing the number of out of school children but still far behind the national target of bringing it to zero. The number of out of school children had not been compiled through any survey after the Census of 2011.

As per paragraph 40 of MFMP, Alternative Innovative Education/ Vocational Centre (AIE/VOC) can be established for mainstreaming Out of School Children. Provision has been made for the education of children of brick-kiln workers by establishing bhatta-pathshalas at/or in their vicinity. As per guidelines, children enrolled in bhatta-pathshalas were required to be evaluated at the end of the session and migration certificates were

also required to be issued to these children as per their learning levels for facilitating their mainstreaming in formal schools at their place of origin. A total of 1,574 bhatta-pathshalas were run in the State during 2010-11 and 32,741 children were enrolled as against the target of 47,893 children in these centres. The performance of bhatta-pathshalas was not upto the mark in test-checked districts as per details given in the Table 2.3.3.

Table 2.3.3: Details of performance of Bhatta Pathshalas

District	Number of children as per survey	Number of children enrolled in centres	Expenditure (Rs. in lakh)	Remarks
Yamuna Nagar	1148	978	7.01	All the NGOs did not fulfill the condition of mainstreaming therefore second and third instalments not issued.
Panchkula	1407	1407	10.31	Report of mainstreaming has been shown 'Nil'.
Bhiwani	1645	1078	28.12	NGO itself accepted not taking any test and not issuing any certificate.
Sirsa	1993	1973	16.36	For Bhatta Pathshalas no learning levels assessed and no certificates issued.
Mewat	3004	1891	32.14	Data was not maintained regarding mainstreaming and issuing of certificates.
Jhajjar	12058	5981	100.48	Data was not maintained regarding mainstreaming and issuing of certificates.

Source: Records/replies of District Project Coordinators concerned.

Despite poor performance of centres, the District Project Coordinators (DPC) had not initiated any action for recovery of the disbursed amount. Besides, the objective of the scheme remained unachieved to a large extent.

The Parishad stated (January 2014) that the strategy in this regard had been changed and no bhatta-pathshalas would be opened in future. The reply was not convincing as no action had been taken for poor performance.

The department in its written reply stated as under:-

In this connection, it is submitted that the State has inter-district as well as intra-state seasonal migration. During migration the entire family migrates in search of work for mere survival. Since money earned is comparatively high, large no. of families along with their wards willingly migrates. As a result, children of migratory families form a large chunk of the group which is really a challenging and difficult task to mainstream to bring children in regular schools. Further, information on actual no. of children likely to migrate is not easily available due to economic compulsion and geographic locations. The migrant families who stabilize themselves in any particular location their children are easy to mainstream. The observation raised in performance audit has also accepted the facts that the number of OoSc decreases that itself is a proof of meeting the targets as also a sign of achievement. At the same time, it is also an admitted fact that due to migration of families, it is difficult to mainstream all the children despite strenuous efforts being made by State which is an ongoing process. So far as

performance of NGO is concerned, it is submitted that after evaluation of work done by the NGO 2nd and 3rd instalment were being released. In these cases only 1st instalment was issued to NGO 2nd and further instalment were not released to them as the performance of NGO was not upto the mark. Moreover, establishing of bhatta-pathshals it is stated that now these have been closed and migrant children enrolled in nearby Govt. schools and provided them special training through D.Ed in interns regular teacher.

Keeping in view of the above para may kindly be dropped.

The Committee has desired that the matter be inquired into thoroughly by a Sub-committee of the Public Accounts Committee consisting of Shri Harwinder Kalyan, MLA as its Convener, Shri Jai Tirath Dahiay, MLA and Dr. Pawan Kumar Saini, MLA to submit its report to the Public Accounts Committee within a period of two months. The Department to supply all relevant record to the Sub-Committee within a week positively.

[33] 2.3.8.5 Delay in releasing uniform grants:

PAB approved (October 2010) an outlay of Rs.51.66 crore for providing uniforms to all Girls and BPL Boys and funds were transferred by the Parishad to the accounts of all DPCs in March 2011 i.e. after a delay of six months.

Similarly, PAB had approved (May 2011 and April 2012) Rs.61.09 crore for 2011-12 and Rs.64.20 crore for 2012-13 for distribution of school uniforms. The Parishad, however, transferred funds only in November 2011 for the year 2011-12 while Rs.10.22 crore was transferred during September 2012 to March 2013 for the year 2012-13. Thus, there was substantial delay in transferring the funds.

In test-checked districts following irregularities were noticed:

- Delay of 15 to 127 days in disbursement of grant for uniforms by DPCs to BRCs.
- Cash of Rs.16.08 lakh by 48 schools in 2010-11, Rs.13.07 lakh by 38 schools in 2011-12 and Rs.13.15 lakh by 27 schools in 2012-13 was disbursed in lieu of uniform which is against the provisions of the scheme.
- Delay in utilisation of uniform grant and distribution of uniforms in the next academic year was noticed in 16 schools in 2010-11 and 19 schools in 2011-12.

While admitting the delay in releasing the uniform grant, the PS stated during the exit conference (January 2014) that the scheme was implemented for the first time in 2010-11 and there were some difficulties in collection of data regarding number of eligible students per school and disbursement of funds to schools. It was also stated that a proper system for release of uniform grant had been put in place with effect from 2013-14. As regards cash distribution of uniform grant to students, the Parishad stated (January 2014) that the matter would be investigated as to whether the grant had actually been distributed to students or not.

The department in its written reply stated as under:-

The scheme was started by MHRD in year 2010-11. Funds were approved first time in 2010-11 Supplementary PAB held on 5th October 2010 for RTE implementation. Accordingly the funds were released by MHRD late. So, the uniform grant of Rs. 51.66 crore was released late.

Uniform grant of Rs. 61.09 crore for year was approved by MHRD for all girls, SC and BPL boys', category wise enrolment was collected and compiled by the department. Due to this, grant was released in the month of Nov. 2012. Department reply on the observation made by Auditor on sample schools.

- i) In the year 2011-12 grant was released late due to non availability of category wise enrollment.
- ii) In the year 2010-11, 48 schools and in year 2011-12, 27 schools disbursed the grant in cash. At that time the norms was "Cash grant should be given with permission of PAB". Now, State Government has decided to provide grant directly in students' bank accounts. It was conveyed to MHRD in year 2016-17 AWP&B.
- iii) Due to the shortage of staff at block level there was a delay in collection of utilization certificate. At this time no utilization certificate are pending in districts.

In the year 2016-17 State decided to transfer grant directly in students Aadhar seeded bank account. Due to this all above problems were solved automatically.

Hence, in view of the above para may kindly be dropped.

The Committee has observed that as per the CAG report under consideration with regard to the cash distribution of uniform grant to students, the Parishad stated in January, 2014 that the matter would be investigated as to whether the grant had actually been distributed to students or not. The Committee has, therefore, desired that the copy of the inquiry report be submitted to the Committee within a period of seven days.

[34] 2.3.8.6 Delay in distribution of "Free Text Books":

Paragraph 25 of MFMP stipulates that free text books will be provided to all children of Government schools, local body schools, Government aided schools and *Madarsas* before the start of academic session i.e. April of each year. In test checked districts books were distributed after a delay of one to eight months (**Appendix 2.13**).

The Board of School Education Haryana, Bhiwani (BSEH) invited tenders (August 2012) for engaging printing firms for the work. The work of printing of books was allotted (December 2012) to two firms namely M/s Gopsons Papers Ltd. for class 1st and 2nd and to M/s Printek Graphix Pvt. Ltd. for classes 3rd to 8th. The work was to be completed within 90 days i.e. up to 5 March 2013. M/s Gopsons Papers Ltd. fulfilled its contract but M/s Printek Graphix Pvt. Ltd. did not supply the books. The situation was reviewed on 1 August 2013 and it was decided that short term tenders for printing of books should be invited immediately. Consequently, an emergent short term Tender Notice was issued in Newspapers on 4 August 2013 by the Parishad. The work of printing and supply of books up to block level was allotted to firms on 3 September 2013 with a delivery period of 28 days i.e. latest by 7 October 2013. Thereafter, the printing firm supplied the books. Had the position of supply of books been reviewed in March-April 2013, the books could have been procured timely and distributed among the students. Further, in the absence of risk and cost clause in the contract agreement, the Department had to incur an extra expenditure of Rs.5.90 crore after adjusting invoked bank guarantee of Rs.3.81 crore and forfeited security of Rs.5 lakh.

The PS during the exit conference admitted the delay in distribution of free text books. However, it was stated that students were provided by taking books back from old pass out students. It was also accepted that there was no risk and cost clause in agreement in the event of non-supply of material.

The department in its written reply stated as under:-

Keeping in view of the reply earlier given at the end of the para, the delay in distribution of books were admitted yet the alternate arrangement so put up in place to resolve the issue regarding study of students. Further, steps to ensure timely printing and distribution of books during subsequent years were taken and timely printing and supply of books has been ensured. Hence, the para as such may please be dropped.

The Committee has recommended that the responsibility of the erring officer for not inserting the risk and cost clause in the tender document be fixed and action taken report be submitted to the Committee within a period of one month.

[35] 2.3.9.3 Delay in construction of residential hostel/school buildings:

➤ The construction of new school building for upper primary school of Sudhiwas village in Behal block was started in November 2010 which had reached up to lintel level. The structure was, however, dismantled due to execution of sub-standard work and construction was re-started. Allotted funds of Rs.11.78 lakh had exhausted and construction work had reached only upto slab level. The building was lying incomplete (August 2013). The Parishad stated (January 2014) that the Gram Panchayat had assured that the building would be completed and extra expenditure would be borne by them.

➤ An amount of Rs.2.88 crore was allocated for construction of four residential hostels each with the capacity of 100 students. The Parishad had released grants in October 2011/November 2011 to GPS, DLF, Phase-II, Nathupur (Gurgaon) of Rs. 16.05 lakh for additions and alterations in the existing school building and to GSSS, NIT, Faridabad, GGSSS, Ballabgarh (Faridabad); Government Middle School (Boys), Sector-4, MDC, Panchkula each of Rs. 79.65 lakh for construction of new hostel building. Construction of new hostel building in Panchkula had not yet been started (March 2013) due to non-receipt of NOC from HUDA. The funds were released by the Parishad without ascertaining title of the land resulting in blocking of funds with DPC, Panchkula.

The department in its written reply stated as under:-

In this connection, it is submitted that Govt. of India had sanctioned 4 residential hostels for homeless student during the year 2010-11. The construction work of residential hostels at Faridabad and Gurgaon have already been completed and made functional. The construction work of residential hostel at Ballabgarh in Faridabad District is in progress and likely to be completed by 30.06.2017. So far as remaining residential hostel at Panchkula it is submitted that HUDA authority has not issued NOC for taking of construction of hostel. However, efforts are been made for arranging the land of hostel with District Administration.

It is also submitted here that construction work of Govt. Primary School Sudhiwas District Bhiwani has been completed.

Keeping in view of the above para may kindly be dropped.

The Committee has desired that the matter again be taken up with HUDA authorities to obtain NOC to construct the hostel in Panchkula with reference to the recommendation of the Public Accounts Committee.

[36] 2.3.9.4 Kasturba Gandhi Balika Vidyalaya building at Rajound:

The Kasturba Gandhi Balika Vidyalaya (KGBV) scheme was launched by GOI in July 2004 for setting up residential schools at upper primary level where there were a minimum of 50 girls belonging predominantly to SC, ST, OBC and minority communities.

Contract for the construction work of KGBV at Rajound awarded (November 2007) to the Rajound Saraswati Co-op L&C Society Ltd. for Rs.41.93 lakh to be completed by May 2008 was extended up to November 2008 and Rs.35.57 lakh was paid to the agency in November 2008.

As per test reports, two items namely 'Flooring Top' and 'Cement Mortar in Brick Massonary' were found to be under specification. On the orders of DC, Kaithal, an FIR was lodged (January 2009) against the agency, Junior Engineer and Sub Divisional Engineer (SDE), SSA, Kaithal for substandard work in "Flooring Top" and "Cement Mortar in Brick Masonry" which was cancelled in July 2009.

The agency was granted extension upto 31 August 2011 and the Executive Engineer of the Parishad issued notices in November 2011, August 2012 and October 2012 to execute the work at risk and cost of the contractor under Clause-III of the contract. As per report of SDE, SSA, Kaithal, 17 items were under specification and cracks had developed in the building. The expenditure of Rs.35.57 lakh incurred on construction of school building was rendered unfruitful. No further action was taken to complete the work. The PS during the exit conference while viewing the matter seriously directed the SPD to form a committee to fix the responsibility of officers concerned for the failure. It was also stated that remedial action would be taken to make the building worth use for running the KGBV.

The department in its written reply stated as under:-

For setting up KGBV in Rajound block (District Kaithal), the Gram Panchayat, Rajound had transferred the ownership of land in the name of KGBV, Rajound in August 2007. Contract for the construction work was made (November, 2007) to the Rajound Saraswati Co-op L&C Society Ltd. For 41.93 lakh with a time limit of 150 days. The agency could not complete the work within time limit.

The agency had applied (March 2011) for extension up to 31.08.2011 and the same was granted. But the work was not started. The Executive Engineer of Parishad issued notice to impose Clause-III in November 2011, August 2012 and October 2012 with a view to repair the building. The Executive Engineer of the Parishad issued notice to impose Clause-III in November 2011, August 2012 and

October 2012 with a view to repair the building. The Executive Engineer of the Parishad ordered the SDE, SSA Kaithal to take samples of various material used in the construction work and get them tested from NIT Kurukshetra. Samples were got tested from NIT ,Kurukshetra and detailed report about defects and under specification work was prepared by SDE SSA, Kaithal . As per report, 17 items were pointed as under specification and cracks has developed in the building.

The building of the school and hostel are in a very bad condition. As reported by DPC Kaithal that FIR 3 dated 21.01.2009 has been filed due to lack of evidence (Copy attached).

To check the structural stability/durability of the above building a team of Punjab Engineering College "Centre for consultancy in engineering sec-12, Chandigarh was engaged for rectification of the damages and to provide comprehensive structural advice for rectification of the building. The structural team of PEC-CCE (centre for consultancy in Engineering) has inspected the building on dated 09.08.2013 and prepared the structural advice. The structural report has been received from the PEC-CCE(copy enclosed).

The measurement of actual work done is being carried out by the committee. The final amount recoverable from the contractor i.e. the Rajound Saraswati Co-op L & C Society Ltd. has been worked out and comes is Rs. 23,94,802/-. The legal action is under process to recover the amount and the additional amount is required to make functional of Building. Further action will be taken after approval of additional amount from the competent authority.

Keeping in view of the above para may kindly be dropped.

The Committee has desired that a detailed report in the matter as to whether any action has been taken or not by the department against the erring officers/officials, if no action has been taken so far, then action be initiated against the erring officers/officials and action taken report be submitted to the Committee within a period of one month.

[37] 3.5 Misappropriation, 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 *ibid*, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 144 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.60 crore on which final action was pending as of June 2013. 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 3.3.

Table 3.3: 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)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	20	34.40	Theft	96	80.93
5 – 10	40	45.20			
10.15	33	54.23	Misappropriation/ loss of material	49	79.52
15.20	11	06.89			
20.25	24	16.64	Total	145	160.45
25 and above	16	03.09	Cases of losses written off during the year	1	00*
Total	144	160.45	Total pending cases	144	160.45

* Measurement book theft

Reasons for pendency of cases are listed in Table 3.4.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	04	08.05
ii)	Departmental action initiated but not finalized	69	53.73
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending	14	08.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in Courts of Law	16	52.94
Total		144	160.45

Out of the total loss cases, 66 per cent cases related to theft of Government money. Further in respect of 50 *per cent* cases of losses, departmental action had not been finalized and 28 *per cent* cases were outstanding for want of orders of the competent authority for recovery or write off of losses. It was further noticed that out of 144 cases of losses due to the /misappropriation etc., 124 cases were more than 5 years old including 16 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 35 cases 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 03.03.2008. 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, 2012 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. In rest of the 15 cases action is being taken by the department to get these cases adjusted in the books of the Principal Accountant General Office (a list of 28 cases with latest position is attached herewith).

Para may be dropped.

The Committee has desired that all pending cases be also settled in a time bound manner under intimation of the Committee.

RURAL DEVELOPMENT DEPARTMENT

[38] **2.4.6.3 Irregular payments:**

The paragraph 2.4 of scheme guidelines provides that dwelling units should be in the name of female members of the beneficiary household. Alternatively, it can be allotted in the name of both husband and wife. However, if there is no eligible female member in the family available/alive, house can also be allotted to the male member of a deserving BPL family.

It was, however, noticed that 1,929 houses were in the name of male members during 2008-13 in test-checked cases without verifying the existence of eligible female members in the families. Physical verification of the dwelling units also showed that houses were allotted in the name of 251 male members though there were female members in the families.

The Director stated during the exit conference that suitable action would be taken against the defaulters after verifying the position.

The department in its written reply stated as under:-

All the beneficiaries to whom IAY benefit given to the male numbers had been transferred to Joint name with the female members. Para may be dropped.

The Committee has desired that it be got checked as to whether as per the scheme guidelines the dwelling units should be in the name of the name of the female member(s) of the beneficiary household or alternatively, it can be allotted in the name of both husband and wife and report be submitted to the Committee within a period of two months.

[39] **2.4.6.5 Non-utilisation of funds and assistance to ineligible families:**

The assistance is disbursed in two installments. After verification of construction work up to the lintel level, the second installment is released by the DRDAs/BDPOs. Further, paragraph 3.1 of the scheme guidelines, the assistance was to be given for construction of new houses and upgradation of unserviceable *kutcha* houses at the rates prescribed by Government from time to time. Scrutiny of the records showed the following shortcomings:

- Second installment had not been released to 1,174 beneficiaries in test- checked blocks. The Director, while admitting the facts, stated during the exit conference that notices were being issued to ineligible beneficiaries who had not completed their houses upto lintel level to become eligible for the second installment.
- Physical verification of 1,339 IAY houses showed that the 40 beneficiaries were given assistance amounting to Rs.15.88 lakh who had already pucca houses and had constructed either the first floor or added a room or a kitchen to their existing houses.

Further, 18 beneficiaries who received Rs.6.05 lakh, did not construct houses. Out of these 18 beneficiaries, 12 beneficiaries were also released second installments. Apart from this, 13 beneficiaries who received Rs.5.35 lakh had not completed their houses even after the receipt of second installments (**Appendix 2.17**).

The PS viewed the matter seriously and stated that proper action would be taken after conducting inquiry in the matter.

➤ In BDPOs, Morni and Palwal, two beneficiaries were paid second installment amount of Rs.23,500 and Rs.20,000 twice between December 2010 and December 2012 resulting into double payment of Rs.43,500.

The Director stated during the exit conference that recovery would be made from the beneficiaries by the BDPOs concerned.

The department in its written reply stated as under:-

The concerned ADCs informed that the houses were not completed by the beneficiaries at the time of audit and now the houses of all the beneficiaries have been completed.

The Committee has observed that out of total 18 beneficiaries, 12 beneficiaries have not even started the construction of their houses, even then they have been released 2nd installment without verification. The Committee has, therefore, desired that the responsibility of the erring officers/officials be fixed and action taken report be submitted to the Committee within a period of 2 months.

COOPERATION DEPARTMENT

[40] 2.5.7.2 Retention of funds outside the Government Account:

The Registrar, Co-operative Societies had transferred an amount of Rs. 35.25 crore after drawing from treasury between March 2006 and March 2010 to four ARCSs for making onward payment to District Central Co-operative Banks which were designated as Project Implementing Agencies (PIAs) under the Integrated Co-operative Development Project Scheme. The projects were completed between September 2010 and December 2012 with total cost of Rs. 34.61 crore leaving an unspent balance of Rs.0.64 crore with PIAs. The unspent funds were required to be deposited in Government Account. Neither the implementing agencies had deposited the unspent balance in Government account nor the department had asked the implementing agencies to refund the unspent balances.

The RCS while admitting the facts stated during the exit conference that unspent amount lying with PIAs would be deposited in the Government Account.

The department in its written reply stated as under:-

In compliance of Audit observations it is submitted that ICDP Yamunanagar, Jind, Mahendergarh and Faridabad has been closed and the assets & liabilities has been transferred to the respective central cooperative banks. The decision regarding un utilized amount was to be taken by the NCDC. Accordingly on receiving approval NCDC the above central cooperative banks were directed to deposit the pending un utilized amount in the Government treasury vide this office letter dated 10.01.2014 and 08.06.2014. In compliance of the office letter the pending amount has been deposited by Central Cooperative Bank as per details given below:-

Name of CCB	Amount deposited	Treasury Challan date	Total
Yamuna Nagar	14,67,164.05	02.07.2014	14,67,164.05
Mahendergarh	10,00,084.00	18.06.2014	10,00,084.00
Total			24,67,248.05

The information of CCB, Jind and Faridabad is awaited. It is assured that these banks will be directed to deposit the un utilized amount in Government treasury immediately. Hence, the para may be dropped.

The Committee has desired that the unspent amount be got deposited in the Govt. account without any further delay and responsibility of the officers/officials be fixed for ignoring the letters issued by the department and action taken report be submitted to the Committee within a month.

[41] 2.5.7.3 Excess release of subsidy and irregular utilisation of unspent amount:

With a view to promote awareness amongst management committee members of the co-operative societies and to equip them with the management activities, a scheme named 'Member Education and Leadership Training' was implemented through Haryana State Co-operative Development Federation Limited (HARCOFED). As per provisions of

the scheme, salary of the staff appointed to impart training besides stipend to the participants was to be reimbursed to HARCOFED. A budget provisions of Rs. 12.50 crore was made under the scheme during 2008-13.

Similarly, with a view to project proper image of co-operative movement, a scheme 'Publicity and Propaganda' was being implemented by the Department. For this purpose, publicity literature like booklets folders posters, leaf lets, etc. were being published by HARCOFED. An amount of Rs. 3.55 crore was released to HARCOFED under the scheme during 2008-13.

The RCS had drawn the entire budgetary allocations from treasury every year and paid to HARCOFED and the amount was shown as final expenditure in accounts. Audit noticed that actual expenditure on salary was Rs. 10.23 crore under Member Education and Leadership Training Scheme during 2008-13 while expenditure on Publicity and Propaganda was Rs. 0.84 crore. The balance amount Rs. 4.98 crore was required to be refunded in the Government Account but HARCOFED utilized these funds for making payment of salary of the staff of press run by them and on contingency, postage, rent, office expenses, etc. which was not covered under the schemes.

The RCS stated during the exit conference that the expenditure was incurred for making payment of salary of printing press staff as press was part and parcel of HARCOFED. The reply was not convincing as there was no provision for payment of salary of printing press staff from the scheme funds.

The department in its written reply stated as under:-

During the period 2008-09 to 2012-13, the Federation received Rs. 1605 lacs as grant in aid (table 1), out of which Rs. 1508.42 lacs (table 2) were spent on salary, stipend and other expenses relating to Education & training and Publicity & Information Scheme and a sum of Rs 69.00 Lacs were saved from the grant (table 3) during the five years 2008-09 to 2012-13. Accordingly, the balance amount of Rs. 27.58 lacs were utilized/transferred to press to disburse the salary of Press staff, a Unit of Harcofed. Further, It is clearly stated in the table 2, the expenditure incurred on Publicity and Propaganda scheme during 2008 - 2013 is Rs. 388.44 lacs and not 0.84 crore as stated in the observation.

The Press staff had filed a CWP 3795/2011 in the Hon'ble Punjab & Haryana High Court, regarding payment of arrears of Revised pay scales & salary to the employees of Haryana Cooperative Press. Hon'ble Punjab & Haryana Court ordered that *"The grievance of the petitioners is that they have not been paid salary for the last two months. Earlier also, the salary was not being regularly paid. The petitioners have made a representation in this regard, copy of which is annexed with the petition as Annexure P-1.*

Let the respondents decide the representation of the petitioners within two weeks from the date of receipt of copy of this order and if any salary is not paid to the petitioners, the same be released to them without any delay." The matter was placed before the Board of Directors in view of the decision in CWP 3795/2011 and Board of Directors in its meeting held on dated 31.03.2011 under the

Chairmanship of Sh. Raj Kumar, IAS, FCPS, Cooperation Department wherein it was decided vide resolution no. 14. The relevant portion of the resolution is reproduced as under:-

"The matter was discussed at length and it was unanimously resolved that the order passed by Hon'ble High Court has been complied with as far as the pay for the month of December, 2010 and January, 2011 is concerned. As regards the pay of ensuing months, Managing Director is authorized to release the pay as per earlier procedure adopted. Further it was decided to streamline the pay issue in consultation with lawyer and Chartered Accountant..."

In this regard, Legal opinion was sought from Sh. Pardeep Kumar, Advocate, who opined that As the BOD has also admitted the fact that the employees of the Harco-Press are the employees of the federation and thus no discrimination can be made with them. In this regard he further stated that it would be appropriate that the BOD should review its decision. "The arrears of the pay of the employees of the Press be released from the same head from where the arrears of the employees of the Federation were released. Further it would be appropriate that the employees of the Harco-press be paid that much of the arrears which were released to the employees of the Federation so as to bring them at par with the employees of Federation. The next installment of the arrears should be released at same percentage to the employees of both i.e. Federation & Harcopress."

Similarly the opinion of CA of this federation was also sought and in this regard he opined that "it is stated that HARCO-Press is not in a position to release the arrears of employees from its own resources, As per accounting procedures, Due to existence of Head Office – Branch relationship/Inter unit relationship, Expenditure incurred by branch can be paid by head office and vice versa.

In view of above submission, Arrears of press employees and regular salary can be paid by HARCOFED from their available resources/from the same head from where the employees of Federation are being paid.

In view of the above opinion it is submitted that it was matter the mandate of HARCOFED to give salary and other benefits to its staff working in Press Unit like the employees.

It is therefore requested that in view of the position explained above, the audit para, may kindly be dropped.

	Particulars	INCOME					
		(Table 1)	(Rs. in Lacs)				
		2008-09	2009-10	2010-11	2011-12	2012-13	Total
A	EDUCATION SCHEME Govt. Grant	180	250	300	300	220	1250
B	PUB. & Scheme	50	75	100	50	80	355
	Grand. Total	230	325	400	350	300	1605

	Particulars	(Table 2) EXPENDITURE (Rs. in Lacs)					
		2008-09	2009-10	2010-11	2011-12	2012-13	Total
A	EDUCATION SCHEME Pay, TA, EPF, Gratuity & L/encashment, Retiral Dues postage, Rent etc.	212.88	236.18	251.08	188.17	231.67	1119.98
B	Publicity & Propaganda Scheme Pay, TA, EPF, Gratuity & L/encashment, Retiral Dues postage, Rent etc.	85.09	92.88	85.18	62.90	62.39	388.44
	Grand. Total	297.97	329.06	336.26	251.07	294.06	1508.42

	Particulars	(Table 3) profit (Rs. in Lacs)					
		2008-09	2009-10	2010-11	2011-12	2012-13	Total
	Profits	2.83	3.78	13.15	39.26	9.98	69.00

Hence, the Para may be dropped.

The Committee has desired that the matter be re-looked into strictly in terms of the terms & conditions of the Scheme under intimation of the Committee at the earliest possible.

[42] 2.5.7.4 Non-recovery of audit fee:

Rule 80 (1) of the Societies Rules, 1989 provides that every co-operative society shall pay to the Government a fee for the audit of its accounts of each year in accordance with the scales fixed by RCS. Audit noticed that audit fee amounting to Rs. 4.94 crore was outstanding against co-operative societies as on 31 March 2013 and audit fee scales had not been revised since 2001.

While admitting the facts, the RCS stated during the exit conference that efforts were being made to recover the audit fee from co-operative societies with the help of co-operative banks. The RCS also stated (October 2013) that for revision of audit fee, no time limit had been prescribed in the Act/Rules. It was further stated that a proposal for revision of audit fee was under consideration of the Government.

The department in its written reply stated as under:-

The main reason of arrear of Audit Fees of the society is non traceable address of society. non available of sufficient funds in the society accounts and non availability of the records of the society and also mostly societies are running in heavy losses. However in view of above circumstances, the process of waive of Audit Fees of these societies is under consideration. Efforts are being made to recover the Audit Fees of Cooperative Societies with the help of ARCS and

Cooperative Banks, necessary direction has also been issued to all concerned from time to time. As regard, the revision of Audit Fees scale, it is submitted that the scale of revision of Audit fees has been made by the government vide government letter No. 569-C-8-2014/6905 dated 03-06-2014 and the same was conveyed by this office to all concerned i.e. ARCS, DRCS, Managing Director of Apex Institutions and Sugar Mills vide this office letter No. 10809-55 dated 23-07-2014. Hence, the Para may be dropped.

The Committee has desired that sincere and pragmatic efforts be made to make the recovery of outstanding audit fee under intimation of the Committee as well as Principal Accountant General, Haryana.

[43] 2.5.7.6 Negligible return from share capital in Co-operative Societies and outstanding loan:

The amount invested by the Department as share capital and loans advanced to co-operative societies during 2008-13 are shown in Tables 2.5.2 and 2.5.3.

Table 2.5.2: showing details of share capital subscribed

(Rs. in crore)

Year	Opening Balance	Share capital subscribed during the year	Total share Capital	Share capital retired during the year	Closing balance
2008-09	492.30	34.35	526.65	7.62	519.03
2009-10	519.03	17.33	536.36	9.47	526.89
2010-11	526.89	11.36	538.25	8.31	529.94
2011-12	529.94	14.31	544.25	9.00	535.25
2012-13	535.25	69.45	604.70	10.63	594.07

Source: Data supplied by the Department

The investments in share capital in co-operative societies had increased from Rs. 492.30 crore at the beginning of 2008-09 to Rs. 594.07 crore at the end of 2012-13. However, returns from these investments were negligible (Rs.1.36 crore during 2011-13) while the Government paid interests at an average rate of 7.43 to 9.73 *per cent* on its borrowing during 2008-13. Further, the Department had not maintained consolidated data on the amount of share capital redeemable. The department admitted (October 2013) the facts and stated that efforts are being made to ensure the recovery of amount due and receipt of dividend from cooperative Societies.

Table 2.5.3: Showing details of loan advanced

(Rs. in crore)

Year	Opening balance	Amount of loan advanced during the year	Total loan advanced at the close of the year	Amount repaid during the year	Balance at the close of the year
2008-09	503.41	148.02	651.43	27.29	624.14
2009-10	624.14	90.99	715.13	14.84	700.29
2010-11	700.29	65.51	765.80	12.62	753.18
2011-12	753.18	205.48	958.66	43.79	914.87
2012-13	914.87	204.37	1119.24	142.88	976.36

The balance of loan increased from Rs. 503.41 crore at the beginning of 2008-09 to Rs. 976.36 crore at the close of 2012-13. The Department did not have the records which showed accrued amount to be recovered from loanee societies. As a result, position of recovery of due amount at macro level could not be ascertained in audit.

The RCS stated during the exit conference that the co-operative societies were unable to pay dividend due to losses incurred by them while the ACS stated that objective of co-operative movement was to make co-operative societies self-sustainable and generate employment so that they may earn profit. ACS further stated that the financial assistance would be provided to co-operative societies after reviewing their financial position in future.

The department in its written reply stated as under:-

In compliance of audit observation it is submitted that due to weak financial position and accumulated losses the co-operative institutions/societies are not in position to ensure minimum return on Share capital.

Out of the total share capital of Rs.594.07 crore, an amount of Rs.316.97 crore approx. is share capital pertaining to Cooperative Sugar Mills which could not be returned due to the reasons given by the Sugar Federation.

1. Mis-match between Higher State Advised Price (SAP) of sugarcane and Sugar Prices.
2. Depressed sugar sale price as compared to cost of production.
3. Excessive sugar stocks resulting into higher interest burden on CC Limits.
4. Low sugar recovery against ideal recovery of 9.5% -10.00%.
5. Excessive manpower
6. Un-economic size/ capacity of the Mills like Panipat, Karnal, Sonapat, Jind, Palwal, Meham, Kaithal & Gohana.
7. Inadequate availability of good quality cane for at least 150 days for 100% capacity utilization according to standard norms.

Hence, the para may be dropped.

The Committee has recommended that performance audit of all the Cooperative Sugar Mills in the State be got conducted by the officers/officials of the Principal Accountant General, Haryana.

[44] 2.5.7.7 Rehabilitation of Co-operative Sugar Mills:

Government waived off outstanding interest as on 31 March 2007 on loans advanced to co-operative sugar mills with the condition that principal amount of loan would be converted into equity share capital on 1 April 2007. The share capital, if retired, a special dividend at the rate of 18 *per cent* per annum on the paid up value of share capital so retired for the period from the actual date of contribution of share capital till its retirement, should be payable. Further, the sugar mills were required to turn around from losses into profit within a period of three years i.e. by end of 2009-10; by taking necessary measures to increase operational efficiencies. In case the mills were not able to turn around in profit by the end of financial year 2009-10, the concession of waiving off of

interest and conversion of loan to share capital would be treated as null and void ab-initio. Loan amounting to Rs.284.63 crore pertaining to nine co-operative sugar mills was converted (March 2007) into share capital and interest of Rs.181.87 crore was waived off but the mills did not turn around into profit. The loan amount converted into share capital had not been retired as of July 2013. The Department had not taken any action to declare the concession given earlier as null and void.

The RCS admitted the facts and stated (October 2013) that the sugar mills were not in a position to redeem the share capital and declare dividend due to higher cost of production than sale price of sugar. It was assured during the exit conference that sugar mills would be directed to take adequate steps to make these mills economically viable.

The department in its written reply stated as under:-

Regarding repay of audit para it is submitted that after conversion of loan amount Rs.284.63 Crore to share capital & interest of Rs. 181.87 was waived off pertaining to nine Coop. Sugar Mills but they are not in position to redeem the due amount & declared dividend as prescribed. The major reasons are due to hefty hike in cane prices & low recoveries resulting in higher cost of production. The G.O.I. has fixed the F&R (Fair & Remunerative Price) of the Sugar & State Govt. has announced/fixed SAP due mis-match above resulted in losses. Moreover, prices of sugar had remained lower side due to control mechanism in sugar industries; this control was exercised through levy obligation & regulated release mechanism. Due to levy obligation sugar mills were forced to sell 10% of their production at subsidized rate which is almost to equal of their production at subsidized rate which is almost to equal to 50% of their production cost. Now in the current year May 2013 Govt. of India has decided to abolish levy obligation & regulated mechanism, after this it is felt that mis match of selling price & production cost is to be recouped to the extent. Further, during the current financial year 2016-17, sugar prices have improved significantly from the bottom and hovering around Rs.3700/- per qtl. (Net of Excise). Due to this changed scenario, Cooperative Sugar Mills are expected to bring down its losses and will close the crushing season 2016-17 with an estimated loss of Rs.190.00 crore against the last year loss of Rs.350.00 crore. Further, it is expected that Shahabad Sugar Mills may record profits of Rs.10.00 crore in the financial year 2016-17. Hence, the para may be dropped

The Committee has recommended that a meeting of the officers of Cooperation Department, Finance Department and PAG office be convened to evolve any mechanism to sort out the issue.

[45] 2.5.7.8 Non recovery of minimum return on share capital:

The Finance Department had issued guidelines (October 2003) for minimum rate of return at the rate of four *per cent* per annum on the share capital contributed by the State Government in Public Sector Undertakings (PSUs) and Co-operative Societies. Scrutiny of records of test checked ARCSs showed that funds ranging between Rs.252.43 crore and Rs. 292.64 crore were invested in co-operative societies and minimum return worked out to Rs.55.89 crore during 2008-13 but there was no return from these societies.

Besides, the Government had also subscribed share capital ranging between Rs.13.07 crore and Rs.28.32 crore in Haryana Dairy Development Co-operative Federation Limited during this period. The Federation had not paid any dividend, the minimum return worked out to Rs.5.04 crore. Thus, non-adherence of guidelines issued by the Finance Department had resulted in non-realization of minimum return of Rs. 60.93 crore. Seven ARCS admitted the non-recovery of minimum returns and stated that they were not aware about the instructions of the Finance Department.

The RCS admitted the facts and stated (October 2013) that due to weak financial position and accumulated losses, co-operative institutions were not in position to ensure minimum return on share capital. It was also stated that the Department was doing sincere efforts to get the minimum return/ dividend on share capital. As regards awareness of ARCSs about the instructions of the Finance Department, the ACS directed the RCS during the exit conference to impart proper training to field staff to avoid such lapses.

The department in its written reply stated as under:-

In compliance of audit observation it is submitted that due to weak financial position and accumulated losses the co-operative institutions/societies are not in position to ensure minimum return on Share capital.

As per State Government guidelines dated 29.10.2003 for minimum rate of return on the Share Capital contribution by the State Government at point No. 3(V) the Public Sector Enterprises registered under the Cooperative Societies Act or any other Statutory Act, the dividend should be paid as per the term & conditions laid down in their respective Bye Laws/Act. As per Federation Bye Laws No. 27.1 regarding distribution of net profits the same shall be determined by the Annual General Meeting. The AGM has not so far declared any dividend in their meetings held till date. The declaration of dividend on the Share Capital provided by the State Government shall be taken up in the next Annual General meeting of the Federation.

However, the department is doing sincere efforts to ensure the minimum return/dividend on Share Capital.

Hence, the para may be dropped.

The Committee has observed that the objective of the cooperative movement was to make the cooperative institutions “the self sustainable units” but it could not achieve this objective and these institutions have become the burden on the Government. The Committee has, therefore, recommended that the system be reviewed and audit of all cooperative institutions including HARCO Bank and HAFED be got conducted by the office of Principal Accountant General, Haryana.

[46] 2.5.7.9 Redemption of share capital of co-operative societies:

Section 46 provides that the State Government may subscribe to the share capital of a co-operative society. The share capital is subscribed with the condition that the share capital would be redeemed within a certain period. The Department had not

maintained any record or register to work out the amount to be recovered from each society on account of redemption of share capital. As a result, position of due amount on account of redemption of share capital in the State could not be ascertained in Audit.

It was, however, observed that share capital amounting to Rs. 25.65 crore was due for redemption as on 31 March 2005 from the seven co-operative sugar mills. The Co-operative sugar mills had not deposited the due amount on account of redemption of shares in the Government Account. A further extension was granted by the State Government in May 2009 for the redemption of shares upto the year 2011-12. The share capital was, however, still recoverable (July 2013).

The RCS admitted the facts and stated (October 2013) that the sugar mills were not in a position to redeem the share capital due to higher cost of production and lower selling price of sugar. It was also stated that efforts would be made to recoup the losses by setting up cogeneration plants and distilleries in sugar mills.

The department in its written reply stated as under:-

In compliance of audit observation it is submitted that Sugar mills are not position to redeem the due amount due to various reason high cane-prices and low recoveries of sugar from sugarcane had resulted into higher cost of production due to that mis-match of selling price and production cost is resulting into losses. However, efforts are being made to recoup the losses by setting up cogeneration plants and distilleries in sugar mills. The separate record registrar has been prepared regarding redemption of Share Capital.

Hence, the para may be dropped.

The Committee has observed that the objective of the cooperative movement was to make the cooperative institutions “the self sustainable units” but it could not achieve this objective and these institutions have become the burden on the Government. The Committee has, therefore, recommended that the system be reviewed and audit of all cooperative institutions including HARCO Bank and HAFED be got conducted by the office of Principal Accountant General, Haryana.

[47] 2.5.9.1 Loan to Co-Operative Sugar Mills:

(i) The Co-operative Sugar Mills crush the crop of sugarcane and make payment to the farmers. Since the co-operative sugar mills were not financially sound, the Government provided financial assistance in the shape of loan to these sugar mills under the scheme ‘Loan to Co-Operative Sugar Mills for Payment of Cane Price’. The State Government granted loans of Rs. 42.50 crore to nine co-operative sugar mills during 2009-10 with the condition that the loan would be repaid after 12 months in five equal annual installments with nine *per cent* interest per annum. It was also stipulated that further loan would not be sanctioned if previous loan was not repaid.

These co-operative sugar mills had not started repayment of loan 12 months after disbursement as per terms and conditions of loan yet the department continued to release loans of Rs. 225.90 crore to the societies during 2010-13 in-violation of terms and conditions. The co-operative sugar mills had intimated to the RCS that the repayment of loan could not be made due to their tight financial position. The department should have assessed the repaying capacity of the mills before sanctioning loan particularly when they were not repaying earlier loans.

(ii) An amount of Rs. 2.10 crore was paid (September 2010) under the scheme as loan to Jind Co-operative Sugar Mill, Jind for making a payment to the contractor in an arbitration case and Rs. 2.88 crore (September 2011) as loan to Co-operative Sugar Mill, Bhuna for making payment to liquidator on account of enhanced compensation to land owners. Repayment of loan and interest had not been made by these Co-operative Sugar Mills. Since this scheme was launched for making remunerative price to cane growers only, the expenditure out of the scheme funds was not the legitimate charge on the scheme.

The RCS stated (October 2013) that the Department had assessed the financial position of the sugar mills before sanction of the loan but Department had to provide loan to sugar mills for the payment to cane growers because sugar mills did not have sufficient funds. It was further stated that efforts were being made to make sugar mills self-dependent by setting up cogeneration of plants and distilleries in sugar mills. The reply was not convincing as adequate steps needs to be taken either to bring these mills into profit or shut down these mills as they are heavy burden on the State exchequer.

The department in its written reply stated as under:-

It is a matter of fact that all Cooperative Sugar Mills are running into losses and have accumulated losses of more than Rs.2000.00 crore as on 31.3.2016. Out of this, Sugar Mills have incurred losses of approx. Rs.1300.00 crore during the year 2013-14, 2014-15 and 2015-16. This was mainly on account of higher cost of production because of cane prices & staff salaries and depressed/low domestic sugar prices, due to surplus production of sugar in the last five sugar seasons. During these three years, sugar prices have come down tremendously and gone below the level as they were in the year 2009-10. The average sugar sales realization was Rs.3039/-, Rs.2945/- and Rs.2627/- per qtl. during the year 2013-14, 2014-15 and 2015-16 respectively against the average net cost of production of Rs.4200/- per qtl.

During the current financial year 2016-17, sugar prices have improved significantly from the bottom and hovering around Rs.3700/- per qtl. (Net of Excise). Due to this changed scenario, Cooperative Sugar Mills are expected to bring down its losses and will close the crushing season 2016-17 with an estimated loss of Rs.190.00 crore against the last year loss of Rs.350.00 crore. Further, it is expected that Shahabad Sugar Mills may record profits of Rs.10.00 crore in the financial year 2016-17.

Reasons of Losses:

1. Mis-match between Higher State Advised Price (SAP) of sugarcane and Sugar Prices.
2. Depressed sugar sale price as compared to cost of production.
3. Excessive sugar stocks resulting into higher interest burden on CC Limits.
4. Low sugar recovery against ideal recovery of 9.5% -10.00%.

5. Excessive manpower
6. Un-economic size/ capacity of the Mills like Panipat, Karnal, Sonapat, Jind, Palwal, Meham, Kaithal & Gohana.
7. Inadequate availability of good quality cane for at least 150 days for 100% capacity utilization according to standard norms.

Further, it is submitted that department has assessed the financial position of the sugar mills before sanctioning the loan but govt./ deptt. has to advance for the payment of cane growers as the sugar mills have not sufficient funds to pay the payment of cane growers. In this regard it is submitted that the Sugar Mills Federation requested that the financial position of the Coop. Sugar Mill Jind is very critical and not in position to make payment of the award passed from their own resources. The Jind Sugar Mills requested to make available funds from the State Exchequer to avoid further interest burden and any legal complications because in default of payment, the Execution Court will attach and auction the property of the Mills to recover the amount. Keeping this in view the Sugar Federation requested to approach the State Govt. to release loan to the tune of Rs. 2.10 Crore in favour of Jind Sugar Mills from the budgetary provision of Rs. 50.00 Crore of existing plan scheme. The Registrar Cooperative Societies Haryana assessed that due to weak financial health the Cooperative Sugar Mills Jind is not in position to make such payment. He assumed that the Jind Sugar Mills would be able to pay loan with interest with in time period as per condition. The proposal of sugar mills was forwarded to the govt. for awarding the penalty as loan. After consideration accorded administrative approval of Rs. 2.10 Crore vide order No. 1885-C-V-2010/8905 dated 18.08.2010.

In context to Rs. 2.88 Crore as loan to Cooperative Sugar Mill, Bhuna for making payment to liquidator on account of enhanced compensation to land owners it is submitted that as per judgment 11.11.2008 in RFA No. 1849/1992 and 923/1993 of the Hon'ble High Court, an amount of Rs. 266833525/- was payable towards enhanced compensation to the land owners whose land was acquired for Bhuna Sugar Mills Society. The Liquidator, Bhuna Coop. Sugar Mills requested that an amount of Rs. 2.88 Crores be provided immediately in favour of Liquidator, Bhuna Coop. Sugar Mills Society as loan to deposit the same in the Hon'ble Court of ADJ, Fatehabad, The amount of loan will be refunded alongwith interest as and when the same is received from the purchaser of Bhuna Sugar Mills. Keeping this in view the proposal was submitted to the Government to take the matter with Planning Department. The Government accepted the proposal and accorded administrative approval of Rs. 2.88 Crore as loan to Cooperative Sugar Mills Bhuna for payment of enhanced compensation of the land acquired for Bhuna Cooperative Sugar Mills.

However efforts are being made to self dependent by setting up cogeneration plants and distilleries in sugar mills. As far as payment of Rs. 2.10 Crore & Rs. 2.88 Crore are concerned are paid to Coop. Sugar Mill Jind is very critical and not in position to make available funds from the State Govt. to avoid further interest burden and any legal complications because in default of payment, the Execution Court will attach and auction the property of the mills to recover the

amount. Keeping this in view the Sugar Federation requested to approach the State Govt. to release loan to the tune of Rs. 2.10 Crores in favour of Jind Sugar Mills from the budgetary provision of Rs. 50.00 Crore of existing plan scheme. The Registrar Cooperative Societies Haryana assessed that due to weak financial health the cooperative sugar Mills Jind is not in position to make such payment. After consideration of request of Sugar Federation, the State Government accorded administrative approval of Rs. 2.10 Crore vide order No. 1885-C-V-2010/8905 dated 18.08.2010 in public larger interest.

Now the Loan amount Rs. 2.88 Crore alongwith interest of Rs. 5539068/- has been deposited by the Liquidator the Cooperative Sugar Mills Bhuna during the financial year 2013-14.

Hence, the para may be dropped.

In the light of whole discussion, the Committee has desired the department to prepare a detailed note containing therein the all issues of problem and measures for improvement as discussed in the meeting so that the same may be discussed with the Hon'ble Chief Minister.

[48] 2.5.9.3 Non-recovery of share capital and dividend under Long Term Operation Scheme:

The scheme 'Long Term Operation Fund' provides for making investment of share capital in HARCO Bank and Haryana State Co-operative Agriculture and Rural Development Bank. Under the scheme, share capital was required to be retired in 12 years after a moratorium period of three/two years in 9/10 equal annual installments and dividend was also payable as per bye-laws of the society. An amount of Rs. 32.52 crore was paid to these banks as share capital during 2007-11, of which an amount of Rs. 7.67 crore was due for recovery.

Audit noticed that the Department had not received the due amount from the banks so far (July 2013). The Department had not made appropriate efforts to get amount of redemption of shares.

The RCS admitted the facts and stated (October 2013) that due to weak financial position, the banks were not in a position to redeem the due amount. The RCS further stated during the exit conference that the matter had since been taken up with banks concerned for redemption of the due amount.

The department in its written reply stated as under:-

In compliance of audit observation it is submitted that the amount of Rs. 32.52 Crore of Share Capital submitted that the amount of Rs. 32.52 Crore of Share Capital was given to 70, Apex, Central and Primary Cooperative Institutions. The amount of Rs. 2.25 Crore redeemed by the above institution against due amount of Rs. 7.67 Crore. Moreover, Rs. 3.71 crore has also been recovered against remaining due amount during the period 2013-14 to 2016-17. Hence, the efforts are being made to recover the due amount at the earliest.

(in Rupees)

Institution/Societies	Remaining due amount	Recovery	Balance
Harco Bank	3000000	3000000	0
PACS	1650000	1450000	200000
DCCBs	14466000	14191000	275000
DPCARDB	35084000	18541094	16542906
	54200000	37182094	17017906

Hence, the para may be dropped.

The Committee has desired that the sincere and pragmatic efforts be made to recover the outstanding amount on account of share capital and dividend under long term operation scheme and the Committee be kept informed of the action taken/progress made in the matter.

[49] 2.5.10.3 Transfer of CCM Building to HSAMB:

The CCM was running near sector-14 Rohtak in four acres of land having well furnished classrooms, hostel, administrative block, etc. In a meeting held in November 2008 under the Chairmanship of the Chief Minister, it was decided that the Department would transfer entire land of CCM to HSAMB. In lieu of this, HSAMB would make available three storied building near old bus-stand consisting of 22 rooms having carpet area of approximately 5000 sq feet for the CCM. In addition, HSAMB would arrange the purchase of land measuring two acres in institutional area of Sector 4-5 Rohtak and would also construct a building for CCM equivalent to the built up area to be transferred. The Government accorded its approval (December 2008) with the condition that issue of transfer of aforesaid land would be subject to ex-post facto approval of Council of Ministers and concurrence of Finance Department. The building of CCM was, however, vacated in May 2009 without ex-post facto sanction of Council of Ministers and concurrence of the Finance Department. The CCM was shifted in the building of HSAMB, where the capacity for imparting training was much less and the accommodation was also insufficient, resulting in providing training to less number of candidates in succeeding years. Despite the lapse of five years, HSAMB had not fulfilled its commitment of construction of building for CCM. Even the land has not been got allotted from HUDA by HSAMB.

The RCS admitted the facts and stated (October 2013) that the matter regarding transfer of land by HUDA was under active consideration.

The department in its written reply stated as under:-

As per letter no. 1576 dated 21-03-2014 issued by Huda Rohtak 1.71 acre land has been allotted to CCM Rohtak in sector 5 Rohtak. The installment of allotted land has been deposited on dated 29-03-2015, 29-03-2016, 29-03-2017 of amounting to Rs. 12344268/-, Rs.11351608/- and Rs. 10342495/- respectively by HSAMB Rohtak. Last installment is due on dated 29-03-2018.

The CCM has got the building map prepared through chief architecture Haryana got the same approved by this department/ Government of Haryana and sent the same to Chief administrator HSAMB Panchkula for the construction of the building for further necessary action.

So far as the question of transfer and vacation of land and building of CCM Rohtak is concerned, it is reported that this office has acted upon the instruction issued by the RCS Haryana letter no.1431-36 dated 12.05.2009 Para no. (i) and further reported that ex-post-facto approval for Finance Department and council of ministers has so far not been sent to this office by Head office.

It is, therefore, requested to get this Para dropped please.

The Committee has desired that sincere and pragmatic efforts be made to get the building constructed at the earliest possible under intimation of the Committee.

CIVIL AVIATION DEPARTMENT

[50] **3.1 Irregularities in the functioning of Civil Aviation Department:**

Three aviation clubs of Haryana Institute of Civil Aviation (HICA) failed to achieve the flying hour targets during 2008-13. Despite the release of grants-in-aid of Rs.5.36 crore, expenditure exceeded the income by Rs.1.05 crore. HICA had not finalised their accounts since 2007-08, pilots were paid inadmissible allowances and post of senior executive pilot was sanctioned after 10 months of appointment.

The Civil Aviation Department was established in 1966 to maintain VIP aircrafts, to promote the activities of flying, gliding, to train pilots, aircraft maintenance engineers, cabin crew, ground staff, etc. Haryana Institute of Civil Aviation (HICA) was established in 1998 as a Society under Societies Registration Act, 1860. The activities were being carried out through three Aviation Clubs situated at Karnal, Pinjore and Hisar. The records in the office of the Adviser, Civil Aviation; Secretary, HICA and its three Aviation clubs for the period 2008-09 to 2012-13 were test checked during April 2013. During audit, following important findings were noticed.

(iii) Non-preparation of annual reports and balance sheet by HICA:

Rule 7 and 9 of Rules of the Haryana Institute of Civil Aviation provide for holding of meeting of the Executive Committee once in three months and meeting of General Body once in a year. It was noticed in audit that during the period of five years covered under audit, the Executive Committee held only one meeting during March 2011. No record of holding meeting of General Body was made available to audit.

The Executive Committee had not prepared annual report, balance sheet and audited accounts for the consideration of General Body since 2007-08. In the absence of the annual reports and balance sheets, the financial and physical achievements of the HICA could not be ascertained in audit. During exit conference the Adviser, Civil Aviation assured to complete the work of preparation of annual reports, balance sheet, etc. The final outcome was awaited (January 2014).

The department in its written reply stated as under::

It is admitted that the meetings of Executive Committee and General Body Members were not held to the desirable extent during the period of audit. It is assured that the meetings of the Executive Committee and Governing Body members will be got conducted as per norms of Rule and Regulation Haryana Institute of Civil Aviation.

It is submitted that now the annual accounts report alongwith Balance sheet upto the financial year 2010-11 have been completed and report for the year 2011-12 is near completion and it will be completed upto June, 2017. The annual accounts report alongwith balance sheet for the remaining years 2012-13 to 2015-16 will be completed upto December, 2017. The annual report of the financial year 2016-17 will be completed upto June, 2018.

The para may kindly be dropped.

The Committee has desired that the balance sheet be got prepared at the earliest possible under intimation of the Committee and the office of Principal Accountant General, Haryana in a proper way.

[51] 3.1(iv) Recoverable parking and maintenance charges:

The Adviser, Civil Aviation, Haryana provided (in 2006) technical and hangar facilities to M/s Ariel Advertising Pvt. Limited at the monthly charges of Rs.50,000/-. In case of non-deposit of rent in time, the agency was liable to pay late fee charges at the rate of 18 *per cent* per annum. Scrutiny of records showed that the agency had not paid the monthly charges since August 2011 and a sum of Rs.9.20 lakh (Rs.8 lakh as parking charges for 20 months and Rs.1.20 lakh as maintenance charges for 12 months) alongwith late fee charges at the rate of 18 *per cent* were recoverable as on 31 March 2013. During exit conference the Adviser, Civil Aviation intimated that efforts were being made to recover the total amount. Final outcome was awaited (January 2014).

The department in its written reply stated as under:-

Due to non payment of charges towards hanger and maintenance, contract period of M/S Aerial Advertising Pvt Limited has not been extended after 31.3.2016. An amount Rs.8,83,000/- has been received from this firm during August 2013 to Nov. 2015. However for making recovery of outstanding principal amount upto 31.3.2016 and penalty @ 18% per annum upto May 2017, the HICA is making its sincere efforts. Legal notice is also being served upon the firm.

The Committee has desired that the department should take sincere and pragmatic efforts to recover the outstanding amount under intimation of the Committee.

[52] 3.1(vi) Irregular appointment:

As per Civil Aviation Department Service Rules, 2011, the Helicopter Pilots, in the pay scale of Rs.37,400 - Rs 67,000 + Rs.10,000 Grade Pay with other allowances, were to be appointed by direct recruitment or by transfer or deputation out of officials already in the service of State Government or Government of India.

For operation of Helicopter, the State Government had taken two officers from IAF on deputation since April 2009. One officer gave his willingness for absorption in the Government after getting pre-mature retirement from the IAF with the condition that he may be posted as Special Executive Pilot (SEP) with grade pay of Rs.12,000 and other allowances equivalent to SEP. As per Civil Aviation Department Service Rules, 2011, there was only one post of SEP in the State which was already occupied. However, the department appointed the retired IAF officer as SEP with effect from January 2012 at a basic pay of Rs.57,320 + Rs.12,000 grade pay with all allowances and perquisites available to SEP.

Audit noticed that Government accorded the sanction in October 2012 for creation of one post of SEP whereas the officer was appointed with effect from January 2012 which was against the rules. Besides, the post was also taken out of the purview of HPSC and filled without any advertisement. On being pointed out, the department replied (April 2013) that in view of urgency and smooth operations of Helicopter, the Government created one post of SEP and this officer was absorbed on this post w.e.f.

January 2012. The reply was not acceptable as the approval for creation of post was issued in October 2012 while the officer was absorbed from January 2012. Moreover, the post was never publicised for getting applications from the qualified/deserving candidates.

The above points were referred to the Government (July 2013); but replies were not received. However, the points were discussed with the Principal Secretary Government of Haryana, Civil Aviation Department in an exit conference held in October 2013 and deliberations of the conference have been suitably incorporated.

The department in its written reply stated as under:-

Civil Aviation Department Haryana is providing Air Transport Facility to the Hon'ble Chief Minister, Haryana, H.E. the Governor of Haryana, Cabinet Ministers of the State and high dignitaries of Central Govt. and other VVIPs etc. The department was having one fixed wing aircraft and one helicopter. The helicopter EC-145, VT-HRY was purchased in August, 2009. To provide systematic support to the State Helicopter, two posts of Helicopter Pilots were created in the year 2009 which were filled up on deputation from Indian Air Force on their usual terms and conditions of deputation. Wg. Cdr. D.S. Nehra was also taken on deputation from Indian Air Force on the post of Helicopter Pilot. This officer had requested to forward his application to the Air Headquarters, New Delhi for seeking premature retirement on compassionate grounds w.e.f. 31.12.2011. His willingness was taken as there was no other pilot as qualified as him (ATPL 69) on our type of helicopter in Indian to opt for permanent absorption into Government of Haryana. In view of urgency and smooth operations of Helicopter, the Finance Department created one post of Senior Executive Pilot in the pay band Rs.37400 – Rs.67000 + Rs.12000 Grade Pay Plus other usual allowances/facilities vide U.O. No. 1/15/2006-1FG1/77(12) dated 17.02.2012 from the date of issue of orders and not from 1.1.2012. But the department, again approached the Finance Department on 15.3.2012 with a request to allow starting pay Rs.57,320/- + Rs.12000/- Grade pay with effect from 1.1.2012 and the Finance department granted its approval with regard to the proposal of the Department vide U.O. No. 1/15/2006-1FG1/77(12) dated 09.05.2012. On the approval of Finance Department dated 09.05.2012, the Administrative Department issued orders of absorption of Wg. Cdr. D. S. Nehra (Retd). on the Post of Senior Executive Pilot vide orders dated 12.06.2012 in the pay band Rs.37400/- Rs.67000/- + Rs.12000/- Grade pay with starting salary of Rs. 57,320/- + Rs.12000/- grade w.e.f 01.01.2012.

This is a highly technical post and department had taken approval for taking out the post of Senior Executive Pilot from the purview of the HPSC, Chief Secretary, Haryana. Wg. Cdr. D.S Nehra had 23½ years of Commissioned Service and have all kinds of helicopter flying experience at that time. He was holding ATPL on EC-145 helicopter with more than 5300 hours of flying experience. The department has incurred huge expenditure providing for simulator trainings in USA, as per requirement of DGCA, Govt. of India .If the department takes another Pilot for helicopter purposes then the same training will have to be provided and huge expenditure will be again borne by the department.

To provide systematic support to the State Helicopter and safety of the VVIPs, the State Government appointed Wg. Cdr. D.S. Nehra (Retd) as Senior Executive Pilot. The officer has also got the simulator training from USA.

After concurrence of Finance Department dated 09.05.2012, there is no irregularity in appointment/absorption of Wg. Cdr. D.S. Nehra (Retd.) on the post of Senior Executive Pilot.

Keeping in view of the above para may be dropped.

The Committee has decided to drop this point of the para subject to the condition that a copy of the permission be submitted to the Committee as well as the office of Principal Accountant General, Haryana.

CIVIL SECRETARIAT

[53] 3.2 Irregular expenditure:

Five to twelve ex-cadre posts in the Chief Secretary's grade were operated against the sanctioned strength of two to three posts without the approval of Government of India. The appointments were made without constituting the Screening Committee resulting in irregular expenditure of Rs.5.37 crore.

Rule 9(7) of the Indian Administrative Services (Pay) Rules provides that at no time the number of members of the Service appointed to hold posts, other than cadre posts referred to in sub rule (1) and sub rule (4), which carry pay of Rs.26,000 per mensem (Rs. 80,000 from 1 January 2006) and which are reckoned against the State Deputation Reserve, shall exceed with the prior approval of the Central Government, exceed the number of cadre posts at that level of pay in a State cadre or, as the case may be, in a Joint cadre. Government of India also issued (March 2000) guidelines for functioning of Departmental Promotion Committees wherein it was instructed that the screening committee for the purpose of promotion in the grade of Chief Secretary would consist of the Chief Secretary concerned, one officer working in this grade in the cadre and another officer serving in GOI in the same grade.

A mention was made in the Audit Report of the Comptroller and Auditor General of India for the year ending 2007, para 4.5.6 titled "Irregular expenditure on operation of excess ex-cadre posts" regarding operation of one to four excess ex-cadre posts in Chief Secretary's grade (Rs.26,000 revised to Rs.80,000 from 1 January 2006) during April 1995 to December 2005 without the approval of GOI. Government of Haryana (GOH) had taken up the matter with GOI for regularization of these posts but GOI did not agree to the proposal. The matter was again taken up with GOI in February 2007 and thereafter in May 2013, after the matter was discussed (December 2012) in the Public Accounts Committee of the Haryana Vidhan Sabha (PAC) and the Chief Secretary assured the PAC that he will take up the matter with GOI for ex-post facto approval for operation of these ex-cadre posts. Further action in this regard was still awaited (January 2014).

Audit observed that the ex-cadre posts which were pointed out in the above para of CAG's report were yet to be regularized by GOI as directed by Public Accounts Committee (PAC). The State Government however, continued to operate 5 to 12 posts in Chief Secretary's grade from March 2007 to June 2013 against the sanctioned strength of two (from 25 August 2003 to 12 October 2010) to three (from 13 October 2010 to June 2013) posts. It is pertinent to mention here that the promotion to Chief Secretary's Grade was made without constituting the Screening Committee in contravention of the above said instructions of GOI. This resulted in irregular expenditure of Rs.5.37 crore from the period March 2007 to June 2013.

The matter was discussed in the exit conference (January 2014) where the Chief Secretary (CS) stated that there was very less financial implication in promoting the officers to the Additional Chief Secretary's (ACS) grade as all of them had reached at the maximum of their pay scales as such total expenditure of their pay and allowances amounting to Rs.5.37 crore may not be treated as irregular. He further intimated that this time, a screening committee was constituted headed by the CS and an Additional

Secretary level officer from GOI was also present in the meeting. The CS also stated that State Government would continue to operate these posts of ACSs in future also due to requirement of work and this was being done by almost all the States.

The contention of the CS was not acceptable as the appointment of excess posts as against the prescribed strength was irregular and against the instructions of GOI. The PAC had also asked the Government to obtain approval from the GOI but had not been obtained so far (January 2014). Further, the expenditure on the pay and allowances was treated as irregular because officers were allowed Chief Secretary's grade in contravention to the rules and GOI instructions.

The department in its written reply stated as under:-

According to Rule 9(7) of the IAS (PAY) Rules, 2007, at no time the number of members of the service appointed to hold posts, other than cadre posts referred to in sub-rule (1) and sub-rule (4), which carry pay of Rs.26000/- per mensem (Rs.80000/- w.e.f. 1.1.2006) and which are reckoned against the State Deputation Reserve shall except with the prior approval of the Central government exceed the number of the cadre posts at that level of pay in a State cadre or, as the case may be, in Joint cadre.

2. According to the promotion guidelines, the zone of consideration for promotion in the grade of Chief Secretary would consist of all the members of the Service who have completed 30 years of service. Appointment in this grade would be made from amongst the officers thus cleared, at any time during the relevant year and subject to the provisions of rules 9(7) of the IAS (Pay) Rules, 1954. The Screening Committee for this purpose shall consist of the Chief Secretary concerned, one officer working in this grade in the cadre and another officer of the cadre serving in government of India in the same grade.
3. Prior to 13.10.2010, there were 2 cadre posts in Chief Secretary's grade in the IAS cadre of Haryana. As per Government of India's Notification dated 13.10.2010, there are following 3 cadre posts in the Chief Secretary's Grade:-
 - (i) Chief Secretary to the government.
 - (ii) Financial Commissioner-cum-Principal Secretary.
 - (iii) Principal secretary to Chief Minister.

As per Rule 9(7) of the IAS (Pay) Rules, the state government can create 3 temporary posts in this Grade, however, due to extreme exigencies of the affairs of the State Government, the State Government from time to time, has been creating temporary posts in the Apex Scale.

4. Earlier, an audit para 4.5.6 "Irregular expenditure on operation of excess ex-cadre posts" was included in the Audit Report of the Comptroller and Auditor General of India for the year ending 2007 regarding operation of one to four excess ex-cadre posts in Chief Secretary's Grade during April, 1995 to December, 2005 involving irregular expenditure of Rs. 55.13 lacs. The State Govt. had taken up the matter with the Government of India for ex-post facto permission to operate these temporary posts but Govt. of India had not agreed to Reply to para 4.5.6. is

enclosed herewith. The matter was also discussed in the meeting of the Public Accounts Committee on 4.12.2012, in which Chairman of the Committee desired that the matter may be taken up with the Government of India. Accordingly, Govt. of India was requested, vide letter No. 11./1/2000-1S(1) dated 24.5.2013 to grant ex-post facto approval for creation/operation of excess number of ex-cadre posts in the Chief Secretary's Grade during the period 1.4.1995 to 31.12.2005. Further correspondence was also made with the Govt. of India in this regard. Decision of the Govt. of India is still awaited.

5. As regards audit para 3.2., it is submitted that comments in the matter were sent to the principal accountant general (Audit) Haryana, vide this Department's letter No. 11/3/2011-1S (1) dated 28.6.2013 and 8.10.2013 (copies enclosed).
6. As per promotion guidelines circulated by the Government of India vide letter dated 28.3.200, the Chief Secretary's Grade has been granted to the IAS officers of the rank of Higher Administrative Grade (Rs.67000-79000) after completion of 30 years of service. Therefore, there has been very little financial implication in promoting the officers to the Chief Secretary's Grade as all of them had already reached at the maximum of their pay scales in Higher Administrative grade (i.e. Rs.79000/-).

It is further submitted that the state Government is following the promotion guidelines regarding Screening Committee to be constituted to screen the suitability of the IAS officers for promotion to the Chief Secretary grade.

It is further submitted that there is a practice adopted by almost all the States to grant grade promotions to all the IAS officers of a particular batch. The State Government, time and again assigns additional charge/work to the IAS officers according to the administrative exigencies in public interest. Accordingly, the temporary posts are created for such officers upon their promotion to the Chief Secretary's grade. Therefore, there is not so much difference between the pay admissible to them after grant of Apex Scale. Keeping in view all these facts and circumstances, the IAS officers are granted the Apex Scale.

It is further submitted that the State government sends quarterly cadre returns regularly to the Central Government and also sends proposals every year for grant of permission to continue the temporary posts created in various grades of IAS.

It is further submitted that vide letters No. 11/3/2011-11S(I) dated 17.9.2013 and 13.1.2014 (copies enclosed), Govt. of India was requested to grant ex-post facto sanction to the operation of ex-cadre posts in the pay scale of Rs.80000/- (fixed) during the period 3/007 to 4/2013 which were created due to extreme exigency of the administrative functions of the State Government.

It is also submitted that Government of India has regularly been requested to grant approval for continuance of temporary posts which are being utilized for more than two years, but decision of the Govt. of India has not been received so far.

In view of above, it is requested that this audit para may kindly be removed.

The Committee has observed that as on date 20 posts in the Chief Secretary's grade are operating against the sanctioned strength of 6 (3 sanctioned posts + 3 ex-cadre posts) and thus even today 14 posts are operating in excess of the sanctioned posts without the approval of the Govt. of India which are in contravention of the Indian Administrative Service (Pay) Rules. The Committee has, therefore, recommended as under:-

1. No promotion shall be made in future in excess of the sanctioned posts without the prior approval of the Govt. of India to avoid further irregular expenditure on these irregular promotions;
2. Ex-post facto approval to regularize the promotions made in excess of the sanctioned posts till today be obtained from the Govt. of India within a period of three months;
3. In case of non-obtaining and/or non-granting of ex-post facto approval by the Govt. of India within the stipulated period of 3 months, the Chief Secretary shall review all such irregular promotions made till to-date strictly in terms of the relevant rules and the Committee be informed accordingly; and
4. Till then the para is kept pending.

[54] **3.3 Allotment of space to banks without execution of agreement:**

Two Banks were provided space in Haryana Civil Secretariat buildings for office and automated teller machines without entering into any agreement for rent and electricity charges resulting in loss of Rs.1.50 crore.

Haryana Government provided space measuring 2,106 square feet and 598 square feet to the State Bank of India (SBI) and Haryana State Apex Cooperative (HARCO) Bank, respectively, in Civil Secretariat building Sector 1, Chandigarh, in the decade of 1980. ICICI bank and the SBI were also allowed to install their automated teller machines (ATMs) covering 144 and 120 square feet area respectively on 19 November 2001 and 6 November 2003, respectively.

No agreement was entered into with Banks for payment of rent and payment of electricity charges as a result of which the rent of Rs.78.74 lakh for the period from August 1992 to March 2013 was not recovered and the Government had paid electricity charges of Rs.48.04 lakh for the electricity consumed by these banks during April 1986 to March 2013. Further, spaces were also allotted to the HARCO Bank (356.50 square feet) and SBI (434 square feet) in its new Secretariat building, Sector 17, Chandigarh without entering into any agreement for rent and payment of electricity charges. Resultantly, Rs. 23.43 lakh (Rent: Rs. 17.27 lakh and electricity charges Rs.6.16 lakh from January 1998 to March 2013) was also not recovered. In all, there is a loss of Rs.1.50 crore to Government.

Government replied (August 2013) that the spaces in Haryana Secretariat buildings were allotted to banks for the facilities of employees of the Haryana Government. The reply is not tenable as the activities of banks are commercial in nature, therefore, the space was required to be provided after assessing the rental value. The Chief Secretary Haryana (November 2013) further intimated that sub meter in the banks in Haryana Civil Secretariat had been installed and the matter regarding installation of sub-

meter in Haryana New Civil Secretariat Building, Chandigarh has been taken up. The matter was also discussed in the exit conference (January 2014) wherein the Chief Secretary reiterated the written reply and stated that the matter regarding entering into agreements was being taken up with the banks.

The department in its written reply stated as under:-

In this reference, it is submitted that the building of Punjab & Haryana Civil Secretariat was divided into 02 parts in the ratio of 60% & 40% in the year 1966 by Govt. of India, which is being maintained by U.T. Chandigarh Administration and Haryana Civil Secretariat is functioning on 40% part of it. On the request of Haryana Govt. in the decade of 1990, rent free space, for 02 banks i.e. (SBI & HARCO) and (after few years) in the decade of 2000 for installation of 02 ATM machines of SBI & ICICI Banks was allotted without making any rent agreement in Haryana Civil Sectt. keeping in view the convenience of officers/officials. Since, the said building is the property of U.T. Chandigarh Administration, hence the Govt. of Haryana cannot make any rent agreement with any business Institution. Similarly to facilitate the Govt. officer/officials the Govt. of Haryana has allotted the rent free space to SBI & HARCO banks in the New Haryana Civil Secretariat Building also. It is pertinent to mention here that the back space of Main Haryana Civil Secretariat Building which is a parking space (Public parking) & shops does not come in the premises of Secretariat since this space belongs to U.T. Administration.

In the concerned matter it is submitted that offices of Punjab and Haryana Civil Secretariat are situated in Secretariat Building, whose electricity bills, before May, 2012 are being paid jointly at the ratio of (60:40) by both States. The Bank Managers of Branches (SBI Branch & A.T.M., HARCO Bank Branch and ICICI ATM) situated in Main Civil Secretariat were advised to install their own electricity meter. But the procedure told by the Electricity department of U.T., Chandigarh is very lengthy and expensive. After that it was informed to the bank branches to install sub-meter in their branches at their own level. In response thereof, the State Bank of India and the Haryana State Coop. Apex Banks has installed their electricity sub-meters on 25.09.2013 and 28.09.2013 respectively. Thereafter the recovery of electricity charges from them has been started on the basis of the meter readings. After installation of sub meter the recovery of Rs.5,87,280/- and Rs.65,856/- have been recovered from SBI & HARCO Bank respectively up to 15.04.2017. A request was made by the management of State Bank of India to write off the arrears of electricity bills before 25.09.2013 as they are operating their branch in Secretariat premises to facilitate the officers/official of Punjab & Haryana Civil Secretariat as well as both the Vidhan Sabha employees.

Similarly, the Manager of HARCO Bank also stated in their correspondence that their branch was established in very small cabin in February, 1989 and till today only tube light and fans are being utilized by their branch. They also informed that HARCO Bank is a semi-Government organization of Haryana State and is being managed by the Government officers only. At the time of establishment of the branch there was no condition of paying the electricity bills etc. therefore, they have requested that the demand of the recovery of Rs.4.91 lac may be taken back.

As far as the matter related to the ICICI bank's ATM electricity bill is concerned, the bank management was informed many times in the past and now they have installed their electricity sub meter on 21.08.2015. Bank management has also promised that they will pay the electricity bill as per the meter readings from January, 2013 to 20.08.2015. As this bank has been paid Electric Bill of Rs.3681/- up to 6.01.2016 and the balance amount is yet to be paid of Rs.10744/- up to 15.04.2017.

A sum of Rs.47.86 lacs has been calculated by the Audit party of A.G. Haryana (Audit) from the day of establishment of these banks up to year 2013 as their contention that the payment of the above said amount has been borne by the Haryana Civil Secretariat (account head), which is not appropriate, reason being before May, 2012 the electric bills of Punjab & Haryana Civil Secretariat building were being paid on average basis by both the State Governments as per the reading of combined meter.

As far as the issue related to the recovery of Rs.6.16 lacs from the SBI and HARCO bank situated in Haryana New Secretariat, the payment is being made by the Revenue Department of Haryana. In concerned to the objection raised by the A.G. Haryana it is submitted that the FCR office was already informed regarding the objection. It is also apprised that these banks branches have also installed their sub meters. It is also informed that a separate Para has been made while auditing the office of FCR by the Audit party and action is being taken by them at their own level.

As far as the objection raised by the A.G. Haryana that in the Exit Conference (January, 2014), the Chief Secretary reiterated the written reply and stated that the matter regarding entering into agreement was taken up with the banks, is not appropriate, because no information is available with the office in this regard.

The Committee has desired that the rent agreement be got executed with the bank(s) after obtaining the opinion of Legal Remembrancer, Haryana as to whether the agreement should be between the bank(s) and Haryana Government being in possession of the building or the UT Administration being the owner of the building.

DEVELOPMENT AND PANCHAYAT DEPARTMENT

[55] 3.4 Management of panchayat land:

Panchayat land measuring 12,208 hectares was under encroachment. Land utilisation plan was not prepared. Lease rent of Rs. 3.22 crore received late by one to 25 months. There was loss of interest of Rs.79.27 lakh due to non- deposit of amount in term deposits. In eight cases annuity of Rs. 2.39 crore was not paid by State Public Sector Undertakings.

The Punjab Village Common Lands (Regulation) Act, 1961 (the Act 1961) also applicable to Haryana provides that all lands vested or deemed to have been vested in a Panchayat shall be utilized or disposed of by the Panchayat for the benefit of the inhabitants of the village concerned in the manner prescribed by the Government. There are 6,083 Gram Panchayats (GP) having 3,37,698.4 hectares (8,44,246 acres) area of common land as of March 2013 in the State.

The records in the office of the Director General (DG), Development and Panchayats (D&P) Department, seven out of 21 districts, 15 blocks and 255 GPs were test checked and the results of checking after considering the departmental views are as follows:

(i) Sale of panchayat land:

(a) The GP, Bhadso (Indri Block of Karnal District) sold around 168 acres of Panchayat land to M/s Piccadilly Agro Industries Limited (PAIL), Chandigarh in 1994 for setting up of a sugar mill with the conditions that the company would provide employment to 15 *per cent* of the youth of the village, (b) deposit the compensation for tube-wells installed in the GP land and (c) the GP was to auction the standing trees on land and pay the entire cost of land in lump-sum to GP. It was observed that the jobs were not provided to the local residents, a large portion of the land was being used for cultivation purposes. A distillery unit set up in the sugar mill was spreading foul smell and polluting the area. On the complaint of villagers the Haryana Pollution Control Board inspected the premises only in October 2012 when sugar mill was not in operation and reported no hazardous waste at that time. Though the company submitted a list of persons who were provided employment, it was observed that they were employed through contractors only. Further, the cost of tube wells in Panchayat land was not recovered from PAIL and the GP had not auctioned the standing trees on the Panchayat land. The GP also filed a civil writ petition in the Hon'ble Punjab and Haryana High Court seeking the sale transaction of 1994 be challenged on the ground that the sale of *shamilat deh* land for a private purpose was illegal.

During the exit conference, the Deputy Director, Panchayats intimated (September 2013) that the court case had been decided in favour of PAIL. The Hon'ble High Court while disposing of (July 2013) the public interest litigation advised the petitioners to approach the concerned authority for relief and if such petition is filed by the stakeholders, the competent authority was to be acted upon within six months from the date of filing. Further, outcome was awaited (January 2014).

The department in its written reply stated as under:-

The Civil Writ Petition No.12011 of 2011 was disposed off by the Hon'ble High Court vide its order dated 16.07.2013 and the Gram Panchayat or other residents were given liberty to institute an appropriate petition before the competent authority questioning the sale transaction of the year 1994 made in favour of PAIL, before the competent authority as permitted in Gurdial Singh's case. In pursuance of said order dated 16.07.2013 no representation was received. So far as the alleged violations are concerned, the DC Kanal vide this office letter dated 26.09.2012 was requested to supply the following information:-

- i) Whether the figures of total employees in the factory and figures given by the Mill Management are correct as per record maintained by the Mill Management?
- ii) The figures provided by the Mill Management on 18.07.2012 to Block Development & Panchayats Officer, Indri shows in March, 2012, the total number of employees from the village, Bhadson is 90 out of 648, which is stated to be 13.89%, which is less than 15% as stipulated in the GP resolution. The list of these 648 employees have not been supplied, rather list of 400 employees only has been supplied.
- iii) GP has alleged spread of pollution by the factory established by M/s Piccadily Agro Industries Ltd., Umri Road, Village Bhadson, Tehsil Indri, Karnal. The Regional Officer, Y.Nagar has written only that "the both units are presently adhere to the norms of Pollution Control Board based on the last analysis reports". But the officer has not mention to which period this last analysis report pertains. You are, therefore, requested to send a report in respect of the allegation levelled in the writ petition by deputing a team of officers of the Pollution Control Board to the factory and send a report in this regard.

Reminder dated 08.10.2012 was issued to send the report in this regard. Now the DC has been again requested to supply the requisite information.

The Committee has desired that vigorous and pragmatic steps be taken to get the all conditions complied with by the purchaser company namely, M/s Piccadily Agro Industries Limited (PAIL), Chandigarh and the Committee be kept informed of the action taken by the department.

[56] **3.4 (ii)(b) Short term Lease of panchayat land:**

The terms and conditions of lease of panchayat land include, among other things, (a) the annual lease money shall be paid on the bidding spot and for the remaining years of lease, shall be paid in advance, not later than February every year and (b) failure in depositing the lease money at due time shall automatically cancel the lease and the security of the bidder shall be forfeited.

It was observed that:

- The *shamilat* land falling under seven GPs in Gulha block of the Kaithal District was continuously in possession of the lessees without paying lease rent by the end of

February each year. The lessees had deposited lease rent of Rs. 12.60 lakh at their own for three to six years for the period 2001 to 2013 between June 2008 and June 2012. No record of lease money receivable was available with the GP.

➤ The Sarpanch of Sham Garh GP (Block Nilokheri of Karnal District) decided to receive the lease money of auction (May 2011) in two installments from three parties instead in one installment. The amount of Rs. 5.79 lakh was received between January and March 2012 which resulted in loss of interest of Rs.0.14 lakh to GP, besides violation of rules.

The PS, during the exit conference, intimated (September 2013) that the DC concerned had been requested to ensure recovery of amount and initiate necessary action against defaulters.

➤ In five cases, the Sarpanches had received Rs.25.26 lakh on account of lease money of which only Rs.16.90 lakh were deposited in banks but remaining amount of Rs.8.36 lakh was not deposited in GP accounts.

The department in its written reply stated as under:-

- In this regard, the instructions have been issued to the Deputy Commissioner Kaithal to take necessary action against the persons responsible and recover the loss.
- In this regard, the instructions have been issued to the Deputy Commissioner Karnal to take necessary action against the persons responsible and recover the loss.
- In this regard, the concerned Deputy Commissioners have been directed to take necessary action against the persons responsible and to get the remaining amount of lease money deposited along with interest in GP accounts.

The Committee has recommended as under:-

1. **Blockwise minimum lease rate may be fixed in respect of the shamilat land;**
2. **Strict action as a deterrent be initiated / taken against the erring persons; and**
3. **Strict action as a deterrent be initiated / taken against the erring persons and recovery of loss be made from them.**

Action taken report be submitted to the Committee at the earliest.

[57] 3.4 (iii) Financial management in GPs:

(a) In eight cases the amount received on account of sale of panchayat land/trees in school campus were converted in terms deposits after two to three months which resulted in loss of Rs.79.27 lakh as detailed in the Table 3.4.1.

Similarly, in two cases Rs. 55.82 lakh received were not credited in GP Fund as given in table 3.4.2.

Table 3.4.2: Details of cases where receipts were not credited in GP Fund**(Rs. in lakh)**

Sr. No.	Name of Block/ Panchayat	Particulars	Amount received/ date of receipt	Amount deposited in term Deposit / date	Comment
1.	Sonipat/ Shahpur Turk	Land compensation	5,46.39 (November 2009)	495.00	Rs. 51.39 lakh kept by Sarpanch in saving account were shown spent through self cheques without approval from competent authority. Vouchers were also not produced.
2.	Karewali / Sonipat	Sale of tree in school campus (Rs. 5.21 lakh)	0.78	Rs. 0.78 lakh (7 September 2011)	Remaining amount of Rs. 4.43 lakh was retained by the school Principal resulting in loss to Panchayat
Total			547.17	495.78	Rs. 51.39 lakh + Rs. 4.43 lakh = Rs. 55.82 lakh

(Source: Information collected from GP/DDPO concerned)

On being pointed out in audit, the PS intimated (September 2013) that the concerned DCs had been requested to inquire into the matter and initiate necessary action.

The department in its written reply stated as under:-

In this regard, instructions have been issued to the Deputy Commissioner Sonipat for taking suitable necessary action against the official responsible and get the amount of loss deposited in the GP account.

The Committee has desired that strict disciplinary action be initiated/taken against the erring official(s) and amount of loss be got deposited in the account of Gram Panchayat under intimation of the Committee.

FOOD AND SUPPLIES DEPARTMENT

[58] 3.5 **Loss due to distribution of foodgrains to ineligible ration card holders:**

The State Government had incurred an avoidable expenditure of Rs.18.59 crore on subsidy at the rate of Rs.2.02 per Kg for providing wheat to 1,73,907 ineligible BPL card holders during the period December 2011 to March 2013.

The Government of India (GOI) allocates the foodgrains to State Governments for distribution at specially subsidized rates to families identified under Below Poverty Line (BPL) and Antyodaya Anna Yojna (AAY) through fair price shops. The State Governments are required to formulate suitable guidelines for the purpose of identification of BPL and AAY families and to get the lists of BPL and AAY families reviewed every year for deletion of ineligible families and inclusion of eligible families.

On the basis of survey conducted by the Government in July 2008, there were 12,97,058 BPL families (inclusive of 3,02,500 AAY families) in the State, which increased to 13,92,552 (14 districts in 2009 and seven districts in 2010). The GOI recognized (May 2005) only 7,89,000 BPL families for the issue of subsidized foodgrains. The GOI had not revised estimates after 2005. The State Government treated the remaining 6,03,552 BPL families as State Below Poverty Line (SBPL) families. These families were given foodgrains out of the allotment meant for above poverty line (APL) families and the difference in the rate of foodgrains (Rs.2.02 per kg) was borne by the State Government.

Audit noticed that the lists of BPL/AAY families were not reviewed by the Government and the survey conducted in 2011 showed that ineligible BPL/AAY ration card holders remained included in these lists. The Government intimated (November 2011) to the Punjab and Haryana High Court that 3,38,949 BPL card holders were ineligible. The Court further ordered (November 2011) that BPL cards of all those who are found to have provided wrong information to obtain the same, be cancelled forthwith. After cancellation of ineligible BPL card holders the number of BPL card holders should have been 10,53,603 whereas there were still 12,27,510 BPL card holders in March 2013. Due to non-cancellation of 1,73,907 ineligible BPL cards, the State Government had incurred an avoidable excess expenditure of Rs.18.59 crore on subsidy at the rate of Rs. 2.02 per Kg for providing wheat to these families during the period December 2011 to March 2013.

On being pointed out by Audit, the Principal Secretary (PS) to Government Food and Supplies Department intimated (September 2013) that action was to be initiated by the District Administration. The reply was not convincing as the department was required to cancel all the ineligible BPL/AAY cards immediately after the receipt of lists of ineligible card holders and directions of the Hon'ble Punjab and Haryana High Court (November 2011) and stop supplying subsidized foodgrains. Instead, the department continued with the act of distribution of subsidized foodgrains to them.

The matter was also discussed with PS in exit conference held on 27 September 2013, wherein it was intimated that the detailed reply would be furnished after ascertaining as to when the revised lists were submitted by District Rural Development Agency (DRDA)/District Urban Development Agency (DUDA) and when the distribution of foodgrains to ineligible BPL card holders was stopped. However, final outcome was awaited (January 2014).

The department in its written reply stated as under:-

The Government of India vide its letter D.O. No. 2/Haryana/2010-BP.III/1018 dated 05.04.2011 (copy enclosed) has informed that TPDS allocation of foodgrains is made for BPL, AAY & APL families on the basis of 1993-94 poverty estimates of Planning Commission and March 2000 population estimates of Registrar General of India or the number of families actually identified and ration cards issued to them by State Government, whichever is less. This norm of allocation of foodgrains under TPDS is being uniformly followed for all States and UTs. Full allocation of foodgrains (wheat) @ 35 kg per family per month was made to Haryana for 7.89 lakh BPL (including AAY families) as per the above norms. Allocation of foodgrains to States/UTs, including Haryana for APL category was made depending upon availability of foodgrains in the Central Pool and past off take by the State Government.

As per the guidelines provided by Government of India (GOI), the work of identification of economically weaker sections of the society, categorized as Antodaya Anna Yojana (AAY – poorest of the poor) and Below Poverty Line (BPL), is done by Rural Development and Urban Local Bodies Departments, in rural and urban areas respectively. It is further added that the Government of India had imposed a ceiling on number of Antyodaya Anna Yojana (AAY) and Below Poverty Line (BPL) families. As per this ceiling, there can be a maximum of 3.03 lac (3,02,500) families under AAY category and a maximum of 4.86 lac (4,86,500) families under BPL category. As per survey conducted by these agencies in 2007-08, there were a total number of 12.97 lac families (Urban: 438669+Rural: 858389= 12,97,058 lac families) in the State (*copy enclosed*). However, Government of Haryana took a conscious decision in 2008 that people who could not be included in the BPL list (12.97 lac-7.89 lac=5.08 lac families), due to imposed ceiling, should also be provided foodgrains at the subsidized rates. These families, over and above the number fixed for BPL are called State Below Poverty Line (SBPL) families (5.08 lac) in Haryana. These families are supplied Above Poverty Line (APL) wheat at the rate and scale of BPL beneficiaries and the difference in rate is compensated with state subsidy.

Haryana is implementing Targeted Public Distribution System (TPDS) with focus on Below Poverty Line (BPL) and Antyodaya Anna Yojana (AAY) families. Identification of these families is done by Rural Development and Urban Local Bodies Departments Haryana, in rural and urban areas respectively. BPL census is conducted in the State as per procedure/parameters/guidelines prescribed by Government of India by these Departments in their respective areas. Utmost care is taken in identification of these families with emphasis on transparency and genuineness. Once identified, Department of Food & Supplies issues pink colour

ration cards to AAY and yellow colour ration cards to BPL families. In addition, green colour ration card is issued to all those families who do not figure in AAY or BPL categories. These families are generally referred to as APL (Above Poverty Line) families. Number of State BPL, Central BPL and AAY beneficiaries under Targeted Public Distribution (TPDS) keep on changing due to inclusion/exclusion and migration etc. In this regard, the figures of November, 2011 to June, 2017 are as under:-

Month	Category			Total
	SBPL	CBPL	AAY	
1	2	3	4	5 (2+3+4)
November, 2011	4,87,702	4,79,208	2,82,508	12,49,418
June, 2017	4,08,327	4,61,161	2,62,036	11,31,524
Difference	79,375	18,047	20,472	1,17,894

Thus, it can be seen that beneficiaries under Targeted Public Distribution System (TPDS) are as per the policy of Government of India, State Government, Order of Hon'ble Supreme Court and Order of Hon'ble Punjab and Haryana High Court. Some type of doctrine of separation of responsibility is followed in the implementation of TPDS as surveying and implementing departments are different. If there is any shortcoming in the survey, Food and Supplies Department cannot be held responsible for this.

It is correct that in submissions made by Deputy Commissioners in CWP No. 1581 of 2010-titled as Pardeep Kumar and others V/s State of Haryana, 1,70,273 beneficiaries in rural area and 1,68,676 beneficiaries in urban area were stated as ineligible. The Hon'ble Punjab and Haryana High Court had directed to take action in this regard. Action was to be initiated by Deputy Commissioners/ Additional Deputy Commissioners. Food and Supplies Department on dated 29.11.2011 vide memo no. FG (3)-2011/27765, directed all the District Food and Supplies Controllers in the state to take further action in this regard as per the orders of their Deputy Commissioners. These cases have been finalized after giving personal hearing.

The Chief Secretary, Haryana has convened a meeting on 27.05.2014 to review the status of action against guilty officers/officials, in RA No. 426 of 2013 (in CWP No. 1581 of 2010) who are responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries.

In compliance of the above directions, it is intimated that the Food and Supplies Department has issued the chargesheet and punished the officers/officials, who are responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries. The details are as under:-

Sr. No.	District	Name of Department	Name of delinquent official/officer	Designation	Irregularities committed	Action initiated	Latest Status as on 16.01.2017
1	Gurgaon	Food & Supplies	R.K.Raja	District Food & Supplies Officer	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 3 (E)-III-2014/ 25622, dated 19.09.2014 and final decision decision kept pending due to pendency of criminal cases.
2	Sonapat	Food & Supplies	Om Parkash Bahara	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 2 (E)-III-2014/ 27048, dated 29.09.2014 and awarded punishment of 'Censure'
3	Hisar	Food & Supplies	Rajender Kumar	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 3 (E)-III-2014/ 25365, dated 17.09.2014 and awarded punishment of stoppage of one increment without cumulative effect.
4	Hisar	Food & Supplies	Umed Singh	Sub-Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 3 (E)-III-2014/ 25367, dated 17.09.2014 and awarded punishment of stoppage of one increment without cumulative effect.
5	Hisar	Food & Supplies	Narender Singh	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 3 (E)-III-2014/ 25369, dated 17.09.2014 and awarded punishment of 'Censure'
6	Jhajjar	Food & Supplies	Ashwani Kumar	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 1 (E)-III-2014/ 25458, dated 18.09.2014 and awarded punishment of stoppage of one increment without cumulative effect.
7	Jind	Food & Supplies	Subash Chander	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 1 (E)-III-2014/ 25460, dated 18.09.2014 and awarded punishment of stoppage of one increment without cumulative effect.

8	Jind	Food & Supplies	Suchita Dull	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 1 (E)-III-2014/ 25462, dated 18.09.2014 and awarded punishment of stoppage of one increment without cumulative effect.
9	Panchkula	Food & Supplies	Pardeep Kumar	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 2 (E)-III-2014/ 27023, dated 29.09.2014 and charge sheet dropped.
10	Palwal	Food & Supplies	Harbans Lal	AFSO	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-8 of Haryana Civil Services (P & A) Rules, 1987	Chargesheet issued vide letter Endst. No. 1 (E)-III-2014/ 25464, dated 18.09.2014 and Endst. No. 2 (E)-III-2014/ 27019, dated 29.09.2014 and charge sheet dropped.
11	Panchkula	Food & Supplies	Krishna Kumari	Inspector	Responsible for laxity in supervision in issuance of BPL status to ineligible beneficiaries	U/R-2.2 (b) Punjab Civil Services Rules-Vol.-II	Chargesheet issued vide letter Endst. No. 2 (E)-III-2014/ 27021, dated 29.09.2014 and charge sheet dropped.

In view of the detailed submissions given above, the State of Haryana has properly implementing the Public Distribution System as per guidelines of Government of India.

Therefore, the presentation of the Report of the Comptroller & Auditor General of India for the year ended 31st March on Social, General and Economic Sectors (Non Public Sector Undertaking)-Government of Haryana to the State Legislature para has been sorted out/executed/implemented in its letter and spirit. Hence, it is, therefore, requested to consider the latest positions/reports regarding para and drop the same in the light of latest report please.

The Committee has desired the department to get the facts of this para reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee. If the office of Principal Accountant General is satisfied, only then the Committee will consider to drop this para.

HEALTH AND MEDICAL EDUCATION DEPARTMENT

[59] **3.6 Non-recovery of bond money:**

Bond money amounting to Rs.1.25 crore was not recovered from the 17 doctors who were provided facility of higher studies while in service.

The Government policy of imparting higher education to its doctors in the Department of Health and Medical Education and Post Graduate Institute of Medical Sciences, Rohtak provided that a doctor, before being relieved for any post graduation course had to execute a bond for serving the State Government (in HCMS cadre) for the period ranging between five and ten years or to pay in Government treasury in lieu thereof bond money ranging between Rs.0.60 lakh and Rs.25 lakh. Provisions contained in Rule 58 of Haryana Civil Services Rules- Leave Rules, provide that in case a Government employee resigns or retires from service without returning to duty after the period of study leave or within stipulated period, he shall be required to refund double of the amount of leave salary, study allowances, cost of fees, travelling and other expenses, incurred by the Government.

Nineteen Medical Officers had undergone post graduate degree/diploma course in different fields between October 1993 and May 2012 after furnishing the surety bonds. After completion of course, these 19 doctors had either not joined their duties or left the job in between and had not served the State Government for the prescribed period as agreed to in the bond and therefore they were required to pay the bond money. While two doctors had deposited (November 2012 and September 2013) bond money, remaining 17 doctors did not pay the bond money amounting to Rs.1.25 crore excluding interest. During the period of their higher studies, 10 doctors were paid pay and allowance amounting to Rs.0.49 crore and eight doctors were paid stipend, which were required to be recovered.

The matter was referred (August 2013) to the Government but reply had not been received. However, during an exit conference (August 2013) the Principal Secretary, Health Department stated that disciplinary action was under process against the delinquent doctors and further the department was considering the issue for filing the civil suits in the court to recover the bond amount along with interest. Further action was awaited (January 2014).

The department in its written reply stated as under:-

In this regard it is submitted that out of 19 Doctors as mentioned in the Para, 11 doctors have deposited the amount of bond and details of those doctors is as under :

Sr. No.	Name of Doctor	Amount Due Principal +Interest (@ 8.5 up to 31/03/2013) as per the Para	Amount Deposited
1	Dr. Dharmender Jyani	10,00,000+8,59,470	18,59,470 Principal Amount of Rs. 10 Lac deposited on 16/07/2015 and Interest amount of Rs. 8,59,470 /- Deposited on dated 14/03/2016.
2	Dr. Ram Baksh Sharma	5,00,000-+80860	5,00,000/- (Deposited Principal Amount only)
3	Dr. Jagdish Coudhry	1,00,000+52,900	1,65,975/- (on 06/08/2014)
4	Dr. Veenit Nagpal	60,000+82,800	60,000 (On 02/12/2013) /- (Deposited Principal Amount

			only)
5	Gurvinder Singh	3,00,000/-+89675/-	3,89,675/- (on 27/11/2012)
6	Dr. Sanjay Goel	7,00,000	7,00,000/- (Deposited Principal Amount only)
7	Dr. Kirti Raj	10,00,000+1,98,100	10,00,000/- on dated 23/09/2013/- (Deposited Principal Amount only)
8	Dr. Ashwani Kumar	5,00,000+2,22,900	5,00,000/- on dated 23/10/2013/- (Deposited Principal Amount only)
9	Dr. Jai Karan	10,00,000+1,55,000	12,75,975 on dated 08/08/2014
10	Dr. Amit Lathwal	5,00,000/-+2,85,600200	5,00,000/- (Deposited Principal Amount only)
11	Dr. Vikash Kaushik	7,00,000/-+43,600	10,34,328 on dated 2/11/2015.
12	Dr. Ashok Kumar Yadav.	7,00,000/-+2,55,100	Doctor has been expired hence recovery could not be initiated
		Total	79,85,423/-

Further Department is filing Civil Suit in District Court Panchkula against those doctors who have not deposited the bond money and final decision of all Civil Suit is yet pending with the court. Latest position in this regard is as under:

1	Dr. Lalita Sangwan	Civil Suit filed in District Court Panchkula
2	Dr. Satish Parkash	-Do-
3	Dr. Jatinder Kaur	-Do-
4	Dr. Harish Kumar Goel	-Do-
5	Dr. Rajender Kumar	Filing of Civil Suit is under process
6.	Dr. Inderjeet Kaur	Filing of Civil Suit is under process
7.	Dr. Vikas Saroha	Filing of Civil Suit is under process

It is also informed to the Committee that Medical officers namely Dr. Ashok Kumar Yadav has been expired due to which recovery could not be initiated. The Department is continuously doing the best effort to recover the whole amount of bond money along with interest from the bonded Doctors as mentioned above.

So keeping in view the position explained above, Committee is requested to drop the Para.

The Committee has desired that complete details with latest status with regard to this para be submitted to the Committee within a period of one month positively for its consideration.

[60] **3.5 Misappropriation, 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 *ibid*, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 144 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.60 crore on which final action was pending as of June 2013. 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 3.3.

Table 3.3: 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)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	20	34.40	Theft	96	80.93
5 – 10	40	45.20			
10.15	33	54.23	Misappropriation/ loss of material	49	79.52
15.20	11	06.89			
20.25	24	16.64	Total	145	160.45
25 and above	16	03.09	Cases of losses written off during the year	1	00*
Total	144	160.45	Total pending cases	144	160.45

* Measurement book theft

Reasons for pendency of cases are listed in Table 3.4.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	04	08.05
ii)	Departmental action initiated but not finalized	69	53.73
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending	14	08.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in Courts of Law	16	52.94
Total		144	160.45

Out of the total loss cases, 66 per cent cases related to theft of Government money. Further in respect of 50 *per cent* cases of losses, departmental action had not been finalized and 28 *per cent* cases were outstanding for want of orders of the competent authority for recovery or write off of losses. It was further noticed that out of 144 cases of losses due to the /misappropriation etc., 124 cases were more than 5 years old including 16 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 this regard, Committee is informed that this Para has already been discussed in the meeting of Committee held on dated 06/09/2016. The Committee has dropped all the points taken under this Para and further committee has recommended that the details of amount recovered along with other necessary requisite papers be supplied to and got reconciled the same with the office of Principal Accountant General Haryana.

In this para The following 7 cases of misappropriation, defalcation, theft etc. has been shown, pending against the Health Department. Latest position of all the cases is as under:-

2 Loss of Govt. Rs 11, 66,228.62 during anti-reservation period (Sirsa)-

Out of this amount, Rs 18,933.62+ 4,39,400/-+118875=5,77,208.62 has been written off by the Government vide letter No. 48/4/99-6-HB, dated 23.08.02, letter No.48/4/99-6-HB-II, dated 11/10/05 and letter No.48/4/99-6-HB-II, dated 06/06/2017 respectively (Copy Attached) and Rs 150600/- has been recovered from the auction of condemned vehicle. All the information has already been supplied to Accountant General Haryana. Further it is also informed that the actual amount of loss was Rs. **727808.62** instead of Rs. **11,66,228.62/-**

The Committee has desired that the figures in part-2 of the para be got reconciled in the office of Principal Accountant General under intimation of the Committee.

**HOME AND ADMINISTRATION OF JUSTICE DEPARTMENT
(Management of Properties of Haryana Wakf Board)**

[61] 3.7 Management of properties of Haryana Wakf Board

Due to lack of monitoring, 913 wakf properties were under encroachment, lease rent of Rs.3.97 crore against 1,281 wakf properties was outstanding, lease rents were not revised for 20 years, mutation, central computing facilities and survey of wakf properties was not completed.

The Haryana Wakf Board was established in August, 2003 under Wakf Act, 1995 with the objectives to manage and safeguard all Wakfs in the State. As per survey of 1971, there were 12,505 registered and notified Wakf properties covering 8,435.45 hectares in the State. Examination of records in the office of Haryana Wakf Board Ambala Cantt for the period 2008 to 2013 showed that:-

- There was no system of regular watch and ward of the properties and as a result, as of March 2013, 913 Wakf properties measuring 154.19 hectares were under encroachment and notices were issued only in 36 cases and the SDMs of the respective areas were requested to take action against only 20 encroachers but the concerned SDMs had taken no action. The CEO, Haryana Wakf Board stated (September 2013) that in these cases, the Board was not shown as owner of the properties in the revenue records, therefore, action for eviction under section 54 of the Wakf Act, 1995 could not be initiated unless these were not mutated in favour of Wakf Board and the Board was locating records of such properties for mutation. Thus, the Board had not maintained the records of the wakf properties as required under section 32 of the Act.
- As on 31 March 2013, 195 Wakf properties measuring 63.23 hectares were under encroachment of 18 Government departments, local and autonomous bodies without paying lease and they had not become lessees of Wakf Board as directed by Government in 2009. Wakf Board stated (September 2013) that it was pursuing the same. However, the results of such pursuance were awaited (January 2014).
- Lease rent of Rs.3.97 crore against 1,281 wakf properties (Ambala: 539 Kurukshetra: 742) was outstanding since many lessees had expired and many had transferred the possession at their own level without the order of the Board.
- Section 56 of the Wakf Act, 1995 provides that the Board shall, in granting sanction for lease or sub-lease or renewal thereof, review the terms and conditions on which the lease or sub-lease is proposed to be granted or renewed after a maximum period of three years and give its approval accordingly. It was noticed that lease of 196 Wakf properties done on a very nominal amount i.e between rupee one to rupees 10 per month and had not been revised for more than twenty years. The CEO, Haryana Wakf Board intimated (September 2013) that the committees consisting of senior officers had been constituted to settle such rent cases. Final action was awaited (January 2014).
- The Government appointed (7 April 2005) all the Divisional Commissioners as Survey Commissioners for the Wakf Board in their respective jurisdiction to conduct survey and identify the new Wakf properties in the State. The survey ordered by the Government

in 2005 was completed only in eight districts up to June 2013 and Wakf properties identified during survey were not notified in Gazette. The CEO, Haryana Wakf Board stated (September 2013) that the survey reports had not been received from Survey Commissioners and notifications were not issued in respect of newly identified properties.

➤ A large number of Wakf properties had not been mutated in favour of the Haryana Wakf Board against which the CEO, Wakf Board stated (September 2013) that the Board was collecting figures from its district offices and the mutation work was in progress.

The reply received from the Additional Chief Secretary, Home and Administration of Justice Department (October 2013) has been suitably incorporated in the Report.

The department in its written reply stated as under:-

1. Non- maintaining of records of the wakf properties:

Reply furnished in 2013

Before giving specific comments/reply, It is made categorically clear that the Board does not get any kind of regular grant or budgetary support either from the State Government or from the Central Government or from any other institution/organization. It has not been given even any initial grant to start the Board neither in 1960 (formation of erstwhile Punjab Wakf Board) nor in 2003 (formation of the Haryana Wakf Board). The only grant, the Board has received was Rs. 30.15 Lac in the year 2010-11 (Rs. 27.10 lac) and 2011-12 (Rs. 3.05 lac) for computerization of wakf records from the Government of India under the Wakf Management System of India (WAMSI) programme. Rent and lease money accrued from the wakf properties are the only source of earnings of the Board.

The issue of encroachment on wakf properties has been the primary concern of the Wakf Board since the constitution of the first Wakf Board in this region in 1960 in the name of the Punjab Wakf Board, which managed wakf properties in the territories of present Punjab, Haryana, Himachal Pradesh and UT of Chandigarh till August 2003, when separate Wakf Board for Haryana was established by the State of Haryana.

The encroachment on wakf properties is due to unavoidable situation and circumstances of partition of the country in 1947. Immediately after the partition the entire wakf properties in the region had gone into encroachments and unauthorized possessions. To understand the circumstances and reasons of encroachments on wakf properties, it is necessary to have a look on the historical background of the erstwhile Punjab Wakf Board, which is typical of itself and quite different from other Wakf Boards of the country.

There were a large number of Muslim wakf properties in this region. Immediately after partition of the country in 1947, there was no statutory institution to look after the wakf properties in the erstwhile State of Punjab, as there was mass migration of Muslims from this region. A Wakf Board was constituted as late as on 2nd October, 1960 in the name of Punjab Wakf Board by an order dated 2nd September, 1960. There was thus no one to look after the wakf properties of this region for long 14 years from 1947 to 1960. Resultantly, there were large scale encroachments on wakf properties during this period. The Custodian of Evacuee

Properties usurped the management of wakf properties and leased out these properties on low/nominal rents at that time. Some of the wakf lands were sold and disposed off by the Custodian of Evacuee Properties, treating them as personal properties of Muslims who migrated to Pakistan. It had also allotted quite a few wakf properties to the refugees coming from Pakistan. The Gurudwara Prabandhak Committee also occupied and used rural wakf properties including agriculture lands, and, most surprisingly, possession became the sole criterion and entries in the land/ revenue records were made on the basis of possession in the entire erstwhile Punjab State. For example, in the column of ownership ("Khana-e-Milkiyat") there were made entries like "Central Government, Gurudwara Parbhandak Committee, Shamlat Deh, Jumla Malkan". In other cases, individual names of unauthorized occupants were entered. All such entries in the revenue record at that time made the retrieval of wakf properties extremely difficult. Records of many wakf properties are still not available.

After the first survey of wakf properties in the decade of sixties, the Punjab Wakf Board did a commendable job in retrieval of most of wakf properties; now about 92.7% of identified wakf properties in Haryana alone are under the management of the Haryana Wakf Board. About 913 wakf properties in Haryana are still under encroachment, the detail of which is as under:-

Sr. no.	Total No. of properties under encroachments	No. of properties under encroachments of Govt./Semi - Govt. Deptt., Local Bodies & separately being taken-up with the State Govt.	No. of properties under encroachments of private individuals & tried under Sec-54 of the Waqf Act.	No. of properties being tried under the Public Premises Act and Waqf Tribunal
1	913	192	195	526

Another handicap is that the wakf lands on lease are, in most of the cases, not vacated by the lessees on the expiry of the lease period or on cancellation of lease for violation of terms and condition of lease. They normally get stay from the civil courts on the basis of possession shown in the revenue records. It has rightly been pointed out by the audit that the Board does not have judicial and administrative powers. In all the cases of encroachment and unauthorized occupation, the Board has to approach the civil courts and Wakf Tribunals for removal of encroachments on wakf properties and this takes long time. Even if the plea of encroachment is upheld by the courts of law, there is no penal provision for punishment of encroachers in any statute including the Wakf Act, 1995. It was with great difficulty, including protracted litigation, that majority of wakf properties were retrieved by the Wakf Board. The wakf properties still under encroachment (about 913 in Haryana) have been encroached since last many years, mostly from the time of partition. Records of many wakf properties are not traceable. The Board is trying to locate the records of such encroached properties and getting these mutated in favour of the Haryana Wakf Board before going for legal proceedings to vacate the property from encroachment.

There are problems of encroachment on wakf properties in the other Wakf Boards the country also due to different reasons. The Haryana Wakf Board took an initiative and organized a National Conference on the "Protection and Management of Wakfs" in February, 2013. Delegates from 21 States/UTs and from the Central Wakf Council, New Delhi participated in the Conference. The issue of encroachment was debated extensively in the said conference. After thorough discussion, the delegates of the conference recommended that "State Govt. should issue orders to all SDMs & Distt. Collectors to execute the orders of the Chief Executive Officers of the Wakf Boards passed u/s 54 of the Wakf Act, 1995 without further enquiry, to evict the encroachers within three months from the date of issue of the order. In case the order of the CEO is not executed in the above time frame, the CEO should be empowered to file an application to the Wakf Tribunal to pass appropriate orders."

Action under section 54 of the Wakf Act, 1995 is taken only when the wakf property is clearly under the ownership of the Wakf Board i.e. the property is mutated in the name of the Haryana Wakf Board. Many wakf properties have been identified as wakf property during the survey in sixties on the basis of their use and have been shown as 'Graveyard', 'Ahle-Islam', 'Dargah', 'Masjid', 'Khanqah', etc. in the revenue record. These are wakf properties as per provisions in the Wakf Act, 1995, but in some cases Wakf Board has not been shown as owner of these properties in the revenue record. Action cannot be initiated under section 54 of the Wakf Act, 1995 for such wakf properties unless these are mutated in the name of the Wakf Board. Board is locating records of such properties for mutation. The Board has so far initiated proceedings in 195 cases u/s 54 & 55 of the Wakf Act, 1995 for vacation of these properties from encroachment. Out of this, orders have been passed in 36 cases after proper hearing and 20 cases have been forwarded to SDMs under section 55 of the Wakf Act, 1995 for taking necessary action.

The proceedings (u/s 54 of the Wakf Act, 1995) in 20 cases of districts Gurgaon, Mewat, Ambala & Yamuna Nagar were sent to the SDMs for taking action u/s 55 of the Wakf Act, 1995. Reminders have also been sent to them for necessary action, which is awaited.

The auditors observed that there was no system of regular watch and ward of the properties whereby the Board could come to know of any encroachment immediately. It is submitted that the Board does not have manpower exclusively for watch and ward of thousands of wakf properties spread all over the entire State. The Board monitors encroachment and violation of terms and conditions by lease through its Estate Officers and Rent Collectors in each district. But the encroachment can be removed only by the order of the court and court orders are to be implemented by the District Administration. The Board has recently appointed a Wakf Officer in the Head Office, who monitors encroachments regularly in coordination with the leasing and legal sections in the Head Office of the Board. In cases of encroachment or unauthorized possession of wakf properties, Board files cases in the courts of law. There is also a system of periodical review of such matters by the CEO and the Administrator/Board.

Latest Position:

In addition to the reply of the Haryana Waqf Board already submitted, some cases of removal of encroachments of Private Individuals were/are being tried under Section 54 and 52-A of the Waqf Act, 1995 as amended, particularly under Section 54. But proceedings under Section 54 were halted due to the Waqf (Amendment) Act, 2013 (Act No. 27 of 2013) which suggests that the Chief Executive Officer of the Board will send reports to the Waqf Tribunals, which are not fully operational presently. Earlier, there were provisions that the Chief Executive Officer of the Board will send inquiry report to the SDMs concerned for taking necessary action. A few cases were too referred to SDMs, but they sat on the reports of the Chief Executive Officer, HWB and left them wearing dusts. Cases of removal of encroachment are also being tried by the Board in the right earnest under provisions of the Haryana Public Premises and Land (Eviction and Rent Recovery) Amendment Act, 2014 for summary trials.

It is further clarified that during the proceedings under Section 54 of the Waqf Act, mutation of waqf properties also came in the way as hurdles/bottle-necks. Despite clear executive directions of the Govt., Tehsildars are not sanctioning the mutations in favour of the Board. In Fatehabad and Gurgaon districts, a peculiar situation arose that even the sanctioned mutations of waqf properties have been changed/canceled by the revenue authorities. The following clear instructions/executive directions to the revenue authorities have been issued by the Govt., copies of which **are enclosed:-**

1. Memorandum No. 11375-11463, dated 16.11.1973 issued by the DLR, Haryana, Chandigarh
2. Memo No. 1008-R-IV-86/12608-09, dated 25.04.1986 issued by the FCR, Haryana, Chandigarh.
3. Memo No. 145-R-4-2012/4014-15, dated 10.04.2012 issued by the FCR, Haryana to DLR, Haryana, Panchkula.
4. Memo No. 2012/3514-15, dated 30.05.2012 issued by the Director General, Land Records, Haryana, Chandigarh to all the DCs.

All the pending mutations of waqf properties should be sanctioned in favour of the Haryana Waqf Board.

The Hon'ble Public Accounts Committee (PAC) is requested to recommend to the Govt. to issue fresh suitable executive directions to the Additional Chief Secretary to Government, Haryana, Revenue & Disaster Management Department, Chandigarh to sanction the mutation of all waqf properties in a **time bound manner** in the similar fashion as it was done in the year 1973, 1986 and 2012.

In view of the position explained above, the Hon'ble Public Accounts Committee is requested to drop this audit para.

2. Encroachment on Waqf Properties by the Govt., Semi Govt. Agencies:

Reply furnished in 2013

Some of the Government departments, Local bodies and the offices of the Central Government occupied wakf lands just after partition of the country in confusion that the land (wakf land) they are occupying belonged to the Government. A Wakf Board was constituted as late as in 1960. The situation continued as such because in many cases records were not available and in many cases Government departments staked their claim.

Late Prime Minister of India, Mrs Indira Gandhi for the first time on March 26, 1976 wrote to all the State Governments with the following points:-

- i) Where feasible, the Wakf properties should be vacated and handed over to the Wakf Board concerned.
- ii) Where costly buildings have been put up on the land and their vacation is not feasible, the State Government may enter into permanent leases with the Wakf Boards, after paying to the Boards the bulk of the market value as premium; or
- iii) In the alternative, the State Governments may arrange to make over the fair market value of the lands to the Boards, which will relinquish their rights over the land, if in their direct management, or obtain from the Mutwallis concerned with their consent, the necessary deeds of relinquishment.

Haryana is perhaps the first State, where the State Government issued directions vide letter No. 18/31/2009-3JJ(1) dated 27-11-2009 to all the Government Departments occupying wakf lands to become lessees of the wakf properties. This decision of the State Government is in compliance of the directions issued by the office of the Prime Minister in 1976. The Financial Commissioner & Principal Secretary to Government, Haryana, Administration of Justice Department again wrote vide letter No. 18/31/2009-3JJ(1) dated 08-06-2012 to:-

- i) All Heads of the Departments,
- ii) The Commissioners, Ambala, Hisar, Gurgaon & Rohtak,
- iii) All the Deputy Commissioners in the State, and
- iv) All CAs/MDs of the Boards/Corporations and State Public Undertakings,

that all the Government Departments, Boards/Corporations and State Public Undertakings occupying wakf lands should become lessee of the Haryana Wakf Board. The Haryana Wakf Board has so far written 151 letters to the concerned Government Departments to become lessee of wakf properties occupied by them.

During the inaugural session of the National Conference on 'Protection and Management of Wakfs' organized by the Haryana Wakf Board at Ambala on 5th to 7th February, 2013, Mr. K. Rahman Khan, Union Minister of Minority Affairs as Chief Guest, appreciated the action by the State Government for removal of encroachments from wakf lands occupied by the Government departments and

local bodies. He thanked the Chief Minister, Haryana, for organizing the conference and appreciated that Haryana was the first State under the leadership of Mr. Bhupinder Singh Hooda which has implemented the direction dated March 26, 1976 sent by the then Prime Minister Mrs. Indira Gandhi for the protection of wakfs in the country.

In compliance of the direction by the State Government, Police and Education Departments responded and became lessee of two wakf properties under their possession. These properties are:-

- i) Police Station Kalayat, District, Kaithal, 462 sq. yds wakf land in Khasra No. 478/1 @ Rs. 2500 per month w.e.f 1.3.2011.
- ii) Govt. Middle School No. 4, Mohalla Qasaban, Hisar, wakf property No. 105 of 564 sq yds @ Rs. 1500 per month w.e.f. 1.1.2012.

The Board is pursuing with all the Government Departments and institutions to become lessee of the wakf lands under their possession.

Latest Position:

Out of 195 waqf properties which were under encroachment by the Govt./Semi Govt. Deptts. 03 waqf properties have been retrieved from encroachment and now 192 waqf properties are under the encroachment. The detail are given as below:-

Sr. No.	Name of Dept.	No. of properties under encroachment	Properties retrieved from encroachment	Now total No. of properties under encroachment
1	Education Deptt.	88	02	86
2	Health Deptt.	13		13
3	Local Bodies & Municipal Committee	27		27
4	Public Health Deptt.	05		05
5	PWD (B &R)	10		10
6	Panchayat	20		20
7	Home Deptt.	12	01	11
8	Power	02		02
9	Animal Husbandry	04		04
10	Archeological Deptt.	01		01
11	Transport Deptt.	01		01
12	Haryana Urban Development Authority	02		02
13	Revenue Deptt.	04		04
14	Agriculture Deptt.	01		01
15	Rehabilitation Deptt.	01		01
16	Ministry of Defence Govt. of India	01		01
17	Ministry of Finance Govt. of India	01a		01
18	Geological Deptt.	01		01
19	Misc. Deptt.	01		01
	Total	195	03	192

The Government of Haryana, Administration of Justice Department issued letters No. 18/31/2009-3JJ(I), dated 27.11.2009, 08.06.2012 and 27.04.2015 (**copies enclosed**) to the following for removal of encroachment/unauthorized possession or to become lessee of the Haryana Waqf Board:-

1. All Administrative Secretaries
2. All Heads of the Departments.
3. The Commissioner, Ambala, Hisar, Gurgaon and Rohtak.
4. All the Deputy Commissioner in the State.
5. All CAs/MDs of the Boards/Corporation and State Public Undertaking.

Correspondence has been held with the district administration for removal of encroachment. Apart from this the Haryana Waqf Board had written number of letters to all the Deputy Commissioners in the State for removal of encroachment and some of the Deputy Commissioners appointed/nominated the Nodal Officers for the purpose who have been convened the meeting of all the District Officers of the departments concerned.

Distt. Panchkula:

The Sub-Divisional Officer (Civil), Kalka issued notices to the Principal Khalsa Girls High School and Principal Govt. Model Senior Secondary School, Kalka vide his letter No. 273-74/Reader and 276-77/Reader, dated 27.05.2014. The Sub-Divisional Officer (Civil), Kalka submitted his report vide his letter No. 532-34/Reader, dated 08.11.2014 to the Deputy Commissioner, Panchkula with the request to provide police force and Duty Magistrate for removal of encroachment from waqf properties by the Govt. Departments. The matter was taken up with the Deputy Commissioner, Panchkula vide letter No. Waqf/Ench./Govt/Pvt./ 2014/ 5481-84, dated 11.12.2014, but no information has been received so far.

Distt. Yamuna Nagar:

The Deputy Commissioner, Yamuna Nagar nominated the District Revenue Officer as Nodal Officer for removal of encroachment. The DRO-cum-Nodal Officer, Yamuna Nagar convened a meeting on 08.12.2014 of the officers of the Departments concerned vide letter No. 2060-64/SK, dated 27.11.2014 and the minutes of the meeting held on 08.12.2014 circulated to all concerned vide letter No. 2919-25/SK, dated 11.12.2014 (**copy enclosed**). The DRO-cum-Nodal Officer, Yamuna Nagar also reminded all the officers concerned vide letter No. 210-14/SK, dated 28.01.2015, (**copy enclosed**). In this connection, the then Administrator of the Board sent a D.O. letters No. Waqf/Ench./Govt/Semi Govt./Pvt./YNR/2012/9304-05, dated 27.02.2016 and another D.O letter dated 19.04.2017 of the Chairman, Haryana Waqf Board to the Deputy Commissioner, Yamuna Nagar, (**copies enclosed**), but no information has been received so far.

Distt. Kaithal:

The Deputy Commissioner, Kaithal also arranged a meeting of the Sub-Divisional Officer (Civil), Kaithal/Guhla/Kalayath, Tehsildar, Kaithal/Guhla/Pundri, Naib-Tehsildar Kaithal/Kalayath/Pundri/ Dhand/Siwan/ Rajaund/Guhla and the Estate Officer, Haryana Waqf Board, Kaithal vide his letter No. 14190-203/MA,

dated 17.12.2014 on 24.12.2014. The Deputy Commissioner, Kaithal also issued notices to the District Education Officer and the Chief Medical Officer, Kaithal for removal of encroachment from waqf properties vide his letter No. 3365-66/SK, dated 21.07.2015, (**copy enclosed**), but thereafter no information has been received so far.

Distt. Hisar:

The Deputy Commissioner, Hisar nominated the District Revenue Officer (DRO) as Nodal Officer, Hisar. The DRO convened a meeting on 18.07.2014 to discuss the issue of encroachment of the Govt., Semi Govt. Departments and Local Bodies etc. vide their letter No. 1626/SK, dated 21.07.2014. and the minutes of the meeting held on 18.07.2014 were circulated to all the officers of the departments concerned vide letter No. 2170-74/SK, dated 25.08.2014, (**Copies enclosed**). In response to the said minutes of the meeting, only the Veterinary Surgeon, Hisar made efforts for obtaining the concurrence from the Director General, Animal Husbandry and Dairying Department, Panchkula for the waqf land which is under encroachment of Govt. Veterinary Hospital at Agroha, Distt. Hisar bearing Kh. No. 236 min area measuring 3085 Sq. Yds. The Director General, Animal Husbandry & Dairying Department, Haryana, Panchkula given the concurrence vide letter No. 2256-AH/3, dated 12.01.2015 (**Copy enclosed**). Now, the matter is under consideration of the Board in accordance with the Waqf Properties Lease Rules, 2014 as Amended. Regarding, the remaining properties under the encroachment of other departments in Hisar Distt. no information has been received so far from the DRO-cum-Nodal Officer and the O/o the Deputy Commissioner, Hisar. In this connection, the Board has sent a D.O letter No. Waqf/Ench./Govt./Semi Govt./Pvt./HSR/2012/9268-69, dated 27.02.2016.

Distt. Bhiwani

The Deputy Commissioner Bhiwani called for the status report from Sub-Divisional Officer, Bhiwani/Charkhi Dadri/Tosham/Loharu and Siwani vide his letter No. 1708/SK, dated 21.04.2014, 2218/SK, dated 04.06.2014, 2385/SK, dated 20.06.2014, 2775/SK, dated 18.07.2014. The Deputy Commissioner, Bhiwani forwarded a report vide his letter No. 2870/SK, dated 28.07.2014 that the Estate Officer, Haryana Waqf Board, Bhiwani may be directed to contact to the SDO (Civil), Bhiwani for further action in the matter. The Board also sent a number of communication to the Deputy Commissioner, Bhiwani to take immediate necessary action, but no information has been received so far.

Distt. Fatehabad

The Deputy Commissioner, Fatehabad issued letters to all the departments concerned viz Director of Archaeological Department, Panchkula, District Education Officer, Fatehabad, DDPO, Fatehabad Superintendent of Police, Fatehabad, Executive Engineer, PH Department, Fatehabad, Secretary, Municipal Committee and Sub-Divisional Officer (Civil), Tohana, Fatehabad and Ratia for removal of encroachment vide his letter No. 586-96/SK, dated 02.04.2014. In this regard, the DDPO, Fatehabad written letter to all the BDPO, Fatehabad vide letter No. 1231-33/Panchayat, dated 15.04.2014. The Sub-Divisional Officer, Fatehabad further communicated to all the BDPO,

Fatehabad/Bhuna/Bhattu Kalan, District Education Officer, Fatehabad, Executive Officer, MC, Fatehabad and Executive Engineer, Public Health Department, Fatehabad vide his letter No. 2461-62, dated 15.04.2014. The Estate Officer, Haryana Waqf Board, Fatehabad took up the matter with Govt. Departments concerned vide his letter No. 582-591, dated 04.04.2014 and 594-96, dated 29.05.2014. The Estate Officer, Haryana Waqf Board, Fatehabad vide his letter 890, dated 27.06.2014 informed that the Deputy Commissioner, Fatehabad issued notices to the encroachers, press clipping appeared in the Dainik Bhaskar, dated 01.07.2014.

Distt. Rewari:

The District Revenue Officer-cum-Nodal Officer, Rewari issued notices to all the Govt. Departments concerned i.e. the District Primary Education Officer, Superintendent of Police, Sub-Divisional Officer (Civil), BDPO, Rewari vide his letter dated 07.03.2014. The Estate Officer, Haryana Waqf Board, Rewari submitted detailed position in respect of waqf properties under the encroachment by the Govt. Department vide his letter No. 782, dated 25.03.2014 and 11.07.2014 to the Nodal Officer/District Revenue Officer, Rewari. The Board reminded time and again but no action appears to be taken so far.

Distt. Mohindergarh at Narnaul:

The Deputy Commissioner, Mohindergarh at Narnaul forwarded the letter of the Board dated 13.02.2014 with its enclosures to the Govt. Departments concerned viz the District Education Officer, District Development & Panchayat Officer, Assistant, Archaeological Department, Sub-Divisional Officer (Civil), Principal Govt. College, Principal Baba Khednath Polytechnic College, Principal Industrial Training Institute, Secretary and Executive Officer, Municipal Committee, Mohindergarh vide letter No. 465/SK/NSK, dated 03.03.2014. The Haryana Waqf Board reminded time and again to the Deputy Commissioner, Mohindergarh at Narnaul but no action has been taken so far. The Board is pursuing the matter with the Deputy Commissioners/District Administration vigorously keeping in view the instructions already issued by the Govt. of Haryana, Administration of Justice Departments. Now the matter will be brought to the notice of the Hon'ble Chief Minister, Haryana who is also the Minister In-charge of the Haryana Waqf Board in near future.

In continuation of the above, D.O. letter under signatures of the Chairman, Haryana Waqf Board recently sent to the Deputy Commissioner, Yamuna Nagar on 19.04.2017 as well as to the Deputy Commissioner, Ambala, Kaithal, Fatehabad and Sirsa on 27.04.2017 (**copies enclosed**). Deputy Commissioners are being reminded in remaining districts.

A civil writ petition No. 18343 of 2012 titled as Rajbeer Khan & Others V/s State of Haryana & Others filled in the Hon'ble High Court of Punjab & Haryana regarding removal of encroachment from waqf properties. In this connection, the Haryana Waqf Board submitted reply with affidavit in the Hon'ble High Court regarding status report of waqf properties under the encroachment and the Hon'ble High Court has given its decision on 02.08.2014 explaining the efforts being made by the Board for removal of encroachment from waqf properties, (**copies enclosed**).

It may be added here that without the active intervention of the Govt., no tangible result can be achieved. 192 waqf properties are under the possession of the Govt., Semi Govt. Departments and Local Bodies etc., either they should become lessee of the Board or handover them to the Haryana Waqf Board.

With the active intervention of the Govt., three prime waqf properties which were under the encroachment of Govt./Semi Govt. Agencies have been sorted out one each at Agroha (Hisar), Nahar (Rewari) and Patwapur (Rohtak).

Besides, the district administration of Karnal, Jhajjar, Yamuna Nagar & Panchkula have positively responded to the correspondence held by the Board in this regard.

Besides, some cases of removal of encroachments of Private Individuals are being tried under Section 54 and 52-A of the Waqf Act, 1995 as amended, particularly under Section 54. But proceedings under Section 54 were halted due to the Waqf (Amendment) Act, 2013 (Act No. 27 of 2013) which suggests that the Chief Executive Officer of the Board will send reports to the Waqf Tribunals, which are not fully operational presently. Earlier, there were provisions that the Chief Executive Officer of the Board will send inquiry report to the SDMs concerned for action. A few cases were too referred to SDMs, but they sat on the reports of the Chief Executive Officer, HWB and left them wearing dusts. Cases of removal of encroachment are also being tried by the Board in the right earnest under provisions of the Haryana Public Premises and Land (Eviction and Rent Recovery) Amendment Act, 2014 for summary trials.

It is further clarified that during proceedings under Section 54 of the Waqf Act, mutation of waqf properties also came in the way as hurdles/bottle-necks. Despite clear executive directions of the Govt., the Tehsildars are not sanctioning the mutations in favour of the Board. In Fatehabad and Gurgaon a peculiar situation arose that even the sanctioned mutations of waqf properties have been changed/canceled by the revenue authorities. There are following clear instructions/executive directions to the revenue authorities, copies of which **are enclosed:-**

1. Memorandum No. 11375-11463, dated 16.11.1973 issued by the DLR, Haryana, Chandigarh.
2. Memo No. 1008-R-IV-86/12608-09, dated 25.04.1986 issued by the FCR, Haryana, Chandigarh.
3. Memo No. 145-R-4-2012/4014-15, dated 10.04.2012 issued by the FCR, Haryana to DLR, Haryana, Panchkula.
4. Memo No. 2012/3514-15, dated 30.05.2012 issued by the Director General, Land Records, Haryana, Chandigarh to all the DCs.

All the pending mutations of waqf properties should be sanctioned in favour of the Haryana Waqf Board. The Hon'ble Public Accounts Committee (PAC) is requested to recommend to the Govt. to issue fresh suitable executive directions to the Additional Chief Secretary to Government, Haryana, Revenue & Disaster Management Department, Chandigarh to sanction the mutation of all waqf properties in a time bound manner in the similar fashion as it was done in the year 1973, 1986 and 2012.

In view of the position explained above, the Hon'ble Public Accounts Committee is requested to drop this Audit Para.

3. Non-recovery of lease rent:

Reply furnished in 2013

It is regarding recovery of outstanding amount of lease/patta of wakf properties of Rs. 1.95 crore from Ambala District and Rs. 2.02 crore from Kurukshetra District.

The Board is making sincere efforts to realize recovery of outstanding amounts as shown in Bahikhata. That is why the Board has conducted audit of all the field offices of the Board for the years 2003-04 to 2011-12 by hiring services of a Chartered Accountant. The auditors have shown outstanding arrears of Rs. 29.75 crores upto 31-03-2012. The observations of auditors in regard to recovery of arrears are being followed up vigorously. Upto 30th June, 2013, the Board has already made recovery of Rs. 5.71 crores of outstanding arrears. Outstanding amount from individuals is available in Bahikhata and also in the audit reports submitted by the Chartered Accountants.

The Board is continuously monitoring the recovery of this outstanding amount. There are many problems and disputes of possession and rent etc. Many lessees died and many have transferred the possession at their own level without the order of the Board. There are 1375 cases in the various courts for possession and title of wakf properties. The Board is taking all possible measures to bring the disputed wakf properties under the management of the Board and for recovery of outstanding amount of lease and patta.

The lease/patta amount could not be recovered from lesses/pattedars under following circumstances:

- (i) **Firstly**, the outstanding amount of Rs.1.95 crore as shown in Ambala District upto 30-06-2013 which includes low rent cases which are continuing much before the inception of the erstwhile Punjab Wakf Board when the properties were being managed by Custodian/Rehabilitation Department. Rents were very meager, even less than Re. 1/-, as a result of which recovery of such low rents were stopped during the period of erstwhile Punjab Wakf Board which had resulted in arrears in the Bahikhata. The recovery was stopped by the Board because occupants did not agree to increase the rent as per Schedule of Rates.
- (ii) **Secondly**, arrears are also outstanding due to court cases, which are lying pending in various courts for years.
- (iii) **Thirdly**, one of the reasons for non realization of outstanding amounts is court cases which have been instituted by the Board where the lessees/Pattedars have violated the terms & conditions of the lease and obviously in such cases the rents/lease money are lying unrealized until and unless the court cases are disposed of.

- (iv) **Lastly**, in many cases the Board had instituted suits in Wakf Tribunals (which have been constituted under section 83 of the Wakf Act, 1995) against the defaulter lessees/Pattedar and cases were also decreed in favour of the Board by the Wakf Tribunals; but one of the judgments of Hon'ble Supreme Court of India in Civil Appeal No. 1182 of 2006 titled Ramesh Gobindram V/s Sugra Humayun Mirza Wakf came as a jolt for the Haryana Wakf Board, in which orders passed by the Wakf Tribunals in favour of the Board for the eviction of the defaulters were set aside on the ground of jurisdiction that the Wakf Tribunals can only entertain cases of title disputes, as a result of which many cases which had been decreed in favour of the Board in Wakf Tribunals in which the defaulters moved to the Hon'ble High Court of Punjab and Haryana at Chandigarh in appeals were remanded to the civil courts.

Following steps have been taken by the Board to recover the outstanding amounts from the lessees/Pattedars :-

- (i) Conducted regular audit of Branch Offices/Sub Branch Offices of the Board for the years 2003-04 to 2011-12 for realization of outstanding arrears.
- (ii) Pursuant to the follow up of the audits, out of Rs. 29.75 crores, the Board has already realize Rs. 5.71 crore of outstanding arrears upto 30-06-2013.
- (iii) In order to settle low rent cases, the Board has constituted a three-member committee consisting of (i) Senior Officers from Head Office, (ii) Estate Officer at circle level and (iii) Rent Collector at circle level. Results are very encouraging. A large number of low rent cases have been settled.
- (iv) Where the lessees/Pattedars have violated the terms & conditions of the lease, the Board has instituted court cases against the defaulters so that rent/patta amounts could be realized at the enhanced rate as per Schedule of Rates notified by the Board.

The **Latest** position of the outstanding amount recovered is as under:-

Status of recovery of outstanding amount in the State.

Outstanding arrears as per the internal audit report upto 31-03-2012	Recovery of outstanding arrears from 01-04-2012 to 30-06-2013
29,75,12,000/-	5,70,94,147/-

Status of recovery of outstanding amount in Ambala District.

Outstanding arrears upto 30-06-2013 as shown in the audit para	Recovery of outstanding arrears from 01-04-2012 to 30-06-2013
1.95 crore	59,80,300/-

Status of recovery of outstanding amount in Kurukshetra District.

Outstanding arrears upto 30-06-2013 as shown in the audit para	Recovery of outstanding arrears from 01-04-2012 to 30-06-2013
2.02 crore	47,35,104/-

Latest Position:

Cases of arrears of lease/rent, particularly of Kurukshetra and Ambala Districts have been cited in the audit report by the CAG stating therein that the rents have not been revised for years together. In this regard, it is submitted that these arrears are outstanding due to the meagre rents which cannot be accepted from audit point of view, because tenants have changed the purpose of lease and yielding fruits from these waqf properties by using them commercially/residentially, but by and large, despite serious efforts made by the Low Rent Committee set up by the Board to settle such cases, the tenants are reluctant to increase the rent. As per record, about Rs. 4.57 crores in Ambala and Rs. 3.40 crores approx. in Kurukshetra Districts are outstanding as arrears of lease/rent as on 31.03.2017.

Further, it may be mentioned here especially that due to the Waqf (Amendment) Act, 2013 (Act No. 27 of 2013) and The Waqf Properties Lease Rules, 2014 as amended (framed by the Central Government) have proved stumbling blocks to settle and collect arrears of rent, because amended Act and Waqf Properties Lease Rules, 2014 (framed by the Central Government) **prohibit and restrict** the powers of the Board without putting the property on bid. The sitting tenants against whom the arrears of lacs of rupees are outstanding also reluctant to participate in the bidding process.

The Hon'ble Public Accounts Committee (PAC) is requested to recommend to the Govt. to suitably amend The Waqf Properties Lease Rules, 2014 as amended after obtaining the legal opinion, so that the Board could collect the rents outstanding against sitting lessees/tenants.

In view of the position explained above, the Hon'ble Public Accounts Committee is requested to drop this Audit Para.

4. Non-revision of rate of lease rent:

Reply furnished in 2013

It is submitted that no lease/patta of wakf properties have been given on nominal amount by the Haryana Wakf Board. Lease/patta on nominal rates are continuing from the period prior to formation of the Punjab Wakf Board, when wakf properties were being looked after by the Custodian/ Rehabilitation Department U/s 11 of the Administration of the Evacuee Property Act, 1950.

The Wakf Board has put such cases in low-rent category i.e. if the rent of a house is less than Rs. 50/- per month and rent of a shop is less than Rs. 100/- per month, then it is a low-rent case. Board had stopped accepting lease money in low rent cases unless the lease amount is according to the Schedule of Rates. If the lessees do not agree, Board files suit for possession against the occupants. But such cases normally go in their favour due to long possession. The Board has taken action to settle such cases as under:-

- (i) The Haryana Wakf Board has framed "Policy for Leasing of Wakf Properties, 2012 notified in Haryana Government Gazette on 19.3.2013. Provision has been made to handle such cases in para 3.1(iv)B of the policy.
- (ii) The Board has set up committees consisting of senior officers from the Head Office of the Board to settle such low rent cases. Results are encouraging. Wherever settlements have failed, suits for possession are being/have been instituted in various courts to get such properties vacated.

Latest Position:

Cases of arrears of rent, particularly of Kurukshetra and Ambala Districts have been cited in the audit report by the CAG stating therein that their rents have not been revised for years together. In this regard, it is submitted that these arrears are outstanding due to the meagre rents which cannot be accepted from audit point of view, because tenants have changed the purpose of lease and yielding fruits from these waqf properties by using them commercially/residentially, but by and large, despite serious efforts made by the Low Rent Committee set up by the Board to settle such cases, the tenants are reluctant to increase the rent.

It is added in this context that the amendments in The Waqf Act, 1995 as amended by The Waqf (Amendments) Act, 2013 (Act No. 27 of 2013) and framing of The Waqf Properties Lease Rules, 2014 as amended by the Central Government have proved stumbling blocks to settle and collect arrears of rent, because amended Act and Waqf Properties Lease Rules, 2014 (framed by the Central Government) **prohibit and restrict** the powers of the Board to lease out the properties without putting the same on bid. The sitting tenants against whom arrears in lacs of rupees are outstanding also reluctant to participate in the bidding process.

The Hon'ble PAC is requested to recommend to the Govt. to suitably amend the Waqf Properties Lease Rules, 2014 as amended after obtaining the legal opinion, so that the Board could collect the rents outstanding against sitting lessees/tenants.

In view of the position explained above, the Hon'ble Public Accounts Committee is requested to drop this Audit Para.

5. Identification of new Wakf Properties by Survey Commissioner:

Reply furnished in 2013

The objective of Survey of wakfs in this region is to identify wakf properties left out by the Muslims during the partition of the country. Dedication of property as wakf is an age old practice but there was no specific institution to look after the wakf properties. Revenue papers showing wakf lands were also not maintained properly. During legislation for the wakf management, it was found essential first to survey and identify wakf properties to be managed under the Wakf Act.

During the first survey of wakf properties from 1963 to 1969, quite a few wakf properties had escaped from being identified as wakf. The Haryana Government vide Order No. 18/12/98-3JJ(I), dated 7-4-2005 had appointed all the Divisional Commissioners of Haryana as Survey Commissioners of Wakf in their respective jurisdictions to trace out such wakf properties which had escaped from being registered as wakf properties at the time of first survey of wakf properties.

Survey work has been completed in eight districts of the State, which include Sonapat, Jhajjar, Rohtak, Karnal, Kurukshetra, Yamuna Nagar, Ambala and Sirsa. In the remaining districts the survey work is in progress. Details of the additional/newly traced out wakf properties during the year from 2007-08 to 2012-13 in the ongoing survey are shown below in the table:-

Sr. No.	Name of District	No. of property surveyed	Total Area K – M	Approximate market value (Rs. In crore)
1.	Sonepat	33	132-05	11.50
2.	Jhajjar	10	053-19	01.17
3.	Rohtak	21	212-00	25.00
4.	Karnal	104	411-17	61.57
5.	Kurukshetra	29	362-04	2.54
6.	Y.Nagar	178	303-14	30.49
7.	Ambala	31	121-03	1.89
8.	Sirsa	08	252-00	3.10
	Total	414	1849-04	137.26

The Survey Commissioners have been requested to send the survey reports to the State Government under their seal and signatures at the earliest. They are taking time perhaps in verification of records.

Latest Position:

The State Govt. vide notification No. 18/12/1998-3JJ(1), dated 22nd May, 2014 (published in the Haryana Govt. Gazette (Extra.) dated 22nd May, 2014), has appointed the following Officers as Survey Commissioner, Additional Survey Commissioners and Assistant Survey Commissioners of Auqaf.

1.	All Divisional Commissioners within their respective Revenue Division	Survey Commissioners of Wakf
2.	All Deputy Commissioner within their respective Revenue Districts	Additional Survey Commissioner of Wakf
3.	All Sub Divisional Magistrates within their respective Revenue Sub Divisions and Assisted by:- (i) All Tehsildars/Naib-Tehsildars within their respective Revenue Tehsils/Sub-Tehsil; (ii) All the Estate Officers of the Haryana Waqf Board within their respective Districts.	Assistant Survey Commissioners of Wakf

A period of 3 years has been elapsed but the progress of the survey work is rather decimal. Only in the 08 districts namely Ambala, Yamuna Nagar, Kurukshetra, Sirsa, Rohtak, Jhajjar, Sonapat and Karnal, the survey work has been completed, but Survey Commissioners are not submitting final reports to the Govt. for notification of the surveyed properties in the official Gazette as per provision contained in Section 5 of the Waqf Act, 1995 as amended. Despite field staff of the Board working in close tandem with revenue authorities, survey work are not being speeded up. The Board has sent its Survey Assistants and Tehsildars to the DCs, but survey reports are not being signed and submitted to the Govt. for notification under seal & signatures of the Survey Commissioner. In remaining districts, the speed of survey work is very slow as mentioned above.

The Hon'ble Public Accounts Committee (PAC) is requested to recommend to the Govt. of Haryana to issue a time-bound directions to all Divisional Commissioners-cum-Survey Commissioners, Deputy Commissioners-cum-Additional Survey Commissioners and SDMs(Civil)-cum-Assistant Survey Commissioners in the State to complete the survey work of such waqf properties which have been escaped during old survey conducted in the erstwhile Punjab State in the year 1963-1969 and also convene a meeting of all Divisional Commissioners, DCs and SDMs in this regard under the chairmanship of Additional Chief Secretary to Govt., Haryana, Administration of Justice Department to speed up the survey work.

In view of the position explained above, the Hon'ble Public Accounts Committee is requested to drop this Audit Para.

6. Mutation of Wakf properties:

Reply furnished in 2013

Many wakf properties have been identified as wakf property during the survey in sixties on the basis of their use and have been shown as 'Graveyard', 'Ahle-Islam', 'Dargah', 'Masjid', 'Khanqah', etc. in the revenue record. These are wakf properties as per provisions in the Wakf Act, 1995, but in some cases Wakf Board has not been shown as owner of these properties in the revenue record. In many cases, Shamlat Deh, Central Government, Municipal Corporations etc have been entered as owner of the wakf lands. The district authorities are being requested to do the mutation in favour of Harayna Wakf Board.

The State Government (Financial Commissioner Revenue) vide letter No. 145-R-4-2012/4014 dated 10.4.2012 has written to the Director, Land Records, Haryana for issuing necessary directions for mutation of wakf properties in favour of the Haryana Wakf Board. The Director, Land Records, Haryana wrote to the Deputy Commissioners of all the districts to complete the mutation of wakf properties in favour of the Haryana Wakf Board vide endst No. Ka 2012/3515 dated 30.5.2012. The mutation work is in progress.

This direction of the State Government will definitely help in getting the mutation of wakf properties done in favour of the Haryana Wakf Board, which will help in getting favourable decisions from the courts of law in respect of wakf properties under encroachment and unauthorized possession.

Latest Position:

As clarified above that during the proceedings under Section 54 of the Waqf Act, mutation of waqf properties also came in the way as hurdles/bottle-necks. Despite clear executive directions of the Govt., Tehsildars are not sanctioning the mutations in favour of the Board. In Fatehabad and Gurgaon districts a peculiar situation arose that even the sanctioned mutations of waqf properties have been changed/cancelled by the revenue authorities. The following instructions/executive directions have already been issued to the revenue authorities in this regard, copies of which **are enclosed:-**

1. Memorandum No. 11375-11463, dated 16.11.1973 issued by the DLR, Haryana, Chandigarh.
2. Memo No. 1008-R-IV-86/12608-09, dated 25.04.1986 issued by the FCR, Haryana, Chandigarh.
3. Memo No. 145-R-4-2012/4014-15, dated 10.04.2012 issued by the FCR, Haryana to DLR, Haryana, Panchkula.
4. Memo No. 2012/3514-15, dated 30.05.2012 issued by the Director General, Land Records, Haryana, Chandigarh to all the DCs.

All the pending mutations of waqf properties should be sanctioned in favour of the Haryana Waqf Board.

The Hon'ble Public Accounts Committee (PAC) is requested to recommend to issue fresh suitable executive directions to the Additional Chief Secretary to Government, Haryana, Revenue & Disaster Management Department, Chandigarh to sanction the mutation of all waqf properties in a time bound manner in the similar fashion as it was done in the year 1973, 1986 and 2012.

In view of the position explained above, the Hon'ble Public Accounts Committee is requested to drop this Audit Para.

The Committee has recommended point-wise as under:-

1. **Firstly, the Additional Chief Secretary to Govt. Haryana, Home and Administration of Justice Department to hold a meeting with the Additional Chief Secretary to Govt. Haryana, Revenue Department**

for getting the directions issued from him/her to all concerned Revenue Authorities in the State to expedite/settle the cases of mutation of the properties pertaining to Wakf Board in the State and secondly, this issue may be made a part of the agenda in the DCs/SPs conference for getting the direction issued from Hon'ble Chief Minister to all Divisional Commissioners and Deputy Commissioners in this regard and action taken report be submitted to the Committee within a period of three months;

2. Sincere and pragmatic efforts be made to get the wakf properties vacated or lease agreement be executed with the department as per law in case the department is not willing to vacate the property and the Committee be kept informed of the action taken by the department;
3. Sincere and pragmatic efforts be made to recover the lease rent from the leases under intimation of the Committee;
4. The Committee be informed as to who manage the custodian properties and as to what are the terms and conditions for the transfer of the same;
5. Appropriate steps be taken to impress upon the Division Commissioners to conduct the survey and identify the wakf properties in their jurisdiction in a time bound manner; and
6. Firstly, the Additional Chief Secretary to Govt. Haryana, Home and Administration of Justice Department to hold a meeting with the Additional Chief Secretary to Govt. Haryana, Revenue Department for getting the directions issued from him/her to all concerned Revenue Authorities in the State to expedite/settle the cases of mutation of the properties pertaining to Wakf Board in the State and secondly, this issue may be made a part of the agenda to be discussed in the DCs/SPs conference for getting the directions issued from Hon'ble Chief Minister to all Divisional Commissioners and Deputy Commissioners in this regard and actional taken report be submitted to the Committee within a period of three months.

HOUSING DEPARTMENT – HOUSING BOARD HARYANA

[62] 3.8 Irregular allotment of open space:

The Estate Manager, Housing Board Haryana, Panipat unauthorisedly allotted 663 square yards incidental open space to two original allottees in piece meal for Rs. 36.91 lakh (rates prevailing in 2003) in violation of the policy in this regard.

Housing Board Haryana (HBH) decided (March 1982) to allot the incidental open spaces to the allottee of corner houses in its colonies where land was owned and developed by them. In cases where the incidental open space was equal to the width of adjoining corner house, such plots were to be sold through auction. The incidental open spaces were to be allotted at the original sale price plus interest. The decision was not applicable in cases where HBH purchased land from HUDA or other departments on plottable area basis, as the ownership of incidental open spaces in those cases was still with that authority. The policy was revised (October 2003) to the extent that incidental open spaces adjoining corner houses was to be carved out after leaving a width of 4' to 6'. In case a plot equal to or more than the corner plot could be carved, the plot was to be auctioned and if the incidental space was less than the normal plot area, open spaces were to be allotted at the market rate which was to be fixed by a committee consisting of Chief Engineer, Chief Revenue Officer, Accounts Officer and Executive Engineer concerned of Housing Board/Estate Officer, HUDA or Tehsildar concerned.

It was observed that the Estate Manager, Panipat allotted two incidental spaces measuring of 663 square yards to the original allottees. The House No. 1809 Sector 11-12 Part I, Panipat was on a plot measuring 202.5 sq yards and there was an open space of 370 sq. yards adjoining to the plot. The Estate Manager, Panipat allotted this space of 370 sq yards in piece meal for Rs.20.49 lakh between December 2011 and May 2012 at the rates prevailing in 2003 to the allottee arbitrarily. Similarly, the house No. 1810 in the same sector was built on 202.5 sq yards area and there was a vacant area of 293 sq. yards adjoining thereto which was allotted to the allottee of House No. 1810 for Rs.16.42 lakh between February and May 2012. It was also noticed that in another four cases, 162 sq yards open vacant space adjoining the back side of shop cum flats (SCFs) No.14 (40.2 sq yard), 15 (42.4 sq yard), 16 (40.6 sq yard) and 17 (38.8 sq yard) in Housing Board Colony, Devi Mandir, Panipat was allotted to the allottees of the above SCFs by the Estate Manager, Panipat in October 2006. These allotments of incidental open space were not proper as the HBH was not the owner of property and also against the policy of fixation of market price by the Committee. Incidentally, these spaces were kept for providing essential services such as water supply, collection of garbage, installation of electricity transformers, etc. by HUDA.

On being pointed out (August 2012) in audit, Chief Administrator, HBH admitted (April 2013) that the allotment of incidental open space in above cases was against the provisions of approved layout plan regarding parks, planned houses, open spaces, roads, etc. and space adjoining commercial property was also for the vision play to avoid accidents. It was further stated that the concerned officers/officials were charge sheeted under Rule 7 in the months of November and December 2012 by the Board and the matter was referred (March 2013) to Director General, State Vigilance Bureau, Panchkula for detailed enquiry.

The matter was discussed with the Principal Secretary to Government Haryana, Housing Department in the exit conference held on 18 September 2013 wherein it was intimated that the action for cancellation of allotment/conveyance deeds in respect of these open spaces was being considered. The final action was awaited (January 2014).

The department in its written reply stated as under:-

In this context, it is intimated that as per contents given in Para No. 3.8 CAG report regarding irregularities in the allotment of open spaces adjoining Houses Nos. 1809, 1810, SCF no. 14 to 17 in HBC, sector-11, 12 (part-I), an in-principle decision has been taken at the level of CA, HBH to cancel the allotment of the incidental open spaces the said cases, as per the following details-

House/SCF No.	Area of incidental open spae
H No.1809	370 Sq.yads
H No. 1810	293 Sq.yads
SCF No.14	40.2 Sq.yads
SCF No.15	42.4 Sq.yads
SCF No.16	40.6 Sq.yads
SCF No.17	38.8 Sq.yads

However, before issuance of orders of cancellation of allotment opportunity of personal hearing has been granted to the said allottees on 24.05.2017 11.00 AM, in view of natural justice. A copy of notice in this regard dated 19.05.2017 enclosed herewith, for interim information and record.

The status update, as above, is forwarded for your information and further necessary action please.

The Committee has desired that the disciplinary proceedings initiated against all the officers/officials in the matter be concluded in a time bound manner and action taken report be submitted to the Committee within a period of two months.

INFORMATION, PUBLIC RELATIONS AND CULTURAL AFFAIRS DEPARTMENT

[63] 3.9 Irregularities in the functioning of the Information, Public Relations and Cultural Affairs Department:

Advertisements amounting to Rs.11.78 lakh were released to unapproved electronic media, injudicious expenditure of Rs.29.01 lakh incurred on engagement of artists and magazines were printed without assessment of requirement.

The Information, Public Relations and Cultural Affairs Department serves as an agency for wide publicity of Government policies and activities. It enlightens citizens on the way in which the system of Government works and informs them of their rights, responsibilities and promote a sense of civic pride. Record in the office of the Director General (DG), Information, Public Relations (IPR) and Cultural Affairs Department for the period 2008-13 was test checked between April and July 2013 and following irregularities were noticed:

(ii) Irregularities in printing and distribution of magazines:

Magazines were required to be printed on the basis of assessment of requirements. It was noticed that:

- Four magazines were printed through SAMVAD Society from private printers to be distributed through post office and by hand/persons but the proper record of distribution was not maintained in respect of magazines printed as given below:

Table 3.9.1: Details of magazines distributed during calendar years 2008-12

Name of the magazines	No. of copies printed in a calendar year				
	2008	2009	2010	2011	2012
Haryana Samvad	4,42,500	10,20,000	9,86,000	11,60,000	8,68,500
Haryana Krishi Samvad	4,10,000	10,00,000	9,73,000	11,60,000	8,68,500
Haryana Review	40,000	2,20,000	2,40,500	2,22,000	1,85,000
Haryana Samvad (Punjabi)	-	-	90,000	1,04,000	40,500

(Source: Departmental figures)

- Above table showed that the number of magazines printed during different years increased substantially without any proper record of assessment of requirement.

During the exit conference the DG admitted the facts regarding variations in printing and distribution of magazines. In the detailed reply (October 2013) it was stated that the stocks register was being maintained from 2011, magazines were being dispatched regularly and number of Haryana Samvad (Punjabi) magazine issues would be fixed after obtaining Registrar News of India (RNI) number. The reply of the department was not convincing as the stock register was not maintained and the magazines were being regularly printed without obtaining RNI.

(ii) Injudicious expenditure on engagement of artists:

A committee headed by Additional Director, Information and Public Relation decided (August 2011) to engage artists having two to five years experience on contract. Tenders were invited (October 2011) for providing 25 artists on monthly basis through newspapers as a result four bids were received. The committee decided (November 2011) to award the contract to the lowest bidder M/s Leo Facilitators, Panchkula, and requested it (December 2011) to provide atleast three times (75 artists) of the required manpower for practical test / interview to be held on 19 December 2011. The bidder had sent a list of only 24 artists intimating that sufficient persons of artistic nature were not available with him.

It was noticed in audit that the details of experience of each artist in their respective field was not maintained and artists were selected without fulfilling the requisite conditions. The contract agreement was made (11 January 2012) on the recommendation of the committee with the lowest bidder with immediate effect for providing 24 artists on contract basis. It was further noticed that the artists engaged had performed only six programmes in nine months upto September 2012. They were paid Rs. 29.01 lakh during this period. In addition, parties from the market for organising various cultural programmes were also engaged on which an expenditure of Rs.1.43 crore was incurred. The performance of artists was not found satisfactory and their services were terminated (May/October 2012). Thus, the expenditure of Rs. 29.01 lakh incurred for engaging artists on contract was injudicious.

During exit conference (September 2013) the PS, Cultural Affairs admitted the facts and stated that these artists were engaged for performing programmes on contract basis. After he took charge of the department, it was felt that the utility of these artists was not required and hence the contract was terminated. The department further replied (October 2013) that non availability of expert artists was a major hurdle in organizing programmes and these artists played an important role in various functions of the department. The reply was not convincing as only trained artists were required to be engaged. As such, the purpose of engaging artists was defeated.

The department in its written reply stated as under:-

- (i) It is explained about the said para that in the fourth meeting of Governing Body of Samvad Society which was held under the chairmanship of Hon'ble Chief Parliamentary Secretary, a decision was taken about the publication/ distribution of the departmental magazines (copy enclosed at flag A). Due to the declaration of the Vidhan Sabha elections and enforcement of code of conduct the magazines could not be published. The distribution list is required to be updated from time to time, due to the change of the addresses of readers/officers, their retirement, transfers, death and election of panchayats, new addresses of sarpanches/panches and numberdars. According to the distribution list the same copies of magazines are to be got printed.

As pointed out in the para the number of copies of Haryana Samvad (Punjabi) magazine, it is mentioned that the number of copies are to be decided after getting the R.N.I. number and to get the R.N.I. number action is also being taken.

According to direction by Audit Party of Principal Accountant General of Haryana that New Stock Register has been started. Correspondence was in progress with Registrar of News Paper, New Delhi for getting R.N.I. number of Magazine by the Department. R.N.I. number could not be received timely due to some incomplete official formalities. By the time order were issued to Samvad Society for not publishing of Magazine. So, it is requested to drop the Para.

- (ii) In this case, it is requested that artists have been engaged to participate in programmes organized by the Cultural Affairs Department at national and international levels from time to time. The Department endeavours to make the programme a success presenting some excellent performances based on Haryanvi dance songs through non-government artists. However, sometimes important programmes have to be organized at short notice, for which non-government artists are not available in time. Therefore, the Department has to face many difficulties.

To deal with these difficulties, the Department decided to engage artists on the basis of prescribed educational qualifications and experience by identifying 25 special services pertaining to artists according to the list at Flag Rs.A', publishing advertisement in newspapers under Part-1 of the Outsourcing Policy being implemented by the State Government in a methodical manner and inviting sealed quotation from Manpower Providing Agency. The approval for this was obtained from the then Hon'ble Chief Minister. It was also mentioned in the quotation that the eligible rate payer would present a list of 75 candidates, which is three times of the number of candidates to be engaged. A departmental committee headed by Upper Director (Cultural Affairs Section) was constituted through the orders of this office dated October 25, 2011. As specified in the advertisement, the sealed quotations received from various agencies were opened by the committees of officers constituted by the Department at 12 noon on November 4, 2011. After checking the rates of quotations received from different agencies, the agency with the lowest rate, that is, M/s Leo Facilitators (Regd.) S.C.O. No. 61, Cabin No. 1, 1st Floor, Sector – 12A, Panchkula, was requested to send three times the number of required applicants for practical test and interview from 11AM on December 19, 2011. In reference to the letter sent by this office, M/s Leo Facilitators (Regd.) sent a list of artists and informed that they do not have required candidates with artistic aptitude. In view of this, recommendations were made to engage the 24 artists supplied by this agency on the basis of interview and practical test, the approval for which was given by the then Hon'ble Director General. Of these 24 artists, the work of one Mr. Rajkumar, Programme Coordinator, son of Mr. Azad Singh, resident village Kasni, district Jhajjar, was not found to be satisfactory. Therefore, a letter dated May 10, 2012 (enclosed) was issued by this office to M/s Leo Facilitators (Regd.) to end his engagement with immediate effect. As required artists were not available due to pre-engagement, keeping in view important programmes, the then Hon'ble Director General gave approval for engaging the other 23 artists from July, 2012 to December 31, 2012. Due to their Performance Report not being up to the mark and on the basis of recommendations of the Cultural Affairs Section, a decision was taken to end the engagement of these 23 artists with immediate effect.

Payment of wages till date of end of services was made with the approval of the then Hon'ble Director General.

Hence, all 24 artists engaged on contract through Manpower Providing Agency were engaged keeping in view national and international level programmes organized by the Cultural Affairs Department from time to time. The Department did not suffer any financial losses in this matter. Therefore, it is requested that Para No. 3.9(3) is dropped by the CAG.

The Committee has desired that responsibility of the erring officers/officials in both the matters be fixed and action taken report be submitted to the Committee within a period of one month.

IRRIGATION DEPARTMENT

[64] **3.10 Unfruitful expenditure on construction of a minor:**

Due to lack of co-ordination between two divisions of Irrigation Department, a minor constructed at a cost of Rs.15.97 crore remained unutilized:

The Government approved (March 2006) a project for "Construction of Nandrampur Bass (NRB) Minor from kilometre (Km) 0.00 to 12.973 off taking at Km 6.500-R Raliawas distributory including increasing capacity of Raliawas distributory and remodelling of Raliawas distributory from Km 0 to 6.500 Km, for Rs.13.12 crore for providing drinking water and irrigation facilities to the residents of Nandrampur Bass and Dharuhera area of district Rewari. The proposal was revised to Rs.16.15 crore by changing off taking point to the tail of Recharge Channel at Km 8.100-R with provision of two pump houses (at Km zero and Km 4.600) and length was revised to Km 9.853. The project was financed by loan from National Bank for Agriculture and Rural Development (NABARD) to be repaid in seven years at the interest rate of 6.5 *per cent* per annum. The project envisaged for creation of irrigation potential in cultivable command area of 8,670 hectare.

The Executive Engineer (EE), Construction Division No-33, Rewari allotted the works of construction of the minor to the agencies in November 2007 and August 2008 which was completed in October 2010. Simultaneously, the EE, Water Services Mechanical Division, Rewari allotted the work of construction of pump houses in July 2009 which was completed in October 2010 at a cost of Rs. 94.26 lakh. The total expenditure of Rs.15.97 crore was incurred on the project.

During audit (May 2011 and February 2012), it was noticed that after completion of the project in October 2010, water was not released in the minor except for testing and the structures were lying unutilised. After being pointed out in audit the EE, Construction Division handed over the minor to EE, Water Services Division No. 2, Rewari in August 2013. The EE Water Services Division No. 2, Rewari observed (August 2013) that the top width of bank was less than the designed width, outer side slopes were inadequate at several places, bed was silted up and weed grown besides the land strip of 11 feet wide acquired for laying underground RCC pipe lines had been completely encroached and crops grown over it. Thus, due to non-utilisation of the minor, the expenditure of Rs.15.97 crore incurred on the construction of minor had not served the intended benefits of providing irrigation and drinking water to the targeted villages.

The matter was referred to the Government in June 2013 but the reply had not been received. However, the matter was discussed with Principal Secretary, Irrigation Department during an exit conference held on 14 October 2013 wherein the EIC intimated that the water had been released in the minor in August 2013 and also assured that a detailed reply would be submitted to audit in this regard. During exit conference it was also decided that a joint inspection would be conducted to verify the factual position. After visiting the site alongwith the departmental officers on 24 October 2013 the EE, Water Services Division No.2, Rewari replied that the top width of earthen bank was eroded to some extent, drawings for pipe culvert structure have been prepared and estimates were under process, trespasses on minor had been curbed by raising earthen banks, outlets

from the minor were not sanctioned and the raw water had reached the tail end of the minor for two days i.e. 11 and 12 October 2013. The reply of the department was not acceptable as gauge slips for running of minor except for two days and log books of pump houses were not produced to audit in support of the reply. Further, with eroded banks and without construction of culverts the minor could not be made functional to its full capacity. Non-sanctioning of outlets also shows that the minor was not utilised for irrigation purposes. Thus, the project was lying unutilised after its construction in October 2010.

The department in its written reply stated as under:-

In reply to this para, it is matter of fact that the project namely "Construction of Nandrapur Bass Minor from 0 to 12.973 off-taking at KM 6,500/R of Raliawas Disty and remodeling of Raliawas Disty from KM 0.000 to 6.500 was prepared in the first instance for Rs.13.12 crore and the same was sanctioned by Govt. of Haryana vide FC&PS to Govt. Haryana Irrigation Deptt. Memo No. 16/65/2005-2IW dated 10.03.2006 and later on the project was revised for the reduced cost amounting to Rs.11.67 crore with a proposal by changing its off-taking point at Km 8.100/R of Recharge Channel instead of Raliawas Disty. It is also fact that the proposal again revised and channel in reach KM 0 to 4.600 is constructed by laying RCC pipe line of 1200mm dia and rest of the length upto 9.853 is kept open by providing brick lining with a provision of 2 Pump House at KM 0.000 and 4.600 of the channel.

In this regard, it would be appropriate to bring into the notice of the Audit that larger interest of the people of the area in terms of providing irrigation water to the fields and coverage of maximum villages to provide drinking water has been the root cause behind the modification of technical specification, design and drawing incurring expenditure amounting to Rs.15.97 crore. Case for obtaining sanction of the competent authority to the revised project has been submitted to the higher authorities by Executive Engineer, Construction Division No.33, Rewari vide U.O. Nos. 230/NRB dated 03.04.2012 & 252/5W dated 11.04.2012 and by W.S. Division No.-II, Rewari Single File Note on dated 11.09.2013 to obtain revised Administrative Approval. Further amended Single File Note was submitted by W.S. Division No.-II, Rewari vide U.O. No. 983/NBD dated 11.09.2013, No. 1415/NRB dated 19.12.2013 & by U.O. No. 318/NRB dated 13.03.2014. Case for obtaining sanctioned from the competent authority is still awaited.

So far as the lack of co-ordination between two divisions as observed by the Audit is concerned, it is submitted that execution of the project was carried out by Construction Division No.-33, Rewari being a specific wing to look after the execution of construction works in the Water Resources and it was onus upon Water Services Division No.-2, Rewari to undertake the project to bring the channel functional. In this particular case, matter was taken up with the respective authorities a number of times but due to shortage of staff and other unavoidable reasons, there were impediments in handing over the charge of the channel on one part and taking of the charge of the same on the other part. In fact, there has been no such reason that there was any lack of co-ordination on the part of one division or the other. The top width of bank and side slope which were eroded due to earlier rainfall, were maintained as per designed. The encroachments of land

strip of 11 ft. wide have been removed and boundary pillar has been constructed in the land strip. From December, 2012, the minor is in function and serve the intended benefits of providing irrigation and drinking water to the targeted villages. The copy of gauge register (as Annexure-A) and Irrigation Figure (as Annexure-B) shows that this minor is continuously is in function and serve the intended purpose. The outlets of this Minor is in function, it is worth to point out here that the irrigation in lift depends on factors mainly indented supply, electricity supply and proper functioning of pumps and motors, If any of these factors fails, then the intended purpose suffer badly.

It is further to mention here that the eroded bank has been maintained as per design section. Culverts & other structure has been constructed and raw water reaches to its tail end. The copy of gauge register and irrigation figure is hereby attached for ready reference.

The project had been completed in the month of October 2010 but afterward some important works such as clearance of lengthy channel, its testing and some minor repairs afterward testing are the reason that water could not be run in the channel before December 2012. Now the minor is utilized for irrigation purposes as shown in gauge register & irrigation figure.

The Audit would appreciate that afterward December 2012 the channel is running very smoothly and the purpose is serving amicable and the expenditure thereon is quite justified.

Hence it is requested that the Para may kindly be dropped.

The Committee has observed that after the completion of the project in October, 2010, the minor was handed over and/or taken over by the Executive Engineer, Water Services Division No.2, Rewari in the month of August, 2013, that is, after a delay of about 3 years. The committee has, therefore, desired that the responsibility of the erring officer(s) for this delay be fixed and action taken report be submitted to the Committee within a period of 2 months.

[65] **3.11 Irregularities and deficiencies in construction of Dam across river Kaushalya near Panchkula:**

The objective of providing drinking water to Panchkula town from the Kaushalya Dam constructed at a cost of Rs.208.37 crore could not be achieved. Undue favour was extended to the contractor by not deducting the security on supplementary agreement and liquidated damages not levied.

The Government approved (December 2005) a project for 'construction of an earthen dam across river Kaushalya near Pinjore for Rs.51.37 crore with a view to supply drinking water to Panchkula town, recharge ground water, check flash floods, promote tourism and fisheries in reservoir area. The administrative approval was revised to Rs.217 crore (September 2011) due to increase in cost of land, height and top width of the dam to provide passage for residential sectors being developed by HUDA on the other side of river. The Irrigation Department constructed the earthen dam with 34 metre height and 30 metre top width at a cost of Rs.208.37 crore (upto May 2013).

During audit of the Executive Engineer (EE), Ghaggar Dam Division (GDD), Panchkula following irregularities were noticed:

(i) Non-achievement of objectives:

The dam was conceived with the objective to supply drinking water to Panchkula town. The HUDA had constructed the water works structures and had laid pipe lines for providing drinking water to Panchkula town by incurring an expenditure of Rs.43.25 crore till April 2013 but the facility could not be provided due to non-availability of water in reservoir of Kaushalya Dam. Thus, the objectives of the dam were not achieved despite incurring a huge expenditure of Rs. 208.37 crore.

During exit conference (October 2013), the Principal Secretary intimated that partial achievement had been made by supplying 8 cusecs/day to HUDA. But the fact remains that the envisaged benefits from the project were not achieved as the envisaged quantity was 40.3 cusecs/day (16 July to 30 September) and 18.4 cusecs/day (1 October to 15 July). In June 2013 the water level in the reservoir was at elevation level of 456.90 meter against the bed level of 450 meter. Whereas the outlet of water from where the water was to be supplied to HUDA was at 460 meter. As such no water could be supplied to HUDA.

(ii) Non-levy of liquidated damages against the agency:

The work of construction of Kaushalya dam and its appurtenant works allotted (March 2008) to an agency was required to be completed by 30 June 2010. As per clause 39.3 condition of contract, liquidated damages at the rate of 10 *per cent* of value for the work/final contract price was to be levied against the agency for non-completion work in stipulated time period. Extension in time was granted to the agency upto 31 March 2011. But the agency failed to complete the work even within the extended time limit which was completed by June 2012. The department had neither extended the time limit nor levied liquidated penalty of Rs.11.29 crore (10 *per cent* of agreement amount of Rs.112.99 crore) against the agency.

During exit conference, the EIC intimated that the matter was under consideration and the quantum of time extension and liquidated damages was yet to be decided. However, the fact remains that the quantum of penalty had not been decided even after lapse of 18 months from the date of completion of work.

(iii) Undue benefit to the contractor by deducting less security:

Para 13.11.1 of PWD code provides that security at the rate of 10 *per cent* of the gross amount of each running bill should be deducted from all running bills till the deposit reaches 5 *per cent* of the tendered value.

The work of construction of dam was allotted to the agency at an agreement amount of Rs.52.99 crore in March 2008. Subsequently, due to increase in scope of work, the agreement was enhanced to Rs.112.99 crore by executing supplementary agreement of Rs. 60 crore in June 2009. It was noticed that a sum of Rs.2.64 crore was deducted as security from running bills of the contractor for the contract price of Rs.52.99 crore only and the security for the supplementary contract price of Rs.60 crore was not deducted. This resulted in undue benefit to the contractor of Rs.three crore besides reducing the security against substandard/below specification work in contravention to codal provisions.

During exit conference, the EIC intimated that the security was deducted as per provisions of the agreement. The reply was not acceptable as the agreement amount increased to Rs.112.99 crore and to safeguard the interests of the State, security from the enhanced amount was also recoverable.

Above points were referred to the Government in July 2013 but the reply had not been received. However, the points were discussed with the Principal Secretary, Irrigation Department during an exit conference held on 14 October 2013 and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

The department in its written reply stated as under:-

(i) Non-achievement of objectives:

The Construction of Kaushalya Dam was completed in December, 2011. The reservoir was filled upto its top i.e. up to 478 in 2012 and excess water was also released many times in that season. In 2013 the dam got filled upto 470.60 meter i.e. only 40% of its total capacity due to short rainfall, HUDA authority were informed by irrigation department vide SE/CC pkl 2343-48/7-W dated 20/09/2012 (Annexure-I) to take water from Kaushalya Dam. HUDA demanded the water supply vide their letter No.2032 dated 12/02/2013 (Annexure-II) and since then the water is being supplied as per the demand and availability for which a record is maintained at site by irrigation department (Copy enclosed as Annexure-III).

The dam got filled upto its top upto 478 in 2012 season and was ready to supply the envisaged quantity of water i.e. 40 cusecs daily/rainy season and 18 cusecs during normal season. HUDA informed the Irrigation Department vide letter No.1449 dated 01/02/2013 (Annexure-IV) that they have constructed water works having capacity of 18 cusecs and demanded water supply for testing purpose.

Further a demand of 18 cusec was made by them vide letter No.2679 dated 27/02/2013 (Annexure-V) as per their maximum capacity of 18 cusecs. It is mentioned that HUDA never demanded 40 cusecs of water as their plant was having capacity of only 18 cusec. On 16/7/2013, the reservoir filled upto level of 463.10 meter and dam was having sufficient water supply as per demand. But no demand was made by HUDA for requirement of 40 cusecs of water. The water supply of 18 cusecs was started on 25/06/2013 (Page-1 HUDA water discharge supply register as (Annexure-VI) which was further reduced as their demand.

Yes it is right that the supply level start from 460 meter but this level was already achieved on 16/06/2013 (Reference-Reservoir level Register P-31 (Annexure-VII)). Hence as per demand, the water supply level of 18 Cusecs was started from 25/06/2013 from the level of 461.75 meter and was further made as per their demand even on less reservoir filling of only 40% of its capacity i.e. upto 470.60 in 2013.

It is mentioned that the water was supplied continuously from year 2013 to till date i.e. upto 27/2/2017 as per their demand. It is also clarified that HUDA never demanded 40 cusecs of water supply from Kaushalya Dam.

Hence, in the light of above, Para needs to be settled.

(ii) Non levy of liquidated damages against the agency:

The work of construction of Kaushalya Dam and its appurtenant works allotted in March, 2008 to M/s Patel ARSS JV with tendered cost of Rs.52.99 Crore with completion date as 17, September, 2009. Later on due to change in design and grouting pattern, the scope of work was enhanced to the tune of Rs.60.00 crore for which supplementary agreement was drawn in June, 2009 with completion period up to 30 June, 2010. Later on due to further enhancement in work scope, work completion date was extended upto 31.02.2011. In this regard, it is further intimated that the main component of work i.e. dam body and spillway etc. have been completed upto 31.12.2011 and the dam was ready to serve its purpose and 65th running bill was prepared on dated 31.12.2011, however only finalization of small/ auxiliaries works i.e. staircases, escape channels, slab of regulation chambers, installation of gate components etc. was left which was completed later on in defect liability period. Simultaneously the final and overall measurement of main executed work was done and 66th running bill was prepared on dated 22.04.2012. Keeping in view all the aspects of work/ project, the completion certificate was issued by the then SE/ Const. Circle, Panchkula vide No. 609-11/1-W Dam dated 11.06.2012 (Annexure-VIII) for the above said work completed on dated 31.12.2011. The final quantity was approved by the competent authority i.e. the then SE/Const. Circle, Panchkula vide No. 1963/4-W dated 02.08.2012 (Annexure-IX).

Finally the competent authority i.e. Worthy Engineer-In-Chief, I&WRD, Panchkula, keeping in view the change in scope of work and nature of work/project, the proportionate extension was granted vide letter No. 4597-4601 dated 12.08.2014 (Annexure-X) upto 20.07.2011 and all other small works executed after 20.07.2011 was considered completed upto 31.12.2011 without any liability of payment of liquidity damages for small work executed in defect liability periods.

In addition to above, it is worth mentioned here that the agency has executed the work of cost of their tendered/agreement amount within stipulated completion period.

Hence keeping in view the above facts, completion of agreement work value in stipulated period and allowing of small work in defect liability period, the imposition of liquidity damage might not be legally right because the dam was substantially completed within stipulated period and hence the liquidity damage could not be imposed.

Hence the Para may be settled as the work was completed within stipulated period.

(iii) Undue benefit to the contractor by deducting less security:

The clause 13.11.1 of PWD Code (copy enclosed as (Annexure-XI) says that at the time of making payment to the contractor, a sum @ 10% (or such other percentage as may be prescribed) of the gross amount of each running bill is to be deducted till the cumulative amount of deduction alongwith the amount of earnest money already deposited reaches 5% (or such percentage as may be prescribed) of the tendered value.

It is clarified that as per Contract Data at Pg-43, Section IV (copy enclosed as Annexure-XII) of bid document of Kaushalya Dam, it is prescribed that the retention money is to be deducted @6% from each running bill subject to a maximum of 5% of tender amount. Therefore, after following this bid clause and PWD clause the retention money was deducted @6% of the each running bill subject to maximum 5% of tender price i.e. Rs.5.61 Crore of the tender amount i.e. Rs.52.99 Crore + Rs.60.00 Crore, which was already deducted upto 42nd bill. Hence there was no need to deduct the security from 43rd bill onwards as the 5% of tender amount was already deducted upto 42nd bill.

Hence the deductions were made as per bid document/ contract document & PWD Code and no undue benefit has been given to the contractor.

Hence, in the light of above, Para may be settled.

The Committee has desired that the Director General, Vigilance be called for orally examine as to the status of the inquiry in the matter of Kaushalya Dam.

[66] **3.14 Miscellaneous Public Works Advances:**

Rs.213.18 crore was outstanding in Miscellaneous Public Works Advances which was mainly due to non-adjustment of advances of Rs.127.62 crore even after receipt of material/services, non-recovery of Rs.27.51 crore from contractors and Rs.1.55 crore from officers/officials.

Miscellaneous Public Works Advance (MPWA) is a transitory suspense head under which items are recorded temporarily and are cleared either by actual recovery or by transfer to relevant head of account under proper sanction of the competent authority. There were huge outstanding balances in MPWA in March 2008 for which a mention was made in paragraph 4.5.2 of the report of the Comptroller and Auditor General of India for the year ended 31 March 2008 (Civil). The Public Accounts Committee recommended (March 2012) that the departments should make efforts for early settlement of pending amount and expedite the cases under arbitration. However, during scrutiny of monthly accounts of March 2013 submitted by divisions of all the three departments, Audit observed that an amount of Rs.213.18 crore lying outstanding under MPWA against suppliers, contractors, officers/officials and other departments. The reasons for accumulation of huge outstanding balances under MPWA were examined by selecting 74 divisions out of 201 divisions in all three departments. Position of outstanding balances of the three departments as of March 2008 as well as of March 2013 is depicted in Table 3.14.1.

Table 3.14.1: Position of outstanding balances of MPWA

(Rs. in crore)

Description	Irrigation	B&R	PHED	Total	Irrigation	B&R	PHED	Total	Increase
	As of March 2008				As of March 2013				
Position in the department	94.74	41.95	44.16	180.85	31.81	131.67	49.70	213.18	32.33
Position of test-checked divisions 74	8.37	24.85	33.61	66.83	29.21	109.88	43.68	182.77	115.94

(Source: Monthly accounts submitted by the divisions)

There were Rs.182.77 crore outstanding against 1,660 items in the 74 test-checked divisions as of 31 March 2013. Out of these 1,080 items involving Rs.26.07 crore were more than ten years old. During test-check records of 74 divisions following shortcomings were noticed:

(i) Non-adjustment of outstanding balances:

was noticed in test checked divisions that out of Rs.182.77 crore shown outstanding in the MPWA (31 March 2013), Rs.127.62 crore were outstanding against suppliers/firms and other departments on account of non-adjustment of payment made in regard to electricity charges, acquisition of land, etc; as detailed in **Table 3.14.2.**

Table 3.14.2: Accumulation of MPWA due to non-adjustment

Name of Division	Outstanding balance as on 31 March 2013 (Rs. in crore)	Date of Advance	Purpose of Advance	Reasons for non-adjustment
Public Works Department (B&R)				
Provincial Division Panipat	81.32	Running account	Procurement of bitumen for all divisions of the Department	Material received but not adjusted in MPWA due to non-adjustment of amongst various within the department
Public Health Engineering Department				
PHE Division Panchkula	16.12	March 2002	Payment of outstanding energy charges	Non-adjustment of accounts amongst various divisions of the department
PHE Division Panchkula	5.30	1992-93	Payment of outstanding energy charges	Non-adjustment of accounts amongst various divisions of the department
PHE Division No.1 Rewari	3.82	June 2010	Payment of Charges	Non-adjustment of payment against various water works due to lack of co-ordination amongst Sub Divisional Offices
PHE Division 1 Bhiwani, D&P Sonapat and PHED Panchkula	0.57	Between March and July 2011	Procurement of Cement	Drafts were prepared showing utilisation of LOC but cement was not Procured
Irrigation Department				
Water Services Division 1 & II II, Rewari and Mohindergarh Canal Water Services Division, Charkhi Dadri.	15.72	March 2010 to June 2011	Acquisition of land	Land awards were made during January 2010 to October 2011 but amounts were not adjusted in MPWA
Water Services Division, Jagadhari	4.77	February 2009 and December 2011	Construction of RCC Box Railway Bridge on the Shahpur Nalvi Feeder	Not adjusted as the department failed to get the completed from Railways
Total	127.62			

(Source: Information supplied by divisions concerned)

After pointed out by Audit, two Divisions cleared Rs.12.29 crore. The action on remaining items was awaited (January 2014).

(ii) Non-recovery of penalties from contractors:

An amount of Rs.27.51 crore was outstanding against 315 contractors on account of liquidated damages, cost of left out works got executed at their risk and cost, etc. Out of these, Rs.7.54 crore were outstanding in 209 cases for more than five years. On being pointed out in audit, the department intimated (June and July 2013) that these items were outstanding due to non-finalization of bills, arbitration and court cases, non-functioning of agencies in division/circle and in old cases whereabouts of the contractors/agencies were not known. The fact, however, remains that concrete efforts were not made by the departments to clear the MPWA balances either by actual recovery/adjustment or by getting the balances written off from Government.

The Executive Engineer, Provincial Division No. 4, Rohtak placed Rs.12.17 crore in MPWA for want of recovery from an agency in January and April 2009 on account of liquidated damages for non completion of three works. The Government accorded approval (May 2013) to file a civil suit in the Court for recovery of the amount which was yet to be filed (February 2014).

(iii) Non-recovery from officers/officials:

An amount of Rs.1.55 crore was outstanding in 522 cases against officers/officials of the three departments on account of shortage of material, unauthorized payments, excess payments, telephone charges, etc. Out of 522 cases, 479 cases involving Rs. 0.90 crore were pertaining to period before March 2008. Thus, the departments had not taken timely action against the officers/officials concerned for recovery of outstanding amounts.

(iv) Other shortcomings:

➤ There were negative balances of Rs. 1.40 crore against 67 items in 18 Divisions mainly due to wrongly crediting of receipts to MPWA, showing the excess receipt of material, etc. EIC, PWD (B&R) intimated (October 2013) that such items were being investigated and proper adjustment would be made soon.

➤ By not complying with the provisions of Article 57 of Account Code Volume III, the advance payment made to LAOs were irregularly being charged to the works concerned instead of keeping in MPWA in five divisions and Rs.7.42 crore refunded by the LAOs were deposited as miscellaneous receipts of the department instead of reducing the expenditure on works concerned. This resulted in inflated figures of revenue receipts of State Government as well as inflated expenditure on works.

➤ The system of monitoring had not proved effective as the reports submitted by the Executive Engineers merely indicate the increase and decrease in balances, old items involving substantial amounts were not cleared and effective steps were not taken to affect recovery from officers/officials. Only in Irrigation Department a monitoring cell was established and position was being reviewed through the quarterly progress report as well as by holding meetings with field staff which helped to contain the MPWA considerably.

The matter was referred to the Government in August 2013 but reply had not been received. However, during exit conferences (September and October 2013) the Principal Secretaries, Public Works (B&R), Irrigation and Public Health Engineering departments ensured that efforts were being made to recover/adjust the amounts

outstanding in the MPWA for which all the field offices had been sensitized towards these outstanding amounts and directed to initiate immediate action regarding making recoveries/ adjustments of outstanding amounts.

The department in its written reply stated as under:-

The above table "Position in the department" originally was C&AG Para 4.5.2 (ending 31.03.2008) converted in QPR 32 of 67th PAC Report after deliberate discussion with PAC on 04.01.2011, with the observation of PAC that "After hearing the departmental representatives the Committee desired that efforts should be made to adjust the advances given in two cases at the earliest under intimation to the Committee." Accordingly in the QPR ending 31.03.2017 (Annexure-I) it was intimated that Xen., W/S Divn. Ambala vide his Memo No. 1176/13-A dated 02.09.2011 (Copy attached with Annexure-I) that outstanding 2 No. cases amounting to Rs.94.71 lacs have been cleared.

The table "Position of test checked 74 Divisions" Rs.29.21 crore relates to the Irrigation Department out of which Rs.20.51 crore have already been cleared and balance amount of Rs.8.70 crore is outstanding as on 31.03.2017 (Annexure-II).

Table 3.14.2: Accumulation of Misc. P.W. Advance due to non-adjustment:-

Out of total amount of Rs.20.49 crore of 4 No. Divisions mentioned above, amount of Rs.15.49 crore have been adjusted and the balance amount of Rs.5.00 crore will be adjusted as early as possible in near future.

Sincere efforts are being made to clear the outstanding amount by making correspondence with the concerned quarters.

The Committee has desired that (i) the case-wise latest status of all types public works advances be submitted to the Committee, (ii) sincere and pragmatic efforts be made to adjust the advances and (iii) same be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

[67] 3.5 Misappropriation, 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 *ibid*, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 144 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.60 crore on which final action was pending as of June 2013. 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 3.3.

Table 3.3: 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)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	20	34.40	Theft	96	80.93
5 – 10	40	45.20			
10.15	33	54.23	Misappropriation/ loss of material	49	79.52
15.20	11	06.89			
20.25	24	16.64	Total	145	160.45
25 and above	16	03.09	Cases of losses written off during the year	1	00*
Total	144	160.45	Total pending cases	144	160.45

* Measurement book theft

Reasons for pendency of cases are listed in Table 3.4.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	04	08.05
ii)	Departmental action initiated but not finalized	69	53.73
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending	14	08.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in Courts of Law	16	52.94
Total		144	160.45

Out of the total loss cases, 66 per cent cases related to theft of Government money. Further in respect of 50 *per cent* cases of losses, departmental action had not been finalized and 28 *per cent* cases were outstanding for want of orders of the competent authority for recovery or write off of losses. It was further noticed that out of 144 cases of losses due to the /misappropriation etc., 124 cases were more than 5 years old including 16 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 the 144 No. pending cases of Rs.1.60 crore, 49 No. cases of Misappropriation & defalcations amounting to Rs.11.05 lacs relate to the Irrigation Department Haryana. The department has taken final action on 20 No. cases amounting to Rs.7.00 lacs and for outstanding 29 No. cases amounting to Rs.4.05 lacs, action taken has been tabulated as under:-

Total Case and amount		No. of cases in which recover 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

Further, out of 29 No. cases, 17 No. cases amounting to Rs.2.38 lacs were sent to the Accountant General (Audit) vide this office letter No. 251/2PAC/341/2014 dated 15.03.2017 (Copy enclosed) with full justification for settlement/dropping and hence only 12 No. cases amounting to Rs.1.67 lacs. are pending. Efforts are also being made to settle these. The same Para was also framed in the year 2013-14, 2014-15 & 2015-16 and has also been converted into QPR (Para No. 23 of 73rd PAC Report & 56 of 74th PAC Report) (copy attached).

So, this Para for the year 2012-13 may kindly be dropped

The Committee has desired that all cases be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

PUBLIC WORKS DEPARTMENT (BUILDINGS AND ROADS)

[68] 3.13 Incomplete works:

Expenditure of Rs.205.18 crore was incurred on works which have been delayed due to non-availability of clear site, untimely provision of drawings and designs and improper planning in execution of works without deriving any benefit.

As per Management Information System (MIS) report of the Public Works Department (Building and Roads) as on 31 March 2013, 76 building works were not completed by the target date. Test check of records relating to 52 works disclosed the following irregularities:

➤ Twelve building works on which an expenditure of Rs.62.20 crore was incurred upto April 2013 were allotted without removal of encumbrances from the sites such as electric lines, encroachments, land disputes over claims, trees, etc; as required under para 13.12.1 and 16.1.1 of the Haryana PWD Code. The encumbrances were removed after a delay ranging between 4 and 50 months from allotment of work. In one case, the construction work was stopped by villagers as the land provided to contractor was Panchayat land on which expenditure of Rs.6.24 lakh incurred became wasteful. This has delayed the project completion by 12 months.

During exit conference (October 2013), the Principal Secretary accepted that sometimes works were allotted before availability of clear site to speed up the work and in some cases, it takes time to get various clearances from different departments and shifting of utility services. The reply was not acceptable as according to codal provisions, a work should be taken up after availability of clear site.

➤ In case of 25 building works on which Rs.111.74 crore was incurred upto May 2013, the drawings were provided to the contractors after a delay between 4 to 38 months after allotment as against the requirement of para 10.6.12 of the Haryana PWD Code which provides that drawings should be provided at the time award of contract.

During exit conference (October 2013), the EIC stated that the client departments changed the design during execution of work. The reply was not acceptable as the department should have obtained written approval of designs from client departments as per codal provisions.

➤ Para 10.9.3 of PWD Code provides that all the components of building including internal service installation, main/approach road, boundary walls, fences, gateway, internal road and paths and land development should be included in the estimate of a building work and executed with main building simultaneously. 12 building works on which Rs.31.24 crore was spent, were executed in parts instead of one project by dividing the projects in sub-works. The sub works were not allotted alongwith the main works as a result of which the projects remained incomplete.

During exit conference, the EIC intimated that the tenders for roads/parking were used to be called at later stage but due to problem faced in the past, now all components are made part of main tender.

➤ Para 13.18.1 (d) of the code provides that the acceptance of the tender should be as an absolute, without making any counter offer, otherwise the offer may not stand. In Provincial Division, Nuh, tenders for the work 'Construction of PHC, Padheni in Mewat District' were re-invited in May 2010 as at the first instance single tender was received. Again single tender received at Rs. 1.36 crore was 28.84 *per cent* above Haryana Schedule of Rates (HSR) plus Ceiling premium (CP) and the department allotted the work (December 2010) with the condition that 'over all excess would not go beyond 26 *per cent* above HSR+CP and analytical cost'. The agency did not accept the condition imposed unilaterally. The tenders were re-invited (August 2012) and the work was allotted (October 2012) to another agency at a cost of Rs.1.58 crore which delayed completion of work by more than 26 months and resulted in extra liability of Rs. 0.22 crore (Rs.1.58 crore – Rs.1.36 crore).

During exit conference, the EIC stated that the department had fixed maximum ceiling for allotment of works due to which the agency was asked to execute the work within that limit. The reply was against the codal provisions.

➤ Para 13.18.1 further provides that the acceptance of tender shall be within the validity period of the tender. In Provincial Division, Nuh, a single tender at Rs.121.60 lakh for the work of 'Construction of PHC in Jamalgarh' received on 18 June 2010 was finalised in December 2010 after expiry of the validity period of 90 days and the agency refused to extend the validity period. Thereafter, tenders were re-invited which was allotted (February 2011) to the same agency at Rs.131.40 lakh. This delayed the completion of the work by eight months with extra cost of Rs. 9.80 lakh.

Above points were referred to the Government in July 2013 but reply had not been received. However, the points were discussed with Principal Secretary, Public Works (Building and Roads) Department in an exit conference held on 11 October 2013 and the deliberations of the exit conference have been considered and suitably incorporated in the Report.

The department in its written reply stated as under:-

Sr. NO.	Name of Divn.	Name of Work	Administrative approval/ Date & amount (Rs. In lakh)	Date of DNT/ Date of Tender	Date of allotment/ Agreement amount (Rs. In lakh)	Date of Start/ Due date of completion	Date of providing clear site	Delay in providing site (in months)	Date of providing drawings	Delay in providing drawings (in months)	Expend. (Rs. In lakh)	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Palwal	Constn. Of Scheduled caste / Scheduled Tribe building at ITI Hathin	20.11.09 / 52.302	8.01.2010 / 5.3.2010	18.5.10 / 390.06	18.5.20 / 17.8.2011	12.7.10	-	03.1.13	31	66.91	Work completed and handed over to the client Deptt. On dt.31/12/2014. Work was delayed due to shortage of funds.
2		Constn. of Primary Health Centre at Kot	31.8.200 / 207.27	10.12.09 / 28.1.2010	17.3.10 / 116.44	17.3.2010 / 16.3.2011	4.1.2010	-	19.7.10	4	37.01	Work completed at risk & cost and handed over to the client Deptt. on dt. 22/8/2014. Work was delayed due to risk and cost.
3		Constn. of Primary Health Centre at Chhalasa	31.8.2009 / 207.27	10.12.09 / 28.1.2010	17.3.10 / 116.66	1.4.2010 / 31.3.2011	11.12.09	-	19.7.10	-	53.57	Delay due to shortage of funds
4		Constn. of Primary Health Centre at Deeghot	31.8.2009 / 207.27	10.12.09 / 12.1.2010	18.2.10 / 102.50	18.2.2010 / 17.2.2011	6.1.2010	-	29.3.10	-	40.64	Work completed and handed over to the client Deptt. on dt. 6/7/2014. Work was delayed due to shortage of funds.

5		Constn. of Primary Health Centre at Bhulwana	31.8.2009 / 207.27	10.12.09 / 12.1.2010	18.2.10 / 102.50	18.2.2010 / 17.2.2011	6.1.2010	-	29.3.10	-	43.93	Work completed and handed over to the client Deptt. on dt. 6/7/2014. Work was delayed due to shortage of funds.
6		Constn. of Primary Health Centre at Allika	31.8.2009 / 207.27	25.12.09 / 09.2.2010	12.03.10 / 116.29	12.3.2010 / 11.3.2011	29.12.09	-	29.3.10	-	54.6	Work completed and handed over to the client Deptt. on dt. 3/8/2014. Work was delayed due to shortage of funds.
7		Constn. of Primary Health Centre at Sehol	26.9.2008 / 208.85	29.9.2008 / 16.1.2009	12.02.09 / 102.50	12.2.2009 / 11.2.2010	1.7.2009	-	18.6.09	4	39.99	Work completed and handed over to the client Deptt. on dt. 2/8/2014. Work was delayed due to shortage of funds.
8		Constn. of Community Health Centre at Sondhad	31.8.2009 / 690.85	10.12.09 / 18.2.2010	19.4.10 / 482.66	9.4.2010 / 8.7.2011	17.8.10	4	11.1.10	-	159	Work completed and handed over to the client Deptt. on dt. 30/8/2014. Work was delayed due to shortage of funds.
9		Constn. of Community Health Centre at Alewalpur	31.8.2009 / 690.85	10.12.09 / 2.2.2010	5.3.2010 / 449.96	5.3.2010 / 4.6.2011	15.3.2010	-	16.8.10	5	237.3	Work completed and handed over to the client Deptt. on dt. 5/3/2014. Work was delayed due to shortage of funds.
10												
11		Constn. of ITI at Kushak	21.5.2007 / 522.58	6.7.2007 / 25.10.07	27.12.07 / 377.99	27.12.07 / 26.3.2009	23.4.2008	-	16.9.10	9	71.42	Work completed and handed over to the client Deptt. on dt. 25/5/2014. Work was delayed due to risk and cost.
		Second agency	-	9.3.2012 / 27.4.2012	31.5.12 / 369.45	31.5.2012 / 28.2.2012	31.5.2012	-	31.5.12	-	342.2	
12		Constn. of Residences for judicial officers at Palwal	18.8.2009 / 537	-	10.4.10	30.4.2010 / 14.8.2011	30.1.2010	-	14.9.11	-	478.72	Work completed and handed over to the client Deptt. on dt. 20/12/2014. Work was delayed due to shortage of funds.
13	Provl. Divn. No.2 Rohatk	Construction of ITI Madina (Workshop/ Boundary wall)	24.10.08 / 400.00	13.08.09 / 22.08.09	31.08.09 / 433.83	31.08.09 / 15.09.10	29.10.09		09.10.09		466.30	Work stands completed on 15.09.10 & handed over
14		Construction of 8 No. classroom in Govt. Girls Sr. Sec. School Kiloi	05.02.10 / 60.00	11.08.10 / 17.08.10	04.11.10 / 92.59	04.11.10 / 09.11.11	04.11.10		04.11.10		49.24	Work completed by second agency
15		Second Agency		27.12.12 / 25.01.13	19.03.13 / 62.47	19.03.13 / 18.03.14	19.03.13		19.03.13			Work stands completed on 18.03.14 & handed over.
		Construction of Primary Health Centre Pakshma	29.12.08 / 207.27	25.09.08 / 16.10.08	13.01.09 / 129.40	13.01.09 / 13.10.09	13.01.09		13.01.09		14.63	Due to land dispute the work could not be completed and the agreement was rescinded. The agency went into Arbitration and on mutual settlement the amount of earned money amounting to Rs. 206490/- was refunded with the sanction of Govt. Fresh Admn. approval recieved amounting to Rs. 360.00 lakh being C.M Announcement No. 18296 dated 25.12.16 & tender will be recieved on 23.08.17.
16		Construction of Govt. Polytechnic Meham	31.08.09 / 800.00	08.07.10 / 04.07.11	30.08.11 / 219.53	30.08.11 / 29.08.13	08.12.11		24.12.11		632.9	Work stands completed on 29.08.13 & handed over.
17		Construction of Kisan Model School Sanghi	02.06.11 / 900.00	06.08.08 / 09.09.08	01.10.08 /	16.10.08 / 16.10.09	01.10.08		01.10.08		536.3	The civil portion of this work stands completed since long but due to non availability of water the building could not be handed over to the Client Deptt. The payment amounting to Rs. 57.86 lakh for providing Estate services for water supply was made to the PHE Deptt. on 12.02.15.
18		Construction of residential accommodation in Polytechnic Sanghi	10.08.08 / 1119.03	18.05.07 / 21.08.07	13.02.08 / 258.52	13.02.08 / 13.02.09	13.02.08		13.02.08		10.97	The work stands completed by second agency.

		Construction of residential accommodation in Polytechnic Sanghi	10.08.08/1119.03	18.05.07/21.08.07	13.02.08/258.52	13.02.08/13.02.09	13.02.08		13.02.08		10.97	The work stands completed by second agency.
		Second Agency		17.03.11/30.06.11	05.07.11/289.21	05.07.11/05.04.12	05.07.11		05.07.11		281.36	Work stands completed on 05.04.12 & handed over
19		Construction of Multipurpose hall in Chhotu Ram stadium		15.01.09/20.01.09	05.02.09/37.11	05.02.09/05.04.09	05.02.09		05.02.09		1.66	Work completed by second agency
		Second Agency		03.12.10/09.02.11	03.05.11/29.60	19.09.11/19.12.11	03.05.11		03.05.11			Work stands completed on 19.12.11 & handed over.
		Second Agency		03.12.10/09.02.11	03.05.11/29.60	19.09.11/19.12.11	03.05.11		03.05.11			Work stands completed on 19.12.11 & handed over.
20	Prov. Divn.IV Rohtak	Construction of Mother & Child Block Post Graduate Institute of Medical Sciences, Rohtak	23.12.09/1863	22.08.07/11.10.07	12.02.08/3247.00	12.02.08/11.02.10	12.02.08	-	12.02.08	-	256	The department has taken strenuous efforts to bring the culprit to book by arranging his arrest and to put him behind to arrange the encashment of bank guarantee valuing Rs. 1,19,55,699/- by filing the suit against the issuing bank. Hence, there is no lapse of the departmental officials/ officers, it is requested to settle the draft para.
		Second Agency	-	16.01.09/09.02.09	19.02.09/4650.00	19.02.09/18.02.11	19.02.09	-	19.02.09	-	4367	
21		Construction of Revenue Houses Group -IV	16.06.06/2488	28.06.06/06.07.06	28.09.06/198.74	28.09.06/27.12.07	28.09.06	-	28.09.06	-	159.9	The Tender Approval committee PAC at Head office level considered financial criteria only. The Technical criteria was examined and approved by field S.E./E.E. Moreover, Agency completed the work of much larger magnitude say Rs. 22.00 crore approximately in the year 2009-10 of the work of construction of Administrative Bullock in Mini Secretariat Panipat and that building was eight storeyed. There is no loss to the Govt. as the balance work is allotted to other agencies at the risk and the cost of the contractor i.e M/s Now Durga Contracts Pvt. Ltd. Strictly as per terms and conditions of bid document. As explained, there is no lapse on part of the department and there is no loss to the Govt. i.e Risk and cost recovery is recoverable from the Agency, therefore, the para may kindly be dropped
22		Construction of Revenue Houses Group -IV	16.06.06/2488	28.06.06/06.07.06	28.09.06/286.46	28.09.06/27.12.07	28.09.06	-	28.09.06	-	222	
23	E.E.P. D Bahadurgarh	Constn. Of primary Health centre, Jassour Kheri	01.04.08/65	03.02.09/18.02.09	02.03.09/65.95	02.03.09/01.09.09	09.04.10	13	02.03.09	-	32.03	Settled vide A.G Audit Haryana ES-II-Vetting/2017-18/09 dated 05.04.2017 (Copy enclosed)
24		Constn. of Boundary wall Industries Training Institute, Chhara	24.03.09/58	09.08.10/01.09.10	06.01.11/60.25	06.01.11/05.03.11	23.02.11	-	06.01.11	-	12.52	ES-II-Vetting/2014-15/IR/859-61 Month 10.2014 (Copy enclosed)
25		Constn. of Govt. College, Badli	17.07.09/350	07.06.10/06.07.10	18.08.10/341.06	18.08.10/17.08.11	01.08.11	11	01.08.11	11	549.4	ES-II-Vetting/2017-18/09 dated 05.04.2017 (Copy enclosed)

26	Construction Division Jhajjar	Const. of ITI Bhaproda	04.05.07/500.00 Rev. AA vide FC-5201 dated 12.08.09 658.60	-	06.06.07/305.34	06.08.07/05.11.08	31.10.07	-	24.03.08	7	497.76	The work has been delayed due to site changes & Drawing agency. Now the work has been completed on dated 03.08.2014 and the final bill paid in the month of 12/2015 & there is no financial loss to the Govt. exchequer (Photocopy enclosed)
27		Const. of PHC Silani	11.05.09/207.27	03.06.09/01.07.09	11.08.09/131.52	11.08.09/10.08.10	11.08.09	-	11.08.09	-	173.32	The work has been delayed owing to non availability site. Now the work has been completed on dated on 05.12.2013 and the final bill paid in the month of 11/2015 & there is no financial loss to the Govt exchequer (Photocopy enclosed)
28	Bhiwani	Constructions of Academic Block Govt. Polytechnic, Bhiwani	17.06.08/1525	13.08.09/13.11.09	31.12.09/1144.79	31.12.09/30.06.11	31.12.09	-	06.08.10	8	583.5	The work was allotted during 1/2009. But due to non availability of material as the Hon'ble Supreme court had banned on mining at Khanak (Tosham), the work could not be completed timely. However action as per agreement on account of slow progress was taken against the contractor. Now the work has been completed and classes are running smoothly.
29		Construction of Chaudhary Bansi Lal Women College, Tosham	27.7.07/631.38	29.11.07/3.04.08	29.05.08/529.00	29.05.08/28.11.09	08.08.12	50	24.08.09	15	1436	The work was allotted during 5/2008. But the material was not available due to ban on mining by the Supreme Court. Secondly 17 Nos. Quarter were constructed but due to low lying area, the site of these quarters were not changed causing this the work could not be completed timely. Action as per agreement on account of delay in execution of work was taken against the contractor. The work has been completed. Now the classes are running smoothly.
30	Rewari	Construction of Govt. Women College, Rewari	12.12.08 / 826.96	21.05.09 / 18.06.09	27.07.09/ 789.28	27.07.09/ 26.01.11	27.10.09	-	27.08.09	-	1561.63	Work completed & handed over to the Client Department in July, 2016.
31		Construction of Primary Health Centre, Fatehpur Tappa.	26.09.08/207.27	22.10.08 / 21.01.09	28.02.09 / 120.00	28.02.09/ 27.02.10	01.08.09	5	28.02.09	-	158.12	Work completed & handed over to the Client Department in 09.07.2014.
32		Construction of 50 Bedded Hospital, Kosli	13.01.09 / 774.44	06.02.09 / 27.03.09	01.06.09 / 488.57	01.06.09/ 31.05.10	11.03.11	20	18.08.11	26	667.72	Work completed & handed over to the Client Department.
33		Construction of Government Women College, Gurawara	17.05.10 / 350.00	07.06.10 / 17.08.10	03.09.10 / 255.00	03.09.10/ 02.09.11	03.09.10	-	02.05.11	5	594.43	Work completed & handed over to the Client Department in 2015-16.
34		Construction of Primary Health Centre, Barwa	26.09.08/207.27	08.10.08 / 21.01.09	28.02.09 / 134.00	28.02.09/ 27.02.10	28.02.09	-	28.02.09	-	136.56	Work completed & handed over to the Client Department in 2014-15.
35		Construction of Industrial Training Institute Kund Manethi.	06.09.09/341.24	21.02.07 / 06.06.07	06.08.07 / 414.40	06.08.07/ 05.02.09	18.01.09	16	06.08.07	-	607.94	Line shifted and work completed & handed over to the Client Department in 2011-12.
36		Construction of Primary Health Centre, Basdudha	26.09.08 / 207.23	08.10.08 / 07.11.08	19.01.09 / 127.00	19.01.09/ 18.01.10	12.03.10	13	19.01.09	-	100.31	Work completed & handed over to the Client Department in 22.05.2014.
37	P.D. Nuh	Construction of circuit house, Mini Sectt. Nuh	21.08.2009/ 272.76	31.08.2009 / 27.11.2009	29.01.20 / 120.91	13.02.2010 / 28.02.2014	29.01.10	-	04.10.10	8	168.37	The work has been completed and building handed over. The time extension is still awaited and hearing under clause-II is in process.

38	-do-	Construction of I.T.I. Nuh	20.11.2007/1795.57	22.05.2008 29.08.2008	22.09.2008/755.31	22.09.2008 31.05.2015	-	-	-	-	1330.33	The work has been enhanced from Rs. 755.31 Lacs to Rs. 1275.34 Lacs vide EIC No. 85950/WI dated 14.09.2016 & time limit has been extended upto 31.05.2015 vide SE rewari NO. 916 dated 16.03.2015. The building has been completed in extended time limit and handed over to client deptt.
39	-do-	Construction of boundary wall Mini Secretariat, Nuh	21.08.2009/576.50	31.08.2009 27.11.2009	02.03.2010 Rs. 117.08 Lacs	02.03.2010 28.02.2014	02.03.10	-	12.04.10	1	266.18	The work has been completed and building handed over. The time extension is still awaited and hearing under clause-II is in process.
40	-do-	Construction of Primary Health Centre, Padheri	31.08.2009/207.27	23.03.2010 06.08.2012	01.10.2012/157.89	02.10.2012 30.06.2014	02.10.12	-	02.10.12	-	197.65	The work has been completed and building handed over to client deptt. The time extension is still awaited.
41	-do-	Construction of Mini Secretariat Administrative Block, Nuh	21.08.2009/2432.27	07.08.2009 20.11.2009	09.12.2009/1436.08	20.05.2010 31.12.2013	20.05.10	-	20.10.10	5	1694.17	Time limit has been extended upto 31.12.2013 vide SE rewari NO. 3569 dated 14.07.2014. The building has been completed in extended time limit and handed over.
42	-do-	Construction of Mini Secretariat Judicial Block, Nuh	20.08.2009/2560.95	18.08.2009 20.11.2009	09.12.2009/1408.84	25.02.2010 31.10.2013	17.07.10	5	20.10.10	8	1855.48	Time limit has been extended upto 31.10.2013 vide SE rewari NO. 3570 dated 14.07.2014. The building has been completed in extended time limit and handed over.
43	-do-	Construction of Primary Health Centre, Shikrawa	31.03.2009/207.27	23.03.2010 06.05.2010	24.12.2010/105.81	28.2.2011 30.4.2013	-	-	-	-	197.71	The work has been enhanced from Rs. 105.81 Lacs to Rs. 203.85 Lacs vide EIC No. 56/WI-2010-13/WI dated 09.01.2014 & time limit has been extended upto 30.04.2013 vide SE rewari NO. 6233 dated 04.12.2013. The building has been completed in extended time limit and handed over to client deptt.
44	-do-	Construction of Primary Health Centre, Bai	31.08.2009/207.27	28.03.2010 21.01.2011	21.03.11/105.81	06.5.2011 -	06.05.11	-	27.09.11	4	56.62	The work allotted to M/s SP Coop L&C Society vide T/O No. 3322 dated 21/03/2014 with time limit of 12 Months but the agency had not completed the work. The tender at the risk & cost of M/s SP Coop L&C Society allotted to M/s VK Construction Company. The arbitration case is under process.
45	-do-	Construction of Primary Health Centre, Bichore	31.03.2009/207.27	11.05.2010 21.01.2011	21.03.2014/106.00	21.3.2011 -	21.03.11	-	25.08.11	5	104.19	The work allotted to M/s SP Coop L&C Society vide T/O No. 3329 dated 21/03/2014 with time limit of 12 Months but the agency had not completed the work. The tender at the risk & cost of M/s SP Coop L&C Society allotted to M/s Raj Pal Arora, Contractor. The arbitration case is under process.
46	-do-	Construction of Primary Health Centre, Jaurasi	31.08.2009/207.27	23.03.2010 06.05.2010	27.12.2010/105.81	27.12.2010 15.06.2013	13.09.12	21	13.09.12	10	195.37	The work has been enhanced from Rs. 105.81 Lacs to Rs. 212.20 Lacs vide EIC No. 48/WI-2010 dated 09.01.2014 & time limit has been extended upto 15.06.2013 vide SE rewari NO. 3121 dated 17.06.2014. The building has been completed in extended time limit and handed over to client deptt.

47												
48	-do-	Construction of residential houses for judicial officers /officials at Nuh	20.08.2009/456.40	17.11.2009 27.04.2010	09.07.2010/329.45	-	-	-	-	-	-	The work allotted to M/s Shivalik Buildtech Pvt. Ltd. vide T/O No. 11841 dated 09/07/2010 with time limit of 15 Months but the agency had not started the work at site. The tender at the risk & cost of M/s Shivalik Buildtech Pvt. Ltd. allotted to Sh. Satish Kumar Gupta, Contractor. The arbitration case is under process.
49												
50	Prov. Divn. Farida bad	Constructions of ITI Fatehpur Billoch.	30.06.03/493.36	25.06.07/30.08.07	09.10.07/315.76	29.10.07/28.01.09	29.10.07	-	1.7.2010	32	665.92	The work was allotted to M/s Deep Builders vide T/O Agreement No. 40 of (2007-08), But the agency left out the work. The balance work has been allotted to M/s Yash Construction co. at risk and cost of M/s Deep Builders vide T/O agreement No. 4 of (2012-13). Now the work has been completed on 09.09.2016 and handed over to the client Deptt.
		Second Agency	-	28.02.12/25.10.12	28.01.13/230.18	28.10.13/27.1.12	28.01.13	-	28.01.13	-	-	
51		Construction of Auditorium YMCA	05.09.06/78.19	14.02.07/28.02.07	10.05.07/43.14	11.05.07/10.5.07	11.05.07	-	18.08.10	38	112.3	The work was allotted to M/s Deep Builder vide this office Agreement No. 12 of (2007-08). But the agency left out the work without completion. The balance work got executed departmentally and now the work has been completed and handed over to the client department.
52		Construction of DIET Pali (Hostel Block)	12.03.07/137.59	02.04.07/22.5.07	09.08.07/53.70	09.08.07/08.05.08	09.08.07	-	21.10.10	38	192.07	The work was allotted to M/s Space Builder vide agreement No. 32 of (2007-08). But he left out the work. Further the balance work was allotted to M/s Dynamic const. vide this office agreement No. 8 of (2010-11) on risk and cost. 90% of the work was completed and the rest 10% of work was held up due to non according of revised administrative approval by client department. Which resulted into nonpayment to the agency, i.e M/s Dynamic Const. who left the work and went for arbitration. Revised A/A amounting to Rs. 205.69 lacs has been received and the work will be finalized shortly.
		Second Agency	-	- 23.02.10	21.05.10/21.20	21.05.10/20.11.10	21.05.10	-	-	-	-	

The Committee has desired that all pending/incomplete works be got completed at the earliest possible under intimation of the Committee.

[69] **3.14 Miscellaneous Public Works Advances:**

Rs.213.18 crore was outstanding in Miscellaneous Public Works Advances which was mainly due to non-adjustment of advances of Rs.127.62 crore even after receipt of material/services, non-recovery of Rs.27.51 crore from contractors and Rs.1.55 crore from officers/officials.

Miscellaneous Public Works Advance (MPWA) is a transitory suspense head under which items are recorded temporarily and are cleared either by actual recovery or by transfer to relevant head of account under proper sanction of the competent authority. There were huge outstanding balances in MPWA in March 2008 for which a mention was made in paragraph 4.5.2 of the report of the Comptroller and Auditor General of India for the year ended 31 March 2008 (Civil). The Public Accounts Committee recommended (March 2012) that the departments should make efforts for early settlement of pending amount and expedite the cases under arbitration. However, during scrutiny of monthly accounts of March 2013 submitted by divisions of all the three departments, Audit observed that an amount of Rs.213.18 crore lying outstanding under MPWA against suppliers, contractors, officers/officials and other departments. The reasons for accumulation of huge outstanding balances under MPWA were examined by selecting 74 divisions out of 201 divisions in all three departments. Position of outstanding balances of the three departments as of March 2008 as well as of March 2013 is depicted in **Table 3.14.1.**

Table 3.14.1: Position of outstanding balances of MPWA

(Rs. in crore)

Description	Irrigation	B&R	PHED	Total	Irrigation	B&R	PHED	Total	Increase
	As of March 2008				As of March 2013				
Position in the department	94.74	41.95	44.16	180.85	31.81	131.67	49.70	213.18	32.33
Position of test-checked divisions 74	8.37	24.85	33.61	66.83	29.21	109.88	43.68	182.77	115.94

(Source: Monthly accounts submitted by the divisions)

There were Rs.182.77 crore outstanding against 1,660 items in the 74 test-checked divisions as of 31 March 2013. Out of these 1,080 items involving Rs.26.07 crore were more than ten years old. During test-check records of 74 divisions following shortcomings were noticed:

(ii) Non-recovery of penalties from contractors:

An amount of Rs.27.51 crore was outstanding against 315 contractors on account of liquidated damages, cost of left out works got executed at their risk and cost, etc. Out of these, Rs.7.54 crore were outstanding in 209 cases for more than five years. On being pointed out in audit, the department intimated (June and July 2013) that these items were outstanding due to non-finalization of bills, arbitration and court cases, non-functioning of agencies in division/circle and in old cases whereabouts of the

contractors/agencies were not known. The fact, however, remains that concrete efforts were not made by the departments to clear the MPWA balances either by actual recovery/adjustment or by getting the balances written off from Government.

The Executive Engineer, Provincial Division No. 4, Rohtak placed Rs.12.17 crore in MPWA for want of recovery from an agency in January and April 2009 on account of liquidated damages for non completion of three works. The Government accorded approval (May 2013) to file a civil suit in the Court for recovery of the amount which was yet to be filed (February 2014).

(iii) Non-recovery from officers/officials:

An amount of Rs.1.55 crore was outstanding in 522 cases against officers/officials of the three departments on account of shortage of material, unauthorized payments, excess payments, telephone charges, etc. Out of 522 cases, 479 cases involving Rs. 0.90 crore were pertaining to period before March 2008. Thus, the departments had not taken timely action against the officers/officials concerned for recovery of outstanding amounts.

(iv) Other shortcomings:

➤ There were negative balances of Rs. 1.40 crore against 67 items in 18 Divisions mainly due to wrongly crediting of receipts to MPWA, showing the excess receipt of material, etc. EIC, PWD (B&R) intimated (October 2013) that such items were being investigated and proper adjustment would be made soon.

➤ By not complying with the provisions of Article 57 of Account Code Volume III, the advance payment made to LAOs were irregularly being charged to the works concerned instead of keeping in MPWA in five divisions and Rs.7.42 crore refunded by the LAOs were deposited as miscellaneous receipts of the department instead of reducing the expenditure on works concerned. This resulted in inflated figures of revenue receipts of State Government as well as inflated expenditure on works.

➤ The system of monitoring had not proved effective as the reports submitted by the Executive Engineers merely indicate the increase and decrease in balances, old items involving substantial amounts were not cleared and effective steps were not taken to affect recovery from officers/officials. Only in Irrigation Department a monitoring cell was established and position was being reviewed through the quarterly progress report as well as by holding meetings with field staff which helped to contain the MPWA considerably.

The matter was referred to the Government in August 2013 but reply had not been received. However, during exit conferences (September and October 2013) the Principal Secretaries, Public Works (B&R), Irrigation and Public Health Engineering departments ensured that efforts were being made to recover/adjust the amounts outstanding in the MPWA for which all the field offices had been sensitized towards these outstanding amounts and directed to initiate immediate action regarding making recoveries/adjustments of outstanding amounts.

The department in its written reply stated as under:-

Out of the outstanding MPWA of Rs. 131.67 Crore as on March 2013, an amount of Rs. 97.81 Crore has been cleared (Division wise detail is attached at Annexure-I). The achieved progress is 74.28% please.

Efforts are being made to clear the outstanding Miscellaneous Public Works Advances (MPWA) at the earliest. To expedite the MPWA, it has been decided to hold review meetings at the Circle level monthly by the Superintending Engineers and quarterly at the Headquarters level by the Engineer-in-Chief.

- (ii) It is submitted that the amount outstanding against contractors has to be recovered after going into arbitration and subsequently through courts in many cases. This is a long drawn process and consumes lot of time.

So far as an outstanding amount of Rs.12.17 Crore in respect of Provl.Divn.No .IV Rohtak, an amount of Rs. 141.07 lacs has been received during 7/2017 as per decision of Hon'ble Supreme Court. Recovery suits have been filed in the Civil Court at Rohtak and the matter is subjudice.

- (iii) Recovery from the officers is being made. It is submitted that in some cases, recovery has to be made after initiating disciplinary proceedings against the defaulters which takes time as the matter ends up in courts in many cases.

- (iv) So far as the payment for land acquisition through LAOs is concerned, the point has been noted for future and instructions have been issued to all the Superintending Engineers and Executive Engineers in this regard.

Keeping in view the above submissions, the para may be dropped please.

The Committee has desired that latest status of outstanding adjustment and recovery from each contractors and Government officer(s)/official(s) be supplied to the Committee and vigorous efforts be made to adjust the outstanding balances and to make the recovery from the contractors and Government officer(s)/official(s) under intimation of the Committee.

REVENUE AND DISASTER MANAGEMENT DEPARTMENT

[70] 3.15 Delay in release of annuity payment to the beneficiaries:

There was delay in release of annuity payment of Rs. 238.17 crore to the beneficiaries. Plots/commercial sites were not allotted to the oustees and community development infrastructure was not created in accordance with R and R policy:

The Government formulated (December 2007) a policy of "Rehabilitation and Resettlement of land owners - Land Acquisition Oustees (R and R policy)" applicable with effect from 5 March 2005. As per the policy, the annuity for a period of 33 years over and above the usual land compensation at the rate of Rs. 15,000 per acre per annum (revised to Rs. 21,000 per acre per annum from 7 September 2010) with an increase of fixed sum of Rs. 500 every year (revised to Rs. 750 from September 2010) was payable. In case of land acquired for setting up of Special Economic Zone (SEZ) /Technology Cities/Parks, annuity was payable at the rate of Rs. 30,000 per acre per annum (revised to Rs. 42,000 per acre per annum from September 2010) with an increase of Rs.1,000 every year (revised to Rs.1,500 from September 2010). The annuity in respect of land acquired during the preceding calendar year would become due for payment during the month of January of the following year.

The records in the offices of Haryana Urban Development Authority (HUDA), Haryana State Agriculture and Marketing Board (HSAMB) and Haryana State Industrial and Infrastructure Development Corporation Limited (HSIIDC) for the period from 2005 to 2013 were test checked during February to July 2013 to analyse the implementation of the scheme. The following irregularities were noticed:

(i) Status of implementation of R and R Policy:

The status of implementation of R and R Policy and payment of annuity in acquisition of land is depicted in the **Table 3.15.1**.

Table 3.15.1: Status of implementation of R and R policy

Sr. No.	Acquisition authority	Land acquired	Period of acquisition	Annuity payable (Rs. in crore)	Annuity paid (Rs. in crore)	Balance payable (Rs. in crore)	Reasons for non payment
1.	Haryana State Industrial and Infrastructure Development Corporation (HSIIDC)	23,198 Acre 4 kanal 12 marla	2005-06 To 2012-13	170.19	83.41	86.78	Non filling up of forms by land owners, small land holdings, claimants not coming forward due to meager amount of annuity, court cases and disputed land cases.
2.	Haryana Urban Development Authority (HUDA)	18,105.31 acre	2006-07 To 2012-13	166.30	73.33	92.97	Non submission of bank particulars for the direct transfer of payments by the beneficiaries and meager amount of annuity, etc.

3.	Haryana State Agricultural Marketing Board (HSAMB)	1,316 acre 6 kanal 17 marla	2005-06 to 2012-13	1.82 ³⁸	1.55	0.27	Small land holdings owners were not coming forward to receive the annuity payment.
4.	Power Sector (HPGC L ³⁹ and HVPNL ⁴⁰)	415 acre	2006-12	1.56	1.33	0.23	Matter subjudice, concerned owner/ person are coming in piece meals to collect the payment of annuity.
5	Irrigation Department	7,346 acre	2005-13	83.41	25.49	57.92	Meager amount of annuity, non-receipt of application forms from land owners, family dispute and death of original claimant.
	Total	50,381 Acre 3 Kanal and 9 Marla		423.28	185.11	238.17	

(Source: Data collected from the records maintained by the auditee units)

Out of the annuity of Rs.423.28 crore due for payment only, Rs.185.11 crore were paid upto 2012-13 and balance of Rs.238.17 crore were still payable to the oustees of land acquired by HSIIDC, HUDA, HSAMB, Power Sector and Irrigation.

(ii) Non-allotment of plots/commercial sites to the oustees:

The policy provided for allotment of plots to the oustee land owners whose land was acquired for development. The policy was further liberalised (November 2010) to the extent that where urban/industrial/agriculture marketing infrastructure is developed in the form of large clusters, the residential plots should be allotted in oustee category and same benefits should be given in cases where self-occupied residential house is acquired. The commercial/industrial sites should be allotted to those land owners whose 75 *per cent* of land holding in a Revenue Estate measuring one acre or above was acquired.

It was noticed in audit that 41,743 acre land was acquired by HSIIDC, HUDA and HSAMB but the beneficiaries eligible for allotment of plots of different size under the policy were neither identified nor they were provided with plots, except in case of Urban Estate, Hansi, under Administrator, Hisar (HUDA) where 118 plots of different sizes were allotted (September 2011) to the oustees in Sector 5 and 6 Part-II, Hansi without verifying the total land holding of oustees.

The HSIIDC stated (October 2013) that scrutiny of applications for the allotment of plots was under process whereas the HSAMB stated (October 2013) that planning was being made for rehabilitation of land owners and thereafter the beneficiaries will be short listed.

(iii) Non-creation of community development/infrastructure facilities:

HUDA, HSIIDC and HSAMB were not making a provision of two *per cent* of compensation amount for creation of community development/ infrastructure works in the respective villages and one *per cent* of the compensation amount for the skill development for the dependents of oustees, etc., which is mandatory under R and R policy (paragraph 18 of notification dated 9 November 2010).

It was observed that the three departments paid compensation of Rs.6,444.97 crore against which a provision of Rs. 128.90 crore for community development and a provision of Rs. 64.45 crore for skill development was to be made as per R and R policy.

HSI IDC stated (October 2013) that they were incurring expenditure since 1995 under its own policy and an agenda had been approved on 29 August 2013 to adopt the provisions of R&R Policy 2010 to incur expenditure on social and community infrastructure facilities while HSAMB stated (October 2013) that planning for development of land acquired after notification of R&R Policy 2010 was under process and provision of social and community infrastructure facilities would be made in mandis. HUDA stated (July 2013) that it was incurring the expenditure on development of villages surrounded by HUDA sectors/areas. However, no separate provision had been made in this regard. Similarly, no amount has been incurred on the skill development and no provision was made thereon. The fact, thus, remains that no provision was made to incur expenditure on social and community infrastructure facilities and skill development.

The department in its written reply stated as under:-

(i) **Status of implementation of R and R Policy:**

Sr. No.	Acquisition authority	Land acquired	Period of acquisition	Annuity payable (in crore)	Annuity paid (in crore)	Balance payable (in crore)	Reasons for non payment
1.	Haryana State Industrial Infrastructure Development Corporation (HSI IDC)	23,198 Acre 4 Kanal 12 Marla	2005-06 to 2012-13	170.19	125.36	44.83	<p>The HSI IDC, in its reply informed that as on 31.12.2016 the total due amount of the Annuity is Rs. 362.78 crore. The Corporation has disbursed an amount of Rs. 232.97 crore to the annuitants as on 30.04.2017. Further an amount of Rs. 22.74 crore has been released to field offices for disbursement to the annuitants in the month of June 2017 which is being further released to the annuitants in the month of June 2017 which is being further released to the annuitants shortly by their field offices. Thus a total amount of Rs. 255.71 crore has been released against the due amount of Rs. 362.78 crore. Therefore, an amount of Rs. 107 crore is yet to be disbursed to the farmers as Annuity.</p> <p>Number of annuitants have not lodged their claims for the annuity and where there are small land holdings, court cases/litigation etc. Field offices undertaken munadi in all villages and have also taken up with the Sarpanches for release of annuity and further efforts are being made.</p> <p>Annuity is being released directly to the bank accounts of the annuitants for hassle free transaction.</p>
2.	Haryana Urban Development Authority (HUDA)	18,105.31 acre	2006-07 to 2012-13	166.30	102.84	63.46	<p>The HUDA, in its reply informed that they have acquired total 18,105.31 acres of land and the total Annuity payable is Rs. 166.30 crore out of which they</p>

							have paid Rs. 102.84 crore. Therefore, annuity amounting to Rs. 63.46 crore is yet to be disbursed. The main reason of non payment of annuity is non submission of essential documents by the land owners, dispute between the land owners and the tenants, six months condition regarding submission of documents in the policy dated 09.11.2010, non availability of bank account numbers and non availability of addresses.				
3.	Haryana State Agricultural Marketing Board (HSAMB)	1,316 acre 6 kanal 17 marla	2005-06 to 2012-13	2.70	2.56	0.14	<p>The HSAMB in its reply informed that Annuity payable for the year 2009-2013 is 2.70 crore instead of 1.82 crore out of which Rs. 2.56 crore has been paid to the land holders and Rs. 0.14 crore is pending of small land owners.</p> <p>The reason for pending amount is that the land owners are not coming forward to receive the annuity payment and some land owners have not submitted their claim for releasing for payment of annuity. Further, the HSAMB informed that they have issued directions to the concerned to make the payment of annuity in lump sum of land owners whose land acquired was less than one acre one time as per Rehabilitation and Resettlement Policy dated 09.11.2010. The HSAMB has paid the Annuity upto 31.03.2017 as under:- (Rs. In figures)</p> <table><tr><td>Total amount to be paid</td><td>Amount paid</td></tr><tr><td>5,19,48,449/-</td><td>4,52,26,320/-</td></tr></table>	Total amount to be paid	Amount paid	5,19,48,449/-	4,52,26,320/-
Total amount to be paid	Amount paid										
5,19,48,449/-	4,52,26,320/-										
5.	Irrigation Department	7,346 acre	2005-13	83.41	48.83	34.58	The EIC, Irrigation Department informed vide their letter dated 19.06.2017 that the reasons for non-payment of balance amount of Rs. 34.58 crore, is non-receipt of Application forms/ Account Number/ Aadhar Number/PAN number etc. from landowners or their dependents due to death of original owners of land and because of legal disputes. Efforts are being made to clear the outstanding annuity payment as early as possible.				
	Total	50,381 Acre 3 Kanal and 9 Marla		424.16	281.15	143.01					

(ii) **Non-allotment of plots/commercial sites to the oustees:**

Haryana State Industrial and Infrastructure Development Corporation (HSIIDC):

HSIIDC in its reply informed that they have invited applications for allotment of residential plots under R&R Policy, 2007 and 2010 from oustees upto 21.08.2012 by giving wide publicity through advertisements/munadi/notice boards in various industrial estates. Subsequently, on representation from oustees, the last date was extended upto 31.05.2014 by giving advertisements in the newspapers viz. The Punjab Kesri and The Amar Ujala and subsequently, the last date was extended upto 14.08.2014.

After scrutiny of the applications received for allotment of residential plots under guidelines of Rehabilitation and Resettlement Policy, certificate of entitlements (CoE) were issued by various industrial estates. Upon deposit of 10% cost of plot, Lols have been issued to the eligible applicants for plots allotted through draw of lots conducted at respective industrial estates viz Bawal, Kundli, Faridabad, Bahadurgarh, Rai, ITM Sohna, Rohtak,, Panipat etc. Upon completion of infrastructure facilities in the R&R pockets, RLAs are to be issued. In IMT Rohtak, RLAs have already been issued to the eligible Lol holders. In IE Barhi, draw of plots could not be conducted due to non-settlement of certain issues raised by the oustees. Similarly, in IE Manakpur, oustees are demanding payment of enhanced cost before draw of lots. In certain other estates viz Saha, Karnal, Manesar etc. layout for R&R pockets and earmarking of land is being finalized. In Industrial Estate (IE) Barwala, after the award of land in 2011, applications were invited in June 2013 which have been scrutinized and certificate of entitlement (CoE) issued to the eligible applicants. Also, the Corporation has already issued advertisement inviting applications from oustees of SEZ, Gurugram and last date for receipt of applications was 31.10.2016. In response to this advertisement, 897 applications were received, of which 429 applicants were found eligible and 468 applicants were not found eligible. 22 applications were received after closure of the scheme i.e. 31.10.2016.

Thus, the Corporation is making its best efforts in passing of the benefit to beneficiaries/oustees.

The corporation has received 11978 applications from oustees as on date. 6896 applications have been found eligible as per R&R Policy for allotment of plots. Out of total 6896 applicants, 4609 applicants have been issued Letter of intent and 551 applicants have been issued Certificate of entitlement. 295 plots have been allotted to the eligible applicants. 3656 applications have been rejected for want of proper documents. Balance 1766 applications are under scrutiny/pending with District Revenue officers.

Haryana State Agricultural Marketing Board (HSAMB)

The HSAMB informed that after November, 2010, the HSAMB/Market Committee has acquired land for establishment of mandis at various places during the year 2010-2013. The development works in all these cases/these mandis is in progress and no allotment/auction has since been held in these mandis. Hence, the allotment of booth to the landowner under oustee quota will be considered after completion of development works.

(iii) Non-creation of community development/infrastructure facilities:

Haryana Urban Development Authority (HUDA):

HUDA informed that they have made a policy for development for village falling in urban areas being developed by HUDA which was approved in the authority meeting held on 11.06.2008, but no provision of 1 % has been made for skill development. The following provisions for development of villages surrounding HUDA sectors and community/social infrastructure created by HUDA made as under:-

- Phasing system is to be dispensed with. Development works are to be carried out in comprehensive manner in one phase.
- Total development plan of village is to be prepared after incorporating the existing services and integrating with nearby master services.
- Water demand is to be worked out @ 100 LPCD.
- Underground sewerage system is to be provided, wherever possible.
- Open storm water drains shall be provided which will be connected to existing drains of HUDA.
- Concrete roads/pavements will be provided.
- Street light at feasible location will be provided.
- Individual water sewer connections will be given to houses, wherever possible. Common toilets to be constructed at other places. The water & sewerage charges will be same as in case of HUDA sectors.
- Need based Social infrastructure will be provided and the following facilities will be provided under social infrastructure wherever required:-
 - Primary schools
 - Dispensary buildings
 - Play ground
 - Chopal/Community Centres
- For the purposes of maintenance, various services may be handed over to the respective departments/Local Bodies after 5years of commissioning.
- Funds

The funds required for the development of villages will be included in EDC and shall be charged as the part of the EDC. Hence para may be dropped please.

Therefore, in view of the above explained position, the para may be dropped.

Haryana State Industrial and Infrastructure Development Corporation (HSIIDC):

HSIIDC informed that they are nodal agency of State Government for acquiring land for development of Industrial Estates/IMTs/Growth Centre/IIDCs in the State of Haryana. In order to provide help and succour to the landowners whose land is acquired for the purposes, a scheme was approved by Board of Directors (BoD)/HSIIDC in its 206th meeting held on 27.03.1995, making provision therein of the village Amenities Fund to the extent of 1% of the total project cost of Industrial Park for the development works of public benefit in the villages whose land is acquired and skill development Fund of 1% of the cost of acquisition of land for giving training in skill development. This was subsequently modified in the 310th BoD meeting held on 19.08.2010, revising the provision of village Amenities Fund from 1% to 2% of the estimated infrastructure development cost, keeping the provision of 1% of the cost of acquisition of land for giving training in skill development, with certain other amendments/flexibilities.

Further, in 321st BoD meeting held on 29.08.2013, the policy was again revised keeping in view the provisions of R&R Policy 2010 of State of Haryana and it was approved to make provision of 2% of the and compensation amount (initial award stage) for village Development Works and 1% of the land compensation amount for skill Development Works, with other certain flexibilities.

From the above, it is evident that HSIIDC has taken up the village development and skill development works since 1995 i.e. much earlier to the Rehabilitation and Resettlement Policy 2010. Further it is informed that the corporation has incurred an expenditure of Rs. 3163.29 lacs on village development and Rs. 122.23 lacs on skill development work upto 31.05.2017.

The respective field officers of HSIIDC keep on informing about the village development and skill development policies of HSIIDC alongwith the amendments/modifications about the same to the concerned village Sarpanches/Gram Panchayats. The village development works etc. are got executed after having resolution from the respective Gram Panchayat. Now, as per the direction of MD/HSIIDC even the funds, as per the share of the concerned village, are being transferred to the concerned Gram Panchayat for getting the village development works of their village executed at their end, if a request to the effect is received. Therefore, on this ground, the Audit para may be dropped.

Haryana State Agricultural Marketing Board (HSAMB)

The HSAMB informed that the Board has adopted the Rehabilitation and Resettlement Policy vide agenda No. 2 in its meeting held on 12.09.2011 and circulated to all the Secretary-cum-Executive Officers, Market Committees in the State vide no. 6047-6152 dated 24.01.2012.

A budget provision has also been made equal to 2% of compensation for community development/infrastructures works and 1% of compensation for skill development for dependants of outsees. It is further intimated that the Haryana State Agricultural Marketing Board had incurred total expenditure of

Rs.13.33 crores on the community development/infrastructure work in villages where land was acquired. The village-wise details of expenditure is as under:-

Sr. No.	Name of Village	Total compensation as per award	2% of the total compensation	Total expenditure incurred
1.	Bainyapur	8,86,55,037/-	17,73,101/-	45,08,000/-
2.	Barwasani to Lohari Tiba	6,53,625/-	13,073/-	150,29,000/-
3.	Bhodia Khera	58,36,45,530/-	1,16,72,911/-	1,05,17,000/-
4.	Tohana	23,67,53,947/-	47,35,079/-	68,30,000/-
5.	Assandh	22,70,13,890/-	45,40,278/-	2,95,24,000/-
6.	Thol	3,61,40,102/-	7,22,802/-	44,68,000/-
7.	Jullana to Karsola Road	73,75,680/-	1,47,514/-	3,05,16,000/-
8.	Uchana	41,13,88,412/-	82,27,768/-	2,01,36,000/-
9.	Ambala Cant	3,01,10,650/-	6,02,213/-	1,17,57,832/-
	TOTAL	1,62,17,36,873/-	3,24,34,739/-	13,32,85,832/-

The Haryana State Agricultural Marketing Board incurred Rs.13,32,85,832/- in 9 villages against the Rs.3,24,34,739/- for construction of road/repair of road. The land acquired for New Grain Market, Bahadurgarh, Hodal, Kaithal lies within the Municipal limit and development works on these places are carried out by their respective Municipal Committees. A provision of Rs.3,55,10,457/- has been made in the budget for the skill development of dependant of land owners whose land has been acquired by Haryana State Agricultural Marketing Board.

The Committee has desired, point-wise, as under:-

- i) **Details of the claimants, who have submitted all requisite documents in support of their claim but could not be paid yet; alongwith the details of the persons who have not submitted the requisite documents, be submitted to the Committee within a period of 3 months;**
- ii) **Necessary action for the allotment of plots/commercial sites to the oustees be taken as per the policy/judgement of Hon'ble Supreme Court of India; and**
- iii) **Village-wise and district-wise details of expenditure made on creation of community development/infrastructure facilities be supplied to the Committee.**

**TOWN AND COUNTRY PLANNING DEPARTMENT
(Haryana Urban Development Authority)**

[71] **3.16 Construction of Buildings and their utilization:**

HUDA constructed various buildings without obtaining consent user departments. 34 buildings constructed at the cost of Rs. 30.82 crore and 416 booths, kiosks and SCOs constructed at a cost of Rs. 13.99 crore were lying vacant. Besides, the lease rent of Rs. 9.33 crore of an auditorium building was not recovered.

An audit of the records in the office of Chief Administrator, HUDA and five Administrators covering 18 districts for the period from 2008-09 to 2012-13 showed that out of 426 public utility/community buildings constructed at a cost of Rs.193.19 crore, 21 buildings were lying unoccupied and 17 buildings were under unauthorised occupation. The important audit findings were as under:

(i) The school buildings were constructed without consulting with Education Department. As a result, 25 school buildings constructed by HUDA were not taken over by Education Department and ten school buildings out of these were being used by various other departments to run their offices. No action to get these buildings vacated was taken as required under Section 18(b) of HUDA Act, 1977 which provides that if any person had unauthorisedly occupied any premises of the HUDA, the Collector may, order that person to vacate the same within thirty days from the date of service of the notice. Fifteen school buildings were lying vacant. These 25 buildings constructed at a cost of Rs. 10.81 crore had not served the desired purpose of providing education to the children of residents.

The Principal Secretary, Town and Country Planning Department (PS), during an exit conference, stated (September 2013) that school buildings would be got vacated from the occupants concerned and the Education Department would be requested to take over the possession.

(ii) An auditorium at Gurgaon was leased out (February 2008) to M/s Great Indian Nautanki Company for 15 years at a lease rent of Rs. 0.36 crore per month to be increased by 10 *per cent* after the expiry of each three years. The lease rent required to be enhanced by 10 *per cent* i.e. Rs. 3.60 lakh from 01 March 2012 was not enhanced and the company paid only Rs. 10.65 crore upto August 2013 and an amount of Rs. 9.33 crore was recoverable alongwith the penalty of Rs. 90.03 lakh for delayed payments.

During the exit conference, the PS stated that the project was of international repute for attracting visitors from various parts of India and overseas and the outstanding lease rent would be recovered from the lessee as per law.

(iii) A semi-automatic slaughter house constructed at Panchkula at a cost of Rs. 21.36 lakh between July 2002 and April 2003 and an Effluent Treatment Plant (ETP) constructed at a cost of Rs. 12.60 lakh between November 2008 and April 2009 remained without usage as of March 2013 since HUDA did not obtain NOC from the State Pollution Control Board. HUDA, had deposited (July 2012) Rs. 0.55 lakh as fee with the Pollution Control Board for granting NOC to operate slaughter house, but NOC was still awaited (January 2014).

During the exit conference, the PS directed the Administrator, HUDA, Panchkula to take necessary action for utilisation of the assets created. The final outcome was awaited (January 2014).

(iv) Out of 416 booths, kiosks and shop-cum-offices (SCO) constructed by HUDA at a cost of Rs. 13.99 crore to provide facilities to the residents for purchasing commodities of daily use, 52 such buildings were occupied by various offices. Seven booths were sold after being pointed by Audit. The remaining 357 buildings were still lying vacant (August 2013). These buildings were in very bad/ depleted condition as heaps of garbage were lying in and around them.

On being pointed out in audit, the Estate Officer, Sirsa intimated (May 2013) that four booths in C-block, Sirsa were unauthorisedly occupied by the Police department. Estate Officer, Jind intimated (May 2013) that four SCOs were handed over to Kurukshetra University for training as per the orders of DC, Jind. The Estate Officer, Bhiwani intimated that second floor of SCO was occupied by the Regional Transport Authority but rent was not being paid.

During the exit conference, the PS stated that SCOs, booths and kiosks would be put to auction after vacating from the occupants concerned and site of those which were in dilapidated conditions and not saleable would be auctioned after dismantling.

The Chief Administrator, HUDA also stated (October 2013) that instructions had been issued not to construct any building without the consent of the user departments and effective steps would be taken to utilize the vacant buildings. The constructed SCOs/booths/kiosks would be auctioned in a phased manner in near future. The final outcome was awaited (January 2014).

The department in its written reply stated as under:-

(i) Construction of school buildings:

The Chief Administrator HUDA issued direction to Chief Engineer HUDA vide DO letter no. 22618 dated 19.06.2008 that the community buildings i.e. school buildings, dispensary, police post, police station etc., only be constructed after under taking is received from the respective department that will take them over after their construction so that the infrastructure so created do not go waste and the respective department can also taken steps for creation of posts/sanction of budget and etc., during the period of construction. In compliance of these directions the CE HUDA issued the instructions vide memo no. CE/SDE(M)/ADM(M)/10359-63 dated 26.06.2008 copy of which is enclosed at **Annexure "A"**.

Current status of 25 school buildings is as per **Annexure "B"**.

(ii) Non-recovery of lease money from M/s Great Indian Nautanki Company:

(a) It is submitted that a building constructed by HUDA for Auditorium having area 5.66 acre was leased out to M/s Great Indian Nautanki Company Pvt. Ltd. on lease holds basis 'AS IS WHERE IS' for a period 15 years.

The lease agreement was executed on 15.02.2008 on lease fee ` 36.00 Lakh per month.

- (b) The company failed to deposit the lease amount so notice U/S 17(1) & (2) was served upon to the company vide Memo no.325 dated 10.01.2012. The company was again requested to deposit Rs.12,62,62,675/-. Further the Director of the Company was also asked to deposit Rs.13,13,38,880/- on dated 09.02.2013 thereafter notice U/S 17(1) & (2) was served upon to the company vide memo no. 160 dated 29.07.2013 and 134 dated 28.05.2013. ut the company did not deposit the outstanding amount.
- (c) The show cause notice U/S 18(1) (a) (i) was also served upon to the company for depositing the outstanding rent amounting to Rs. 12,30,69,214/- vide memo no. 11153 dated 29.11.2013. Through this notice, the company was asked to call upon to show cause within a period of 7 days from the date of issue to the letter as to why the matter to cancel the lease agreement or to vacate the building should not be initiate.
- (d) Further notice U/S 18 (1) (a) (i) was also served upon to the company for depositing the outstanding rent amount Rs. 15,68,58,908/- vide memo no. 5123 dated 30.05.2014. But the company did not deposit the outstanding overdue amount.
- (e) The Company submitted a cheque bearing 004226 dated 15.07.014 amounting to Rs. 3,92,04,000.00 which was bounce with the remarks of OBC OUTWARD dated 18.07.2014. The cheque was again presented in the bank which was dishonored on 16.09.2014 with the remarks" Insufficient funds". Court case regarding lease rent/ cheque dishonor is pending at District Court Gurugram.

(iii) A semi-automatic Slaughter House constructed at Panchkula:

Para has been dropped by PAG (Audit) as intimated by Executive Engineer, HUDA, Division-II Panchkula vide memo no. E-II/698/SO/2013/15784 dated 17.10.2013 at **Annexure "D"**.

(iv) Booths, Kiosks and shop-cum-offices (SCO) constructed by HUDA:

- (a) Out of 262 nos. booths, 28 nos. booths have been auctioned i.e. 25 nos. booths in U/E Gurugram and 03 nos. in U/E Panchkula. Further out of remaining booths which were put to e-auction to generate revenue could not be sold due to poor response. Annexure "E".
- (b) Further out of 78 nos. built up kiosks 18 nos. have been auctioned, 6 at Karnal will be put in auction after updating price of the sites and remaining which were put to auction could not to be sold due to poor response. Annexure "F".

- (c) Out of 76 nos. SCO/SCF, 2 nos. have been auctioned and allotted and balance 2 no. were also put in auction, in sector-21, Gurugram but no bid received. Further out of 4 no. SCOs, 2 no. SCOs i.e. 1 occupied by Joint Commissioner Excise & Taxation and 1 Vigilance Bureau had been got vacated and a letter was sent to XEN-III Gurugram to intimate the latest construction cost, so that these SCOs could be put in next auction.

Detail is attached at Annexure "G".

Further efforts have been made to vacate the remaining occupied SCOs and the same will be put in auction after it is got vacated.

The Committee has observed and desired, point-wise, as under:-

- i) **It be ensured from the Education Department as to whether they are ready to take possession of the school buildings or not. If not, possibility be explored to allot these school buildings to private parties/persons through open auction and action taken report be submitted to the Committee within a period of three months;**
- ii) **The Committee showed its displeasure for not having the complete records including the judgement/order of Hon'ble High Court and the copy of the lease agreement entered into with M/s Great Indian Nautanki Company and observed that in absence of any record, there is no justification to discuss the point/para under consideration. The Committee has, therefore, desired that latest status with complete records be submitted to the Committee within a period of fifteen days for its consideration;**
- iii) **Latest status with complete records with regard to the semi-automatic Slaughter House constructed at Panchkula be submitted to the Committee within a period of fifteen days for its consideration; and**
- iv) **Booth/kiosks/SCO-wise latest status alongwith the details of the department/person in unauthorized possession and the details of the officer(s)/official(s) responsible for not taking any action to prevent unauthorized possession of these Booths/Kiosks/SCOs be submitted to the Committee within a period of three months.**

[72] **3.17 Status of utilisation of land acquired by HUDA:**

Due to lack of monitoring, 1,323.83 acre land acquired by HUDA was under encroachment and 4,921.69 acre land was under unauthorised cultivation by farmers.

The Haryana Urban Development Authority (HUDA) is the prime agency of the Government engaged in the planned development of urban areas in the State. After acquisition, it undertakes development of the land in accordance with provisions of the 'Development Plans' as well as layout plan of a particular area. Out of 74,652.58 acre land in five zones, 4,921.69 acre of land was under unauthorised cultivation by farmers and 1,641.84 acre land was under encroachment. Test check of the status of 1,323.83 acre encroached land showed the following position:

(i) Section 18 of the HUDA Act, 1977 provides that the Collector or any person appointed for the purpose may order any person who is in the unauthorized occupation of any land or premises of the Authority (HUDA) to vacate the same within a period of thirty days. If such person refuses or fails to comply with the orders within the time specified, the Collector, may use force, as may be necessary and can assess and recover damages so caused as 'arrears of land revenue'. Out of total 1,323.83 acres encroached land as on 30 June 2013, 343.83 acres was not even under litigation, but no concrete action was taken to remove the encroachments.

On being pointed out (September 2013), the PS stated (October 2013) that 980 acres of land was under court stay and action could not be taken till the court cases are decided. Out of remaining 343.83 acres encroached land (i) about 100 acres of land was inherited from Colonization Department, where the encroachment was 25 to 30 years old i.e. prior to 1987 and all efforts to remove the encroachment had failed due to Pucca Houses existing thereon. (ii) About 100 acres land was encroached by third parties after payment of compensation to the owners, which would be removed by following due procedure. Reply was not tenable as the HUDA was required to take action for removal of encroachment before making payment of compensation to the concerned parties.

(ii) In pursuance of the orders of the Apex Court, the State Government had framed (January 2010), a policy for removal or relocation / regularization of religious institutions after recovery of cost of land encroached by such institutions. It was noticed in audit that 125 religious institutions had encroached 50.05 acre land falling under jurisdiction of seven Estate Offices of HUDA. Out of 125 cases, 79 cases involving an area of 29.729 acres were to be regularised as per the above policy but not regularised (August 2013) and in 46 cases involving encroached area of 20.319 acres, the unauthorised structures/ encroachments were to be removed but not removed (August 2013).

The CA, HUDA while accepting the facts intimated (October 2013) that out of 79 sites of Faridabad, six had been removed and one was to be relocated. Reply was not tenable as the efforts made to remove the encroachments and reasons for its failure were not mentioned in the reply. Thus, lack of timely action on the part of HUDA resulted in encroachment of land by religious institutions and undue benefits to violators of law at the cost of HUDA/Government.

The department in its written reply stated as under:-

(i) Under encroachment of the land acquired by HUDA:

Reply of 1323.83 acres encroached land is as below:-

Sr. No.	Name of Estate Offices	Total land acquired (in acres)	Land (in acres) under encroachment			Latest Report
			No stay by Court	Under Court stay	Total	
1	Panchkula	8483.04	103.87	274.84	378.71	The total land under encroachment of Estate Office, HUDA, Panchkula was 323.51 acre (i.e. 103.87 acre without any stay of court and 219 .64 under court stay) out of these 44.80 acre land have been got vacated from the encroachers.

2	Faridabad	15429.52	36.04	64.96	101.00	Out of 36.04 acre land 8.75 acre land has been removed from encroachment and balance i.e. 27.29 acre is still to be got vacated.
3	Gurugram-I	8763.83	9.35	291.16	300.51	Out of that 300.51 acres encroached land falls under the jurisdiction of Estate Officer-I, Gurugram 71.70 acres land has been got cleared from encroachers, 7.35 acres encroached land without court case cannot be removed due to Pucca House are constructed at site. Balance 221.45 acres under Court Stay.
4	Gurugram-II	8071.45	131.87	137.20	269.07	The total land under encroachment of EO II Gurugram was 301.57 acre out of which 164.77 acre land was under encroachment without court stay and 137.20 acre was under court stay, out of which 32.90 acre of land was got removed from encroachment.
5	Sonepat	6798.99	1.00	72.50	73.50	The land measuring 73.50 acre is under court stay out of which 24 acre land on which building/houses were constructed in Sector-12 Sonapat have been released in favour of land owners on 0.07.2013 and for 13.05 acre land award has been announced on 20.12.2012. After decision of the hon'ble court the possession of this land will be taken. 35 acre land is still under court stay in Sector-7 Sonapat. Only 1 acre (Gurudwara) in Sector-15 HUDA land is under encroachment since acquisition and the case is under process for regularization.
6	Rohtak	4363.39	0.00	133.76	133.76	133.76 acre Land under litigation and status quo in the above said land reported by EO HUDA Rohtak.
7	Hisar	5588.13	22.31	0.55	22.86	It is submitted that the encroachment is very old i.e. before 1987. All efforts for removal of encroachment have failed. The case regarding regularization of this land has been taken.
8	Sirsa	1133.96	39.39	5.03	44.42	The encroachment shown are 25 to 30 years old i.e. from the time of colonization Department. Now the encroachment has become permanent in nature and pucca houses in shape of big clusters have been erected on this land which cannot be removed now. This matter has already been taken up for regularization of these unauthorized colonies.
Total		58632.31	343.83	980.00	1323.83	

(ii) HUDA land under unauthorized encroachment of religious institutions:

The detail of reply is given as under :-

Encroachment on HUDA land by religious institutions													Latest Report	
Sr. No	Name of EO	Temples		Gurudwaras		Mosques		Total		To be regularised		To be removed		
		No	Area	No	Area	No	Area	No	Area	No	Area	No		Area
1	Sirsa	3	0.300	1	0.099	0	0.000	4	0.399	4	0.399	0	0.000	Regarding removal of unauthorized construction of 4 nos. religious site (Gurudwara + 3 nos. Temple). This is permanent encroachment since 1987.

2	Fbd.	71	7.752	1	0.050	7	1.498	79	9.300	61	6.227	18	3.073	6 sites had already been removed and 1 site is to be relocated as reported. Action for balance site to be removed/relocated is under process. However no site could be got vacated due to public resentment.
3	Hisar	1	5.000	2	0.117	0	0.000	3	5.117	3	5.117	0	0.000	<p>Encroachment made for Gaushala in MT Tohana (Fatehabad) 5.00 Acre:- The Encroachment made by the Gaushala before 1987. All efforts for removal of encroachment have failed.</p> <p>Encroachment made for Gurudwara in MT Tohana (Fatehabad) 0.117 Acre:- Encroachment made by Gurudwara Singh Sabha have been regularized and amount of 1,97,253/- have been deposited vide DD No. 547118 date 10.12.2014.</p>
4	Pkl.	16	18.590	1	9.500	0	0.000	17	28.090	9	16.770	8	11.320	17 no. site are under litigation and and only case of one site has been considered for regularization.
5	Ggm-II	8	5.600	0	0.000	0	0.000	8	5.600	0	0.000	8	5.600	The case of one temple has been sent to Administrator, Gurugram for regularization as per policy. Due to heavy pressure of public, unauthorized encroachment by religious institution cannot be removed immediately and is likely to take some time.
6	Ggm-I	13	0.544	0	0.000	0	0.000	13	0.544	1	0.216	12	0.328	Out of 13 temples the case of 1 temple has been sent to Administrator, Gurugram for regularization as per policy. Due to heavy pressure of public, unauthorized encroachment by religious institution cannot be removed immediately and is likely to take some time.
7	Sonipat	0	0.000	1	1.000	0	0.000	1	1.000	1	1.000	0	0.000	1 no. Gurudwara in sector 15 HUDA land since acquisition and case under process for regularization.
	Total	112	37.786	6	10.766	7	1.498	125	50.050	79	29.729	46	20.321	

The Committee has desired, point-wise as under:-

- (i) Complete details as to for what purposes the encroached land is being used be submitted to the Committee within a period of three months; and**
- (ii) Matter be expedited to regularise the encroached land after recovery of cost of such land from religious institutions as per the policy of the State Government and where it is not possible to regularize the same, then any mechanism be evolved to get the encroached land vacated under intimation of the Committee.**

TRANSPORT DEPARTMENT

[73] 3.5 Misappropriation, 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 *ibid*, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 144 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.60 crore on which final action was pending as of June 2013. 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 3.3.

Table 3.3: 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)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	20	34.40	Theft	96	80.93
5 – 10	40	45.20			
10.15	33	54.23			
15.20	11	06.89			
20.25	24	16.64	Misappropriation/ loss of material	49	79.52
25 and above	16	03.09			
Total	144	160.45	Total	145	160.45
			Cases of losses written off during the year	1	00*
			Total pending cases	144	160.45

* Measurement book theft

Reasons for pendency of cases are listed in Table 3.4.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	04	08.05
ii)	Departmental action initiated but not finalized	69	53.73
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending	14	08.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in Courts of Law	16	52.94
Total		144	160.45

Out of the total loss cases, 66 per cent cases related to theft of Government money. Further in respect of 50 *per cent* cases of losses, departmental action had not been finalized and 28 *per cent* cases were outstanding for want of orders of the competent authority for recovery or write off of losses. It was further noticed that out of 144 cases of losses due to the /misappropriation etc., 124 cases were more than 5 years

old including 16 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:-

Sr. No.	Amount	Description of Cost	Year	Depot	Present Position
1.	60000.00	Embezzlement of Govt. money by Sh. Suleman, Assistant Cashier.	1986-87	Faridabad	This Para was dropped by the PAC in its meeting held on 8.5.2007 (copy enclosed). It is also added that this para was further dropped by the PAC in its meeting dated 15.06.2016 (Copy enclosed). It is submitted that a notice of recovery was issued to Sh. Suleman Assistant cashier by GM, Faridabad but against the notice of recovery the employee filed CWP No. 7478/2006 which is admitted in Hon'ble High Court. It is intimated that regarding next date of hearing no information is available neither on record of this office nor on the website of Hon'ble High Court. Hence Para may kindly be dropped.
2.	316649.00	Embezzlement of Cash by Sh. Purshotam Lal, Conductor	1999-2000	Chandigarh	This para was dropped by the PAC in its meeting held on 8.5.2007 (copy enclosed). Thereafter, this para was further dropped on 15.06.2016 by the PAC in its meeting (copy enclosed). The employee was dismissed from Govt. Service and against the orders of dismissal he had filed CWP No. 8896/2012 in Hon'ble High Court and case is fixed for arguments on 03.10.2017. As the benefits due to him have been withheld due to dismissal and pending CWP so recovery could not be affected. Hence Para may kindly be dropped.
3	36223-00	Theft of Tickets by Sh. Om Singh Conductor No. 209	2006-07	Rohtak	In this connection, it is submitted that GM, HR, Rohtak has informed vide their letter No. 190/RSO dated 31.05.2012 that full amount of Rs. 36223/- on account of theft of tickets has been recovered from Sh. Om Singh C-209 @ 3000/- pm from 2/2008 to 11/2008 and balance Rs. 6223/- in the month of Dec 2008. Complete detail of recovery is enclosed at Annexure -I. It is also added that AG (Audit), Haryana vide letter No. CAI/2009-2010/ten/631 dated 7.8.2009 had intimated that this para had already been dropped by them. Hence Para may kindly be dropped.

The Committee has desired that state interest be protected vigorously and the Committee be also informed of the orders of the Hon'ble Court.

TECHNICAL EDUCATION DEPARTMENT

[74] 3.5 Misappropriation, 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 of 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 *ibid*, the cases of defalcations and losses are required to be reported to the Principal Accountant General (A&E).

State Government reported 144 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.1.60 crore on which final action was pending as of June 2013. 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 3.3.

Table 3.3: 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)	Nature/characteristics of the cases	Number of cases	Amount involved (Rs. in lakh)
0 – 5	20	34.40	Theft	96	80.93
5 – 10	40	45.20	Misappropriation/ loss of material	49	79.52
10.15	33	54.23			
15.20	11	06.89			
20.25	24	16.64	Total	145	160.45
25 and above	16	03.09	Cases of losses written off during the year	1	00*
Total	144	160.45	Total pending cases	144	160.45

* Measurement book theft

Reasons for pendency of cases are listed in Table 3.4.

Table 3.4: Reasons for outstanding cases of misappropriations, losses, defalcations, etc.

Reasons for the delay/outstanding pending cases		Number of cases	Amount (Rs. in lakh)
i)	Awaiting departmental and criminal investigation	04	08.05
ii)	Departmental action initiated but not finalized	69	53.73
iii)	Criminal proceedings finalized but execution of certificate case for the recovery of amount pending	14	08.85
iv)	Awaiting orders for recovery or write off	41	36.88
v)	Pending in Courts of Law	16	52.94
Total		144	160.45

Out of the total loss cases, 66 per cent cases related to theft of Government money. Further in respect of 50 *per cent* cases of losses, departmental action had not been finalized and 28 *per cent* cases were outstanding for want of orders of the competent authority for recovery or write off of losses. It was further noticed that out of 144 cases of losses due to the /misappropriation etc., 124 cases were more than 5 years

old including 16 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 this regard, it is submitted that as per details given in Appendix 3.5 & 3.6 of CAG Para 3.5, 15 nos. cases of Misappropriation, Defalcation, Theft etc. involving loss of Rs. 36.80 lakh, are pending in respect of Technical Education, Haryana. The break up of which is shown as under:-

Sr. No.	Particulars	Name of the Institution	Total loss involved (Rs.)	Year
1.	Embezzlement of case	G.P. Jhajjar	1138210.52	2001-02
2.	Theft of Computer	DBSCRT, Murthal	92674.00	
3.	Theft in Computer Lab	G.P. Sonapat	61000.00	2002-03
4.	Theft of CPU of Printer	G.P. Jhajjar	57433.00	2001-02
5.	Theft of Computer	G.P. Jhajjar	651515.00	2002-03
6.	Theft of AVR	G.P.W. Faridabad	8000.00	2002-03
7.	Theft from Computer Lab	Govt. Poly. Hissar	13275.00	2002-03
8.	Theft in Computer Centre	VTI Rohtak	235333.00	2003-04
9.	Theft in store of community development centre	KCGPW, Ambala City	0.00	2003-04
10.	Theft in computer centre	VTI Rohtak	30000.00	2003-04
11.	Theft in Computer Lab	G.P. Narnaul	954366.00	2003-04
12.	Theft in Lecture Block	G.P. Nilokheri	2505.00	1983-84
13.	Embezzlement case of Sh. Sunil Kumar, Cashier	G.P. Jhajjar	24362.00	2006-07
14.	Theft of cash	G.P. Uttawar	350756.00	2005-06
15.	Theft of 2 no. computer from store	G.P. Uttawar	60854.00	2006-07
Total			3680283.52	

Out of above 15 cases, 5 cases mentioned at Sr. No. 2,3,8,10 & 15 have already been dropped by the PAC. 2 No. cases at Sr. No. 5 & 11 are under process in the Department and 7 cases at Sr. No. 1,4,6,7,9,12 & 13, PAC has recommended that if the recovery is not possible then the proposal for writing-off the amount be sent to the Government and whatever the decision of the Government to write-off the outstanding amount taken be intimated to the Committee accordingly. The proposal for writing-off the amount has been sent to Government/Finance Department. The decision of Government to write-off the outstanding amount is still awaited and will be intimated to the Committee accordingly. In Para at Sr. No. 14, full recovery of theft amount has made and PAC has been requested to drop the Para in Quarterly Progress Report.

The detailed position of each para is given in the enclosed Annexure-Y.

The Committee has desired that the remaining cases also be concluded/settled in a time bound manner and the same be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

PART – II
REVENUE SECTOR
For the year ended 31 March, 2013

EXCISE AND TAXATION DEPARTMENT

[75] 2.2.8.5 Cases finalized after a delay of six months (under HGST Act):

Under the HGST Act, no time limit was prescribed for re-assessment of remand cases. However, the ETC had issued instructions in July 1997 to all AAs to decide remand cases within six months from the date of receipt of copy of remand order.

During test check of remand cases in three DETCs (ST) offices between December 2012 to July 2013, we noticed that 34 cases pertaining to the assessment years 1997-98 to 2002-03 involving tax liability of Rs. 3.91 Crore were referred for reassessment between July 2007 and August 2009. These cases were finalized after a period of six months between April 2009 and May 2012. The delay in final action of remand cases was ranging between 20 and 42 months, as detailed in Table 2.5:

Table 2.5

Reassessment finalized	Number of cases	Amount (Rs. In Crore)
After 12 months but up to 24 months	7	1.23
After 24 months but up to 36 months	21	2.15
After 36 months but up to 48 months	6	0.53
Total	34	3.91

In DETC (ST) Faridabad (W) in three cases of a dealer were remanded to the AAs by the Appellate Authority on 8 February, 2005 for de novo assessment for the years 2000-01 to 2002-03. Assessments for these years were finalized in March 2011 by creating additional demand of Rs. 74.25 lacs. However, notice of recovery of outstanding tax could not be served as the proprietor of the firm was not traceable. Hence, purpose of creating additional demand was defaulted.

During Exit Conference (January 2014), the Principal Secretary directed all DETCs concerned to finalise the remand cases by 30 June 2014.

The department in its written reply stated as under:

1. M/s Jawala Steel Corporation Faridabad (West), TIN 1306131, A.Y. 1998-99:

The assessment case for the year 1998-99 was remanded back to the assessing authority vide JETC (A), Faridabad dated 29.01.2009 conveyed to the AA on dated 17.09.2009. The remand case was decided by the then AA vide order dated 25.07.2011 creating an additional demand of Rs.5088997/- under HGST Act, 1973 and Rs.10770/- under CST Act, 1956 which has been recovered.

Under HGST Act 1973 and rules framed there under, there is no limitation for deciding assessment or remand cases. Such provision was introduced in VAT Act 2003 for the first time u/s 18(1)(i).

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

2. M/s Computer Land Land, Gugaon (West), TIN 19-20304, A.Y. 1997-98:

As pointed out by the audit party the case was disposed of on 28.05.2013. As the case falls under HGST Act, 1973, where limitation period of two year is not applied. This case is not covered under HVAT Act, 2003. Moreover, due demand of Rs. 1275247/- has been recovered.

In view of this fact the para may be dropped.

The Committee has viewed it seriously that the department in its written reply has claimed to have recovered all outstanding demands from both the aforesaid firms, whereas officers of Principal Accountant General, Haryana produced some documents showing that the demands which have been claimed by the department to have already been recovered, are still to be recovered. The Committee has, therefore, recommended that an inquiry into the matter be got conducted to fix the responsibility of the officers for submitting wrong information and thereby tried to misguide the Committee and action taken report be submitted to the Committee within a period of one month.

The Committee has also desired that in the case of M/s Jawala Steel Corporation Faridabad (West), inquiry be got conducted as to whether the entry made in the disposal register is fraudulent or genuine, if the same is fraudulent; who is responsible to make this entry. Strict disciplinary action be initiated/taken against him and action taken report be submitted to the Committee within a period of one month.

[76] 2.2.8.6 Disposal of remand cases under Haryana Value Addex Tax:

(i) Cases pending for finalization under HVAT Act:

Section 18 of the HVAT Act provides limitation period of two years to dispose of remand cases. ETC had also advised (March 2012) all the DETCs (ST), about the necessity of quick disposal of all such cases within limitation period as provided under the Act. It was also made clear that if any remand case becomes time barred, then the concerned Assessing Authority will be personally held responsible for the same.

During test check of remand cases in eight DETCs (ST) offices between December 2012 to July 2013 we noticed that 198 cases involving tax of Rs. 20.10 Crore, remanded between April 2007 and June 2011, pertaining to the period from 2003-04 to 2007-08 were pending for finalization though more than two years had elapsed from the date of receipt of order. The delays ranged between 1 to 49 months, as detailed in Table 2.6.

Reassessments pending	No. of cases	Amount (Rs. In Crore)
After 1 months but up to 12 months	56	4.14
After 12 months but up to 24 months	71	6.23
After 24 months but up to 36 months	51	7.27
After 36 months but up to 48 months	19	2.38
After 48 months but up to 60 months	1	0.08
Total	198	20.10

During Exit Conference (January 2014), The ETC stated that action would be taken against the officer in case of default.

The department in its written reply stated as under:

It is a admitted position that in consequence to or to give effect to any order made by any Court or any higher authority, the Assessing Authority can pass appropriate order within 2 years from the date of the receipt of the copy of such order of the higher authority as provided in section 18(1) of the Haryana Value Added Tax Act, 2003. Administrative instructions are also issued for quick disposal of the remand cases as to liquidate the pendency but the directions of the higher authorities cannot subdue the substantive law. That the time taken in disposal of the remand cases mainly depends upon the nature of the directions of the higher authorities and also depends upon the facts and circumstances of the particular case. That where the cross-verification of the documents or the transactions are involved, the time taken in such cases is more in comparison to other cases where only the acceptance of documents is concerned. That sometimes the disposal is delayed because of the non-production of relevant record by the assessee and to avoid unnecessarily litigation, the lower authorities usually allows adjournment and time for submission of required documents. That the cases shown in the side brackets mainly involves the issue of ITC disallowance on account of non-payment of tax to the State by the Sellers or non-verification of the purchases. This issue of ITC was pending in the Hon'ble Punjab and Haryana High Court and the judgment in the matter came to be delivered on 23.09.2011. That such cases which involved the ITC imbroglio were put to regular proceedings after this judgment and prior to the judgment, these dealers were making request for keeping the proceeding in abeyance till the outcome of the CWP in the Hon'ble Punjab and Haryana High Court. That all these cases have been decided and due care has been taken to safeguard the revenue of the Govt. However, it is also brought on record that the department has sought explanation of the officers where they have been found negligent and deficient in disposal of the cases beyond limitations. However, the para-wise replies is as under: -

1. Shiv Plastic. TIN / RC.No 06561109138, A.Y. 2006-07:

In this case it is intimated that the case was disposed off on 11.11.2013 creating Nil demand.

2. Ram Kumar & Co. TIN / RC.No. 06591100920, A.Y. 2005-06:

In this case it is intimated that the case was disposed off on 30.12.2013 creating a demand of Rs. 13000/- which stands recovered on dated: 21.07.2017 & 21.08.2014.

3. Badri Parshad Vijay Kumar. FTB TIN / RC.No 06281408486, A.Y. 2006-07:

The registration certificate of the dealer firm stand cancelled. In spite of various notices the dealer did not co-operate with the department and failed to produce any accounts books, bills, etc. The case has been decided ex-parte on 20.6.2013 vide demand No. 60-A and demand of Rs. 19.72 Lacs have been created against the dealer firm.

4. Dashnesh Rice Mills, Tohana TIN / RC.No 06101405042 A.Y. 2006-07:

The case has been decided on 26.10.2012. The Appellate Authority quashed the reversal of input tax in respect of consignment sales. Since the separate accounts of ISS/Consignment sales found maintained, the case was decided accordingly.

5. Sunder Lal Ghan Shyam Dass, FTB. TIN / RC.No06711403591 A.Y. 2004-05:

The case was remanded back to the AA vide orders dated 23.04.2010 of Jt. ETC(A), Rohtak. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the direction.

6. Krishna Enterprises, FTB TIN / RC.No 06061404288 A.Y. 2004-05:

The case was remanded by the Jt. ETC (A) Rohtak, on the issue of claim of input tax various notices were issued to the dealer firm but the dealer preferred not to appear along-with required documents.

7. Summit Enterprises, Fatehabad, TIN / RC. No.06321403757 A.Y. 2004-05:

The dealer firm has closed down its business and the partners/Prop. Have left for some unknown place. The notices issued could not be served. The dealer is believed to be residing in Gurgaon.

8. Dashnesh Rice Mills, Tohana TIN / RC.No 06101405042 A.Y. 2004-05:

The case has been decided by the assessing authority vide demand No235-D, dated 14.08.2013 and demand of Rs 8500/- was created under HVAT Act, 2003.

9. Krishna Rice Mill. Tohana TIN / RC.No 06051400753 A.Y. 2005-06:

The case was decided by the AA vide demand No. 301-A, dated 31.08.2012. Jt. ETC(A), Rohtak remanded the case quashing the reversal made by AA. The dealer produce separate account of ISS/Consignment Sale.

10. Anjani Nandan Mahesh Kumar. FTB TIN / RC.No 06681404141 A.Y. 2003-04:

The case was remanded back to the assessing authority by the Hon'able Tribunal with the directions to pass speaking order with regard to disallowance of input tax. The dealer has failed to comply with the directions of the assessing authority.

11. Shree Balaji Machinery. Fatehabad, TIN / RC No.06281403294 A.Y.2005-06:

The case has been decided vide demand No. 78-c dated 24.7.12 with the c/f of Rs.47624.

12. Avtar Singh Sajjan Singh, Tohana. TIN/RC No. 06651400423 A.Y. 2005-06:

The case has been decided by the assessing authority vide order dated 14.10.2012 and demand of Rs. 6760/- was created after entertaining the claim against 'F' Forms.

13. Dashmesh Rice & General Mills. Tohana TIN / RC.No.6801402329 AY: 2005-06:

The case was remanded by the Jt. ETC(A), Rohtak, the case has been decided by the assessing authority vide order dated 5.08.2013 and demand of Rs. 8198/- has been created & amount has been recovered from the dealer firm.

14. S.S.Rice & General Mill, Tohana TIN / RC No.06221600902 AY: 2005-06:

The case has been decided by the assessing authority vide demand No. 121-C, dated 19.06.2012. Since the separate accounts of ISS/Consignment sales found maintained, the case was decided accordingly.

15. Shiv Cotton Ginning & Oil Mill. Fatehabad, TIN / RC.No 39615 A.Y. 2003-04:

The case was remanded by the Jt. ETC(A), Rohtak. Several notices have been issued. The firm stands closed since long. The notices could not be served. One notice was served to the counsel to the dealer but he has shown inability to produce any record.

16. Satish Kumar Suresh Kumar. FTB TIN / RC.No 628682 A.Y. 2003-04:

The dealer firm has closed down its business w.e.f. 31.03.2004. The dealer has not available at Fatehabad. Notice issued to the dealer stands served to the counsel but counsel has shown inability to produce any record. The demand in this case was created on account of wrong deduction by the dealer in respect of goods purchased from outside the state and sold outside the state.

17. Gill Furniture. FTB TIN / RC.No 386841 A.Y. 2004-05

The firm stands closed down and proprietor of the firm has left Fatehabad to some unknown place, Hence, notice could not be served to the dealer. The demand was created on account of non production of proof of payment of tax.

18. Jai Bhagwati Trading Company, Tohana TIN / RC.No 378682 A.Y. 2004-05:

The case has been decided by the assessing authority vide demand No. 235-A, dated 12.08.2013. Since the separate accounts of ISS/Consignment sales found maintained, the case was decided accordingly.

19. R.K.Agro Industries. Tohana. 962174 A.Y. 2004-05:

The case has been decided by the assessing authority vide demand No.121-J, dated 19.06.2012 and demand of Rs.1961/- was created which stand deposited.

20. B. S. Trading Co. Tohana TIN / RC.No 541866 A.Y. 2004-05:

The case has been decided by the assessing authority vide demand No. 470-A, dated 4.10.2013 and demand of Rs.473424/- was created under HVAT Act, 2003 and Rs.822378/- under CST Act, 1956.

21. Saraswati Trading Co. FTB TIN / RC.No 257810 A.Y. 2004-05:

The case was remanded back to the AA. The dealer firm made purchases from the selling dealer who could not discharge their liability. The dealer did not appear inspite of the notices issued time and again. The dealer is not co-operating with the department as he has not complied with the directions.

22. V. K. Traders. FTB TIN / RC.No 183918 A.Y. 2004-05:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

23. Turipati Cotton Corporation FTB TIN / RC.No 5965 A.Y. 2004-05:

The case was remanded back to the AA. The dealer firm made purchases from the selling dealer who could not discharge their liability. The dealer did not appear inspite of the notices issued time and again. The dealer is not co-operating with the department as he has not complied with the directions.

24. Badri parshad Sanjay Kumar. FTB TIN / RC.No 15453 A.Y. 2004-05:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operating with the department as he has not complied with the directions.

25. S.B.Cotton & Oil Mill. FTB TIN / RC.No132470 A.Y. 2004-05:

The case was remanded back to the AA. The dealer firm made purchases from the selling dealer who could not discharge their liability. The dealer did not appear inspite of the notices issued time and again. The dealer is not co-operating with the department as he has not complied with the directions.

26. Parteek Enterprises. FTB TIN / RC.No 2558202 A.Y. 2004-05:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

27. Sita Ram Bool Chand. FTB TIN / RC.No 207331 A.Y. 2004-05:

The case was remanded back to the AA. The dealer firm made purchases from the selling dealer who could not discharge their liability. The dealer did not appear inspite of the notices issued time and again. The dealer is not co-operating with the department as he has not complied with the directions.

28. Virender Enterprises, FTB TIN / RC.No 44810 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

29. Suresh Kumar & Co. FTB TIN / RC.No 1138968 A.Y. 2003-04:

The registration certificate of the dealer firm cancelled. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

30. R. P. Enterprises. Tohana TIN / RC.No 1038277 A.Y. 2004-05:

The case has been decided by the assessing authority vide demand No.1283-A/04-05, dated 28.11.2013 and demand of Rs. 458512/- was created under HVAT Act,2003.

31. Ashok Kumar Hemand Kumar, Tohana TIN/RC.No545620 AY:2004-05:

The case has been decided by the assessing authority vide demand No.1547-A/04-05, dated 14.03.2013 and demand of Rs. 458512/- was created under HVAT Act,2003.

32. Chandu Lal Mohan Lal. FTB TIN / RC.No 1128643 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

33. Mohan Lal Munish Kumar. FTB TIN / RC.No 145569 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

34. Parteek Enterprises. FTB TIN / RC.No 33915 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

35. Sharma Oil & General Mills. FTB TIN / RC.No 41207 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

36. Aggarwal Cotton Enterprises. FTb TIN / RC.No 177497 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

37. Ganga Bishan Gopi Ram. FTB TIN /RC.No 06501400554 A.Y.2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

38. S.B.Cotton & Oil Mill. FTB TIN / RC.No 06111400914 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

39. Sharda Industry. FTB TIN / RC.No 06401403325 A.Y. 2003-0:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

40. Raja Cotton Corporation. FTB TIN/RC.No 068114043123 A.Y.2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operate with the department as he has not complied with the directions.

41. Saraswati Ginning Pressing &Oil Mills. FTB TIN/RC.No 06731401446 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operating with the department as he has not complied with the directions.

42. Jindal Traders. FTB TIN / RC.No 06861403751 A.Y. 2003-04:

The case was remanded back to the AA. The notices have been issued to the dealer firm to produce the various documents to substantiate its claim of input tax not allowed at the time of original assessment. The dealer is not co-operating with the department as he has not complied with the directions.

43. M.S. Industrial Corporation.TIN / RC.No 06691323286 A.Y.2005-06:

JETC (A) has decided the case on 09.08.2010 and the same has been received vide dated 21.09.2010. The then Assessing Authority has decided the case on 29.08.2012 which is in time. Hence, para may be dropped.

44. Ganesh Stone Crushing Co. FBD TIN / RC.No. 06311312922 A.Y. 2003-04:

In reply to audit objection, it is intimated that the case of the dealer for the assessment year 2003-04 was decided by Jt. ETC. (A) , Faridabad vide order dated 16.06.2010 conveyed vide Endst. Dated 27.07.2010. While deciding the case, Jt. ETC (A), Faridabad quashed the re-assessment order dated 08.09.2009, meaning thereby that the original assessment framed vide order 01.09.2005 under the deemed assessment scheme was restored. In the given circumstances, no action at the end of the Assessing Authority is called so far. So the para may be dropped.

45. Chaitanya Corporation. FBD. 06301302427 A.Y. 2005-06:

The then Assessing Authority has decided the case on 28.01.2009. Thereafter, the dealer filed an appeal before the Lt. JT. Etc (Appeal) which was remanded to Assessing authority vide order dated 20.05.2010 and communicated on 30.03.2010. The same has been decided vide order dated 30.07.2012 which in time, Hence, the para may please be dropped.

46. Shree Shyam Trading & Manufacturing Co. TIN / RC.No 1323510 A.Y. 2005-06:

JETC (A) has decided the case on 17.05.2010 and the same has been communicated to the then Assessing Authority on 31.05.2010. The Assessing Authority has decided the case on 20.05.2012 which is in time. Hence, para may be dropped.

47. Akash Hi-Tech Industry (P) Ltd. FBD. TIN / RC.No 06641318803 A.Y. 2004-05:

Jt.ETC has decided the case on 22.10.2008 and same was communicated on 02.12.2008. The then Assessing Authority decided the case on 30.03.2012 creating an additional of Rs. 59112/-. This demand was adjusted in the excess vide rectification order dated 23.05.2014. Therefore, para may please be dropped as there is no loss of revenue.

48. Shree Laxmi Enterprises. FBD. TIN/RC.No 0618131395 A.Y. 2004-05:

The case was remanded by the Jt.ETC on 27.07.2009 and the said remand order was received by the ward on 06.08.2009. The remand case was decided the case on 30.06.2011 with excess of Rs. 30037/- which is in stipulated period. There is no delay in assessment remand case. Therefore, para may please be dropped as there is no loss of revenue.

49. Suresh Stone Crushing Co. FBD.TIN / RC.No626841 A.Y. 2003-04:

In reply audit para, it is intimated that the assessment of the dealer for the year 2003-04 was framed vide order dated 31.05.2006. The dealer went in appeal before Jt. ETC(A), Faridabad against this order. The Jt. ETC Faridabad vide order dated 30.10.2006 set aside the order with certain directions to allow input tax credit against certain purchases, but upheld the denial of the input tax credit to the dealer. Being aggrieved with this order the dealer again preferred an appeal

before Haryana Tax Tribunal. The Hon'ble Tribunal decided the case (STA No. 436/ 2006-07) on 13-01-2011 in terms of the decision delivered in M/s National Stone Crushing Co. Gurgaon V/s State of Haryana (STA 441 of 2007-08). On perusal of the said judgment (STA 441 of 2007-08). It has been observed that the judgment has been delivered by three members Bench, out of which two member have upheld the order of the Assessing Authority. In view of the above, as the original assessment order has been upheld by the majority of the members, no further action at the level of the AA is called for, meaning thereby, that the original assessment order will prevail. In view of the above there is no question of delay in deciding the remand case as alleged by the audit party. Hence para may be dropped as there is no loss revenue.

50. Norid Industries. GGN TIN / RC.No. 18114 A.Y. 2003-04:

Appeal rejected by the Appellate Authority. Recovery Proceedings against the firm are under process. Thus the Para may please be dropped.

51. Singla Marketting. GGN TIN / RC.No 27739 A.Y.2004-05:

52. Malik Associates. GGN TIN / RC.No 1894348 A.Y. 2004-05:

This case has been disposed off D.No.288A, dated 02.07.2013 without creating any additional demand.

53. Dhanupa Labortories. GGN TIN / RC.No 187502 A.Y. 2003-04,

54. Geeta Stone Crushing Co. GGN TIN / RC.No 247617 A.Y. 2003-04:

55. I. D. Singh. GGN TIN / RC.No 62697 A.Y. 2003-04:

56. Bagga Power Tools. TIN / RC.No 069219260 A.Y. 2006-07:

This case has been disposed off D.No. 121B dated 03.07.2013 without creating any additional demand.

57. Arman Auto Components, TIN / RC.No 6561926261 A.Y.2006-07:

This case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003 vide D.No. 156/B dated 30.07.2013/2006-07 with additional demand of Rs.7,53,402/-. Recovery proceedings are under process.

58. Volvo India. TIN / RC.No1921693 A.Y.2006-07:

In reply to audit para it is submitted that the assessment for the year 2006-2007 was decided by the then assessing authority on 8.1.2013 creating an additional demand of Rs. 8344/- the said demand has been recovered vide DD No; 213024 dated 1.2.2013. There is no loss of revenue involved in this case. Hence the para may be dropped.

59. Multiweld. TIN / RC.No1916320 A.Y.2006-07:

This case has been disposed off D.No. 292J dated 10.07.2013 creating an additional demand of Rs. 5000/- which stands recovered.

60. Sant Parshad Anand kumar, TIN / RC.No 06281915066 A.Y.2005-06:

This case has been disposed off D.No. 292D dated 09.07.2013 without creating any additional demand.

61. Metal Formers India, TIN / RC.No 06151925858 A.Y. 2004-05:

The case was decided vide D.No. 450-A/30.10.2013/2004-05 with nil demand.

62. M/s M.K.Book Stall & Stationer. GGN TIN / RC.No 06171925166 A.Y. 2005-06:

In reply to audit para it is submitted that the assessment for the year 2005-2006 has framed by the then Assessing Authority Sh. Sri Chand ETO Gurgaon (West) and an additional demand of rs. 18021/- was created as exparte assessment. The dealer filed an appeal in the court of JECT(Appeals) Faridabad same was remanded back to the Assessing Authority vide order dated 10.06.2010 Remand case was assessed vide disposal No. 28c/2005-2006 dated 6.6.2013 by Sh. Samir yadav, ETO and created an additional demand of Rs. 1268/- on dated 6.6.2013. The dealer has deposited Rs. 1270/- through challan on dated 12.10.2013. There is no loss of revenue. Para may be dropped accordingly.

63. Swaran Enterprises TIN / RC.No 06221920725 A.Y. 2005-06:

In reply to audit para it is submitted that the assessment for the year 2005-06 was framed by the then Assessing Authority and an additional demand of Rs.100000/- was created on account of interest under Sec 14(6) due to non verification of payment of Rs 100000/-. The dealer filed an appeal in the court of JETC (Appeals) Faridabad vide date 10.6.2010 and same was remanded back to the Assessing Authority to ascertain the facts of the issue under appeal afresh by conducting proper enquiry. The dealer then produced the copy of DD through which he made a payment of Rs 139000/- which had been taken as Rs 39000/- due to clerical error. The dealer has also submitted a certificate issued by the bank stating that an amount of Rs 139000/- has been debited from the dealer's account and credited in favour of Assessing Authority. Thus there is no loss of revenue due to the delay in deciding the remand case. Hence the para may be dropped.

64. Aggarwal Sales Agency. Gurgaon, TIN / RC No. 1925883 A.Y:2006-07:

This case has been disposed off D.No. 325A dated 28.09.2012 without creating any additional demand.

65. K.K.Apparels (P) Ltd. GGN TIN / RC.No 06131926798 A.Y.2005-06:

The case was decided vide D.No. 46-A/30.05.2013/2005-06 with additional demand of Rs. 35,150/- and due demand recovered dated 28.11.2013.

66. L.T.Enterprises. GGN TIN / RC.No 1922395 A.Y.2006-07:

The case was decided vide order dated 14-A/26.04.2013/2006-07 with additional demand of Rs. 31,723/- and due demand recovered dated 25.11.2013.

67. Goyal Watch Company. TIN / RC.No 1925461 A.Y. 2007-08:

There is no remand case pending of M/s Goyal Watch Co. TIN/ RC No. 1925461. Thus there is no loss of revenue in the matter. Hence the para may please be dropped

68. Neelam Enterprises. GGN TIN / RC.No 06091924240 A.Y.2006-07:

Remand case has been decided by the Assessing Authority concerned. The firm is closed. There is no loss of revenue involved in the matter. Thus the Para may please be dropped.

69. Protector Pack India. GGN TIN / RC.No 06421923622 A.Y.2005-06:

The Remand case has been decided vide order dated: 20.05.2013 with additional demand of Rs. 88731/-.

70. Hero Motors Ltd. GGN TIN / RC.No 06161925802 A.Y.2005-06:

This case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003 vide D.no 634-A/05-06/31.12.2012 with nil demand.

71. Gupta Traders. GGN TIN / RC.No 1920315 A.Y.2005-06:

This case has been disposed off D.No. 634A dated 21.12.2012 without creating any additional demand.

72. Goyal Medical Store. GGN TIN / RC.No 1910672 A.Y.2005-06:

This case has been disposed off D.No.301D dated 15.07.2013 without creating any additional demand.

73. Singla Steels. GGN(W). TIN / RC.No 061914058 A.Y.2005-06:

This case has been disposed off D.No.672A dated 30.11.2012 creating an additional demand of Rs. 6637/- which stands recovered.

74. Balnsal Sales Corpn., GGN TIN/RC.No.06891922636 AY:2005-06:

In this case it is intimated that the orders has been quashed and case cannot be remanded.

75. CICO Technologies. GGN TIN / RC.No 1926538 A.Y.2005-06:

This case has been disposed off D.No.98B dated 12.07.2013 creating an additional demand of Rs. 70330/- which stands recovered

76. Haryana Medical Hall. GGN TIN / RC.No 06621926713 A.Y.2005-06:

This case has been disposed off D.No.292E dated 09.07.2013 without creating any additional demand.

77. Sham Sweet Unit-2 GGN TIN / RC.No 06441922156 A.Y.2005-06:

This case has been disposed off D.No.278A dated 26.07.2013 creating an additional demand of Rs.14700/- and recovery proceeding under process.

78. Srimi Sons Wiring system. GGN TIN / RC.No 1921000 A.Y.2005-06

This case has been disposed off D.No.178A dated 08.07.2013 without creating any additional demand.

79. Mehar Chand Mahesh Chand, GGN TIN / RC.No 06701900188 A.Y.2005-06:

This case has been disposed off D.No.292B dated 09.07.2013 without creating any additional demand.

80. Davy Air service, GGN TIN / RC.No 1923984 A.Y.2007-08:

This case has been disposed off D.No.227A dated 19.07.2013 without creating any additional demand.

81. Laxmi Restaurant, GGN TIN RC.No 1922682 A.Y.2005-06:

This case has been disposed off D.No.311B dated 19.07.2013 creating an additional demand of Rs. 2009/- which stands recovered.

82. Laxmi Sweets, GGN TIN / RC.No 1922681 A.Y.2005-06:

This case has been disposed off D.No.311A dated 19.07.2013 creating an additional demand of Rs.2009/- which stands recovered.

83. Himmat Ram Sham Lal, GGN TIN / RC.No 1922753 A.Y.2005-06:

This case has been disposed off D.No.320A dated 22.07.2013 creating an additional demand of Rs.11500/- which stands recovered.

84. Hazari Lal Dal Chand. GGN TIN / RC.No 1922770 A.Y.2005-06:

This case has been disposed off D.No.311D dated 19.07.2013 without creating any additional demand.

85. Basant paneer Bhandar. GGN TIN / RC.No 1922769 A.Y.2005-06:

This case has been disposed off D.No.292B dated 09.07.2013 without creating any additional demand.

86. Dhan Singh Ganpati Ram. Gurgaon, TIN / RC.No. 1922580 A.Y.2005-06:

This case has been disposed off D.No.311C dated 19.07.2013 without creating any additional demand.

87. Bihari Bhujwala. GGN TIN / RC.No 1923464 A.Y.2005-06:

This case has been disposed off D.No.311E dated 19.07.2013 without creating any additional demand

88. Hari sweets. GGN TIN / RC.No 1922864 A.Y.2005-06:

This case has been disposed off D.No.320B dated 22.07.2013 creating an additional demand of Rs.3300/- which stands recovered.

89. Metal Tech Motor Bodies PVT Ltd. GGN TIN / RC.No TIN / RC.No. 06761924696, AY:2005-06:

This case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003 vide D.No. 206B/30.08.2013/2005-06. Recovery proceedings are under process.

90. Durga Trading Company, Gurgaon, TIN / RC.No 1914033 AY:2005-06:

This case has been disposed off D.No.205A dated 30.08.2012 without creating any additional demand.

91. Mangla Book Stall, Gurgaon, TIN / RC.No 06261902952 A.Y.2005-06:

This case has been disposed off D.No.292C dated 09.07.2013 creating an additional demand of Rs. 16658/- which stands recovered.

92. Anfilco Ltd. GGN TIN / RC.No 1911453 A.Y.2005-06:

This case has been disposed off D.No.205B dated 16.07.2013 creating an additional demand of Rs. 48226/- and recovery proceeding under process.

93. Motorola India Pvt. Ltd. GGN TIN / RC.No 1922953 A.Y.2004-05:

This case has been disposed off D.No.104A dated 26.07.2013 without creating any additional demand.

94. RBM Computers. GGN TIN / RC.No 1927832 A.Y.2005-06:

This case has been disposed off D.No.293E dated 09.07.2013 without creating any additional demand.

95. Cosco Polymer Industries Pvt Ltd. GGN TIN / RC.No 06691921388 A.Y.2004-05:

This case has been disposed off D.No.285R dated 30.09.2009 without creating any additional demand.

96. Triveni Sales. GGN TIN / RC.No 06891926225 A.Y.2005-06:

In reply to the audit objection, it is submitted that the proceedings in the present case was initiated as soon as the order of remand case was received in this office. However, the process of verification of facts in the case from the account Books of the dealer resulted into the delay in the finalization of the remand case beyond the limitation period, it is on account of delay in verification that the process of these cases was delayed. It is intimated that this has not cause into loss to Government Revenue due to delayed disposal of remand case. Hence para may be dropped

97. Gabriel India Ltd., Gurgaon (West), TIN No 1914118 A.Y.2005-06:

This case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003 vide order dated 179-A/06.07.2013/2005-06 with nil demand.

98. Pooja Communication. GGN TIN / RC.No 06521928320 A.Y.2005-06:

This case has been disposed off D.No.303A dated 16.07.2013 without creating any additional demand.

99. Goel Traders. GGN TIN / RC.No 06971916966 A.Y.2004-05:

This case has been disposed off D.No.301B dated 12.07.2013 without creating any additional demand.

100. Singla Steels. GGN(W). 1914085 A.Y.2004-05:

This case has been disposed off D.No.672A dated 30.11.2012 creating an additional demand of Rs. 227/- which stands recovered.

101. City Connect Service Pvt Ltd. GGN TIN/RC.No 1929301 A.Y.2006-07:

This case has been disposed off D.No.160A dated 31.07.2012 without creating any additional demand.

102. Singla Rubber Industries. GGN TIN / RC.No 33584 A.Y.2004-05:

This case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003 vide order dated 626/05.11.2013/2004-05 with nil demand.

103. Thermoking . GGN TIN / RC.No 376841 A.Y. 2004-05:

This case has been disposed off D.No.292G dated 10.07.2013 creating an additional demand of Rs. 8333/- and recovery proceeding under process.

104. Suzuki Metal Ltd. GGN TIN / RC.No 413775 A.Y.2004-05:

This case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003

105. Surya Aerotech Industries. GGN TIN / RC.No 59044 A.Y.2004-05:

The case has been decided in the prescribed time limit of 2 years as per section 18 of the Haryana Value Added Tax Act, 2003 vide order dated 49-A/13.06.2013, A.Y. 2004-05

106. Jagan nath Ramesh Chand. Gurgaon, TIN / RC.No 14025 A.Y.2003-04:

Remand case has been decided by the Assessing Authority concerned. There is no loss of revenue involved in the matter. Thus the Para may please be dropped.

107. Krishna Traders. GGN TIN / RC.No 571247 A.Y.2004-05:

This case has been disposed off D.No.629A dated 06.11.2013 without creating any additional demand.

108. S. S. Traders. GGN TIN / RC.No 5665959 A.Y.2004-05:

Remand case has been decided by the Assessing Authority concerned. There is no loss of revenue involved in the matter. Thus the Para may please be dropped.

109. A.P.Steel Furniture. GGN TIN / RC.No 2285337 A.Y.2004-05:

In reply to the audit objection, it is submitted that the proceedings in the present case was initiated as soon as the order of remand case was received in this office. However, the process of verification of facts in the case from the account Books of the dealer resulted into the delay in the finalization of the remand case beyond the limitation period, it is on account of delay in verification that the process of these cases was delayed. It is intimated that this has not cause into loss to Government Revenue due to delayed disposal of remand case. Hence para may be dropped.

110. Survi Projects. GGN TIN / RC.No 110114 A.Y.2003-04:

Remand case has been decided by the Assessing Authority concerned. The firm is closed. There is no loss of revenue involved in the matter. Thus the Para may please be dropped.

111. M/s Nippon Computer Aids (P) Ltd. GGN TIN / RC.No 166645 A.Y.2003-04:

In the reply to the audit objection it is submitted that the proceedings in the present case were initiated well in time as directed by the Appellate Authority vide order dated 28.11.2007 . However, the process of verification of facts in this case from account Books or other sources led to delay in finalization of the remand case in stipulated time. Thus the case was decided on 23.5.2013 creating an additional demand of Rs. 137732/- under HVAT Act and of Rs. 25189/- under the CST Act. Efforts are being made to recover the said amount.

In the light of above facts the Para may be please dropped

112. Jai Kisaan Beej Bhandar. GGN TIN / RC.No 17347 A.Y.2005-06:

This case has been disposed off D.No.293A dated 11.07.2013 without creating any additional demand.

113. Mehar Chand Mahesh Chand. Gurgaon, TIN / RC.No 457677 AY:2003-04:

This case has been disposed off D.No.292A dated 09.07.2013 without creating any additional demand.

114. Kanika Engineering Works. Gurgaon, TIN / RC.No 497794 A.Y.2003-04:

Remand case has been decided by the Assessing Authority concerned. The firm is closed. There is no loss of revenue involved in the matter. Thus the Para may please be dropped.

115. Janta Auto Spares. GGN TIN / RC.No 1917962 A.Y.2003-04:

In reply to audit para it is submitted that the appeal filed by the dealer was accepted by the appellate authority and the assessment order was set aside but the case was not remanded back to the assessing authority. Hence the para may be dropped

116. Shiv Shakti Construction Co. TIN/RC.No. 06651530209 A.Y. 2006-07:

Remanded vide order no. HIS/23/VAT/2010-11, dated 10.12.2010. Remand case decided 907-A dated 27.11.2013 creating additional demand 2081821/- dealer again filed and appeal and the case remanded by the Jt.ETC (A) Rohtak on 23.05.2014. Memo notices were issued by the then A/A for dated 25.7.14, 24.09.14, 19.10.15. Remand case is still pending.

117. B. R. Jindal Udyoug. TIN / RC.No. 06731514257 AY: 2005-06:

Remanded vide order no. HIS/49/VAT/2009-10/Dt. 29.10.2010 Remand case decided 127-B dated 28.6.2013. The said additional demand is NIL.

118. Sushil Kumar Munish Kumar.TIN / RC.No. 06091534591 A.Y.2006-07:

Remanded vide order no. HIS/63/VAT/2010-11/Dt. 20.10.2010 The remand case decided vide demand no. 206-A/26.08.13 creating NIL demand as per order passed in case of M/s Gheru lal Bal Chand Vs State of Haryana along with a bunch of other similar petitions C.W.P No. 6573 of 2007 & others.

119. Rajinder Kumar Ravi Kumar. TIN / RC.No. 06681525391 A.Y. 2006-07:

Remanded vide order HIS/31/VAT/2010-11/Dt. 31.8.2010 Remand case decided vide demand no. 69-A dated 15.7.13 creating Nil demand.

120. Shiv Tractor Co. HSR TIN / RC.No. 06411534124 A.Y. 2006-07:

Remanded vide order no. HIS/62/VAT/2010-11/Dt. 16.08.2010. Remand case decided vide demand no. 90-A/21.6.13 creating NIL demand.

121. Rajesh Steel. HSR TIN / RC.No. 06891519892 A.Y. 2004-05:

Case remanded by the Haryana Tax Tribunal on 02.03.2012 Remand case decided vide demand No. 245-A/2004-05 dated 08.08.2013. The said additional demand is NIL.

122. Aggarwal Oil Mills. Hansi. TIN / RC.No. 08904 A.Y. 2005-06:

Case remanded on 4.08.2009 Remand case decided dated 14.06.2013. The said additional demand is NIL

123. Jamuna Dass Suresh Kumar. HSR TIN / RC.No. 06041532242 A.Y. 2003-04:

Case remanded by Haryana Tax Tribunal on 14-01-2010. Remand case decided vide demand No. 212-Adated 25.06.2013. The said additional demand is NIL

124. Daya Ram Ashok Kumar. HSR TIN / RC.No.0660153225 A.Y. 2005-06:

Remanded vide STA no. 13, 25-26, 41-42, 79, 86 of 2010-11 Dt.13.03.2012 Remand case decided vide demand no. 43-C dated 21.5.13 creating Nil demand.

125. Shakti Vardhak Hybrid Seeds Pvt Ltd. HSR TIN / RC.No. 06761531361 A.Y. 2005-06:

Case remanded vide order HIS54/CST/09-10, dated 16.07.2009. Remand case decided vide demand No.831-A, dated 21.11.2013 with nil additional demand.

126. Sita Ram Sher Singh. HSR TIN / RC.No. 06731517361 A.Y. 2005-06:

Case remanded vide order No. HIS/64/VAT/2009-10 dt: 09.7.2009. Remand case decided vide demand no. 866-A/dated 27.11.13 creating additional demand Rs- 1706/- under the HVAT Act. Copy of order TDN was served upon to the dealer. Notice issue to the dealer firm for 10.2.15 to recover the amount. Recovery notice again issued 29.11.2017.

127. Lal Chand Bajrang Lal. HSR TIN / RC.No.06811534389 A.Y. 2007-08:

Case remanded on 16.7.2009 and Remand case decided dated 22.01.2014. The said additional demand is still pending. The dealer firm again preferred an appeal before JETC(A) vide appeal no. HIS/57VAT 13-14. The case is still pending before JETC (A).

128. Lal Chand Bajrang Lal, Hissar, TIN/RC.No. 06811534389 AY:2006-07:

Case remanded on 16.7.2009 and Remand case decided dated 22.01.2014. The said additional demand is still pending. The dealer firm again preferred an appeal before JETC(A) vide appeal no. HIS/59VAT 13-14. The case is still pending before JETC (A).

129. Dhani Ram Ram Chander. HSR TIN / RC.No. 06501533735 A.Y. 2005-06

In the absence of any account books benefit of above said deductions cannot be given to the dealer firm. Hence the order dated 25.2.09 passed by the then DETC Hisar U/S 20(6) read with Rule 42 of VAT rules 2003 is hereby restored.

130. S. A. Traders. HSR TIN / RC.No. 06291532250 A.Y. 2004-05:

This is not a remand case appellate authority accepted the case and dealer has deposited the demand on 22.01.2005.

131. Cheminova India Ltd. HSR TIN / RC.No. 06391528024 A.Y. 2004-05:

Case remanded vide HSR/12/HVAT/2009-10 Dt: 19.5.2009 The case decided No, 1274A dated 23.01.2014. The said additional demand is nil.

132. P. S. Enterprises. TIN / RC.No. 17211 A.Y. 2005-06:

The case decided vide No 335A, dated 26.07.2013. The said additional demand is nil.

133. Johan & Johan Pharmaceuticals. TIN / RC.No. 29864 A.Y. 2004-05:

Case remanded vide HIS/174/CST/2008-09 Dt: 16.4.2009. Remand case decided vide demand no. 206-B / dated 26.8.13 creating additional demand Rs. 99466/- under the CST Act 1956. Copy of order and TDN was served upon to the dealer. Latest Recovery Notice issued on 19.9.2017.

134. Sohan Lal Suraj Bhan. Hansi TIN / RC.No. 31648 A.Y. 2005-06:

Remand case decided. The said additional demand is still pending. The dealer firm again preferred an appeal before JETC(A) vide appeal no. HIS/21VAT 14-15. The case is still pending before JETC (A).

135. Raj Steel. HSR TIN / RC.No. 1157131 A.Y. 2004-05:

Remanded vide order no. HIS/57/VAT/2008-09/Dt. 24.11.2008 Remand case decided vide demand no. 101-A/14.8.13 creating additional demand Rs. 64650/-. The said demand was deposited on 12.11.2013.

136. Aggarwanshi Trading Co. HSR TIN / RC.No. 41076 A.Y. 2004-05:

Remanded vide order no. HIS/35/VAT/2008-09/Dt. 23.12.2008. Remand case decided vide demand no. 465-A /18.9.13 creating Nil demand.

137. Drug Centre. HSR TIN / RC.No. 321125 A.Y. 2007-08:

Remand case decided 914-A dated 26.07.13 creating NIL demand.

138. Mukh Ram & Co. HSR TIN / RC.No. 160156 A.Y. 2005-06:

Remanded vide order no. HIS/67/VAT/2008-09/Dt. 2.09.2008 Remand case decided vide demand no. 861-A/27.11.13 creating additional demand Rs. 66299/-. Copy of order and TDN was served upon to the dealer. Latest Recovery Notice issued on 19.9.2017.

139. Royal Species. HSR TIN / RC.No. 23356 A.Y. 2005-06:

Remand case decided and demand created of Rs. 44584/- vide orders No. 273-A dated 24.06.2013.

140. Tirupati Timber Store. HSR6562228 A.Y. 2004-05:

Case remanded vide order HIS65/CST/2008-09 dated 21.08.2008 Remand case decided and demand vide demand no.335 B dated 26.7.13.creating Additional demand 14978/- + 96979. Rs.40000/- recovered on 23.06.2015 and 35000/- recovered on 22.12.2015. Rs.26966/- is still pending

141. Sant Lal Purshotam Lal HSR TIN / RC.No. 11039 A.Y. 2004-05:

Remanded vide order no. HIS/72/VAT/2008-09/Dt. 19.08.2008. Remand case decided vide demand no. 550-A/18-9.13 creating NIL demand.

142. Dakshin Haryana Bijli Vitran Nigam Ltd. HSR TIN / RC.No. 83845 AY: 2004-05:

Remand case decided on demand No. 311-A dated 18.2.2014.

143. Haryana Associates. Hansi TIN / RC.No. 170825 A.Y. 2003-04:

Remand case decided dated 17-9.13 creating NIL demand.

144. Banwari Lal Jagdish Rai, HSR TIN / RC.No. 649660 A.Y. 2003-04:

Remand case decided vide demand no. 222-B dated 28.06.13 creating nil demand.

145. Jaina Marble. TIN / RC.No. 06662229234 A.Y.2006-07:

146. Luxmi Overseas TIN / RC.No. 06912224974 A.Y.2006-07:

In reply to this audit memo it is intimated that the case of the dealer was remanded back to the Assessing authority vide orders of JT. ETC (A) Ambala dated 21.07.2010 and received in this office on 28.07.2010. A notice was issued and duly served upon the dealer for 10.08.2010 and again 04.02.2011 for submission of required documents for disposal of remand case. But the dealer has requested to need some time to submit the required documents which were not in possession of the dealer. Being provide natural justice some reasonable time was provided to the dealer for submission of documents but ,ultimately the dealer failed to produce the required documents and remand case was decided on 30.05.2013 with creating an additional demand of Rs 5844003/- .(The proceedings of the case was started in time hence there is no delay in deciding the remand case).The dealer has filed an appeal before the Jt. ETC Ambala 1st Appellate Authority and the same was dismissed vide orders dated 15.01.2015. Thereafter the dealer filed 2nd appeal which was also dismissed by the Hon'ble Tax Tribunal Haryana vide orders dated 22.03.2017.

Surety Sh. Avdesh Kumar Prop. M/s Avdesh Kumar Anil Kumar Anaj Mandi Indri R.C no.27243 is live. Other surety Sh. Rakesh Kumar Prop. M/s Bhanu Rice land R.C No. 28790 is stand closed his prop. sh. Rakesh Kumar has got expired. Recovery proceedings to surety furnished is initiated. Further it is submitted that the proprietor of the firm M/s Luxmi Overseas Indri Sh.Mukesh Kumar got expired on 11.10.2016. Recovery proceedings have been initiated under land revenue Act against the assets of the firm. Keeping in view of the above facts of the case Para may kindly be dropped.

147. Krishan Chand Bhagwat Parshad. TIN/RC.No. 06632208735 A.Y. 2006-07:

In reply to this audit memo it is intimated that the case of the dealer was remanded back to the Assessing authority vide orders of JT. ETC (A) Ambala dated 21.07.2010 and received in this office on 28.07.2010. A notice was issued and duly served upon the dealer for 10.08.2010 and again 04.02.2011 for submission of required documents for disposal of the remand case. But the dealer has requested to need some time to submit the required documents which were not in possession of the dealer. Being provide natural justice some reasonable time was provided to the dealer for submission of documents but, ultimately the dealer failed to produce the required documents and remand case was decided on 30.05.2013 with creating an additional demand of Rs.5478037/-. (The proceedings of the case was started in time hence there is no delay in deciding the remand case) .The dealer has filed an appeal before the Jt. ETC Ambala as 1st Appellate Authority and the same was dismissed vide orders dated 15.01.2015 .Thereafter the dealer filed 2nd appeal which was also dismissed by the Hon'ble Tax Tribunal Haryana vide orders dated 22.03.2017. The firm closed since long. Both partner Son and Father got expired on 11.10.2016 and 17.08.2016 respectively Surety Sh Shiv Kumar partner M/s Ram Sharup Rattan Lal New grain Mkt. Indri 22355 is live and Other Surety Sh Labh Singh prop. M/s Mandhan Commission agent indri RC No 27349 has closed down the business.

Recovery proceedings have been started to the surety submitted and against the available assets of the firm under land revenue Act. Keeping in view of the above facts of the case para may kindly be dropped.

148. Varun Polymers. TIN / RC.No. 06732224394 A.Y.2006-07:

The original assessment for the year 2006-07 was framed by the Assessing Authority vide order dated 24.02.2010 and created an additional demand of Rs. 46800/- for non production of Debit/Credit note. The dealer preferred an appeal before Jt.E.T.C. (A) appeal. The appellate authority remanded the case to Assessing Authority on dated 26.07.2010. With direction to consider the debit/credit note of dealer. As per direction of Jt. ETC (A), Ambala case decided with nil demand vide Assessing Authority order dated 18.11.2013. Hence the para be dropped.

149. Saggu Auto Batteies. TIN / RC.No. 06972230937 A.Y.2006-07:

Originally assessment of the case was decided ex-parte on 28.12.2009, feeling aggrieved the firm went to an appeal before Jt. ETC (A), Ambala , which have remanded the cases back on 06.08.2010 with the direction of Jt. ETC (A), Ambala to consider the VAT C-4, which was entertained and accordingly the case was decided vide Assessing Authority order dated dated 29.03.2013 with nil demand. As no recovery is outstanding against this firm, hence the para be dropped.

150. Rajesh Industries. TIN / RC.No. 06922226375 A.Y.2006-07:

The original assessment was finalized vide Assessing Authority order dated 12.01.2010 by creating an additional demand of Rs. 61515/- under HVAT Act, 2003 for levy of tax on paddy husk derived out of custom milling of paddy and tax on bardana depreciation received by the dealer. Feeling aggrieved the firm went to an appeal before Jt. ETC (A), Ambala, which have remanded the case back on 07.06.2010 and received this office on dated 30.07.2010 with direction to consider the plea of dealer. Accordingly the remand case was decided vide Assessing Authority order dated 22.03.2013 with nil demand, hence the para be dropped.

151. Golden Herbs Labortories. TIN / RC.No. 06182232602 A.Y.2006-07:

Originally assessment the case was decided ex-parte on 24.12.2009, created an additional demand of Rs. 9813/- for non production of VAT C-4. The dealer preferred an appeal before the Jt. ETC (A), Ambala with direction to consider the VAT C-4 which have remanded the case back to Assessing Authority on 23.03.2010. The remand case was decided vide Assessing Authority orders dated 29.03.2013 with additional demand of Rs. 1667/- created which stands deposited vide TR No. 06 dated 12.12.2013 hence the para be dropped.

152. Om Rice Mills. KNL TIN / RC.No. 06982227312 A.Y. 2004-05:

In reply to audit memo. it is submitted that dealer furnished a certificate issued to M/s Shiv Ganga Agro (India), Delhi duly certified by Value Added Tax Officer, Ward 28 & 29, New Delhi vide Memo No. 1384 dated 21.7.09 certifying the genuineness of the transaction and 'F' form in question. Further, verification of 'F' form No. 03Q 113993 is sought from Value Added Tax Officer, Ward-28, New

Delhi who vide letter no. AVATOW-28/2017-18/738 dated 21.8.2017 has confirmed issuance of above said form to M/s Shiv Ganga Agro (India), Delhi TIN 07070240045. As this 'F' form was issued manually, so this information is not available on TINXSYS. Further, the official of this office also visited office of VATO, Department of Trade & Taxes, Delhi twice but Delhi VAT Authority told that assessment record of this particular year is not available. In view of above facts, this office is not having any adverse report/information in hand till date. So without evidence, the transaction as well as genuineness of 'F' form cannot be rejected without evidence. Moreover, the audit also failed to provide any concrete evidence that transaction/form is in genuine. Therefore as on date we have rely on the evidence available on file i.e certificate of VATO, Delhi that transactions and F Forms in questions are genuine.

Keeping in view of above facts; the para may please be dropped.

153. Luxmi Iron Store. TIN / RC.No. 06522218447 A.Y.2005-06:

The case was decided by the then Assessing Authority and creating an additional demand of Rs. 247617/- on dated 25.02.2009. The dealer has preferred and appeal against the order before Jt. ETC (A), Ambala and case was remanded back to the Assessing Authority vide his order dated 11.08.2009. A notice was issued to the dealer for disposal of the remand case. In response to the notice the dealer sought time to submit the relevant documents, because the counter party had not given the VAT C-4 to M/s Luxmi Iron Store, Karnal. After procuring VAT C-4 the Assessing Authority had decided the case accordingly on dated 19.06.2012 and dealer was allowed excess carried forward for Rs. 37023/-. There is no revenue loss. There was delay in remand case due to verification of payment/Tax receipt from Roadways Department. In view of the above facts para may kindly be dropped

154. Bhanu Rice Land. KNL TIN / RC.No. 06852228790 A.Y. 2004-05:

In reply to this audit objection it is informed para is not admitted being there is neither any revenue loss in the matter nor any proper delay. Brief facts of the case are that the original assessment of the said firm was framed by the then Assessing Authority vide order dated 28.03.2008. The dealer filed an appeal against the order of Assessing Authority, before Jt. ETC (A) Ambala. the appellate authority remanded the case back to the Assessing Authority vide order dated 22.01.2009 which received in this office on 23.03.2009. Thereafter, proceedings for disposal of remand case has been initiated with issuing the notice for dated 30.04.2009. The firm stand closed and the dealer did not co-operate with the department. The remand case was decided by the Assessing Authority on dated 22.03.2011 subject to verification of F forms. However a letter for verification of F forms was issued to Delhi Sales Tax Authority on 22.09.2009, but reply was not received until date of assessment. The case decided within stipulated period. A verification report of F forms received on 30.09.2011 from the Delhi Sales Tax Authority. There after the case was sent to the DETC – Inspection-cum-Revisional Authority Karnal for Suo-moto action. The revisional authority again verified F form own level from Sales Tax Department Delhi through his official staff sent at Delhi. Out of total three forms one form bearing

no.O4Q-698761 was issued to M/s Rajiv Kumar Reshiv Kumar Delhi and found genuine. Value of this form is worth Rs.1,44,78,797/-. Remaining two forms bearing no. O4Q-674557 & O4Q-647446 found in genuine/bogus valuing worth Rs.14,86,569/- (1,59,68,366-1,44,78,797=14,89,569) difference of Rs.3,000/- is only totalling error.

The revisional authority has decided the case vide demand no.165 dated 20.03.2014 with crating an additional demand worth Rs.1,18,923/- (14,86,569X8%) and the case was remanded back to the Assessing Authority for levying of interest, which calculated at worth Rs.1,18,926/- on 18.09.2014 by the Assessing Authority. The case has been decided by the Revisional authority in stipulated time. Total demand is created worth Rs.2,37,852/- (1,18,926+1,18,923). As the firm stand closed. Both surety firms also stand closed moreover Surety Sh. Bhagwat Parshad Partner M/s Krishan Chand Bhagwat Parshad Indri R.C No. 08735 expired and Other surety Mukesh Jindal Prop. M/s Luxmi Overseas Indri R.C.No.24974 has also been expired. Recovery proceeding has been started under land Revenue Act against the assets available of the firm. There is no delay in this case. Para may kindly be dropped.

155. Om Parkesh Surender Kumar. TIN / RC.No. 623056 A.Y.2006-07:

Originally the case was decided on 19.11.2008 creating an additional demand of Rs.3981/- on account of short D-2 forms. The dealer went in appeal against this order and the Appellate Authority remanded the case to the Assessing Authority vide his orders dated 20.4.2009 with the directions to entertain the D-2 forms when were in possession of dealer. It is intimated that remand case was decided on dated 01.07.09 a demand of Rs. 783/- which was already deposited by the dealer on dated 05.06.09.

Hence the Para may please be dropped.

156. D. R. Foods. KNL TIN / RC.No. 122605 A.Y.2004-05:

The case was remanded back to Assessing Authority to decide afresh by worthy Jt. Excise & Taxation Commissioner (A) Ambala vide its order dated 14.7.2008. Aggrieved with the order of Jt. E.T.C.(A) the dealer went to appeal before the Hon'ble Tax Tribunal, Haryana Chandigarh on 12.05.2009 vide STA No.96/09-10. As the matter is now sub-judice before the Hon'ble Tax Tribunal. As the Original Order was remanded back to Assessing Authority to decide afresh. Therefore as on date There is no recovery outstanding against the dealer whose case is litigation before Haryana Tax Tribunal, Haryana, Chandigarh. The Para may be dropped.

157. Shree Rattan Jyoti Electrodes Industries. TIN / RC.No. 5034 A.Y.2003-04:

Appeal filed before HTT against the order of Ld. ETC which was remanded back to ETC. Further ETC remanded the case to DETC vide order dt. 22.03.12 in STR No. 1-5/2009 received Endst. No. 166 dt., 21.08.12. Now the case is pending with DETC for renewal of exemption.

158. Kundan Lal Plastic. TIN / RC.No. 06302703180 A.Y.2004-05:

In response to the audit reply, it is submitted that the case was remanded by the Hon'ble Haryana Tax Tribunal, Chandigarh vide order dated 19.05.2010 and the same has been decided vide order No. 423-A/2004-05 on 08.02.2013 by creating an additional demand of Rs. NIL as per direction of the Hon'ble Haryana Tax Tribunal Chandigarh STA No. 262/2008-09 in the case of M/s Ganpati Plastics Hisar, Road, Sirsa v/s state of Haryana. Hence the para may be dropped.

159. T I Metal Forming Ltd. Bawal, Rewari TIN / RC.No 06182704119 A.Y.2003-04:

In response to the audit reply, it is submitted that the case was remanded by the Hon'ble Haryana Tax Tribunal, Chandigarh vide order dated 29.01.2010 and the same was decided vide order No.356-B/2003-04 on 30.08.2013 by creating an additional demand of Rs.353298/- the same has been recovered vide TR. No.8078 dated,27.3.2014. Hence the para may be dropped.

160. Oxide India Enterprises. TIN / RC.No 4052409 A.Y.2004-05:

In response to the audit reply, it is submitted that the case was remanded by Jt. Excise & Taxation Commissioner (Appeal), Faridabad vide order dated 10.07.2008 and the same has been decided vide order No. 1238-A/2004-05 on 11.12.2013 by creating an additional demand of Rs. 1127689/- under the VAT Act and Rs. 1569049/-under the CST Act respectively. However, efforts were made to get the order served to the firm but the same was not served as the firm has been closed. Now this demand is pending as old arrear and efforts are being made to recovery.

161. G.K.N. Drive Line India Ltd. Rewari TIN / RC.No 66275 A.Y.2003-04:

In response to the audit reply, it is submitted that the case was remanded by Jt. Excise & Taxation Commissioner (Appeal), Faridabad vide order dated 18.07.2007 and the same has been decided vide order No. 579-A/2003-04 on 28.03.2013 by creating a refund of Rs. 199873/-. However no refund application has been applied by the dealer till date. Hence the para may be dropped.

162. Orbit Artirisons PVT Ltd. RWR TIN/RC.No 06862704909 A.Y.2003-04:

In response to the audit reply, it is submitted that the case was remanded by Jt. Excise & Taxation Commissioner(Appeals), Faridabad vide order dated 6.10.2006 and the same has been decided vide order No. 1183-A/2003-04 on 26.11.2013 by creating an additional demand of Rs.5120/-. However, efforts were made to get the order served to the firm but the same was not served as the firm has closed. Now this demand is pending as old arrear.

163. Ankit Traders. TIN / RC.No 134840 A.Y.2003-04:

In response to the audit reply, it is submitted that the case was remanded by the Hon'ble Haryana Tax Tribunal, Chandigarh vide order dated 19.05.2010 and the same has been decided vide order No.423-A/2004-05 on 08.02.2013 by creating an additional demand of Rs.NIL as per direction of the Hon'ble Haryana Tax Tribunal Chandigarh STA No.262/2008-09 in the case of M/s Ganpati Plastics Hisar, Road, Sirsa v/s state of Haryana. Hence the para may be dropped.

**164. BHAGWATI TRADERS JAGADHARI TIN No.06411614828
AY:2006-07:**

In reply to the audit observation, it is informed that the copy of order of the Appellate Authority was received in the office on 12.11.2010 and the remand case has been decided by Assessing Authority vide order dated 26.07.2013 creating an additional demand of Rs 14,99,897 and the recovery proceedings have been initiated. The delay in disposal in remand case is due to the reason that the firm was lying closed and none was available. Hence para may be dropped.

165. BHAGWATI IMPEX JAGADHARI TIN 06311615386 A.Y.2006-07:

In reply to the audit observation it is informed that the copy of order of the Appellate Authority was received in the office on 12.11.2010 and the remand case has been decided by Assessing Authority vide order dated 01.07.2013 and additional demand of Rs 1692 has been created. The delay in disposal in remand case is due to the reason that the firm was lying closed and none was available. Hence para may be dropped.

166. BIRJ LAL BADRI DASS JAGADHARI TIN06361601073 A.Y.2005-06:

In reply to audit observation it is informed that the copy of order of the Appellate Authority was received in the office on 12.11.2010 and the case has been decided by the Assessing Authority vide order dated 29.03.2013. No additional demand has been created. The delay in disposal of the remand case is due to the reason that the dealer sought adjournment to submit the requisite documents. Since the case has now been decided. Hence para may be dropped.

**167. RAJINDRA METAL ENTERPRISES JAGADHARI TIN 06221610422
A.Y. 2006-07:**

In reply to the audit observation it is informed that the copy of order of the Appellate Authority was received in the office on 12.11.2010 and demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealers were waiting for the decision of the Hon'ble Court. Notices were issued to them. The case has now been decided vide order dated 31.01.2014 in view of the judgement of the Hon'ble High Court. No demand was created. In view of above facts and circumstances, the audit objection deserves to be dropped.

168.. BHAGWATI TRADERS JAGADHARI TIN 06411614828 A.Y. :

In reply to the audit observation it is informed that the copy of order of the Appellate Authority was received in the office on 31.05.2010 and the remand case has been decided by Assessing Authority vide order dated 26.07.2013. No additional demand has been created. The delay in disposal in remand case is due to the reason that the firm was lying closed and none was available. Hence para may be dropped.

169. SHIVALIK STONE CRUSHER JAGADHARI TIN 06751606687 A.Y. 2005-06:

In reply to the audit observation it is informed that the copy of order of the Appellate Authority was received in the office on 29.10.2010 which has been decided by the assessing authority. No additional demand has been created. The delay is due to closure of the firm the notice couldn't be served upon. In the end, the dealer was traced and the case was decided leading to no delay on the part of the officer.

170. HARSHAL METALS JAGADHARI TIN 06921609940 A.Y. 2005-06:

In reply of audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 27.04.2010 which has been decided by the assessing authority. No additional demand has been created. The delay is due to the fact that the firm is lying closed and notice could not be served which was the main reason of delay of the disposal of the remand case.

171. VEE ELL STRIPS JAGADHARI TIN 06981615048 A.Y. 2005-06:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 15.03.2010 which has been decided by the assessing authority. No additional demand has been created. The delay in disposal of the remand case is due to non-compliance by the dealer. Hence objection may be dropped.

172. AMAN TRADERS JAGADHARI TIN 06801609036 A.Y. 2004-05:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 10.02.2010. Demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. The case has now been decided vide order dated 29.03.2013. No additional demand has been created. In view of the above facts and circumstances, the audit objection deserves to be dropped.

173. VARUN STEEL JAGADHARI TIN 06271600258 A.Y. 2006-07:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 10.02.2010. The firm has been closed and no proper service of notice could be done which resulted in delay of disposal of the remand case. Finally this case was decided by the Assessing Authority vide order dated 30.04.2013 on merit. No additional demand has been created. Hence para may be dropped.

174. PADAM METAL ROLLING MILL JAGADHARI TIN 06151601197 A.Y. 2005-06:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 17.12.2009 and the remand case was decided by the Assessing Authority vide order dated 29.03.2013. No additional

demand has been created. The dealer was required to produce proof of export sales i.e. H forms and bills of lading etc. to which, dealer has been repeatedly asked to produce documents but has failed to submit the above documents under CST Act which caused delay in disposal of the case. Now the case has been decided. Hence para may kindly be dropped.

**175. SHREE RAGHAV ENTERPRISES JAGADHARI TIN 06381614796
A.Y. 2004-05**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 24.11.2009. The remand case was decided by the Assessing Authority vide order dated 10.01.2013. No additional demand has been created. Delay in disposal of remand case was due to the reason that the dealer didn't co-operate and finally the case was decided by the Assessing Authority on 10.05.2013 after considering the documents furnished by the dealer. Hence para may be dropped.

176. L.S. METAL INDUSTRIES, JAGADHRI TIN 0608161011 F.Y. 2004-05:

In reply to the audit observation it is submitted that the firm is lying closed and none was available. However remand case has been decided vide order dated 29.07.2013. No additional demand has been created as a result of disposal of remand case.

**177. RAJSTHAN METAL WORKS JAGADHARI TIN 06721604812 A.Y.
2005-06:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 18.11.2009 and the demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. The case has now been decided vide order dated 29.07.2013 in view of the judgement of the Hon'ble High Court. No demand was created. In view of the above facts and circumstances, the audit objection deserves to be dropped.

178. RAJIV METAL STORE JAGADHARI TIN 06721604812 A.Y. 2005-06:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 16.11.2009 and the demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. The case has now been decided vide order 29.07.2013 in view of the judgement of the Hon'ble High Court. No demand was created. In view of the above facts and circumstances, the audit objection deserves to be dropped.

179. MANGLA INDS. JAGADHARI TIN 06601601483 A.Y. 2005-06:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 05.11.2009 and the delay in disposal of remand case was due to the reason that the dealer did'nt co-operate and finally the case was decided by the Assessing Authority on 14.01.2013 after considering the documents furnished by the dealer. No additional demand has been created. Hence para may be dropped.

180. JAIN DHATU UDHYOG JAGADHARI, TIN 06841601448 AY: 2005-06:

The case was remanded back to Assessing Authority by the Jt. ETC (A), Ambala on 01.10.2009 and copy was received on 26.11.2009. Notice for disposal of remand case was served upon the dealer on 11.10.2010 & 24.02.2012 but the dealer has not submitted the required documents. Now the case has been decided vide order dated 29.03.2013. No additional demand has been created.

Hence para may be dropped.

181. R.A. METAL STORE JAGADHARI TIN 06131605282 A.Y. 2004-05:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 03.09.2009 and the demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. Now the case has been decided by Assessing Authority vide order 30.07.2012. No additional demand has been created.

Hence para may be dropped.

182. J.R. ENGG. JAGADHARI TIN 06131606834 A.Y. 2004-05:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 24.08.2009 and the demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. Now the case has been decided. No additional demand has been created.

Hence para may be dropped.

**183. SACHDEVA AGRICULTURE WORKS JAGADHARI TIN 06721615482
A.Y. 2005-06:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 15.07.2009 and the demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. Now the case has been decided vide order dated 19.12.2013. No additional demand has been created. Hence para may be dropped.

184. MANGLA TRADERS JAGADHARI TIN 06741611591 A.Y. 2003-04:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 02.06.2009 and the demand was created on account of bogus purchases and disallowance of ITC. Dealer didn't respond to the notices issued, to which as, they told that the similar matter was pending before the Hon'ble High Court of Punjab & Haryana in the case of M/s Geru Lal Bal Chand Versus State of Haryana in CWP no. 6573 of 2007 and others. So dealer was waiting for the decision of the Hon'ble Court. Notices were issued to the dealer. Now the case has been decided by the Assessing Authority vide order dated 29.03.2013. No additional demand has been created. Hence para may be dropped.

185. Y.K.K. INDS. JAGADHARI TIN 06211612125 A.Y. 2004-05:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 10.06.2009 and the remand case has been decided by Assessing Authority vide order dated 31.01.2014. No additional demand has been created. The delay in disposal of the remand case is due to non-compliance by the dealer.

**187. APPOLLO (INDIA) PLYWOOD INDUSTRIES JAGADHARI TIN
06061613808 A.Y. 2004-05:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 09.06.2009 and the delay in disposal of remand case was due to the reason that the dealer failed to submit the required documents in time and requested for adjournments. Now the case has been decided by the Assessing Authority vide order dated 22.12.2010. No additional demand has been created. Hence para may be dropped.

188. ARUN GASES JAGADHARI TIN 06201609948 A.Y. 2003-04:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 29.05.2009 and the delay in disposal of remand case was due to the reason that the dealer failed to submit the required documents in time and requested for adjournments. Now the case has been decided. No additional demand has been created. Hence para may be dropped.

**189. RAGHUBIR SINGH & COMPANY, JAGADHARI TIN 06161608903
AY:2003-04:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 23.04.2009 and the delay in disposal of remand case was due to the reason that the dealer failed to submit the required documents in time and requested for adjournments. Now the case has been decided by Assessing Authority vide order dated 01.07.2013. No additional demand has been created. Hence para may be dropped.

**190. SHRI GOURI SHANKAR POOJA ENGG. JAGADHARI TIN
06381603350 A.Y. 2004-05:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 16.04.2009 and the delay in disposal of remand case was due to the reason that the dealer failed to submit the required documents in time and requested for adjournments. Now the case has been decided. No additional demand has been created. Hence para may be dropped.

**192. DAYAL SINGH KHAJAN SINGH JAGADHARI TIN 06741601406 A.Y.
2004-05:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 17.04.2009. The remand case has been decided by the Assessing Authority vide order dated 30.01.2014. The delay in disposal of remand case was due to the reason that the dealer failed to submit the required documents in time and requested for adjournments. Now the case has been decided. No additional demand has been created. Hence para may be dropped.

**193. DAYAL SINGH KHAJAN SINGH JAGADHARI TIN 06741601406 A.Y.
2003-04:**

In reply to audit observation it is informed that remand case has been decided by the Assessing Authority vide order dated 30.01.2014. The delay in disposal of remand case was due to the reason that the dealer failed to submit the required documents in time and requested for adjournments. Now the case has been decided. No additional demand has been created. Hence para may be dropped.

194. RAJINDERA TIMBER JAGADHARI TIN 21162 AY: 2006-07:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 22.10.2008. The firm was lying closed and none was available. However remand case has been decided. No additional demand has been created as a result of disposal of remand case.

**195. PADAM METAL ROLLING MILL JAGADHARI TIN. 06151601197 AY:
2003-04:**

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 02.09.2008. Demand pertains to non

submission of proof of exports sales i.e. H forms and bills of lading etc. to which, dealer has been repeatedly asked to produce documents but has failed to submit the above documents under CST Act. Now the case has been decided. No additional demand has been created. Hence para may be dropped.

196. SANTOSH METAL WORKS JAGADHARI TIN 16392 AY: 2003-04:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 15.07.2008 and the remand case has been decided by Assessing Authority vide order dated 26.02.2014. No additional demand has been created. The firm was lying closed and none was available. Hence para may be dropped.

197. SHIVA UDYOG, JAGADHRI TIN 4525 A.Y. 2004-05:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 15.12.2008. The firm was lying closed and none was available. However remand case has been decided. No additional demand has been created. as a result of disposal of remand case.

198. KHALSA METAL INDUSTRIES, JAGADHRI TIN 16563 A.Y. 2003-04:

In reply to audit observation it is submitted that the copy of order of the Appellate Authority was received in the office on 14.05.2008 and the delay in disposal of remand case was due to non cooperation of the dealer. Now the case has been decided vide order dated 28.01.2013. No additional demand has been created. Hence para may be dropped.

The Committee has desired the department to look as to what action can be taken against the officers for not taking timely action to finalize the pending cases and action taken report be submitted to the Committee within a period of three months.

[77] 2.2.8.6 Disposal of remand cases under Haryana Value Added Tax Act:

(ii) Cases finalized after two years under HVAT Act

During test check of remand cases in nine DETCs (ST) offices, we noticed between December 2012 and July 2013 that 83 cases pertaining to the period from 2003-04 to 2008-09 involving tax of Rs. 6.33 Crore were referred between July 2007 and January 2011. These were finalized between April 2009 and April 2013 with a delay ranging between 1 and 46 months as detailed in Table 2.7

Table 2.7

Reassessment finalized (Excluding initial two years)	No. of cases	Amount (Rs. In Crore)
After 1 months but up to 12 months	52	4.82
After 12 months but up to 24 months	16	0.79
After 24 months but up to 36 months	10	0.59
After 36 months but up to 48 months	5	0.13
Total	83	6.33

Thus, the above mentioned 83 cases were finalized after becoming time barred but no action was taken by the department against the defaulting officers/officials.

During Exit Conference (January 2014), the Principal Secretary has sought the views of all DETCs in this regard in writing.

The department in its written reply stated as under:

It is a admitted position that in consequence to or to give effect to any order made by any Court or any higher authority, the Assessing Authority can pass appropriate order within 2 years from the date of the receipt of the copy of such order of the higher authority as provided in section 18(1) of the Haryana Value Added Tax Act, 2003. The disposal of the remand cases delayed due to the cross-verification of the transactions involving third party. That the cases which has been decided late does not involve revenue implication as most of the cases has been decided either with NIL Demand or very meager demand which has been recovered. However, the para-wise reply is as under: -

1. M/s Hamdard Wakaf Laboratories, GGN (W) TIN 06961924360, AY: 2004-05:

The case was Remanded on 01.01.2009 and decided on dated 08.03.2011 with nil demand.

2. M/s Remac Engineers & Consultants. GGN (W) TIN / RC.No. 06241926631, AY: 2005-06:

The case was Remanded on 01.01.2009 and decided on dated 20.05.2013 with nil demand.

3. M/s Orient Clothing Company PVT Ltd. GGN (W) TIN / RC.No. 1920273, A.Y. 2005-06:

The case was decided with nil demand vide order dated 25.04.2013/10A/2005-06.

4. M/s Yadav Marble House. GGN (W) TIN / RC.No. 06391917382, A.Y.2005-06:

The case was decided vide order dated 96-A/01.07.2013/2005-06 with nil demand.

5. M/s Kansal Industries. GGN (W) TIN / RC.No. 06971927636, A.Y. 2005-06:

The case was decided vide order dated 56-B/03.06.2013/2005-06 with nil demand

6. M/s Indo Chem Oil Co. GGN (W) TIN / RC.No. 06961925556, A.Y. 2005-06:

The case was originally decided vide order dated 27.03.2009 with an additional demand of Rs. 47672/- under HVAT Act 2003. The said case remanded on 03.06.2013 and additional demand of Rs. 47672/- deposit by the dealer 23.06.2009.

7. **M/s Rolly Foundry & Engineering Works. GGN (W) TIN / RC.No. 06041911512, A.Y. 2004-05:**

The case was decided vide order dated 96-C/01.07.2013/2004-05 with additional demand of Rs. 52355/- and the same was recovered.

8. **M/s Maa Santoshi Casting CO. GGN (W) TIN / RC.No. 06651925872, A.Y. 2004-05:**

The case was decided vide order dated 87-A/24.06.2013/2004-05 with nil demand

9. **M/s Sagar Tyre House. GGN (W) TIN / RC.No. 06721921226, A.Y. 2004-05:**

The case was decided vide order dated 96-B/01.07.2013/2004-05 with nil demand

10. **M/s SMK Associates. GGN (W) TIN / RC.No. 1923898, A.Y. 2004-05:**

11. **M/s Pardeep Chemicals GGN (W) TIN/RC.No. 1910224, A.Y. 2004-05:**

12. **M/s Arvind Chemical. GGN (W) TIN / RC.No. 06591913877, A.Y. 2003-04:**

13. **M/s Nippy Packaging India. GGN (W) TIN / RC.No. 06081914303, A.Y. 2004-05:**

14. **M/s Rajiv Motors. GGN (W) TIN / RC.No. 06201922191, A.Y. 2004-05:**

15. **M/s Cosmos Igenite Innovations (P) Ltd. GGN (W) TIN / RC.No. 06811927627 A.Y. 2005-06:**

16. **M/s Indure PVT Ltd. GGN (W) TIN/RC.No. 06901920534, A.Y.2004-05:**

17. **M/s Subhav Creations. GGN (W) TIN / RC.No. 06411927284, A.Y. 2006-07:**

18. **M/s Rajesh Oil Corporation. GGN (W) TIN / RC.No. 06771909316, A.Y 2004-05:**

19. **M/s Adlakha Trading Co. GGN (W) TIN / RC.No. 06261918375, A.Y. 2005-06:**

20. **M/s Aar Pee Industries. GGN (W) TIN/RC.No. 19151500,A.Y. 2004-05:**

(Reply from Sr. No. 10 to 20)

In this case, it is intimated that the audit objection raised in 11 cases pertaining to this district, it is submitted that the proceedings in all the cases had been initiated as soon as the of remand cases were received by the respective Assessing Authorities. However, the process of verification of facts in the cases from the accounts books of the dealers concerned had resulted into delay in finalization of

the remand cases beyond limitation period stipulated in the Act the verification process got delayed on account of non co-operation of the dealer in such cases. It is intimated that though all the remand cases stands disposed off and have no bearing on the state revenue.

Hence para may please be dropped.

21. M/s New haryana Trader, Bhiwani TIN / RC.No. 06571104326, A.Y 2004-05:

The dealer had filed an appeal before Hayrana Tax Tribunal Chandigarh and the case was remanded on 12.10.2010 with the direction to assess the case after verification. The dealer submitted VAT C-4, VAT D-3 (Outward) Copies of purchase bills etc. The assessment was framed on 25.04.2013 and no demand was created.

22. M/s Pawan Trading Co., Bhiwani TIN / RC.No. 06351107939, A.Y. 2003-04.

That in the instant case the Assessing Authority created the demand on account of disallowing input tax credit. The case was remanded by The JETC (Range) Rohtak on 27.12.2007. The dealer made necessary compliance. The assessment was framed on 25.04.2013 and no demand was created.

23. M/s Kewal Rice Mills. Jakhal, Fatehabad. TIN / RC.No. 06191402422, A.Y. 2005-06:

In this case, it is intimated that the case stand decided vide demand No. 965-D and additional demand of Rs. 10996/- under VAT Act 2003 and Rs. 6760/- under CST Act, 1956 was created which stands recovered.

24. M/s Basic India Ltd. Jakhal Fatehabad TIN / RC.No. 06171404664, A.Y 2006-07:

In this case, it is intimated that the case stand decided vide demand No. 965-C without any demand.

25. M/s M. S. Enterprises. Tohana, Fatehabad TIN / RC.No. 06071404672, A.Y. 2005-06:

In this case, it is intimated that the case stand decided on 05.09.2011 without any demand.

26. M/s Basic India Ltd. Jakhal, Fatehabad TIN / RC.No. 06171404664, A.Y. 2004-05:

In this case, it is intimated that the case stand decided vide demand no. 965-A without any demand.

27. M/s R. K. Rice Mills. Tohana, Fatehabad TIN / RC.No. 06711402427, A.Y. 2005-06:

In this case, it is intimated that the case stand decided vide demand no. 121-A and additional demand of Rs. 49710 under VAT Act, 2003. Demand have to be recovered.

- 28. M/s Dalip Chand Rice Mill. Jakhal, Fatehabad TIN / RC.No. 06861402587, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 1B without any demand.

- 29. M/s Singla Rice Mills. Jakhal, Fatehabad TIN / RC.No. 06061401085, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 4E without any demand.

- 30. M/s Sajjan Kumar & Co. Tohana, Fatehabad TIN / RC.No. 06101403684, A.Y. 2004-05:**

In this case, it is intimated that the case stand decided without any demand.

- 31. M/s Guru Har Rai Rice Mills. Fatehabad TIN / RC.No. 06971404127, A.Y. 2004-05.**

In this case, it is intimated that the case stand decided vide demand no. 385-D without any demand.

- 32. M/s United Rice Mill. Tohana, Fatehabad TIN / RC.No. 06361402377, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 126-G without any demand.

- 33. M/s Pawan Sut Rice Mill. Tohana, Fatehabad TIN / RC.No. 06531404607, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 121-1 and additional demand of Rs. 3539 under VAT Act, 2003 which stands recovered.

- 34. M/s Mahabir Rice Mill. Tohana, Fatehabad TIN / RC.No. 06821403967, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 121-B without any demand.

- 35. M/s Churia Mal & Sons. Tohana, Fatehabad TIN/RC.No. 06941402446, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 121-D and additional demand of Rs. 1016 under VAT Act, 2003 which stand recovered.

- 36. M/s Sanjay Rice Mills. Tohana, Fatehabad TIN/RC.No. 06111400817, A.Y. 2005-06:**

In this case, it is intimated that the case stand decided vide demand no. 121-H without any demand.

- 37. M/s Rakesh Rice Mills. Jakhal, Fatehabad 06821402221, A.Y. 2004-05:**

In this case, it is intimated that the case stand decided vide demand no. 4-F and additional demand of Rs. 30626 under VAT Act, 2003 which stands recovered.

38. M/s Jagdamba Rice Mills. Fatehabad TIN / RC.No. 06491404197, A.Y. 2004-05:

In this case, it is intimated that the case stand decided vide demand no. 385-B without any demand.

39. M/s Hans Rice Mills. Jakhal, Fatehabad TIN / RC.No. 06721404119, A.Y. 2004-05:

In this case, it is intimated that the case stand decided vide demand no. 1-D and additional demand of Rs. 1534/- under VAT Act, 2003 which stands recovered.

40. M/s K. K. Rice Mills. Tohana, Fatehabad TIN / RC.No. 06851401962, A.Y. 2004-05:

In this case, it is intimated that the case stand decided vide demand no. 121-F without any demand.

41. M/s Chaudhary Rice Mill. Tohana, Fatehabad TIN / RC.No. 06071400645, A.Y. 2005-06.

In this case, it is intimated that the case stand decided vide demand no. 1084-B without any demand.

42. M/s Bhupinder Singh Contractor. Jakhal, Fatehabad TIN / RC.No. 06421403876, A.Y. 2003-04.

In this case, it is intimated that the case stand decided vide demand no. 4-D with additional demand of Rs. 2698/- under VAT Act, 2003 which stands recovered.

43. M/s Shree Balaji Machinery Store. Fatehabad TIN / RC.No. 06281403294, A.Y. 2006-07.

In this case, it is intimated that the case stand decided vide demand no. 1-F with additional demand of Rs. 15127/- under VAT Act, 2003 which stands recovered.

44. M/s Press Cast Industries. FBD TIN/RC.No. 06551301441, A.Y. 2003-04:

In this case, it is intimated that the assessment file was not traceable after having sent to appeals for about one and half year. After audit it was mixed into disposed off files and stored in basement as no space is available in the ward. After many efforts it was traced from the heaps of disposed off files and only then remand notice was issued for 22.01.2010 for the first time and was decided within four months i.e. on 14.05.2010. There is no arrears due in this remand proceeding. State Revenue did not affect by this delay if any. The timely assessment proceedings was beyond the control of the then Assessing Authority. In view of this para may kindly be dropped.

45. M/s Allied Metal Processors. FBD TIN/RC.No. 1324063, A.Y. 2005-06:

It is intimated that in this case, Jt. Excise & Taxation Commissioner (A) vide orders dated 14.07.2009 passed in Faridabad 573/VAT remanded the case for fresh assessment. But copy of orders was not received in the office and a photo copy was procured from O/o Jt. Excise & Taxation Commissioner (A). On 27.07.2011 on account of information provided by the dealer. In this case assessment file was not traceable and had to be reconstructed for remand proceedings. The case was fixed first time for 08.08.2011 and finalized

on 30.03.2012. it is therefore, apparent on record that it was decided within 9 months as against 24 months provided under section 18 (1) (i) which reads "within a period of two years of receipt of copy of order by the Assessing Authority."

It is therefore, incorrect that there is delay in disposal of the remand case. Moreover there are no amount recoveries as a result of remand orders. It is therefore also did not affect State Revenue at all. Para may therefore kindly be dropped.

46. M/s Nutech Jetting Ltd. Fatehabad. TIN/RC.No. 06821308422, A.Y. 2003-04:

It is submitted that the case was remanded by the Haryana Tax Tribunal, Chandigarh vide order dated 30.11.2009 and the remand order was received in the month December, 2009 by this office. The disposal of remand case remained in process and finally decided on 12.09.2012 creating an additional demand of Rs. 1,22,054/- under VAT Act. The demand created as noted above has been recovered on 25.10.2012 vide DD no. 556962 dated 23.10.2012 of State Bank of Hyderabad. Hence para may kindly be dropped.

47. M/s Nutech Jetting Ltd. Fatehabad. TIN/RC.No. 06821308422, A.Y. 2005-06:

In this case, it is intimated that the case was remanded by the JETC (A), Faridabad vide order dated 03.08.2009 and the remand order was received on 27.10.2009 in the office. The disposal of remand case remained in process and finally decided on 12.09.2012 creating an additional demand of Rs. 3296/- under VAT Act and Rs. 291479/- under CST Act. The demand of Rs. 3296/- under VAT Act has been recovered vide DD no. 557347 dated 29.12.2012 of State Bank of Hyderabad on 01.01.2013 and Rs. 291479/- of State Bank of Hyderabad has also been recovered on 01.01.2013. Hence para may kindly be dropped.

48. M/s Haryana Wheel Tyres (P) Ltd. TIN / RC.No. 06911311137, A.Y. 2004-05:

In this case, it is intimated that the case was remanded by JETC (A), Faridabad vide order dated 27.10.2008 and the remand order was received on 01.12.2008 by this office. The disposal of remand case remained in process and finally decided on 16.03.2012 creating an additional demand NIL. Hence para may kindly be dropped.

49. M/s Vinayak Electroplated. FBD TIN / RC.No. 302811, A.Y. 2003-04:

In this case, it is intimated that the case was remanded by JETC (A), Faridabad vide order dt. 24.12.2007 and the remand order was received on 09.06.2008 by this office. The disposal of remand case remained in process and finally decided on 30.01.2012 by creating an additional demand of Rs. NIL under VAT Act and Rs. 102974/- under CST Act. The demand of Rs. 50000/- vide DD No. 003610/16.09.2013, IDBI Bank has been recovered on 17.09.2013 and Rs. 52,974/- vide DD no. 004144 dt. 20.11.2013 of IDBI Bank has been recovered on dated 20.11.2013.

Hence, para may kindly be dropped.

50. M/s Satya Beverages (P) Ltd. HSR TIN / RC.No. 06021528276, A.Y. 2004-05:

Remanded vide order no. HIS/21/VAT/2008-09/Dt. 14.08.2008. Remand case decided vide demand no. 329-A/18.10.10 creating additional demand of Rs. 324963/-. The said demand was recovered on 18.1.2011.

51. M/s Neeraj Textiles (P) Ltd. HSR TIN / RC.No. 06191531529, A.Y. 2005-06:

Case remanded vide order HIS-120/VAT/2009-10 dated 10.12.2009. As per audit para amount involved 12125/- but as per remand order no. 51/2005-06 dated 05.6.2012 excess C/F is allowed to the dealer firm worth Rs.11548/-.

52. M/s Rajan Cotton Corporation HSR TIN/RC.No. 06521535179, A.Y. 2006-07:

Case remanded vide order HIS-19/VAT/10-11 dated 01.07.2010. Remand case decided vide order 788-A/2006-07 dated 28.02.13

53. M/s Sidhant Cotton Co. HSR TIN/RC.No. 06451515284, A.Y. 2003-04:

The case decided No, 345A dated 17.08.2012. The said additional demand is nil.

54. M/s Harsh Wood Manufacturing Co. YNR TIN / RC.No 06921614111, A.Y. 2003-04:

In reply to the audit memo. A.M.No. R.S./Review on remand & Revision cases/ 2012-13/14 Dated 11.12.2012, it is submitted that the Joint Excise & Taxation Commissioner (Appeals), Ambala remanded the case partly vide order dated 05.11.2008. The remand order was received in the office on 07.07.2009. Being aggrieved, the dealer preferred appeal before the Hon'ble Haryana Tax Tribunal (STA No. 786 of 2008-09). Hon'ble Haryana Tax Tribunal rejected the appeal of the dealer. Since the case was pending before the Hon'ble Haryana Tax Tribunal, hence the proceedings could not be taken up till the final decision by the Hon'ble Haryana Tax Tribunal. Now the case has been decided by the Assessing Authority vide order dated 22.09.2011. No additional demand has been created. In view of the above facts and circumstances, the audit objection deserves to be dropped.

55. M/s Kalkin Entt. YNR TIN / RC.No. 06651613044, A.Y. 2003-04:

In reply to audit observation it is submitted that the original assessment of the dealer was framed on exparte basis as the firm is lying closed. The case was remanded by the Appellate Authority and the order was received in the office on 29.12.2008. The remand case was decided by Assessing Authority vide order dated 25.02.2011. No additional demand has been created. Delay in finalization is due to non availability of the dealer.

56. M/s Parwati Timber. YNR TIN / RC.No 12941, A.Y. 2003-04:

In reply to audit observation it is submitted that the case was remanded by the Appellate Authority and the order was received in the office on 23.04.2009. The delay in finalization of the remand case was due to the

fact that the firm was lying closed and the notice couldn't be served. The dealer was somehow located and case was decided by Assessing Authority vide order dated 29.07.2011. No additional demand has been created and additional demand of Rs. 70190/- has been created and recovery proceeding have been initiated Hence para may be dropped.

57. M/s Gupta Metal Industries, YNR TIN/RC.No.06851601103, AY:2004-05:

In reply to audit observation it is informed that the case was remanded by the Appellate Authority and the order was received in the office on 19.08.2010. The case of the dealer has been decided vide order dated 30.08.2012 after following due procedure. No additional demand has been created while disposing of the remand. Hence para may be dropped.

58. M/s Chanan Lal Timber Merchant. YNR TIN / RC.No 06711605254, A.Y. 2003-04:

In reply to the audit observation on remand & Revision cases/2012-13/14 Dated 11.12.2012, it is submitted that the order of Appellate Authority was received in the office on 17.06.2008. In this case proceedings were initiated well in time and the dealer sought adjournments repeatedly as the dealer had to collect the declarations for submission in the office. The case was finalized after considering the documents produced by the dealer vide order dated 09.01.2012. No additional demand has been created.

59. M/s Arun Furniture Palace. YNR TIN / RC.No 9202, A.Y. 2003-04:

In reply to audit observation it is submitted that the order of Appellate authority was received in the office on 23.04.2008. Original assessment of the dealers as framed on ex parte basis. The delay in finalization of the case is due to non co-operation of the dealer. However case was finalized on 11.08.2010. No additional demand has been created,

60. M/s R. Sons. YNR TIN / RC.No 06531610979, A.Y. 2003-04:

In reply to audit observation it is submitted that order of Appellate Authority was received in the office on 30.10.2008. Demand pertains to disallowance of ITC on account of bogus purchases. The dealer stated that similar matter was pending before the Hon'ble High Court of Punjab of Haryana. So dealer was waiting for the decision of Hon'ble high Court. Now the case has been disposed off by the Assessing Authority vide order dated 03.01.2011. No additional demand has been created.

61. M/s Shiva Chem. YNR TIN / RC.No 06451613739, A.Y. 2003-04:

In reply to audit observation it is informed that the case was remanded by the Jt. ETC (A) on 25.02.2009. The dealer was required to submit VAT D-1 declaration in support of his claims. So the dealer sought adjournments. The case was decided by the Assessing Authority vide order dated 25.07.2011 after considering the documents produced by the dealer. No additional demand has been created. Hence the para may be dropped.

62. M/s Shiva Chem. YNR TIN / RC.No 06451613739, A.Y. 2004-05:

In reply to audit observation it is informed that the case was remanded by the Jt. ETC (A) on 25.02.2009. The dealer was required to submit VAT D-1 declaration in support of his claims. So the dealer sought adjournments. The case was decided by the Assessing Authority vide order dated 25.07.2011 after considering the documents produced by the dealer. No additional demand has been created. Hence the para may be dropped.

63. M/s Lakshmi Dhatu Udyoug, Jagadhari. TIN / RC.No 06911605532, A.Y. 2003-04:

Case of the dealer was remanded by Jt.ETC(A). Copy received in the office on 21.01.2010. The remand case was decided by the Assessing Authority vide order dated 29.08.2012. The delay in disposal of remand case was due to the reason that the dealer requested for adjournment time and again to submit the relevant documents. The case was finally decided by the Assessing Authority after considering the documents and reply submitted by the dealer. No additional demand has been created.

64. M/s Krishna Trader. YNR TIN / RC.No 06431607833, A.Y. 2004-05:

In reply to the audit observation it is informed that the Appeal of the dealer was accepted by the Haryana Tax Tribunal Chandigarh and remanded back to the Assessing Authority on 07.01.2010 and the remand case was decided on 08.08.12 after submission of the documents and reply by the dealer. No additional demand has been created. The delay is due to the fact that the dealer was required to submit VAT D-1 declaration in support of his claims. So the dealer sought adjournments.

65. M/s Bharat Metal Store. YNR TIN / RC.No 06871600801, A.Y. 2004-05:

In reply to the audit observation it is informed that Jt. ETC (A) remanded back the case to the Assessing Authority. Copy of order received on 17.12.2008 and the remand case was decided on 26.04.2012. No additional demand has been created. The delay is due to the fact that the dealer was required to submit VAT D-1 declaration in support of his claims. So the dealer sought adjournments.

66. M/s Apex Plyboard. YNR TIN / RC.No 06461612133, A.Y. 2004-05:

In reply to the audit observation on remand & Revision cases/2012-13/14 Dated 11.12.2012, it is submitted that copy of order of Appellate Authority was received on 17.03.2009. In this case proceedings were initiated well in time and the dealer sought adjournments repeatedly. The case was decided by the Assessing Authority after considering the documents produced by the dealer vide order dated 09.01.2012. No additional demand has been created. In view of the above facts and circumstances, the audit objection deserves to be dropped.

67. M/s Partishtha Enterprises YNR TIN / RC No.06901608496, AY:2004-05:

This case was remanded back by JETC (A) vide its order dated 15.11.2008 and the copy was received on 02.12.2008, but the dealer filed appeal before HTT and Hon'ble HTT remanded this case back to Assessing Authority vide its order

dated 27.01.2011 (in STA no. 258 of 2008-09) in view of Gheru Mal Bal Chand V/s State of Haryana in CWP no. 6573 of 2007 and others. The case was decided by the Assessing Authority vide order dated 14.01.2013. No additional demand has been created. The delay in disposal of remand case is due to the reason that the dealer requested for adjournment time and again to see the outcome of CWP no. 6573 of 2007 in case of Gherumal Balchand vs State of Haryana.

68. M/s Sangam Plywood Industries. YNR TIN/ RC.No 06481614353, A.Y 2004-05:

In reply to audit observation it is submitted that the copy of order of Appellate Authority was received in the office on 04.08.2009. The case of the dealer has been decided by the Assessing Authority vide order dated 11.06.2012 after following due procedure. No additional demand has been created while disposing of the remand. Hence para may be dropped.

69. M/s Sachdeva Metal Industries. YNR TIN/ RC.No 06601601580, A.Y 2004-05 and 2005-06:

In reply to audit observation it is informed that the Jt. ETC (A), Ambala remanded back the case to the Assessing Authority on 14.01.2009 and copy of order received in the office on 30.07.2009. The remand case was decided on 08.08.2012 after submission of the documents and reply by the dealer. No additional demand has been created. The delay in disposal of remand case is due to the reason that the dealer requested for adjournment time and again to see the outcome of CWP no. 6573 of 2007 in case of Gherumal Balchand vs State of Haryana.

70. M/s Shiv Shakti Cane Crusher. YNR TIN/ RC.No 11594, A.Y 2003-04:

In reply to audit observation it is intimated that the copy of order of the Appellate Authority was received in the office on 10.09.2007. The delay in disposal of the remand case was due to closure of the firm as the notice couldn't be served upon the dealer. The case was finally decided by the Assessing Authority vide order dated 21.12.2010. No additional demand has been created.

71. M/s Krishan Lal Yogesh Kumar. YNR TIN/ RC.No 06341610162, A.Y 2004-05.:

In reply to audit observation it is informed that Jt. ETC (A), Ambala remanded back the case to the Assessing Authority on 30.07.2008 and the copy of order was received on 05.12.2008. The remand case was decided on 06.06.2012 by the Assessing Authority after submission of the documents by the dealer. No additional demand has been created.

72. M/s Markanda Stone Crusher. YNR TIN/ RC.No 06921610328, A.Y 2003-04:

In reply to audit observation it is informed that Jt. ETC (A), Ambala remanded back the case to the Assessing Authority and the copy of the order was received on 15.12.2008. The remand case was decided vide order of the Assessing

Authority dated 27.07.2012 on submission of the documents by the dealer. No additional demand has been created. The delay in disposal in remand case due to the reason the firm was lying closed.

73. M/s Pragti Ecoboard, Yamuna Nagar, TIN / RC.No 06731611063, A.Y 2003-04:

In reply to audit observation it is informed that Jt. ETC(A), Ambala remanded back the case to the Assessing Authority on 25.09.2007 and the copy of the order was received on 21.11.2007 and the remand case was decided on 09.09.2011 after submission of the documents and reply by the dealer which resulted in delay in disposal of the case. No additional demand has been created.

74. M/s Neha Packaging, Rewari, TIN/RC.No. 06352705626, AY:2005-06:

In response to the audit reply, it is submitted that the case was remanded by Jt. Excise & Taxation Commissioner (Appeals), Faridabad vide order dated 10.07.2009 and the same has been decided vide order No. 339-A/2005-06 on 31.10.2012 by creating an additional demand of Rs.1166/- under the CST Act and the same has been recovered vide G-4 No. 25/9447 dated 8.7.2013. Hence the para may be dropped.

75. M/s Aggarwal Chemical. RWR TIN / RC.No. 4464, A.Y 2004-05.

The remand case of M/s Aggarwal Chemicals Ltd. Rewari for the year 2004-05 was decided by the then Assessing Authority on 21.05.2012 creating an additional demand of Rs. 1450088/- under Haryana Value Added Tax Act, 2003 and Rs. 1941328/- under the Central Sales Tax Act, 1956 on 21.05.2013. Aggrieved by this order the dealer again preferred an appeal before Jt. Excise & Taxation Commissioner (Appeal) Faridabad and the appellate authority remanded the case back to the Assessing Authority vide order dated 06.09.2013. This remand case was decided by the Assessing Authority vide order No. 328-D/2004-05 dated 29.09.2015 and additional demand created was nil. Hence the para may kindly be dropped

76. M/s Banwari Lal & Sons. Sampla. Rohtak TIN / RC.No. 06132821759, A.Y 2005-06:

The Audit para is not admitted. The case was decided within the limitation period as prescribed under Section 18(1) of HVAT Act, 2003. It is evident from the Assessment record of 2005-06. Hon'ble Tax Tribunal remanded the case order dated 11.06.2010 and the same was received on 08.10.2010 and the assessing authority as per direction initiated proceedings in the case and remand case was decided by assessing authority vide order No.244A/2005-06 dated 13.09.2012.. The case was decided well within the stipulated time as prescribed under the HVAT Act.

The Audit party erroneously took the date of receipt of the order of Haryana Tax Tribunal order received by the Advocate of the dealer i.e 15.07.2010 and not the date of the receipt of the order by the department. No any additional demand created in this case. Secondly, in this case no loss of revenue occurred to the State. Thus, the para may be dropped.

77. M/s Sh. Shubham rice Mill, Ratia, Fatehabad. 6341404134, A.Y. 2004-05:

In this case it is intimated that the case stand decided vide demand no. 385-A without any demand. Hence the para may please be dropped.

78. M/s Shiv Shakti Rice Mill, Ratia, Fatehabad. 6741402653, AY:2004-05:

In this case it is intimated that the case stand decided vide demand no. 385-E without any demand. Hence the para may please be dropped.

79. Dyna Tools. Faridabad (W) TIN/RC.No. 06671314567 A.Y. 2005-06:

It is submitted that the case was remanded by the JETC (A), Faridabad vide order dt.03.08.2009. The disposal of remand case remained in process and finally decided on 30.01.2012 creating additional demand under VAT of Rs. 8548/- and under CST Act of Rs. 22816/-. Further no loss of revenue is there, so the para may kindly be dropped.

80. Good Will Engineering, Faridabad(W) TIN/RC.No.06951302773 AY:2004-05:

In this case it is intimated that the case stand decided without any demand. Hence the para may please be dropped.

81. Modern Machine Tools, Frd.(W) TIN/RC.No.06091301112 AY:2005-06:

It is submitted that the case was remanded by the Jt. ETC (A) Faridabad vide order dt. 25.08.2009 and the remand order was received on 27.10.2009 by the office. The disposal of remand case remained in process and finally decided on 31.08.2012 creation an additional demand of Rs. 35, 841/- under VAT and Rs. 63,511/- under the CST Act. The firm is lying closed. Notice issued to dealer as well as sureties and efforts are being made to recover the amount.

82. Vinayak Electroplated. FBD TIN / RC.No. 302811 A.Y. 2003-04:

In this case, it is intimated that the case was remanded by JETC (A), Faridabad vide order dt. 24.12.2007 and the remand order was received on 09.06.2008 by this office. The disposal of remand case remained in process and finally decided on 30.01.2012 by creating an additional demand of Rs. NIL under VAT Act and Rs. 102974/- under CST Act. The demand of Rs. 50000/- vide DD No. 003610/16.09.2013, IDBI Bank has been recovered on 17.09.2013 and Rs. 52,974/- vide DD no. 004144 dt. 20.11.2013 of IDBI Bank has been recovered on dated 20.11.2013.

Hence, para may kindly be dropped.

83. M/s.Jai Kissan Masala Co. Karnal, R.C.11536 A.Y. 2005-2006:

Originally the case was decided on 13.03.2009. The case was taken in Suo-moto by the Jt. ETC (R) Cum-Revising Authority, Ambala and created an additional demand of Rs.95526/- on account of non furnishing of F forms vide orders dated 21.07.2009 and time is allowed to produced F forms upto 30.09.09 before the

Assessing Authority. The dealer has produced F forms on 19.4.10. This Application of the dealer was rejected on 16.3.11. The dealer went in appeal against this order dated 16.3.11 and the Appellate Authority remand case to the Assessing Authority with the directions to entertain the F forms vide orders dated 20.9.11. The order received in this office on 4.1.12. The remand case decided on 12.1.12 created an additional demand of Rs.4752/- under the CST Act which has been recovered on 28.8.12. As now no demand is pending and case was finalized with in limitation of period. Hence Para may be dropped.

The Committee has desired the department to look as to what action can be taken against the officers for not taking timely action to finalize the pending cases under the Haryana Value Added Tax Act and action taken report be submitted to the Committee within a period of three months.

[78] **2.2.8.7 Non compliance of directions of the Appellate Authority:**

(i) Non finalizing the reassessments:

JETC (A), while remanding the cases to the concerned AAs, directed to reassess the cases in a particular time frame between one to three months.

During test check of remand cases in four DETCs (ST) offices we noticed between December 2012 and July 2013 that 76 cases pertaining to the period from 1998-99 to 2007-08 involving tax of Rs. 19.86 Crore, referred between July 2007 and March 2012, were still pending. Delay was ranging between eight to 104 months, as detailed in Table 2.8

Table 2.8

Reassessments pending	No. of cases	Amount (Rs. In Crore)
After 1 months but up to 12 months	3	0.33
After 12 months but up to 24 months	3	0.16
After 24 months but up to 36 months	15	3.04
After 36 months but up to 48 months	20	14.23
After 48 months but up to 60 months	29	1.94
After 60 months but up to 120 months	6	0.17
Total	76	19.86

In the meantime, 23 dealers (28 cases) involving tax of Rs. 12.26 crore had closed their business and the proprietors of the firms were not traceable. Thus the possibility of recovery in these cases was remote.

During Exit Conference (January 2014), ETC stated that directions will be issued to dispose of these cases without any further delay.

The department in its written reply stated as under:

It is worthwhile to mention here that Appellate Authority directed the Assessing Authority to frame the assessment within time limit as mentioned by him in his remand order. Whereas there is provision under the HVAT Act, 2003 u/s 18 where time limitation in remand cases is prescribed for two years. Hence, 64 cases are not covered by this audit para. Hence, para in these cases needs to be dropped as per law. It is briefly stated that in nine cases (Jagadhari 1, Bhiwani 5, Gurgaon (W) 1, Sirsa 1) are late by 24 to 36 months. Moreover, 5 cases from Bhiwani, 1 case each from Sirsa and Gurgaon (W) stand disposed off late by 36 to 48 months.

In reply to audit para, it is submitted that any order passed by the Appellate Authority can be decided within two years of the receipt of copy of such order by the Assessing Authority as per provisions to Section 18(1) of HVAT Act, 2003. No direction of any authority can overrule the provisions of HVAT/CST Act. Firm wise/dealer wise reply is as under:-

District	No. of cases	Demand create	Recovered		Balance	
			Case	Amt	Case	Amt
Bhiwani	63	2866679	16	169910	47	2696769
Note: 9 cases not decided by the DETC (ST) Bhiwani till date						
Karnal	3	3296832				
	All the 3 cases have been disposed off creating additional demand of Rs. 32.96 Lakh. The dealers have preferred appeal before 1 st appellate authority and same have been rejected vide order dated 06.02.2015. Efforts are being made to recover the additional demand.					
Gurgaon (West)	4					
	All the case decided by the Assessing Authority within time. No additional demand is created in all four cases					
Sirsa	5	4801.00	4	4801.00	1	0.00
	76					
	All 5 cases stands decided. Additional demand created in 4 cases stands recovered. No additional demand in 1 case.					

1. Bhawani Copy House. Bhiwani. TIN. 06461107830. A.Y. 2007-08:

In this case it is intimated that the case was remanded by the appellate authority on 13.01.2012 and was decided 06.05.2013 creating nil demand .Hence the para may please be dropped.

2. Bhagarth Mal Pawan Kumar, Bhiwani. TIN.06261100956, AY:2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 28.01.2011 and was decided 25.07.2013 creating nil demand .Hence the para may please be dropped.

3. Amba Ji Traders. Bhiwani. TIN. 06091107403. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 13.01.2011 and was decided 26.04.2013 creating nil demand .Hence the para may please be dropped.

4. Gupta Bareel Supply Co., Bhiwani. TIN. 06591104800. AY:2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 13.08.2008 and was decided 05.08.2013 creating nil demand. Hence the para may please be dropped.

5. Delhi Iron Store. Bhiwani. TIN. 06501108486. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 26.11.2010 and was decided 27.05.2013 creating nil demand.

Hence the para may please be dropped.

6. K.K.Industries, Bhiwani. TIN. '06191108512. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 13.12.2010 and was decided 14.06.2013 Creating demand of Rs5591/-which is recovered.Hence the para may please be dropped.

7. Alampuria Machionery Stote, Behal, Bhiwani. TIN. 06891108224. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 28.02.2011 and was decided 26.05.2013 Creating nil demand.Hence the para may please be dropped.

8. Bhawani Attachi House. Bhiwani. TIN. 06311108446. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 16.03.2010 and was decided 14.11.2013 Creating nil demand.

Hence the para may please be dropped.

9. Jyoti Plastic. Bhiwani. TIN. 06541106719. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 24.09.2010 and was decided 10.11.2014 Creating demand of Rs30551/-which is recored .Hence the para may please be dropped.

10. Pinki Sanitary Store. Bhiwani. TIN. 06631105360. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 23.02.2010 and was decided 10.11.2014 Creating demand of Rs1103/-which is recored .Hence the para may please be dropped.

11. Rajindra Petro Station. Bhiwani. TIN. 06211108596. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 24.09.2010 and was decided 09.07.2013 creating nil demand .Hence the para may please be dropped.

12. Priti Enterprises. Bhiwani. TIN. 064411081--- A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 24.08.2010 and was decided 22.07.2015 creating nil demand. Hence the para may please be dropped.

13. Usha Enterprises, Bhiwani, TIN. '06211109130. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 16.04.2008 and was decided 01.07.2013 creating nil demand. Hence the para may please be dropped.

14. Baba Oxygen. Bhiwani. TIN. 06441107356. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 10.03.2010 and was decided 31.07.2013 Creating demand of Rs 507/-which is recored .Hence the para may please be dropped.

15. Technica India. Bhiwani. TIN. 06801107740. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 10.05.2010 and was decided 02.07.2013 Creating demand of Rs1981/-which is recored .Hence the para may please be dropped.

16. Tomar Steel. Bhiwani. TIN. 06431108186. A.Y. 2004-05 & 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 30.09.2009 and 26.03.2008 and was decided 07.10.2013 and 26.08.2013 creating demand of Rs1445/-which is recored .Hence the para may please be dropped.

17. Singla Udyog. Bhiwani. TIN. 06631105845. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 16.10.2009 and was decided 30.09.2013 Creating demand of Rs1945/-which is recored .Hence the para may please be dropped.

18. Chottey Lal & Sons. Bhiwani. TIN. 06821102685. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 18.09.2009 and was decided 30.08.2013 Creating demand of Rs 5000/-which is recored .Hence the para may please be dropped.

19. Chottey Lal & Sons. Bhiwani. TIN. 06461105793. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 18.09.2009 and was decided 30.08.2013 Creating demand of Rs15872/-which is recored .Hence the para may please be dropped.

20. Nanu Ram Ravi Dutt. Bhiwani. TIN. 06591100629. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 16.10.2009 and was decided 30.09.2013 creating nil demand .Hence the para may please be dropped.

21. Kisan Int Batta Co. Bhiwani. TIN. 06401106796. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 18.09.2009 and was decided 18.08.2015 Creating nil demand. Hence the para may please be dropped.

22. Himalya GUM Stone Crusher, Bhiwani. TIN.06171106486. AY:2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 31.08.2009 which is still lying pending as on date.

23. Raj Pal & Co. Bhiwani. TIN. 06211108307. A.Y. 2005-06

In this case it is intimated that the case was remanded by the appellate authority on 31.08.2009 which is still lying pending as on date.

24. Baba Mungipa Mimes & Mineral Co. Bhiwani. TIN. '06411107712. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 31.08.2009 which is still lying pending as on date.

25. Himalya GUM Stone Crusher. Kanak. Bhiwani. TIN. 06171106486. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 31.08.2009 which is still lying pending as on date.

26. Paras Ram Jaibhagwan. Bhiwani. TIN. 06261102120. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 31.08.2009 and was decided 30.08.2013 Creating demand of Rs 16960/-which is to be recored .Hence the para may please be dropped.

27. Brij Lal Laxmi Narian. Bhiwani. TIN. 3125. A.Y. 1999-2000:

In this case it is intimated that the case was remanded by the appellate authority on 23.06.2009 and was decided 09.10.2013 creating nil demand .Hence the para may please be dropped.

28. Raj Pal & Co. Bhiwani. TIN. 06211108307. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 15.06.2009 which is still lying pending as on date.

29. Baba Mungipa Mimes & Mineral Co. Bhiwani. TIN. 06411107712. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 15.06.2009 which is still lying pending as on date.

30. 7 A Paper Products. Bhiwani. TIN. 06351106387. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 20.03.2009 and was decided 15.09.2017 creating nil demand. Hence the para may please be dropped.

31. Ravi Electronics. Bhiwani. TIN. 06901107103. A.Y. 2008-09:

In this case it is intimated that the case was remanded by the appellate authority on 16.02.2009 and was decided 26.06.2013 Creating demand of Rs 2000/-which is to be recored. Hence the para may please be dropped.

32. Shiv Blue India PVT Ltd. Bhiwani. TIN. 06661106847. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 22.01.2009 which is still lying pending as on date.

33. Baganwala Stone Crusher. Bhiwani. TIN. 06261108328. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 23.10.2008 which is still lying pending as on date.

34. Panwar Steel. Bhiwani. TIN. 06801107643. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 08.12.2008 and was decided 14.06.2013 Creating demand of Rs 164519/-which is to be recored .Hence the para may please be dropped.

35. Rajbir Singh Contractor. Bhiwani. TIN. 06111108459. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 13.08.2008 and was decided 05.09.2017 Creating nil demand .Hence the para may please be dropped.

36. Panwar Steel. Bhiwani. TIN. 06801107643. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 08.12.2008 and was decided 14.06.2013 Creating demand of Rs 2118087/-which is to be recored.

Hence the para may please be dropped.

37. Akanksha Medical Agency. Bhiwani. TIN. 06701105758. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 08.09.2008 and was decided 26.07.2013 Creating demand of Rs 80944/-which is to be recovered.

Hence the para may please be dropped.

38. Suzitech (India). Bhiwani TIN. '0652107894. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 13.08.2008 and was decided 02.07.2013 creating nil demand .Hence the para may please be dropped.

39. Rajbir Ishwar & Co. Bhiwani. TIN. 061107629. A.Y. 2004-05:

n this case it is intimated that the case was remanded by the appellate authority on 13.08.2008 and was decided 05.09.2017 Creating nil demand. Hence the para may please be dropped.

40. Gupta Bareel Supply Co. Bhiwani. TIN. 06591104800. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 25.03.2008 and was decided 05.08.2013 creating nil demand. Hence the para may please be dropped

41. Surgitech Surgical. Bhiwani. TIN. 06031108212. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 18.03.2008 and was decided on 26.07.2013 Creating demand of Rs.104000/-which is to be recovered. Hence the para may please be dropped.

42. Ramesh Contractor. Bhiwani. TIN. '06611108184. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 28.03.2008 and was decided 30.06.2013 creating nil demand.

Hence the para may please be dropped.

43. Maa mansa Devi Enterprises, Bhiwani. TIN. 06901108364. AY: 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 23.07.2008 and was decided 14.06.2013 Creating demand of Rs 64988/-which is recored.

Hence the para may please be dropped.

44. Tapsman Polytex PVT Ltd. Bhiwani. TIN. 06451108563. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 23.07.2008 and was decided 19.08.2013 Creating demand of Rs 6424/-which is recored .Hence the para may please be dropped.

45. S.S.Enterprises. Bhiwani. TIN. 06811086---. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 03.07.2008 and was decided 21.08.2013 creating nil demand. Hence the para may please be dropped.

46. K.K.Industries. Bhiwani. TIN. 06191108312. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 07.07.2008 and was decided 09.09.2013 Creating demand of Rs 7450/-which is recored .Hence the para may please be dropped.

47. Shiv & Co. Bhiwani. TIN. 06811108679. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 28.03.2008 and was decided 02.07.2013 creating nil demand. Hence the para may please be dropped.

48. Upasna Stone Sursher. Bhiwani. TIN. 06491104467. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 24.08.2008 which is still lying pending as on date.

49. Shree Balaji Enterprises Bhiwani. TIN. 06841108397. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 04.07.2008 and was decided 16.10.2013 Creating demand of Rs 2000/-which is to be recored .Hence the para may please be dropped.

50. Shree Jee Surgical. Bhiwani. TIN. 06081107554. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 04.07.2008 and was decided 10.06.2013 Creating demand of Rs. 2000/-which is recored .Hence the para may please be dropped.

51. Jai Communication. Bhiwani. TIN. '06511108433. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 04.06.2008 and was decided 06.09.2013 creating nil demand. Hence the para may please be dropped.

52. Satyam Technology. Bhiwani. TIN. 06831108451. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 04.06.2008 and was decided 31.03.2017 creating nil demand. Hence the para may please be dropped.

53. Deepak Electronics. Bhiwani. TIN. 06251107412. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 24.04.2008 and was decided 01.07.2013 Creating nil demand. Hence the para may please be dropped.

54. Technical India. Bhiwani. TIN. 06801107740. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 17.07.2008 and was decided 30.07.2015 Creating demand of Rs 22983/-which is recored. Hence the para may please be dropped.

55. Electronic Point. Bhiwani. TIN. 06801108322. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 15.04.2008 and was decided 01.07.2013 creating nil demand.

Hence the para may please be dropped.

56. Shri Chawala Telecom. Bhiwani. TIN. 06821108408. A.Y. 2004-05

In this case it is intimated that the case was remanded by the appellate authority on 23.04.2008 and was decided 12.09.2017 Creating nil demand. Hence the para may please be dropped.

57. Megha Ice Corner. Bhiwani. TIN. 06071105571. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 26.06.2008 and was decided 19.08.2013 creating nil demand. Hence the para may please be dropped.

58. Royal Steel Tubes. Bhiwani. TIN. 06731108409. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 05.06.2008 and was decided 14.06.2013 Creating demand of Rs.166430/-which is to be recored. Hence the para may please be dropped.

59. Anil Communication. Bhiwani. TIN. '06461108509. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 23.04.2008 and was decided 01.07.2013 Creating demand of Rs.70/-which is recored. Hence the para may please be dropped.

60. Modern Chemical, Bhiwani. TIN. 06561106902. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 13.08.2008 and was decided 26.04.2013 creating nil demand .Hence the para may please be dropped.

61. Haryana Cotton Udyog. Bhiwani. TIN. 06921105346. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 31.08.2009 which is still lying pending as on date.

62. Shree Jee Surgical. Bhiwani. TIN. 06081107554. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 06.07.2007 and was decided 29.07.2013 Creating demand of Rs.35668/-which is to be recored .Hence the para may please be dropped.

63. Surgitech Surgical. Bhiwani. TIN. 06031108212. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 06.07.2007 and was decided 29.07.2013 Creating demand of Rs 8161/-which is to be recored. Hence the para may please be dropped.

64. Chirinji Lal & Sons. Bhiwani. TIN. 06401107475. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 04.07.2008 which is still lying pending as on date.

65. Tsar Lichen Appliances (P) Ltd. Gurgoan. RC.No. 16309191. A.Y. 2005-06:

In reply to the audit objection it is submitted that the proceedings in the present case were initiated well in time as directed by the Appellate Authority. The case was decided within the prescribed limitation period of two years as per section 18 of HVAT Act, 2003. This has caused no loss to Government Revenue. In the light of above facts the para may be please dropped.

66. Bhalla Chemical Works. Gurgoan. TIN. 06-1909697. A.Y. 2007-08:

In reply to the audit objection it is informed that the proceedings in the present case were initiated well in time as directed by the Appellate Authority .The case was decided with in the prescribed limitation period of two years as per section 18 of HVAT 2003. This has caused no loss to Government Revenue. In the light of above facts the para may please be dropped.

67. Aero Exports. Gurgoan. TIN. 06271924044. A.Y. 2005-06:

In reply to the audit objection it is submitted that the proceedings in the present case were initiated well in time as directed by the Appellate Authority. The case was decided within the prescribed limitation period of two years as per section 18 of HVAT Act, 2003. This has caused no loss to Government Revenue. In the light of above facts the para may be please dropped.

68. Birla Corporation Ltd. Gurgoan, TIN. 06941919650:

In reply to the audit objection it is submitted that the proceedings in the present case were initiated well in time as directed by the Appellate Authority. The case was decided within the prescribed limitation period of two years as per section 18 of HVAT Act, 2003. This has caused no loss to Government Revenue. In the light of above facts the para may be please dropped.

69. Sudhir Mills Store. Gurgoan. TIN.'06--1920594. A.Y. 2004-05:

In reply to the audit objection it is submitted that the proceedings in the present case were initiated well in time as directed by the Appellate Authority. However, the process of verification of facts in this case from account Books or other sources led to delay in finalization of the remand case in stipulated time. Further the case was decided within the prescribed limitation period of two years as per section 18 of HVAT Act, 2003. This has resulted in no loss to Government Revenue. In the light of above facts the para may be please dropped.

70. Raj Shree Rice Mills. Karnal. TIN. 06382232589. A.Y. 2007-08:

Original assessment of this firm was carried out ex-parte. Feeling aggrieved the firm went to an appeal before Jt. ETC (A), Ambala, which have remanded the case back on 19.03.2012. Although the firm was issued many notices to produce the VAT C-4 for claiming the Input tax credit, as directed by worthy Jt. ETC (A), Ambala but the dealer never submitted any VAT C-4/Tax invoices and finally the case decided on dated 18.02.2014 creating an additional demand of Rs. 1630919/-. Hence there is no delay in deciding the said remand case as it has been decided within two years of receipt of order. The dealer again preferred an appeal before the Jt. ETC (A), Ambala against this remand order and the same was rejected on 06.02.2015. The firm stands closed. The following firms were sureties for this firm:-

- 1 M/s Davinder Pal Tej Pal, 209, GT Road, Karnal; and
2. M/s Inder Singh Sulekh Singh, Novelty Road, Karnal.

The first surety is closed and notice has been issued to the second surety to recover the arrear. In the light of above para may be dropped.

71. Raj Shree Agro Industries. Karnal. TIN. 06722234245. A.Y. 2007-08:

Original assessment of this firm was carried out ex-parte. Feeling aggrieved the firm went to an appeal before Jt. ETC (A), Ambala, which have remanded the case back on 19.03.2012. Although the firm was issued many notices to produce the VAT C-4 for claiming the Input tax credit, as directed by worthy Jt. ETC (A), Ambala but the dealer never submitted any VAT C-4/Tax invoices and finally the case was decided on dated 18.02.2014 creating an additional demand of Rs. 643246/-. Hence there is no delay in deciding the said remand case as it has been decided within two years of receipt of order. The dealer again preferred an

appeal before the Jt. ETC (A), Ambala against this remand order and the same was rejected on 06.02.2015. The firm stands closed. The following firms were sureties for this firm:-

- 1 M/s Davinder Pal Tej Pal, 209, GT Road, Karnal; and
2. M/s Bhagwati Trading Co., 56, Nai Mandi, Karnal.

The first surety is closed and notice has been issued to the second surety to recover the arrear. Para may be dropped.

72. Garg Enterprises. Karnal. TIN. 06222226016. A.Y. 2007-08:

Original assessment of this firm was carried out ex-parte. Feeling aggrieved the firm went to an appeal before Jt. ETC (A), Ambala, which have remanded the case back on 19.03.2012. Although the firm was issued many notices to produce the VAT C-4 for claiming the Input tax credit, as directed by worthy Jt. ETC (A), Ambala but the dealer never submitted any VAT C-4/Tax invoices and finally the case was decided exparte on dated 18.02.2014 creating an additional demand of Rs. 1022667/-. Hence there is no delay in deciding the said remand case as it has been decided within two years of receipt of order. The dealer again preferred an appeal before the Jt. ETC (A), Ambala against this remand order and the same was rejected on 06.02.2015. The firm stands closed. The following firms were sureties for this firm:-

- 1 M/s Ganga Foods, Mkt. Committee, Karnal; and
2. M/s Manoj Sales Corp., Mkt. Committee, Karnal.

The first surety is closed and notice has been issued to the second surety to recover the arrear.

In the light of above para may be dropped.

73. Harbans Lal Subash Chander. Dabhwali, Sirsa, RC.3575. AY:1998-99:

In reply to audit objection, it is informed that the case was remanded back to the Assessing authority vide order dated 31.8.2009 and remand case was disposed off by the Assessing Authority vide order dated 28.10.13 wherein an additional demand of Rs. 1365/- was created and same stand deposited vide TR No. 74 dated 30.10.13.

74. Harbans Lal Subash Chander. Dabhwali, Sirsa. RC. 3575. A.Y. 1999-2000:

In reply to audit objection, it is informed that the case was remanded back to the Assessing authority vide order dated 31.8.2009 and remand case was disposed off by the Assessing Authority vide order dated 28.10.13 wherein an additional demand of Rs. 2071/- was created and same stand deposited vide TR No. 72 dated 30.10.13. Hence, para may kindly be settled.

75. Harbans Lal Subash Chander, Dabwali, Sirsa. RC 3535. AY:2000-2001:

In reply to audit objection, it is informed that the case was remanded back to the Assessing authority vide order dated 31.8.2009 and remand case was disposed off by the Assessing Authority vide order dated 28.10.13 wherein an additional demand of Rs. 1365/- was created and same stand deposited vide TR No. 74 dated 30.10.13.

Hence, para may kindly be settled..

76. Gill & Co PVT Ltd. Dadhwali, Sirsa. TIN. 06432901425. A.Y. 2003-04:

In reply to audit objection, it is informed that the order of the appellate authority was received on dated 9.1.2008 and remand case was decided on dated 01.10.2013 wherein dealer has been allowed and issued refund of Rs.81886/-.

Hence, para may kindly be settled.

77. Dwarka Dass Trading Co. Dabhwali, Sirsa. RC. 7968. A.Y. 1998-99:

In reply to audit para, it is informed that the statutory notice in form ST-25 was issued within time limit and was disposed off.

Hence para may kindly be settled.

The Committee has desired to know as to what steps have been taken and/or proposed to be taken by the department to make the recovery from the dealers/firms, who have closed their business and/or are not traceable. Dealer-wise detailed report be submitted to the Committee within a period of fifteen days.

[79] 2.2.8.7 Non compliance of directions of the Appellate Authority:

(ii) Delay in finalization of remand cases:

During test check of remand cases in ten DETCs (ST) offices we noticed between December 2012 and July 2013 that 78 cases pertaining to the period from 1999-2000 to 2007-08 involving tax of Rs. 3.54 Crore referred between one to 53 months, as detailed in Table 2.9

Table 2.9

Reassessments finalized	No. of cases	Amount (Rs. In Crore)
After 1 months but up to 12 months	31	1.29
After 12 months but up to 24 months	24	1.71
After 24 months but up to 36 months	9	0.23
After 36 months but up to 48 months	8	0.10
After 48 months but up to 60 months	6	0.21
Total	78	3.54

During Exit Conference (January 2014), ETC stated that directions will be issued to dispose of such cases without any further delay.

The department in its written reply stated as under:

In reply to audit para, it is submitted that any order passed by the Appellate Authority can be decided within two years of the receipt of copy of such order by the Assessing Authority as per provisions to Section 18(1) of HVAT Act, 2003. It is briefly stated that out of 78 cases 55 have been decided well within time. Further in 17 cases although there is delay in deciding the case but the demand stands fully recovered.

However firm wise/dealer wise reply is as unde:

1. Kamboj Furniture Works, Fatehabad, TIN 6151406809, A.Y. 2006-07:

In this case it is intimated that the case decided vide demand no. 115-A/2006 dated 09.06.2011 demand created as nil.

2. Sethi Paints and Electrical, Fatehabad TIN 6671400412, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 65 B/2005-2006 dated 26.05.2010 demand created as nil. The case is decided in time.

3. Sakti Parbha Rice mill, Ratia, Fatehabad TIN 6671404583, AY:2005-06:

In this case it is intimated that the case decided vide demand no. 29-A/2005-2006 dated 10.06.2010 demand created as nil and C/F allowed 5280/-. The case is decided in time.

4. Guru Har Krishan Rice Mill, Ratia, TIN 6631402277, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 18-A/2005-2006 dated 02.06.2010 demand created as nil and C/F allowed 6030/-. The case is decided in time.

5. Nanaksar Rice Mill, Ratia Fatehabad TIN 6831404786, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 25-A/2005-2006 dated 08.06.2010 demand created as nil and C/F allowed 7000/-. The case is decided in time.

6. Shri Mahaluxmi Rice Mill, Ratia Fatehabad TIN 6061404870, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 19-A/2005-2006 dated 03.06.2010 demand created as nil and C/F allowed 4858/-. The case is decided in time.

7. Haryana Rice & General Mills, Ratia TIN 6511404135, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 20-A/2005-2006 dated 04.06.2010 demand created as nil and C/F allowed 6533/-. The case is decided in time.

8. M/s Sh. Shubham rice Mill, Ratia, Fatehabad. 6341404134, A.Y. 2004-05:

In this case it is intimated that the case decided vide demand no. 16-A/2005-2006 dated 01.06.2010 demand created worth Rs 14593/- . The case is decided in time.

9. Bhana Ram Rice Mill, Ratia, Fatehabad TIN 6331404188, AY:2005-06:

In this case it is intimated that the case decided vide demand no. 27-A/2005-2006 dated 09.06.2010 demand created as nil and C/F is allowed worth Rs 6853/- . The case is decided in time.

10. Kisan Sewa Centre, Bhuna, Fatehabad TIN 6831401003, AY: 2005-06:

In this case it is intimated that the case decided vide demand no. 65-A/2005-2006 dated 21.05.2010 demand created Rs 29254/-and same is recovered. The case is decided in time.

11. Ram Rice Mill, Fatehabad TIN 6531402235, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 47-A/2005-2006 dated 28.06.2010 demand created as nil and C/F is allowed worth Rs 5726/-. The case is decided in time.

12. S.G.M. Auto Care, Fatehabad TIN No.6661406771, A.Y. 2006-07:

In this case it is intimated that the case decided vide demand no. 510-A/2006-2007 dated 20.10.2011 demand created as nil and C/F is allowed worth Rs 1666/-. The case is decided in time.

13. Ganesh Trading Co.,Tohana, Fatehabad TIN No.6961404472, AY: 2006-07:

The case is decided in time & demand created nil.

14. Kewal Rice Mill, Jakhal, Fatehabad TIN No.6181402422, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 965-D/2005-2006 dated 26.02.2013 demand created worth Rs 6760/-.

15. Ashoka Agriculture Store, Ratia Fatehabad TIN 6731401155, A.Y. 2003-04:

In this case it is intimated that the case decided vide demand no. 14/2003-2004 dated 27.05.2010 demand created worth Rs 20661/-. The case is decided in time.

16. Subhash chand & Co, Tohana, Fatehabad TIN 6121401248, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 850-A/2005-2006 dated 27.12.2012 demand created worth Rs 11487/-. The case is decided in time.

17. Subhash chand & Co, Tohana, Fatehabad TIN 6121401248, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 854-A/2006-2007 dated 28.12.2012 demand created worth Rs 76328/-. The case is decided in time.

18. Jagdamba Rice Mill, Fatehabad TIN 6491404197, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 385-C/2005-2006 dated 12.10.2011 demand created as nil and C/F is allowed worth Rs 6026/-. The case is decided in time.

19. Jai Shree Ram Rice Mill, Ratia, Fatehabad TIN 6791403714, A.Y. 2005-06:

In this case it is intimated that the case decided vide demand no. 39-A/2005-2006, dated 18.06.2010 demand created as nil and C/F is allowed worth Rs 6850/-. The case is decided in time.

20. M/s Vikram Chemicals. Bhiwani. TIN. 6331106495. AY:2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 15.09.2009 and was decided on 24.05.2010 creating a demand of Rs.26553/-which is to be recovered.Hence the para may please be dropped.

21. M/s Subham Pipe Ltd. Bhiwani. TIN. 06751107137. AY:2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 03.05.2011 and was decided on 08.02.2012 creating a demand of Rs.18426/-which is to be recovered.Hence the para may please be dropped.

22. M/s Mithathalia Cement Store. Bhiwani. TIN. 06521105857. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 06.09.2010 and was decided 12.10.2012 creating nil demand .Hence the para may please be dropped.

23. M/s Gobind Ram Anup Kumar. Bhiwani. TIN. 06441104737. A.Y. 2006-07:

In this case it is intimated that the case was remanded by the appellate authority on 18.10.2010 and was decided 18.10.2012 creating nil demand .Hence the para may please be dropped.

24. M/s Aar kay Polytex, Bhiwani. TIN. 06781107751. A.Y. 2007-08:

In this case it is intimated that the case was remanded by the appellate authority on 24.08.2010 and was decided on 19.03.2013 creating a demand of Rs.417/-which is recovered. Hence the para may please be dropped.

25. M/s Om Cement Agency. Bhiwani. TIN. 061108917.AY:2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 15.09.2009 and was decided 18.10.2012 Creating nil demand .Hence the para may please be dropped.

26. M/s Har Narian Dass Mool Chand. Bhiwani. TIN. 06081100570. A.Y. 2005-06:

In this case it is intimated that the case was remanded by the appellate authority on 30.03.2009 and was decided on 18.04.2013 creating a demand of Rs.1343/-which is recovered.Hence the para may please be dropped.

27. M/s R. K. Ispat. Bhiwani. RC.No. 6956. A.Y. 2002-03:

In this case it is intimated that the case was remanded by the appellate authority on 10.11.2008 and was decided 18.04.2013 creating nil demand .Hence the para may please be dropped.

28. M/s Ganeshi Lal Matu Ram, Bhiwani. TIN 06551104822 AY: 2004-05:

In this case it is intimated that the demand created under VAT Act Rs. 914/- is to be recovered. Hence the para may please be dropped.

29. M/s Rajindra Ind. Bhiwani. TIN. 06181104298. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 23.07.2008 and was decided 01.05.2012 creating nil demand .Hence the para may please be dropped.

30. M/s Mehar Chand & Sons, Bhiwani.TIN 06451100706 AY:2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 05.06.2008 and was decided 21.05.2012 creating nil demand .Hence the para may please be dropped.

31. M/s Rajesh Steel. Bhiwani. TIN. 06451106332. A.Y. 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 21.08.2008 and was decided 13.09.2010 creating nil demand .Hence the para may please be dropped.

32. M/s Mukesh Chand Rajinder Kumar, Bhiwani. TIN 06581104078. AY: 2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 05.06.2008 and was decided on 18.10.2012 creating a demand of Rs.1000/-which is recovered.Hence the para may please be dropped.

33. M/s Dalima Machionery Store, Bhiwani.TIN.06561103992.AY:2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 25.06.2008 and was decided on 07.12.2012 creating a demand of Rs.3654/-which is recovered.Hence the para may please be dropped.

34. M/s S. K. Strips. Bhiwani. TIN. 06521106051. A.Y. 2003-04:

In this case it is intimated that the case was remanded by the appellate authority on 07.08.2007 and was decided 13.03.2012 creating nil demand .Hence the para may please be dropped.

35. M/s Ram Meher Contractor, Bhiwani. TIN. 06911107631. AY:2004-05:

In this case it is intimated that the case was remanded by the appellate authority on 28.08.2008 and was decided 23.04.2013 creating nil demand .Hence the para may please be dropped.

36. M/s Technomax Securities. Faridabad.TIN.06841322767. AY:2007-08:

In this case it is intimated that the case was remanded by JETC (A) Faridabad vide order dated 14.10.2011 and the remand order was received on 25.11.2011 by the office. The disposal of remand case remained in process and finally decided on 04.07.2012 creating an additional demand of Rs. NIL under VAT Act and Rs. 34,027/- under CST Act. The demand created as noted above has been recovered on 13.09.2012 vide DD No. 261521, dt. 12.09.2012 of ICICI Bank. Hence para may kindly be dropped.

37. M/s Asha Stone Cr. Co. Faridabad. TIN. 06061311362. AY: 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above , remand para has been decided in time. So the para may kindly be dropped.

38. M/s Mahavir Stone Crusher Co.Faridabad.RC.No.643246. AY:2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

39. M/s Ahuja Enterprises. Faridabad. RC. No. 1022667. A.Y. 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

40. M/s Nav Bharat Stone. Faridabad. RC.No. 407716. A.Y. 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by

the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

41. M/s Kalaptru Grit Udyog. Faridabad. TIN. 06231319465. A.Y. 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

42. M/s Sanjeev Stone Crusher Co. Frd. TIN. 06801310470. AY: 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

43. M/s Shree Radhe Stone Crusher Co. Faridabad. TIN. 06241313979. A.Y. 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

44. M/s Saket Stone Crusher Co. Faridabad. TIN. 06431311401. A.Y. 2003-04:

In reply to the audit memo it is submitted that any order passed by the appellate authority can be decided within two years of the receipt of copy of such order by the assessing authority as per provisions to section 18(1) (i) of HVAT Act 2003. No direction of any authority can over rule the provisions of VAT/ Act/ CST Act. In view of the above, remand para has been decided in time. So the para may kindly be dropped.

45. M/s S. B. Steel & Engineering Works. Faridabad. TIN. 06071319747. A.Y. 2004-05:

In reply to the audit memo it is submitted that the case has been assessed and efforts are being made to recover the said amount.

46. M/s Rashmi Fabrics Pvt Ltd. Gurgoan. TIN. 06201918893. A: 2005-06:

In reply to the audit objection it is informed that the proceedings in the present case were initiated well in time as directed by the Appellate Authority .The case

was decided in the prescribed limitation period of two years as per section 18 of HVAT Act,2003 .This has caused no loss to Govt. Revenue . In the light of above facts the para may please be dropped.

47. M/s Merigold Engineers (P) Ltd. Gurgoan. TIN. 06581922176. A.Y. 2006-07:

In reply to audit objection it is submitted that the case M/s Marigold Engineers (2006-07) was remanded back by Jt. ETC Appeals Faridabad on 10.09.2010 and was decided by the then Assessing Authority (AA) well within the time limitation of two years in March, 2012. In view of the above there is no loss to the Government Revenue. Therefore the audit para may kindly be dropped.

48. M/s Toshi Auto Industries PVT Ltd. Gurgoan. TIN. 06321922416. A.Y. 2005-06:

In reply to the audit objection it is informed that the proceedings in the present case were initiated well in time as directed by the Appellate Authority .The case was decided in the prescribed limitation period of two years as per section 18 of HVAT Act,2003 .This has caused no loss to Govt. Revenue . In the light of above facts the para may please be dropped.

49. M/s Unilac Engineers Ltd. Gurgoan(W)TIN.06771917658. AY:2006-07:

In this case, it is stated that the proceedings in the case were initiated in time as directed by appellate Authority dated 21.10.2010.However, the process of verification of facts in cases from account books or other sources lead to delay in finalization of the remand case in the stipulated time. Further it is submitted that the case had been decided with in prescribed limitation period of 2 years as per section 18 of HVAT Act, 2003. In remand case Excess Carried forward of Rs. 1490428/- has been allowed vide order dated 13.3.2012. Hence there is no loss of revenue to the Govt. In the light these observation and facts of the case the para may please be dropped..

50. M/s Instomedix India (P) Ltd. Gurgoan. TIN.06221928485.AY:2008-09:

In reply to the audit objection, it is submitted that order received from Jt. ETC (Appeal) on reader dated 10.03.2010.Remand case decided within 2 years by the then Assessing Authority on dated 05.03.2012 though the process of verification took more than one month in deciding the case. There is no delay in disposal or the same and no additional demand pending against the dealer. In view of the above, the audit para may kindly be dropped.

51. M/s NKC Conveyor India (P) Ltd. Gurgoan. TIN. 06111919864. AY: 2003-04:

In reply to the audit objection it is informed that the proceedings in the present case were initiated well in time as directed by the Appellate Authority. The case was decided in the prescribed limitation period of two years as per section 18 of HVAT Act,2003 .This has caused no loss to Govt. Revenue . In the light of above facts the para may please be dropped.

52. M/s Hari Har Pipe Industries. Hisar. R.C.No. 35088. A.Y. 2008-09:

Remand case decided and demand created of Rs. 66276/- & deposited on 18.12.2012.

53. M/s Sohan Lal Suraj Bhan. Hansi, Hisar. R.C.No. 11864. AY: 2004-05:

Case remanded on 23.12.2008 and Remand case decided on 31.12.2013 as creating nil demand. The dealer firm again preferred an appeal before JETC(A) vide appeal no. HIS/22VAT 14-15. The case is still pending before JETC (A).

54. M/s Laj Pat Rai Chanana Contractor, Hisar. RC.No.30631.AY:2006-07:

Case remanded on 27.08.2010 and the remand case was decided on 30.08.2011 by the Assessing Authority creating nil demand.

55. M/s Nav Jyoti Gas Service. Hisar. RC.No. 12581. A.Y. 2005-06:

Case remanded vide order HIS/50/VAT/2009-10M dated 21.05.2010. Remand case was decided vide order 50/2005-06 dated 06.06.2012 creating NIL demand.

56. M/s N.K.Plywood Trading Co. Jagadhri. RC.No. 12868. A.Y. 2003-04:

In reply to the audit observation it is informed that remand order was received in this Office on 10.1.2008. The firm is lying closed and none was available which caused delay in disposal of the remand case. However remand case has been decided vide order dated 27.12.2010 and no additional demand has been created as a result of disposal of the remand case. Hence para may be dropped.

57. M/s Vishvkarma Stone Cursher Jagadhri. TIN. 06331610237. A.Y. 2003-04:

In reply to the audit observation it is informed that remand order was received in this Office on 16.12.2008. The dealer didn't co-operated in the proceedings. Which caused delay in disposal of the remand case. However remand case has been decided vide order dated 14.01.2011 and no additional demand has been created as a result of disposal of the remand case. Hence para may be dropped.

58. M/s Cenzer Industries Ltd. Karnal. RC.No. 36618 TIL Ltd. Karnal. RC.No. 4642. A.Y. 2001-02:

The case was originally assessed Ex-parte by the then Assessing Authority on 24.03.2008 and created an additional demand of Rs. 99549/- which was deposited on 30.08.2008 vide TR No. 4. The dealer has filed an appeal before Jt. Excise & Taxation Commissioner (Appeal) Ambala against the order. The case was remanded back vide its order dated 27.10.2008. As per the directions given by Jt. E.T.C. (A) Ambala notices were issued to the dealer for deciding the remand case. But the dealer did not co-operate with the department and remand case was decided on 29.12.2009. As this remand case is decided within time limit as stipulated in section 18 of HVAT Act, 2003 i.e. 2 years. So there is no delay in deciding this remand case. Moreover no recovery is outstanding against the dealer, the para may kindly be dropped.

59. M/s Rana Motors. Karnal. TIN. 06302231372. A.Y. 2005-06:

The case was decided ex-parte on 25.02.2009 created on additional demand of Rs. 3435151/- ib a/c of input tax credit was not allowed on the purchases made within the State. The dealer went in appeal against this order and Appellate Authority remand the case vide orders dated 11.06.2009. Order received in this office on 25.06.09. Notices for 30.01.2009, 15.01.2010, 30.07.2010 and 28.01.2011 were issued to the dealer to produce C-4/Tax invoices to claim the input tax credit & disposal of remand case. The dealer has submitted C-4/Tax invoices on 28.01.2011 and case was decided on same day i.e. 28.1.11 with NIL demand. It is intimated that remand case is decided within limitation period. The Para may be dropped.

60. M/s Imperial Life Science(P) Ltd. Gurgaon(W), TIN 570441 AY:2007-08:

In reply to the audit objection it is informed that the proceedings in the present case were initiated well in time as directed by the Appellate Authority. The case was decided in the prescribed limitation period of two years as per section 18 of HVAT Act, 2003. This has caused no loss to Govt. Revenue. In the light of above facts the para may please be dropped.

61. M/s Meham Indane. Rohtak. TIN. 06912822688. A.Y. 2005-06:

The Audit para is not admitted. As per the provisions of section 18 of the HVAT Act, 2003, the remand case is to be decided within a period of two years of receipt of copy of order by the Assessing Authority. This case was remanded by JETC-cum-First Appellate Authority vide order dated 28.05.2009 and the assessing authority decided the case vide order dated 12.05.2011 which is well within the stipulated time as prescribed under the HVAT Act. Hence there is no delay in finalization of remand case. Hence, Para may kindly be dropped.

62. M/s Umed Singh & Sons. Meham, Rohtak. TIN. 06042823312. A.Y. 2005-06:

The Audit para is not admitted. As per the provisions of section 18 of the HVAT Act, 2003, the remand case is to be decided within a period of two years of receipt of copy of order by the Assessing Authority. This case was remanded by JETC-cum-First Appellate Authority vide order dated 19.06.2009 and the assessing authority decided the case vide order dated 30.04.2010 which is well within the stipulated time as prescribed under the HVAT Act. Hence there is no delay in finalization of remand case. Hence, Para may kindly be dropped.

63. M/s Jai Hanuman Trading Co. Meham, Rohtak. TIN. 06952822278. A.Y. 2005-06:

The Audit para is not admitted. As per the provisions of section 18 of the HVAT Act, 2003, the remand case is to be decided within a period of two years of receipt of copy of order by the Assessing Authority. This case was remanded by JETC-cum-First Appellate Authority vide order dated 19.06.2009 and the assessing authority decided the case vide order

dated 27.05.2010 which is well within the stipulated time as prescribed under the HVAT Act. Hence there is no delay in finalization of remand case. Hence, Para may kindly be dropped.

64. M/s Kaushik Cement Store. Rohtak. TIN. 0648284137. A.Y. 2005-06:

The Audit para is not admitted. As per the provisions of section 18 of the HVAT Act, 2003, the remand case is to be decided within a period of two years of receipt of copy of order by the Assessing Authority. This case was remanded by JETC-cum-First Appellate Authority vide order dated 19.06.2009 and the assessing authority decided the case vide order dated 27.05.2010 which is well within the stipulated time as prescribed under the HVAT Act. Hence there is no delay in finalization of remand case. Hence, Para may kindly be dropped.

65. M/s Ashoka Polymer Industries, Rohtak, TIN. 06522819944. AY: 2005-06:

The Audit para is not admitted. As per the provisions of section 18 of the HVAT Act, 2003, the remand case is to be decided within a period of two years of receipt of copy of order by the Assessing Authority. This case was remanded by JETC-cum-First Appellate Authority vide order dated 30.06.2009 and the assessing authority decided the case vide order dated 02.06.2010 which is well within the stipulated time as prescribed under the HVAT Act. Hence there is no delay in finalization of remand case.

Hence, Para may kindly be dropped.

66. M/s S. P. Enterprises. Rohtak. TIN. 06742824382. A.Y. 2005-06:

In reply to audit para it is intimated that the case remanded by JETC-cum-First Appellate Authority, Rohtak was decided ex-parte by assessing authority vide order dated 05.06.2012 and accordingly recovery proceedings initiated against the dealer and the dealer filed an appeal against the ex-parte order before the JETC (Appeal), Rohtak, who remanded the case vide order dated 09.04.2015 for fresh assessment. Further, it is intimated that the dealer challenged the order of JETC (Appeal), Rohtak before the Hon'ble Haryana Tax Tribunal vide STA No.239/15-16 on 20.10.15. The case is still pending before the Hon'ble Haryana Tax Tribunal. Hence the para may please be dropped.

67. M/s Garg Construction Co. Sirsa. TIN. 06092911700. A.Y. 2004-05:

The case was decided late due to the fact that during the period in question, there was acute shortage of Assessing Authority along with subordinate staff in Sirsa district. Moreover, due to closure of business premises, the service of notice was late.

68. M/s Geeta Computer. Sirsa. TIN. 06602913893. A.Y. 2005-06:

In reply to audit objection, it is informed that the appellate authority has remanded the case back to the Assessing Authority vide his order dated 2.7.2009 and the

order was received in the office on dated 27-7-2009 and hence the time limitation for disposal was 26-7-2011 i.e two years from the date of receipt of order. The Assessing Authority has already disposed the case on dated 19.8.2010 well in time of limitation as per the provisions of section 18 of HVAT Act 2003. Hence para may be settled.

69. M/s Chanana Automobiles. Sirsa. TIN. 06472906350. A.Y. 2004-05:

In reply to audit objection, it is informed that the appellate authority has remanded the case back to the Assessing Authority and the order was received in the office on dated 9-8-2010 and hence the time limitation for disposal was 8-8-2012 i.e two years from the date of receipt of order. The Assessing Authority has already disposed the case on dated 30.5.2012 well in time of limitation as per the provisions of section 18 of HVAT Act 2003. Hence para may be settled. Hence para may kindly be dropped.

70. M/s Popli Rice & General Mills. Rania, Sirsa. TIN. 06292911590. A.Y. 2006-07:

The case was decided late due to the fact that during the period in question, there was acute shortage of Assessing Authority along with subordinate staff in Sirsa district. Moreover, due to closure of business premises, the service of notice was late.

71. M/s Ram Chand Sohan Lal. Sirsa. RC .No. 1065. A.Y. 2003-04:

The case was decided late due to the fact that during the period in question, there was acute shortage of Assessing Authority along with subordinate staff in Sirsa district. Moreover, due to closure of business premises, the service of notice was late.

72. M/s Garg Cotton Traders. Sirsa. TIN. 0633291266. A.Y. 2004-05:

In this case it is intimated that the delay in disposing the remand case is due to the fact that notices were issued from time to time and due to the closure of business, the notice was served upon to the dealer too late.

73. M/s Balkishan & Sons, Rewari, TIN. 6892702322, A.Y 2004-05:

In this case it is intimated that the remand case decided within the limitations of field in view of the provision contained in Section-18 of the Haryana Value Added Tax Act, 2003. Hence, there is no delay in finalization of remand case.

74. M/s Mittal Forging Co. (P) Ltd, Rewari, TIN. 6072705877, A.Y 2005-06:

In this case it is intimated that the remand case decided within the limitations of field in view of the provision contained in Section-18 of the Haryana Value Added Tax Act, 2003. Hence, there is no delay in finalization of remand case.

75. M/s Delton Cables Ltd., Rewari, TIN. 6522704126 A.Y 2005-06:

In this case it is intimated that the remand case decided within the limitations of field in view of the provision contained in Section-18 of the Haryana Value Added Tax Act, 2003. Hence, there is no delay in finalization of remand case.

76. M/s Sun Star Lubricants Ltd., Rewari, RC No.3834, AY:1999-2000:

In this case it is intimated that the remand case decided within the limitations of field in view of the provision contained in Section-18 of the Haryana Value Added Tax Act, 2003. Hence, there is no delay in finalization of remand case.

77. M/s Sun Star Lubricants Ltd., Rewari, RC.No.3834, AY:2000-2001:

In this case it is intimated that the remand case decided within the limitations of field in view of the provision contained in Section-18 of the Haryana Value Added Tax Act, 2003. Hence, there is no delay in finalization of remand case.

78. M/s Sun Star Lubricants Ltd., Rewari, RC No.3834, AY:2001-2002:

In this case, it is intimated that the remand case decided within the limitations of field in view of the provision contained in Section-18 of the Haryana Value Added Tax Act, 2003. Hence, there is no delay in finalization of remand case.

The Committee has appreciated the step taken by the Additional Chief Secretary to Govt. Haryana, Excise & Taxation Department to constitute a departmental Committee to re-look into the remand cases wherein while re-assessing, the demand has been created as nil. The Committee has desired that dealer-wise detailed reply alongwith the report of the departmental Committee be submitted to the Committee within a period of two months for its consideration.

[80] 2.2.9 Revision Cases:

Section 34 of the HVAT Act provides that the Commissioner may, on his own motion, call for the records of any case pending before or disposed of by any officer appointed under the Act to assist him or any Assessing Authority, for the purpose of satisfying himself as to the legality or to propriety of any proceeding or of any order made therein and may pass such order in relation thereto as he may think fit provided that no order shall be so revised after the expiry of the period of three years from the date of the order.

In eleven cases of four DETCs (ST), Dy. Excise & Taxation Commissioner (Inspection) called for assessment files and remanded them back to concerned Assessing Authority for verification Out of these, three cases

involving an amount of Rs.0.27 Crore were pending for verification and in remaining eight cases additional demand of Rs.0.44 Crore was created but the same had not been realized.

During Exit Conference (January 2014), DETC Rewari stated that efforts are being made to recover the balance amount.

The department in its written reply stated as under:

In reply to audit para, it is submitted that the Government has amended the Act and rule for framing or revising the case from three years to six years vide notification Leg. 9/2015 51/PHT, dated 03.08.2015. However, firm wise/dealer wise reply is as under:-

1. **M/s B.R. Kohli & Sons, Faridabad (West) A.Y. 2004-05 Involving Amount Rs. 2004-05:**
2. **M/s B.R. Kohli & Sons, Faridabad (West), A.Y. 2003-04, Involving Amount Rs. 2003-04:**

(Reply from Sr. No. 3 and 4)

The dealer was engaged in the civil and electrical works contract. The firm stands closed from March, 2005 and R.C was cancelled w.e.f. 31.03.2005 by the then Assessing Authority vide order dated 07.04.2006. R.C part of the dealer is not available. Particulars regarding proprietor and sureties have been taken from the ST-5 register. As per the record Sh. Pradeep Kohli, the proprietor of the firm and Sh. Sanjay Kohli, surety of the firm both are residing at ND-29, 2nd Floor or at ND-59, Pritam Cottage, Vishakha Enclave, Pitampura, New Delhi. In this regard, recovery certificates under Revenue Recovery Act, 1890 were sent to the Collector/S.D.M. North West District, Saraswati Vihar, Delhi vide memo No.9163 and 9164 dated 19.12.2013 respectively. Thereafter reminders were sent to the Collector, Delhi vide memo No. 5568 and 5569 dated 15.07.2014 and again reminders were sent vide memo No.8200 and 8201 dated 01.12.2014. Recovery notice to the second surety Sh. Nand Aggarwal, Prop. Of M/s Deep Glass & Plywood, Ajronda, Faridabad was issued on 19.07.2014 and 31.07.2014, but the same could not be served due to non availability of the surety at the afore mentioned address. Efforts are still being made to trace the said surety.

3. **M/s Shri Ram Auto Needs, Rewari A.Y. 2001-02 Involving Amount Rs. 2001-02:**

In this regard it is submitted that a demand of Rs.1356760/- for the year 2001-02 was created against the dealer by the Dy. Excise & Taxation Commissioner (ST)-cum- Revisional Authority, Rewari vide order dated 15.03.2011 as exparte. The firm is closed at Rewari since long and to effect to recovery a recovery certificate was sent to the collector 1st Grade-cum- Dy. Excise & Taxation Commissioner (ST), Gurgaon (West) on 11.09.2013. Reminder notices issued regularly and latest reminder sent on 12.07.2017.

In view of above para may please be dropped.

4. M/s Shamji Polyfab (P) Ltd, Rewari A.Y. 2006-07 Involving Amount Rs. 1638064:

As regards audit objection it is intimated that the case was sent to the Dy. Excise & Taxation Commissioner (ST)-cum-Revisonal Authority, Rewari for taking Suo-Motto action. Revisional Authority vide order dated 06.02.2012 has created an additional demand of Rs. 16388064/- on sales of H.D.P.E. Fabric. A notice for recovery of additional demand was issued to both the sureties. Both the sureties found untraceable. Recovery certificate has been sent to Collector 1st Grade, Alwar (R.J.) vide No.4034/T.I./W-1 dated 10.05.2012 latest reminder sent vide memo No. 9928/4.12.17 to Collector, Alwar.

5. M/s Dear Abrasive (P) Ltd, Rewari A.Y. 2000-01 Involving Amount Rs. 90988:

In this regard it is submitted that firm stands closed since long. Recovery Certificate sent to Collector, Ghaziabad, vide letter No. 512/T.I.(W-5) dated 08.07.2016 where the director of the firm was residing. Reminder notices issued regularly and latest reminder sent on 04.12.2017.

6. M/s Dear Abrasive (P) Ltd., Rewari A.Y. 2002-03 Involving Amount Rs. 78112:

In this regard it is submitted that firm stands closed since long. Recovery Certificate sent to Collector, Ghaziabad, vide letter No. 512/T.I.(W-5) dated 08.07.2016 where the director of the firm was residing. Reminder notices issued regularly and latest reminder sent on 04.12.2017.

The Committee has desired that vigorous and pragmatic efforts be made to recover the outstanding demands from the aforementioned firms and action taken report be submitted to the Committee within a period of three months.

[81] 2.2.10 Evasion of tax by submitting fake declaration form:

Section 8 (4) of the CST Act 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 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. 1 lacs from a single VAT dealer in a year should be cross verified.

In seven DETCs (ST) offices eleven dealers claimed concessional rate of tax on declaration forms "C" and "F" for sale value of Rs. 5.74 Crore during the years 2009-10 to 2011-12 which were found fake on cross verification of forms resulting in evasion of tax amounting to Rs. 45.26 lacs besides penalty of Rs. 1.36 Crore was also leviable.

During Exit Conference (January 2014), ETC advised the DETCs to register cases/FIRs against such fraudsters under the Act.

The department in its written reply stated as under:

**1. M/s Speciality Coating and lamination Ltd, Gurgaon (West)
TIN 6381917339 A.Y. 2002-03 Form No. "C" Form 15P658561:**

It may be pointed out that the audit party has merely pointed out that 'C' forms have not been verified from the issuing States, it has nowhere been pointed out that these 'C' forms are either fake or bogus. However, a letter has been sent for verification to the concerned authority in Delhi, J&K, Kerala, Maharashtra, Daman and Diu. As and when, the verification is completed, reply will be submitted accordingly. The latest letter in this regard has been issued on 03/10/2017 and on 05.12.2017.

2. M/s Shree Bankey Bihari Oil Mill Rohtak, TIN 6132822438 A.Y. 2004-05 Form No. OJY431056, Form No. OJY 583209 and Form No. 13P 562329:

In view of the audit para it is intimated that the original assessment was framed on 19.02.2008 by the DETC-cum-Assessing Authority, Rohtak. No objection regarding in-genuineness of the declaration form 'F' & 'C' was raised at the time of first audit of the original assessment order passed by the Assessing Authority.

Being aggrieved with the order passed by the Assessing Authority under HVAT Act, the dealer went in appeal before JETC-cum-First Appellate Authority, Rohtak. JETC-cum-First Appellate Authority remanded the case vide order dated 05.04.2010 to assessing authority. The remand case was decided on 17.05.2011 by the then DETC-cum-Assessing Authority, Rohtak.

At the time of re-audit of the remand case decided by assessing authority, the audit party raised a fresh objection regarding in-genuineness of 'F' & 'C' forms, which were submitted by the dealer at the time of original assessment under CST Act, 1956. It is also intimated that no objection regarding in-genuineness of the declaration form was raised at the time of first audit of original assessment order passed by the Assessing Authority.

Although the verification letters regarding 'F' forms & C form were sent to the concerned inter-state authorities and no reply has been received in this regard. In view of the above facts, the para may kindly be dropped.

Although the verification letters regarding 'F' forms & C form were sent to the concerned inter-state authorities and no reply has been received in this regard. In view of the above facts, the para may kindly be dropped.

3. M/s Aggarwal Enterprises, Meham, Rohtak, A.Y. 2006-07, 'F' PB/A/F 3861057, F' form 03Q902715 and 3861058:

In view of the audit para, it is intimated that the original assessment was framed on 23.03.2010. No objection regarding in-genuineness of the declaration form 'F' was raised at the time of first audit of original assessment order passed by the Assessing Authority.

Being aggrieved with the original assessment order passed by the assessing authority under HVAT Act, the dealer went in appeal before JETC-cum-First Appellate Authority, Rohtak. The first appellate authority upheld the order of Assessing Authority. The dealer filed an appeal before the Hon'ble Haryana Tax Tribunal against the order of JETC (Appeal). The case was remanded by the HTT vide order dated 09.12.2011 for fresh assessment and the same was received on 17.01.2012 and the remand case was decided on 17.07.2012 by the assessing authority.

At the time of re-audit of the remand case decided by assessing authority, the audit party raised a fresh objection regarding in-genuine 'F' forms, which were submitted by the dealer at the time of original assessment under CST Act, 1956.

Further, it is intimated that the verification letters regarding 'F' forms were issued to the concerned inter-state authorities and no reply has been received in this regard. In view of the above facts, the para may kindly be dropped.

4. M/s Shiva Chem, Jagadhari TIN 6451613739, A.Y. 2003-04, 'C' form 2180134 and 2300633:

In reply to audit observations, it is informed that original assessment in the present case was framed by the assessing authority vide order dated 15.03.2007. At the time of original assessment, the dealer failed to submit 'C' forms for Rs. 3704152/-. The dealer was allowed time for submission of remaining of 'C' forms. Subsequently, the dealer submitted 'C' forms value of Rs. 3704152/- and rectification in the present case was made by the assessing authority vide order dated 19.02.2008. After that, audit party pointed out that the 'C' forms of Rs. 374520/- submitted at the time of rectification are suspicious and need verification. In this respect letter were issued to the concerned issuing authority for the verification of the genuineness of these declarations whereas no reply was received. So taxation inspector of this office were deputed to verify the genuineness of these declarations from the concerned assessing authority, who vide letter dated 09.08.2017 intimated that these declarations have not been issued by their office. However, Assistant Commissioner of Trade and Taxes, Delhi intimated that records pertaining to the declarations prior to period 2005-06 is not available.

Taxation inspector were also deputed on 10.08.2017 to get verify the genuineness of 'C' forms bearing no. PB/AA/ C7141180 and PB/ AA/ 9463094 from the O/o Asstt. Excise & Taxation Commissioner, Jalandhar, Punjab vide letter no. 2477 dated 10.08.2017 and No. 2478 dated 10.08.2017 respectively, intimated that said 'C' forms are not issued form the their office and also intimated that TIN no. of the Punjab firms are also different.

It is also intimated from the office of Asstt. Excise & Taxation Commissioner, Ludhiana that 'C' forms bearing no. PB/ AA/C-7010690, PB/ AA/C-8043605, PB/ AA/ C-6800476 and PB/AA/ C-8217832 are not issued by their office.

It is pertinent to mention here that the rectification order in the present case passed by the assessing authority vide order dated 12.02.2008 and audit observations was raised on 11.12.2012. As per HVAT Act, 2003, the time

limitation for taking action in revision u/s 34 or re-assessment u/s 17 of HVAT Act, 2003 against the dealer has already lapsed at the time of audit.

In view of above observations, it is requested to drop the audit objection raised by audit party.

5. M/s S.S.B. associates, Jagadhari, TIN 06351616102, A.Y. 2009-10. C/PB/AA/C 3418722, 3343768, HP/A/2/B 2475892, HP/A/1976268:

In reply of audit objection, it is intimated that the declaration 'C' forms bearing no PB/AA/C-3343768 & HP/A/2/B-2475892 were submitted by the dealer for claiming concessional rate of tax in the sale and claim was accordingly allowed by the Assessing Authority. Subsequently letter for verification for these forms were issued to the concerned Assessing Authority of Punjab & Himachal Pradesh. Asstt. Excise & Taxation Commissioner, SAS Nagar Punjab vide their letter no. 248 dated 20.02.2014 intimated that the 'C' form no. PB/AA/C-3343768, PB/AA/C-3418722 were not issued to M/s Mayank & Co. as per office record. Also Excise & Taxation Officer, Parwanu, Circle No. 1 (H.P.) vide their letter no. EXN-PWN-I-227 dated 3.2.2014 intimated that 'C' form bearing no. HP/A/2/B-2475892 & HP/A/41/976268 were not issued from their office as per office record. On receipt of the report from the concerned authority case of the dealer was sent to the DETC-CUM-Revisonal Authority who vide order dated 18.04.2017 disallowed the claim of concessional rate of tax and created additional demand of Rs. 10,41,534/-. Now proceeding for penal action u/s 9(2) of CST Act, 1956 read with section 38 of HVAT Act, 2003 has been initiated and a notice was issued for 29.08.2017. Nobody appear on this date and the case was refiled for 11.10.2017 but on this date also non appeared so the last notice has been issued by the Assessing Authority for 12.12.2017. Result of the proceeding will be communicated accordingly. In view of the above para may be dropped.

6. M/s Lispo India Gurgaon (W), A.Y. 2006-07. RC No. 06861917463 'C' forms 956885:

It may be pointed out that the audit party has merely pointed out that 'C' forms have not been verified from the issuing States, it has nowhere been pointed out that these 'C' forms are either fake or bogus. However, a letter has been sent for verification to the concerned authority in Delhi, J&K, Kerala, Maharashtra, Daman and Diu. As and when, the verification is completed, reply will be submitted accordingly. The latest letter in this regard has been issued on 03/10/2017 and on 05.12.2017.

7. M/s Ram Chand Sohan Lal, Sirsa, TIN 6892901065, A.Y. 2003-04, 'F' form 02Q0749445 'F' form 03Q119907, 'F' form 03Q119910 and 'F' form 03Q119913:

In reply to audit objection, it is informed that the Taxation inspector was deputed to get the F forms verified from the concerned authority of State who reported that the authority of Punjab has unable to verify the F forms being pertain to old record. Hence, at this stage, the AA is not in a position to reject the claim of F forms. However, the Audit party has also not provided any evidence in support of his objection. They only made objection on the basis of assumption i.e. seems to be ingenuine. Hence para may kindly be settled.

8. M/s Jwala Steel Faridabad (W), TIN 13069131, A.Y. 1999-2000, 'F' form 460558:

In reply to Para it is stated that verification of genuineness of F- form No. 02Q-460558 stamped for 97-98 have been verified by Assessing Authority, Ward 33, New Delhi vide his office No. 438 dated 22-10-2013 and transaction assessed as per assessment order for the year 1999-2000 in view of this it is requested that objection raised were on the basis of stamped for 97-98 is therefore untenable and please kindly be dropped.

9. M/s D.R. Foods, Karnal/ TIN 06492226175, A.Y. 2004-05, Form No. C/13P-334269:

This case is not time barred as the dealer filed an appeal before Haryana Tax Tribunal, Chandigarh vide STA No.96/09-10 against the order of Jt. Excise & Taxation Commissioner (A) Ambala.

1. The reasons for non finalization of the case with in two years is that the dealer filed an appeal before Hon'ble Haryana Tax Tribunal Haryana. 2. There is no recovery outstanding as the case for the 2004-05 was remanded back to the Assessing Authority. The dealer preferred afresh appeal against the Jt. ETC (A) orders before Haryana Tax Tribunal. Therefore this case is still in litigations before Haryana Tax Tribunal, Chandigarh 3. Regarding C forms, it is submitted that these forms were issued manually, so this information is not available on TINXSYS. Moreover the official of this office also physically paid visits to VAT Department, Delhi two times, but the Delhi VAT Authorities not provided any verification report and told that now the assessment record of that this particular year is not available with them. As till date this office is not having any adverse report/information in hand. So without evidence the transactions of C forms cannot be denied. Moreover, the audit also failed to provide any concrete evidence that transactions/form are genuine. Keeping in view of the above facts, the para may please be dropped.

10. M/s Om Rice Mills, Karnal, TIN 06382227312 Form No. F/03Q113993:

In this case it is intimated that the case was decided ex-parte by the Assessing Authority Karnal vide his order dated 28.03.2008 and additional demand of Rs. 11,57,131/- was created. The dealer being aggrieved with the orders of the Assessing Authority preferred an appeal before the Jt. Excise & Taxation Commissioner (A) Ambala who vide his order dated 08.04.2010 remanded the case back to the Assessing Authority Karnal. The Assessing Authority has decided the remand case vide demand NO. 400-A dated 27.07.2011 by creating an additional demand of rs. 8,41,541/- under the HVAT Act, 2003 which was deposited vide TR No. 17, dated 28.07.2011. The remand case was decided within the stipulated period. There is no delay in deciding the remand case as well as there is no revenue loss to the state exchequer. Keeping in view the reply given above para may please be settled.

11. M/s Jai Bhole Shankar Rice Mills, Jakhal, Fatehabad, TIN 6631402568, F/03Q-207363, Form No. F/03Q-207354 and Form No. F/03Q- 431851:

The original case assessed on 31.03.2009 vide order No. 777/ 2005-06 by Sh. Man Mohan Singh, Excise & Taxation Officer-cum-Assessing Authority, and demand created Rs. 38250/- under HVAT Act, 2003 and Rs. 717296/- under CST Act. The dealer preferred an appeal before the Appellant Authority against above said assessment order under CST Act. The case remanded to Assessing Authority on dated 18.08.2009 with direction for fresh assessment, which is received in this office on dated 14.10.2009. Accordingly the Assessing authority issued notice to the dealer for disposal of remand case on dated 12-05-2010 for 08.06.2010, which is served upon the dealer. The case decided by the Assessing Authority vide demand No. 339-A on dated 09.10.2012 with reduce additional demand of Rs. 53099/- under CST Act. The case decided with delay, but no loss in State Exchequer. The letter has been written to sale tax office Delhi for verification of 'F' form. And reply is still awaited.

The Committee has desired the department to take effective and pragmatic steps to stop the practice of accepting fake declaration forms to protect the State revenue under intimation of the Committee.

[82] 2.3.1.1 Under assessment of tax due to application of incorrect rates of tax: Non/short leavey of tax:

Under section 7 (1) (a) (III) of the HVAT Act, any commodity classified in Schedule C is taxable at the rate of four per cent and the unclassified commodities are taxable at the rate of 12.5 per cent with effect from 1 July 2005. Further, interest is also leviable under section 14 (6) of the HVAT Act, if any dealer fails to make payment of tax.

In 21 DETC (ST), 133 dealers had sold goods valued as Rs. 1,078.97 crore during 2004-05 to 2009-10 and paid tax of Rs. 27.19 Crore against the payable tax of Rs. 116.58 Crore, due to misclassification of goods. The Assessing Authority accepted the claims of the dealers. This resulted in non/short levy of tax of Rs. 89.39 Crore, besides interest of Rs. 64.98 Crore is also leviable as per details given in Table 2.10.

Table 2.10 (Rs. In Crore)

Sr. No.	No. of DETC	No. of dealers	Name of goods	Sale value	Period of sales	Tax leviable	Tax levied	Tax Short/ Non levied	Interest
1	5	20	Guar Gum	163.11	2007-08 to 2009-10	20.39 @ 12.5%	Nil	20.39	12.54
2	12	41	High Density Polyethene fabric	179.74	2006-07 to 2009-10	7.19 @ 4%	Nil	7.19	4.91
3	4	7	Narrow Woven fabric	27.85	2006-07 to 2009-10	1.11 @ 4%	Nil	1.11	0.71
4	2	2	Submersible pumps	3.21	2008-09 to 2009-10	0.40 @ 12.5%	0.08	0.32	0.16
5	9	14	Tractor parts, Corn Springs, Readymade garments, Lease rent	17.78	2005-06 to 2009-10	1.63 @ 4% or 12.5%	Nil	1.63	1.08

6	1	1	Laminated cloth, form	16.10	2007-08 & 2009-10	2.01 @ 12.5%	Nil	2.01	----
7	1	2	Railway track machine	194.33	2006-07, 2008-09 & 2009-10	24.29 @ 12.5%	7.81 @ 4%	16.48	13.22
8	3	9	Material handling equipment	244.75	2007-08 to 2008-09	30.59 @ 12.5%	9.57 @ 4%	21.02	17.56
9	5	10	Pipe Fittings	73.9	2007-08 to 2009-10	9.2 @ 12.5	2.96 @ 4%	6.34	5.08
10	4	10	Machinery Parts/Auto Parts	49.81	2005-06 to 2008-09	6.22 @ 12.5	1.99 @ 4%	4.23	3.36
11	1	4	Scaffoldings	9.73	2008-09	1.22 @ 12.5	0.39 @ 4%	0.83	0.69
12	7	13	Soaps Ready Mix Concrete, Surgical Cotton Tiles, Leaf Springs, Mosquitos Repellant, OT table, Fire fitting equipments PPC Poles etc.	98.66	2005-06 to 2009-10	12.33 @ 12.5	4.39 @ 4%	7.94	5.67
			Total	1,078.97		116.58	27.19	89.39	64.98

On these being pointed out, the department accepted the audit observations in exit conference (October 2013).

The department in its written reply stated as under:

This para covers 12 issues regarding non/short levy of tax on different commodities. The audit has observed regarding non/short levy of tax on certain items. Before discussing firm wise status of each any case, commodity wise brief notes are mention as under: -

6. Material Handling Equipment:

In 9 no. of cases as pointed out by audit it is intimated that the replies to audit observations have been recorded at Sr. no. 120 to 124 and 127 to 129 and depending upon each and every case.

7. Pipe Fittings:

Regarding taxability on sale of Pipe Fitting it is intimated that the audit party has made out their case on the basis of carification issued in the case of M/s Jagdish Machinery Store, Rohtak issued on 30.03.2006 by FCET, Haryana. Vide this clarifactory order, sale of pipe fittings have been held to be taxable at the rate of 12.5 %. In this regard it is mentioned that the dealers in question deal in sale of Steels Tubes which is a declared goods under section 14(iv) of the CST Act. the rate of Tax under the CST on declared goods is 4%. However, the replies to audit paras of firms mentioned at Sr. no. 30, 40, 43, 63 and 131 to 140 of this para are given in detail depending upon the facts of each and every case.

10. Soaps Ready Mix Concrete, Surgical Cotton Tiles, Leaf Springs, Mosquitoes Repellant, OT table, Fire fitting:

In 13 no. cases dealing in above commodities under assessment due to incorrect rate of tax has been pointed out by the audit. In this respect it is informed that Surgical Cotton and OT table are covered by Entry No. 25 of Schedule 'C' and Leaf Springs are the declared goods and covered under goods of Special Importance under section 14 of CST Act and tax has rightly being levied by the Assessing Authority . Whereas in other cases corrective measures have been taken by the concerned authorities the replies of these firms are submitted firmwise depending upon the facts of each and everycase.

Dealer/firm-wise reply is as under:

68 & 166. M/s Jayanti Construction. Panchkula. TIN. 06812503419. AY:2008-09.

The audit has raised an objection that the road marking material is covered under general goods and hence taxable @12.5% Haryana Value Added Tax Act, 2003. The case was sent for Suo-Moto action to Revisional Authority-cum-Deputy Excise & Taxation Commissioner, Panchkula. Revisional Authority has decided the case & imposed a tax & Intt. of Rs.923666/- under Haryana VAT Act, 2003 & 432858/- under CST Act 1956 vide order No.4-5/HVAT/13-14 dated 09.10.14.

The dealer claimed that the goods fall under entry no. 113 of entry 102 of industrial inputs of Schedule C and thus has rightly been taxed @4%. I have carefully gone through the entry. It is noted that this entry is meant for industrial inputs and the dealer has not made sales of goods as industrial inputs. Moreover, the entry puts the goods as specified in Note 3 to chapter 32 in this entry. However, the note 3 to chapter 32 has an exception clause and it excludes goods i.e. pigments dispersed in non aqueous media. The goods sold by the dealer falls under the exception carved out in note 3 to chapter 32; so, are outside the ambit of entry 113 of entry 102 of Schedule C.

The dealer has filed an appeal in Haryana Tax Tribunal Chandigarh against the orders of the Revisional Authority-cum-Deputy Excise & Taxation Commissioner, Panchkula. The case was fixed for 15.02.2016 at 11:00 A.M. The next date of hearing has not been communicated to this office so far. Hence, the para may please be dropped.

100. M/s Durga Surgical Corporation. Sonipat, TIN 06163012590. A.Y. 2007-08:

In reply to the audit para, it is submitted that from the perusal of record available on file and after verification, it is revealed that the dealer has sold "Cotton Gauge Cloth" as tax free items and hence, he has not sold medicated cloth as tax free, as pointed out by audit party.

It is mentioned that the dealer purchases large gauge cloth and large bandage cloth which are textile items and fall under entry 51 of schedule B. As per requirement of the customers, the dealer cuts these large cloths into various sizes and repacks them as gauge bandages and dressing bandages. For some of the

customers the large cloths, ordinarily in the size of 18 x 1 meter, are sold as such and in the same form as was purchased. Since, it retained the character of textiles in the same form as was purchased, no tax can be levied on its sales.

Photo copies of bills clearly reveal that the dealer has sold large dimension cloth which cannot be termed as bandage or medicated bandage etc. In view of the above reply, the audit objection may be dropped.

101 & 113. M/s Paras Ram Basheher Lal Sonipat TIN 06903003162. A.Y. 2009-10:

In reply to audit para, it is submitted that the assessment file has been sent to the Revisional Authority for taking suo moto action on 09.01.2018. Previously case was fixed for 19.01.2018 and next date of hearing is 02.02.2018. Final reply will be intimated after decision of the case by the Revisional Authority.

112. M/s Sumer Dass Co-Op Society Ltd. Panipat. TIN. 06112618070. AY:2008-09:

In this case, it is intimated that the case has been remanded back to the Assessing Authority by the Jt. Excise & Taxation Commissioner (Appeal Rohtak) vide order dated 18.02.2014 with the direction to re-examine the case as the dealer went in appeal against the order of the Assessing Authority dated 16.03.2012. Now the case will be decided soon after verifying all the facts. The last notice was served and duly received by the dealer giving him last and final opportunity to appear before the undersigned on or before 10.10.2017. The case is being re-examined and the result will be intimated in due course.

116. M/s Surekha Industries, Sonapat. TIN 0613300887, A.Y. 2007-08 and 2008-09:

In this case, it is intimated that the file was sent to Dy. Excise & Taxation Commissioner (Inspection)-Cum-Revisional Authority, Sonapat for taking necessary Suo-motu action in these cases. Dy. Excise & Taxation Commissioner-Cum-Revisional Authority created an additional demand of Rs. 6360441/- for the assessment year 2007-08 vide order dated 03.04.2013 and Rs. 7388739/- for the assessment year 2008-09 vide order dated 03.04.2013. A notice on dated 21.08.2013 was issued to the dealer. The case is pending in Hon'ble Haryana Tax Tribunal.

117. M/s Agromach Spare Corporation. Faridabad (West). TIN. 06421327460. A.Y. 2009-10:

The file has been sent in suo-motu revision to the Ld. D.E.T.C. which is under process and fixed for hearing on 03.01.2018. The result of the same will be intimated in due course when the same is decided.

118. M/s Plasser India Pvt Ltd. Faridabad (West). TIN. 06521303543. A.Y. 2008-09:

In reply to the audit memo it is submitted that the case was assessed on 16.03.2012, which was revised on 13.03.2015 by the then Revisional Authority creating an additional demand of Rs. 72209007. However the dealer has preferred an appeal against the revision order before Hon'ble Haryana Tax Tribunal No. 81 of 2015-16. The decision will be intimated to your office once the case is decided by the Hon'ble Tax Tribunal.

119. M/s Plasser India Pvt Ltd. Faridabad (West). TIN. 06521303543. AY:2006-07:

The file has been sent in sou-motu revision to the Ld. D.E.T.C. which is under process and the next date of hearing is 04.01.2018. The result of the same will be intimated in due course when the same is decided.

120. M/s JCB India. Faridabad (West). TIN. 06411301809. A.Y. 2007-08 & 2008-09:

It is intimated that the company charge VAT @ 4% against form VAT D-I on sale made to the contractors. The assessment is framed correct and rightly assessed concessional rate on VAT D-I.

On the basis of above following facts is as under:-

THE HARYANA VAT LAWS ALLOW SALE OF GOODS TO
CONTRACTORS AGAINST FORM VAT D-I

As per section 7(4) of the HVAT Act, a dealer is eligible to purchase goods at a concessional rate of 4% against form VAT D-I provided the goods are for use by him:-

In the manufacture of goods for sale

In the telecommunications network

In mining; or

In the generation or distribution of electricity or any other form of power

Further, in terms of Rule 49(5) of the Haryana VAT Rule, 2003 (HVAT Rules) a lump sum contractor is also entitled to purchase goods to be used in execution of the contract at concessional rate of tax against VAT-DI form. The relevant text of the rule is reproduced below:

5) The lump sum contractor shall be entitled to make purchase of goods for use in execution of the contract both on the authority of declaration in Central form C as well as form VAT-DI prescribed under clause (a) of sub-section (3) of section 7 and for this purpose he shall be deemed to be a manufacturer

From the perusal of Rule, 49(5), it is clear that a lump-sum contractor who intends to purchase goods against VAT D-I shall be deemed as a manufacturer. Also, one of the eligible purpose, as provided under section 7(4), for which goods can be purchased against form VAT D-I is use in manufacture of goods for sale.

Thus from the conjoint reading of the two provisions, It is amply clear that a we can sell goods against form VAT-DI to a contractor for use in the execution of the contract and for the said purposes the contractor shall be deemed to be a manufacture.

Hence, in our view, JCB can sell excavators to contractors against form VAT D-I

There is no reference to plant and machinery in section 7(4) or Rule 49(5)

- i) As per section 7(4) of the HVAT Act, a manufacturer is allowed to purchase any goods for use in manufacture of goods for sale. Also, as per rule 49(5) of the HVAT rules, lump-sum contractor is eligible to purchase any goods against form C as well as against form VAT D-I which are used in execution of works contract.
- ii) The term "goods" as defined under section 2(1)(r) of the HVAT Act, means every kind of movable property. The definition is reproduced below for your reference.

"goods" means every kind of moveable property, tangible or intangible, other than newspapers, actionable claims, money, stocks and shares or securities but includes growing crops, grass, trees and things attached to or forming part of the land which are agreed to be severed before sale or under the contract of sale.
- iii) Thus, the term "goods" includes every kind of movable property. The section or the rule has no reference whatsoever to plant and Machinery and thus the meaning of the terms "goods" cannot be restricted to only "plant and machinery".
- iv) Also, as per rule 49(5) of HVAT rules, when such goods are used by the contractor, the contractor shall deem to be the manufacturer.

Based on the above, it is clear that excavators sold to heavy industries or the contractors in terms of section 7(4) read with rule 49(5) are eligible to concessional VAT rate of 4% against form VAT-DI.

VAT D-I PROVISIONS IS PARI-MATERIA TO C-FORMS PROVISION

- I) It is a settled position of law that a contractor can purchase goods on Inter-state basis against declaration in form C. Reference may be drawn to following case laws.
- II) Salvicate(Banglore)Pvt. Ltd. Vs Sales Tax Officer [1998-(109)-STC-0543-KER] N.J Devani Builders Pvt. Ltd Vs. Sales Tax Officer[1995-(099)-STC-0506-GUJ]

Poseidon Engineering Consultants Pvt. Ltd. Vs State of Maharashtra [2000-(022)-MTJ-0405-TMAH]

- ii) On a plain reading of the Rule 49(5) it is evident that the VAT laws intended to allow concessional rate to contractors at par with the manufacturers both under the Central Sales Tax and State VAT laws. Thus, where the provisions clearly allows concessional rate , the dealer cannot be charged with higher rate of tax.

SELLER CANNOT BE PENALIZED FOR SELING THE GOODS AGAINST THE CONCESSIONAL DECLARATION FORM

- i) In the present case the petitioner was engaged in the manufacturing of control panels. At time of original assessment, the appellant was allowed concessional rate of tax at three percent on a turnover of Rs. 14,86,537/- being the sale of control panels manufactured by them. Subsequently, a pre-revision notice dated March 26, 2002 was issued by the assessing officer on the ground that the control panels manufactured and sold by the appellants, even though are electrical equipment, they come under plant and machinery and they are used to operate and control the machines and as such, they are not eligible for concessional rate of tax under section 3(3) of the Tamilnadu General Sales, Tax, Act 1959 (The Act, in short). The assessing officer proposed to assess the same at the rate of 12 percent under section 16(1) (b) of the Act by disallowing the concessional rate of tax already extended for the contravention of conditions of form XVII, tax and penalty can be imposed only against the purchasing dealer and not against the seller as per section 3(3) of the Act. Therefore, the impugned order passed by the assessing authority is clearly without jurisdiction. *Karthik Electric Controls Vs CTO(2008)15VST 450(Mad)* see also *P. Narendra Menon Vs. State of Kerala (2009) 23VST 66(Ker)* see also *CST Vs M.R.F. Ltd. (2010) 29 VST 566(BOM)*; *Essar oil Ltd. Vs. intelligence officer (2011) 37 VST 192(Ker)*; *Tej Pratap Shukla Vs Divisional Deputy CCT(2011) 37 VST 613(MP)*

EXCAVATORS ARE CLARRIFIED AS GOODS USED IN MANUFACTURING SECTOR AS PER THE ECONOMIC ACTIVITY CODE.

- ii The Gujarat VAT Tribunal in case of *M/s Yantraman Automac Private Limited Vs-The State of Gujarat [Appeal No. 4 of 2010 dated October 27,2010]* has held that Backhoe loader, Track Excavators, loaders, skid steer loaders, telescopic handler, vibratory tandem Asphalt Compactor, Vibratory Soil Compactor and Crane are "machines used in the execution of works contract," "

- i. Also, other States like Delhi, Jharkhand, Karnataka, Rajasthan and West Bengal, Madhya Pradesh have already classified . excavators as Machinery and are charging, them to tax @ 4% under the category of 'Capital Goods.'

EXCAVATORS ARE SPECIALISED MACHINERY USED AS CAPITAL GOODS IN HEAVY INDUSTRY.

- i) In heavy industries such as steel, automotive, cement and" mining, excavators used as specialized machines for performing various tasks which are essential in completion of the manufacturing process.

- ii) With the help of hydraulic-powered attachments such as a breaker, a grapple or an auger, the excavator is frequently used in many applications other than mere excavation. The Excavators are also used for transferring and moving the materials. The heavy materials can be loaded and unloaded with the help of these excavators in a flash.
- iii) Mining industry is also using excavators for all its basic operations like digging holes, earth moving etc without which the mining function cannot be complete.

In view of the above, para may be dropped.

161. M/s Eco Protection Engineers, TIN 6501706298, A.Y. 2008-09:

The correctness of the audit objection is not admitted. In reply to audit para it is submitted that the dealer is engaged in installing and commissioning of sewage treatment plants. The installation and commissioning of sewage treatment plants falls in Schedule 'C' of item 62 of the Haryana Value Added Tax Act, 2003. The dealer has installed the sewage treatment plant for National Building Construction Corporation and as per audit note NBCC is not Government Department and levy of tax @ 4% is not correct and contractor was liable to be tax @ 12.5%. but installation and commissioning of sewage treatment is taxable @ 4% as mentioned above (Entry 62 of Schedule 'C') then there is no difference in installing for Government or for private corporation. Therefore installing of sewage plant for NBCC doesn't render, the dealer to be taxed @ 12.5%. The cement is part and parcel of sewage treatment plant. It is not anything else but used in construction /installation of sewage treatment plant and cement has not been used for any other purpose.

Further dealer has been assessed under CST Act for the sale of sewage treatment plant to M/s Larson & Toubro Ltd. The dealer has shown sale in reconciliation statement and penalty u/s 38 of the HVAT Act, 2003 can not be attracted. The audit note is without substance. Hence para is not admitted.

164. M/s Balsara Home Product (P) Ltd, Sonapat now new name is Dabur India (P) Ltd., Ambala TIN 6703009092, A.Y. 2007-08:

In reply to audit Para, it is intimated that the Audit Team has raised audit objection regarding underassessment due to application of incorrect rate of tax on the Mosquito Repellants. While the Assessing Authority has assessed the item @ 4%, whereas Audit Team has opined that it has been leviable @ 12.5 %. It is noticeable that the Mosquito Repellants prior to 01.07.2005 is covered by entry No. 1 of Schedule C of HVAT Act, 2003 which is read as, "Pesticides, weedicides, insecticides and herbicides". Thereafter, this item has been placed in the general rate of tax i.e 12.5%. Hence, the Audit Para is quite admitted. In reply to the Audit Memo the then Assessing Authority vide his reply dated: 22.08.2012 has issued the notice to the dealer stating that result will be communicated later on. However, the further action either for re-assessment or revisional proceedings was not initiated against the firm.

169. M/s Kalptaru Power Transmission, Kaithal TIN 6152196955, A.Y. 2008-09:

The proviso given under the notification of amendment made to rule 25 (2) of HVAT Act, 2003. it is clearly provided that where so ever the a/c books of the dealer have been properly maintained and the expenses and deduction thereof are to be determined as per account books. The percentage of deduction given in the table under the above said amendment is only applicable on such cases where expenses and deduction are not clearly determined from the a/c books maintained by dealer. The deduction with respect to freight being outward expenses has been correctly allowed as per provisions of law. The assessment record in this case has been sealed by the SVB, Ambala on the directions of Punjab and Haryana High Court.

In view of those provisions the contention of the audit party is not legally right and therefore para may be dropped.

The Committee has observed/recommended, issue-wise/dealer-wise, as under:

1. **Case No.68 & 166 (M/s Jayanti Construction, Panchkula, TIN. 06812503419, AY:2008-09):**
Matter be sorted out in consultation with the office of Principal Accountant General, Haryana under intimation of the Committee.
2. **Case No.100 (M/s Durga Surgical Corporation, Sonipat, TIN 06163012590, AY: 2007-08):**
Matter be verified as to whether the tax has been imposed at the rate of 4% on the clothes sold to the hospitals or not. If the tax has been imposed at the rate of 4% as per the prevailing law, the Committee will consider to drop the same and if not, the matter be re-submitted before the Committee for its further consideration.
3. **Case No.101 & 113 (M/s Paras Ram Basheher Lal, Sonipat, TIN 06903003162, AY: 2009-10):**
The Revisional Authority be directed to conclude the proceedings in a time bound manner and the Committee be informed of the decision of the Revisional Authority.
4. **Case No.112 (M/s Sumer Dass Co-Op Society Ltd., Panipat, TIN. 06112618070, AY:2008-09):**
Sincere and pragmatic steps be taken to recover the outstanding amount of tax under intimation of the Committee.
5. **Case No.116 (M/s Surekha Industries, Sonapat. TIN 0613300887, A.Y. 2007-08 and 2008-09):**
State interest be protected before the Tribunal and the Committee be also informed of the decision of the Tribunal in the matter.
6. **Case No.117 (M/s Agromach Spare Corporation, Faridabad (West), TIN. 06421327460, AY: 2009-10):**
State interest be protected before the Tribunal and the Committee be also informed of the decision of the Tribunal in the matter.

7. **Case No.118 (M/s Plasser India Pvt Ltd., Faridabad (West), TIN. 06521303543. AY: 2008-09):**

State interest be protected before the Tribunal and the Committee be also informed of the decision of the Tribunal in the matter.

8. **Case No.119 (M/s Plasser India Pvt Ltd, Faridabad (West), TIN. 06521303543. AY:2006-07):**

State interest be protected before the Tribunal and the Committee be also informed of the decision of the Tribunal in the matter.

9. **Case No.120 (M/s JCB India, Faridabad (West), TIN. 06411301809, AY: 2007-08 & 2008-09):**

The department to verify at other places as to whether the earth moving equipment is being used as a plant & machinery and also as to whether it has some role in the manufacturing. The verification report be submitted to the Committee for its further consideration.

10. **Case No.161 (M/s Eco Protection Engineers, TIN 6501706298, AY:2008-09):**

The department to re-look into the matter and to re-submit the fresh reply for the consideration of the Committee.

11. **Case No.164 (M/s Balsara Home Product (P) Ltd, Sonapat now new name is Dabur India (P) Ltd., Ambala, TIN 6703009092, AY: 2007-08):**

The Assessing Authority be directed to conclude the assessment proceedings in a time bound manner and latest status be submitted to the Committee before the next meeting for its consideration.

12. **Case No.169 (M/s Kalptaru Power Transmission, Kaithal TIN 6152196955, AY: 2008-09):**

The Committee be informed of the outcome of the vigilance inquiry. Till then the case is kept pending.

[83] 2.4.1 Non levy of penalty for bogus ITC claim/sale suppression:

During test check of assessment records of six DETC (ST) offices between May 2008 and June 2013, we noticed that the AAs while framing assessments in 14 cases between March 2008 and March 2012 had held that:

- (a) Eight dealers had claimed ITC of Rs. 4.79 Crore on bogus purchases;
- (b) Three dealers had suppressed sales involving tax of Rs. 1.52 Crore; and
- (c) Three dealers had claimed interstate sale as branch transfer out of state against F forms involving tax of Rs. 165.21 Crore.

For the above defaults, tax and penalty were required to be levied as per the provisions of Section 38 of HVAT Act 2003. The AAs, however, rejected the ITC claims and levied tax only but did not levy penalty of Rs. 440.76 Crore.

On this being pointed out, the AAs Faridabad (W) and Panipat had created demand of Rs. 423.55 Crore in five cases. The department also accepted the audit observation during exit conference (October 2013) and the ETC directed departmental officers to examine the cases in detail and to register cases/lodge FIRs against such fraudsters under the Act.

The department in its written reply stated as under:

District wise/dealer wise reply is as under:

1. **M/s Deepika Sales Corpn. Jagadhri. TIN. 06471616735. A.Y. 2008-09:**

In reply to audit observation it is informed that the assessment of the dealer for the year 2008-09 was framed by the Assessing Authority vide order dated 09.01.2012. During the course of proceedings the dealer failed to produce his account books and admitted that he has not maintained any books of accounts. Further assessing authority has observed that the dealer claimed input tax credit on the purchase but during the course of verification it was found that the selling dealer were non-existent. Also the dealer could not produce any tax invoices etc. in support of claim for input tax credit. So, all the claims of ITC made by the dealer was rejected and demand of Rs. 22903172/- under HVAT Act, 2003 and Rs. 114625/- under CST Act was created. Further registration certificate of the dealer was also cancelled. The firm is lying closed and dealer is not traceable so no recoveries could be made. However efforts are being made to recover the outstanding arrears. Case of the dealer was also sent to DETC Inspection-cum-Revisional Authority which was decided vide order dated 06.01.2014 with observation that Revisional Authority is not competent to take action u/s 38 of the HVAT Act, 2003. The observation of the audit that the dealer has maintained false account books is not correct as the assessment of the dealer has been made on the basis of turnover declared by the dealer and no suppression of sale/purchase has been detected by the Assessing Authority. However there is no denying the fact that the dealer has submitted incorrect information and claimed input tax credit on the fictitious purchases but no penalty under section 38 of HVAT Act, 2003 has been levied by the assessing authority being paper transactions. Now the time limitation for taking penal action under section 38 has lapsed. However it is further intimated that Superintendent of the police Yamunanagar vide letter no.2763/W-5 dated 28/12/2017 has been requested for lodging an FIR against the defaulting dealer.

2. **M/s Komal Enterprises, Jagadhri TIN. 06271616942. A.Y. 2008-09:**

In reply to audit observation it is informed that the assessment of the dealer for the year 2008-09 was framed by the Assessing Authority vide order dated

09.01.2012. During the course of proceedings the dealer failed to produce his account books and admitted that he has not maintained any books of accounts. Further assessing authority has observed that the dealer claimed input tax credit on the purchase but during the course of verification it was found that the selling dealer was non-existent. Also the dealer could not produce any tax invoices etc. in support of claim for input tax credit. So, all the claims of ITC made by the dealer was rejected and demand of Rs. 19731595/- under HVAT Act, 2003 and Rs.130997/- under CST Act was created. Further registration certificate of the dealer was also cancelled. The firm is lying closed and the dealer is not traceable. However recovery of Rs. One Lac have been made from the surety as per the below details:-

Rs.5000 DCR No.12 Dt. 16.06.12, Rs.5000 DCR No.23 Dt.18.07.12, Rs.10000/- DCR No.46 Dt.08.08.12, Rs.5000 DCR No.47 Dt.08.08.2012, Rs.3200 DCR No.43 Dt.15.09.12, Rs.8940 DCR No.80 Dt.07.11.12, Rs.7860 DCR No.54 Dt.14.02.13, Rs.5000 DCR No.53 Dt.15.05.2013, Rs.40000 DCR No.23 Dt.26.06.13, Rs.4960 DCR No.61 Dt. 20.02.14, Rs.5040 GRN 51536 Dt.31.01.15.

Further efforts are being made to recover the balance arrear. Case of the dealer was also sent to DETC Inspection-cum-Revisonal Authority which was decided vide order dated 06.01.2014 with observation that Revisonal Authority is not competent to take action u/s 38 of the HVAT Act, 2003. The observation of the audit that the dealer has maintained false account books is not correct as the assessment of the dealer has been made on the basis of turnover declared by the dealer and no suppression of sale/purchase has been detected by the Assessing Authority. However there is no denying the fact that the dealer has submitted incorrect information and claimed input tax credit on the fictitious purchases but no penalty under section 38 of HVAT Act, 2003 has been levied by the assessing authority being paper transactions. Now the time limitation for taking penal action under section 38 has lapsed. However it is further intimated that Superintendent of the police Yamunanagar vide letter no. 2764/w-5 dated 28/12/2017 has been requested for lodging an FIR against the defaulting dealer.

3. M/s Devki Enterprises. Faridabad (East). TIN 06431213916, A.Y. 2008-09:

In reply to the audit memo, it is brought to your notice that a notice for re-assessment has been issued to the dealer for taking penal action under section 38 of the HVAT Act, 2003 against him as pointed out by the audit party. Meanwhile dealer also preferred appeal before the Jt. Excise & Taxation Commissioner (A) and the case is pending before him. & the case is fixed for 18.01.2018. In light of above facts, the audit para may please be dropped.

4. M/s Fair Deal Enterprises. Faridabad (East). A.Y. 2008-09:

In reply to the audit memo, it is submitted that the original assessment was framed by Sh. M.L. Bishnoi, the the Assessing Authority thereby creating an additional demand of Rs.16,52,723/- on account of input tax rejection, Against this order, the dealer has preferred a appeal before the Jt. ETC(A), Faridabad vide order dated 03.03.2014 in the light of M/s. Gheru Mal Bal Chand Judgement of Hon'ble Punjab & Haryana High Court. As per the observation of the audit

party, a penalty u/s 38 has also been imposed in this case to the tune of Rs.29,52,054/- vide order dated 01.04.2014 and the recovery proceedings were initiated. Now, the dealer has requested vide letter dated 11.06.2014 to keep recovery proceedings under abeyance till the decision, as he has preferred appeal against penalty order also, before the JT. ETC (A), Faridabad and the case is fixed for 18.01.2018. Hence at present, both the orders i.e. Original Assessment Order dated 29.03.2012 and penalty order dated 01.04.2014 are under appeal before the Jt. ETC (A), Faridabad. In light of the above facts, the audit para may please be dropped.

5. M/s SVK Entt. Faridabad (West). TIN. 06171325803. A.Y. 2008-09:

In reply to the audit memo it is submitted that the case was reassessed vide Assessing Authority order dated 02.04.2013. the penalty under Section 38 was levied on account of suppression of sales and additional demand of Rs. 994105/- was created (tax amount 248526 + Penalty amount 745579). The dealer went in appeal against this order and the case was remanded by Jt. ETC (Appeal), Faridabad vide orders dated 30.09.2014. The same was decided on dated 20.05.2016 (ex-parte) and original order was restored with (tax amount 248526 + Penalty amount 745579). Efforts are being made to recover the same.

6. M/s Bhawani Trading Co. Faridabad (West). TIN 06551326952, A.Y. 2007-08:

In reply to the audit memo, it is submitted that the remand case has been decided levying tax of Rs. 4670168/- & penalty u/s 38 of HVAT Act 2003 of Rs. 10200573/- thus creating an additional demand of Rs. 13675565/- under HVAT Act, 2003 and Rs. 2600/- under the CST Act, 1956 vide order dated 05.05.2014. The firm stand closed and the notice was pasted on the last known address of the dealer. Further notices were also issued to the sureties and an amount of Rs. 100000/- has been recovered vide demand draft no. 55086 dt. 19.08.15 of Bank of Baroda. The recovery proceedings are in progress and the result of the same will be intimated in due course.

7. M/s Bhawani Trading Co. Faridabad (West). TIN 06551326952, A.Y. 2008-09:

The case has been decided on 12.3.2014 for the year 2008-09 re-assessed on suppression of sales amounting of Rs. 1357367/- and taxed according to rate of tax applicable creating an additional demand of Rs. 139298/- and penalty of Rs. 417894/- has also been imposed under Section 31(8) of the VAT Act. Total demand comes to Rs. 557192/-. Efforts are being made to recover the amount. Whenever, the recovery is effected, the same will be intimated to the A.G. Haryana. Hence, para may be dropped.

8. M/s Dee Kay Trade Centre. Faridabad (West). TIN. 06151323613. A.Y. 2004-05:

Penalty u/s 38 has been levied order dated 21.12.2009 creating additional demand of Rs. 53,09,596/-. The service of the order was effected, through substitute service. Notices have been issued to the sureties as part of recovery proceedings.

9. M/s Gupta Metals Sheet PVT Ltd. Rewari. TIN. 0619. A.Y. 2008-09:

As regard to the audit objection, it is intimated that the dealer has filed an appeal before the Jt. Excise & Taxation Commissioner (Appeal), Faridabad against the assessment order dated 29.03.2012 for the assessment year 2008-09. The Appellate Authority has remanded the case vide order dated 26.08.2013. The remand case was decided vide assessing authority order No. 324-A/2008-09 dated 16.09.2015 creating an additional demand of Rs. 709345/- and 74343/- under Vat Act and CST Act respectively. The dealer again preferred an appeal before the Jt. Excise & Taxation (Appeal) Faridabad and the Appellate Authority vide order dated 05.04.2017 has quashed the orders of assessing authority in terms of orders passed in case of M/s Kamal Industries (Huf). Hence para may kindly be dropped.

10. M/s H.R. Steel PVT Limited. Rewari. TIN.06182707029 A.Y. 2007-08:

As regards to audit objection, it is intimated that the assessment case of the above said firm for the year 2008-09 was decided on dated 29.03.2012 by creating an additional demand 1627235/- under VAT Act, 2003 on account of rejection of input tax credit. Against the order dated 29.03.2012 the dealer has filed an appeal before the Jt. Excise & Taxation Commissioner (Appeal) Faridabad and the appeal was rejected vide order dated 31.01.2014.. The dealer preferred appeal before the Haryana Tax Tribunal and the case was remanded back on 26.07.2017. Now, fresh assessment proceedings have been initiated by issuing notice to the dealer. The case is under process and the result will be intimated as the case will be decided. Hence para may kindly be dropped

11. M/s Larson Turbo Limited. Panipat. TIN.06262609597. A.Y. 2007-08:

In reply to audit para it is intimated that the dealer has made purchases of Rs 52087481/- from M/s Shivani Enterprises, Gurgaon Tin-06601525262. But VAT C-4 form produced at the time of assessment to the tune of Rs 29471462/-. But VAT C-4 was having Tin-No , of Delhi the input to the tune of Rs 1214269/- was disallowed by the A'A' which is clearly reflected in the assessment order itself. Remaining ITC of above said dealer was also disallowed on a/c of short VAT C-4 forms. The dealer has duly reflected the purchases in the books of a/c but in the list of LP-7 given in the above wrong tin no of Delhi was mentioned. Keeping in view of the above there is no discrepancy hence para may be dropped.

12. M/s Indian Oil Corporation Limited. Panipat. TIN.11272. A.Y.2001-02:

In reply to audit para it is stated that penalty of Rs 672875080/- under section 9(2) of CST Act r.w section 48 of the HGST Act, 1973 stands imposed on the dealer company vide order dated 16.3.2013. The Dealer company has agitated before the order of penalty before the Haryana Tax Tribunal Chandigarh. The Hon'ble Haryana Tax Tribunal has remanded the case back to Assessing Authority vide order dated 27.02.2017 to decide the matter afresh as per the direction of Central Sales Tax Appellate Authority, New Delhi. The remand case is under proceedings. In view of the above para may be dropped.

13. M/s Indian Oil Corporation Limited. Panipat. TIN.11272. A.Y.2002-03:

In reply to audit para it is stated that penalty of Rs 780454498/- under section 9(2) of CST Act r.w section 48 of the HGST Act, 1973 stands imposed on the dealer company vide order dated 6.3.2013. The dealer company has agitated the order of penalty before the Haryana Tax Tribunal. The Hon'ble Haryana Tax Tribunal has remanded the case back to Assessing Authority vide order dated 27.02.2017 to decide the matter afresh as per the direction of Central Sales Tax Appellate Authority, New Delhi. The remand case is under proceedings. In view of the above para may be dropped.

14. M/s Indian Oil Corporation Ltd., Panipat TIN 11272., A.Y. 2007-08:

In reply to audit para it is stated that penalty of Rs 2776158486/- under section 9(2) of CST Act r.w section 38 of the HVAT Act, 2003 stands imposed on the dealer company vide order dated 6.3.2013 . The dealer company has agitated order of penalty before the Haryana Tax Tribunal Chandigarh. The Hon'ble Haryana Tax Tribunal has remanded the case back to Assessing Authority vide order dated 27.02.2017 to decide the matter afresh as per the direction of Central Sales Tax Appellate Authority, New Delhi. The remand case is under proceedings. In view of the above Para may be dropped.

15. M/s FNS Intenational PVT. Ltd. Sonipat. TIN. 060530122311. A.Y. 2007-08:

The audit has pointed out that Penalty u/s 9 (2A) of CST Act read with Section 38 of Haryana Value Added Tax Act, 2003 amounting to Rs.1,10,60,199/- was not imposed resulted into under assessment of tax.

In this regard, it is submitted that dealer preferred an appeal before Jt. ETC (Appeal) Rohtak against the orders of Assessing Authority in which penalty u/s 10A of CST Act was imposed and the Kt. ETC (Range), Rohtak vide his orders dated 04/09/2012 has remanded the case for fresh decision. The details of 'C' Forms used by the dealer in Kundli have been obtained and on verification it is found that the C Forms have been used for purchase of Plant & Machinery. Hence, no misuse of any 'C' form has been established. As verified from account books/relevant record of the company, purchases of some material/machinery have been made. Since, no sales have been made, total material is lying as closing stock and the same stands reflected in Trading Account placed on file and remand case disposed off accordingly. Hence the audit para may please be settled.

The Committee has desired that firstly; FIR be got registered against the dealders/firms for evasing the tax fraudulently by claiming bogus input tax credit by suppression of sale and secondly; responsibility of the officer(s) be fixed for not taking appropriate action for a long time and thereby allowed the matters to become time barred and action taken report be submitted to the Committee within a period of fifteen days.

[84] **2.4.2(i) Suppression of Sale – Non levy of penalty for bogus ITC claim:**

In five DETC (ST) offices we noticed that 13 dealers had suppressed sale of Rs.29.11 Crore during 2005-06 to 2008-09 involving tax effect of Rs.2.07 Crore, besides penalty of Rs.6.23 Crore is also leviable.

On the being pointed out, the Aas Faridabad (W) and Gurgaon had created demand of Rs.2.25 Crore in three cases. The department also accepted the audit observations during exit conference.

The department in its written reply stated as under:

Audit has pointed out that during audit of five offices of DETC (ST), 13 dealers were noticed to have suppressed sale of Rs. 29.11 Crore during the year 2005-06 to 2008-09 involving tax effect of Rs. 2.07 Crore in addition to penalty of Rs. 6.23 Crore.

In this regard it is mentioned that out of 13 cases, 08 cases are admitted in which a demand of Rs. 8.82 Crore have been created and out of this demand 0.97 Lacs has been recovered. Further out of 13 cases audit observation are not admitted in 4 cases mentioned at Sr. No. 03,10,11 and 13 of this para. One case mentioned at Sr. no. 7 does not relate to suppression, rather it pertains to recovery of demand.

District wise/dealer wise reply is as under:-

1. M/s Ambika Enterprises. Faridabad (East). TIN. 0611219954. A.Y. 2007-08:

The original assessment of above firm was framed on 30.03.2011 after taking into consideration Gross Turnover of Rs. 6,24,77,503/- creating additional demand of Rs. 82,37,820/-. This demand was created on account of suppression of sale by the above dealer. After framing the assessment, audit pointed out that M/s Ambika Enterprises has not disclosed sales made to the firms M/s Faridabad Control Electrical amounting to Rs. 19,58,550/- and to M/s Shivam Trading Company Rs. 39,22,855/-, total suppressed sale at Rs. 58,81,405/-.

Taking into consideration the audit observations, Assessing Authority framed re-assessment on 29.03.2013 of the dealer after adding suppressed sales of Rs. 58,81,405/- to Gross Turnover and a demand of Rs. 10,97,890 was created on suppressed sale of Rs. 58,81,405/-. Thus in original assessment and re-assessment demand of Rs. 82,37,820/- and 10,97,890/- was created respectively. The said demand was declared as arrears under the Land Revenue Act, 1887. Summons were issued for the recovery of arrear, but both the dealer and sureties closed down their business and their whereabouts are not known.

2. M/s Ambika Enterprises. Faridabad (East). TIN. 0611219954. A.Y. 2007-08:

Audit has pointed out that M/s Ambika Enterprises has not disclosed sale of Rs.2,45,70,500/- made to M/s S. B industries, Faridabad in his returns.

In this regard it is mentioned that the original assessment of above firm was framed on 30.03.2011 after taking into consideration Gross Turnover at Rs. 6,24,77,503/- creating additional demand of Rs. 82,37,820/-. This demand was created on account of suppression of sale by the above dealer. While framing original assessment of the dealer, Assessing Authority has taken into consideration sale of Rs. 2,45,70,500/-. Meaning thereby that the suppressed sale as pointed out by the Audit was included in Gross Turnover of Rs. 6,247,7,503/-.

3. M/s Shyam Steel Industries. Faridabad (East). TIN. 06931219461. A.Y. 2007-08:

Audit has pointed out that M/s Shyam Steel Industries had shown sale of Rs.6,99,22,739/- in LS-9 to M/s Larsen turbo Ltd., Panipat in 2007-08. But L&T had Input Tax concession on purchases of Rs.9,72,85,119/- which resulted in difference of Rs.2,73,62,380/- and tax involved of Rs.10,94,495/- (@4%) and penalty under section 38 of the HVAT Act 2003 of Rs.32,83,486/-

In this regard it is mentioned that as per assessment order dated 23.10.2009 for the year 2007-08, the above firm has shown sale of Rs.11,25,63,867/- to M/s L&T, Panipat. The detail of Quarter wise sale made to M/s L&T, Panipat is given as under:

Q.E. 30.06.2007	Rs.4,18,61,811/-
Q.E. 30.09.2007	Rs.4,26,41,128/-
Q.E. 31.12.2007	Nil
Q.E. 31.03.2008	Rs.2,80,60,928/-
Total	Rs.11,25,63,867/-

From the perusal of above table, it is worked out that total sum of sales for the 1st and 3rd quarter comes to Rs.6,99,22,739/-. It appears that while auditing the case of the above firm, audit party has not taken into notice sale of Rs.4,26,41,128/- shown by the above firm to M/s L&T, Panipat in 2nd quarter. Hence, in the light of mentioned facts, there is no suppression of sale and hence para may be dropped.

4. M/s Bhawani Trading Co. Faridabad (West). TIN. 06551326952. A.Y. 2007-80:

Audit has pointed out that the above dealer had sold goods amounting to Rs.3,37,09,564/-(3,17,20,609/- + 19,88,955/-) to M/s National Chemical, Faridabad, BTL Commercial Ltd., Faridabad, S.B Industries, Faridabad and Industrial Syndicate, Faridabad at 4% and 12.5% rate of tax.

In this regard it is mentioned that case was re- assessed under section 17 of HVAT Act, 2003 and additional demand of Rs.13675565/- under HVAT Act, 2003 and Rs. 2600/- under the CST Act, 1956 was created vide Assessing Authority order dated 05.05.2014. The dealer's whereabouts are not known and demand notice was pasted at the last known address of the dealer. Notices were also issued to the sureties

and recovery of Rs. one lacs has been made from one of the surety vide DD no. 550086 of Bank of Baroda, dated 19.08.2015. Proceedings under Land Revenue Act has been initiated against the dealer.

5. M/s Bhawani Trading Co. Faridabad (West). TIN. 06551326952. A.Y. 2007-08:

Audit has pointed out that the Assessing Authority made an addition of Rs.8,52,54,769/- on account of suppression of sale detected through verification and levied tax accordingly but failed to levy penalty of Rs.1,82,29,431 under section 38 of HVAT Act which is inevitable once the suppression is confirmed the saem is not levied so far as per the information/reply received.

In this regard it is mentioned that Assessing Authority assessed tax of Rs.12,68,824/- @ 4% and Rs.2,48,619/- @12.5%. Total tax of Rs.15,17,443/- was assessed and penalty of Rs. 45,52,329/- was also assessed. The total tax and penalty was assessed at Rs.60,69,772/-. The dealer's whereabouts are not known and demand notice was pasted at the last known address of the dealer. Notices were also issued to the sureties and recovery of Rs. one lacs has been made from one of the surety vide DD no. 550086 of Bank of Baroda, dated 19.08.2015. Proceedings under Land Revenue Act has been initiated against the dealer.

6. M/s Bhawani Trading Co. Faridabad (West). TIN. 06551326952. A.Y. 2008-09:

Audit has pointed out that the above dealer had sold goods amounting to Rs.1375,367/-(383,800/- + 991,567/-) to M/s R.R. Enterprise, Faridabad (12.5%) and S.S Steel, Faridabad(4%) and thus under assessed tax of Rs. 139298/- and penalty of Rs. 417894/-. The total tax and penalty of Rs.5,57,192/- was under assessed.

In this regard, it is mentioned that as per audit observation, Assessing Authority vide its order dated 12.03.2014 assessed tax of Rs.1,39,298/- and penalty of Rs.4,17,894/- total Rs.5,57,192/- on the suppressed sale of Rs 13,57,369/-. The dealer's whereabouts are not known and demand notice was pasted at the last known address of the dealer. Notices were also issued to the sureties and recovery of Rs. one lacs has been made from one of the surety vide DD no. 550086 of Bank of Baroda, dated 19.08.2015. Proceedings under Land Revenue Act has been initiated against the dealer.

7. M/s K.S. Industrial Corpn. Faridabad (West). TIN. 06561326898. A. Y. 2007-08:

Audit has pointed out that the above dealer had sold goods amounting to Rs.1,45,72,233/- @4% and Rs. 67,34,599/- @ 12.5to M/s Aar Gee Enterprise, Faridabad, G.S. Enterprises, Gurgaon, M/s Shiva Automat, Faridabad and Precision Machine Tools, Faridabad but these sales were

not disclosed by the above dealer in his returns resulting into under assessment of tax of Rs.14,24,964/- and penalty of Rs.42,74,892/-. Total tax and penalty of Rs.56,99,356 /-.

In this regard it is mentioned that Assessing Authority has assessed tax and penalty Rs.56,90,321/-. The assessment of the dealer was framed ex-parte. The dealer has close down his business and whereabouts the dealer are not known. Recovery of Rs. 10,000/- has been made from one of surety and notices have been issued to the second surety to liquidated the arrear. The efforts are being made to recover arrear under the Punjab Land Revenue Act. The details of moveable and immovable properties of the dealer are being obtained from Revenue Authorities.

9. M/s Mahadev Trading Co. Gurgoan (East). TIN. 06351826515. A.Y. 2006-07:

Audit has pointed out that the dealer was a trader of iron and steel. The best judgment assessment was framed ex-parte disallowing the claim of input tax credit and penal action was also taken u/s 38 of HVAT Act, 2003. Later on, the audit while making cross verification of sales/ purchase of Faridabad dealer came to notice that the dealer has sold iron and steel worth Rs.4,25,42,177/- to M/s Nanak Enterprises @ 4% and other goods taxable @ 12.5% worth Rs.6,35,000/- involving total tax of Rs.17,82,045/-. Hence, the dealer suppressed the sales made to M/s Nanak Enterprises, Faridabad. Hence, penal action u/s 38 of HVAT Act, 2003 was required. As it involves total tax of Rs.17,82,045/- and penalty of Rs.53,43,186/-.

In this regard it is mentioned that assessment was framed on 08.05.2013 determinig GTO of Rs.172903,009/- and additional demand of Rs.4,24,44,019/- was created. As regard recovery of arrear it is mentioned that the dealer and sureties have closed down their business the efforts are being made to recover arrear under the Punjab Land Revenue Act. The details of moveable and immovable properties of the dealer are being obtained from Revenue Authorities.

10. M/s RMC Ready Mix Concrete PVT Ltd. Gurgoan (West). TIN. 06651930237. A.Y. 2007-08:

It is hereby submitted that the dealer company has affected sale of RMC Ready-mix India Pvt. Ltd. Gurgaon TIN 06651930237 to M/s Larson & Tourbo at Maruti Industrial area sector 18 Panipat during the financial year 2007-08 against collection of full rate of tax i.e. 12.5% and not against 4%. The relevant sales have been duly reflected in the quarterly returns in unregistered dealer sales i.e. not furnished TIN and paid tax accordingly.

There exists no suppression of sales at all. This is for your information, record and necessary action at your end.

11. M/s J.K.Luxmi Cements, Gurgoan (West). TIN. 06921912386, AY:2007-08:

In this case, it is intimated that M/s J.K. Laxmi Cement, Gurgaon holding TIN 06921912386. It is clarified that as per R-1and R-2 filed by the dealer for the year 2007-08 with this office and the ledger a/c of the dealer

company, sale of cement to the tune of Rs. 1,32,49,687/- has been effected @12.5% to M/s Larson and Toubro, Panipat holding TIN 06262609597 during the year under reference which is contrary to the audit objection raised pointing out that the dealer has affected only sale of Rs. 2261468/- and that is too @4% of the tax. It may be worth bringing here that the amount taken into consideration by the audit Officer i.e. Rs.2261468/- pertains to the sale conducted to M/s Larson and Toubro, Panipat for the 3rd Quarter only. The record available reveals that audit objection raised by the Audit officer has no basis as the same has not been verified from any record and hence holds no grounds. The Audit officer has raised the objection in the case without going into facts of the case.

In view of the above observations and facts of the case, it is clarified that the dealer has conducted a total sales of goods (Cement) worth Rs. 13249687/- during the year to M/s Larson and Toubro, Panipat and charged tax @12.5% which stands paid into Government Treasury by the dealer in question. Hence para needs to be considered and dropped. The record reflecting all details is placed on the file for perusal of the Audit.

12. M/s Time Overseas. Karnal. TIN. 06812231722. A.Y. 2008-09:

In reply to Audit objection that this firm have suppressed a sale Rs. 12826327/- i.e. made to M/s K.K. Sales, karnal TIN 06602233535 (the TIN mentioned wrongly by Audit which belongs to M/s Mahabir Industries, Karnal) it is submitted that the audit have raised this objection on 01.04.2013 but Assessing Authority have verified and confronted this sale much earlier the same has been confronted to the dealer from 24.02.2012 to till passing its assessment order on 30.03.2012. And in his assessment order the Assessing Authority have clearly rejected the input tax credit benefit against this purchases of Rs. 12850507/- As corrective measure has been taken on time during caring out assessment of M/s K.K Sales, Karnal, and as no excess benefit of input tax credit have been passes over the purchasing firm, no other action was required in this matter otherwise it would have resulted in double taxation. Moreover both the original assessment and remand case of M/s Time Overseas, karnal was decided ex-party as the dealer was not available to present any account books so it was not open to Assessing Authority to determine any supersession for the want of account books. Moreover, in both assessments i.e regular and remand no input tax credit benefit of Rs. 3270394/- has been given to the farm for the same lacking of accounts books. The total outstanding recovery against this firm of Rs. 1837171/-. The following firm where sureties for this firm:-

1. M/s Sohan lal Aggrewal & Sons, karnal
2. M/s Shree Ganesh Trader, karnal.

Notice has been issued to the sureties to recover the arrear. In the light of above para may be dropped.

13. M/s Rama Cement Agencies, Karnal. TIN. 06752213081. AY:2005-06:

The audit raised the objection on the basis of letters received in this office from office of DETC (ST) Sonapat, Ambala & Jagadhari which are placed on the file. Relying upon the information i.e. letters of verification for the years 2003-04, 2004-05 & 2005-06. The audit party self computed the sale of Karnal dealer which was not reflected in the returns filed by him. It is pertinent to mention here that the dealer has neither obtained any VAT D-3 (Inward & outward challan) from this office nor obtained any declaration/ forms under CST Act. Further the turnover shown by the dealer from 2001-02 to 2008-09 in his returns is as under:-

Year	GTO
2001-02	1332974/-
2002-03	811841/-
2003-04	347684/-
2004-05	1377249/-
2005-06	359917/-
2006-07 to 2008-09	Nil

On the perusal of the above facts, it is observed that the dealer is having meager sales during the above mentioned years. The dealer has shown purchases of Rs.478474/- in the assessment year 2004-05. Now the firm stands closed and cancelled as per office record. No Bank account detail of the firm is available in the R.C. part, to ascertain that the dealer had received any payment on account of the goods sold in question to the dealers of districts Sonapat, Ambala and Yamunanagar. As per section 2 (ze) of HVAT Act, sale means transfer of property in goods for cash or deferred payment or other valuable consideration. As per documents available on the file the dealer has not received such payments from the dealers of Sonapat, Ambala Yamunanagar during the assessment year 2004-05. It may be the mischief of other district dealers for claiming of bogus Input to use the name of Karnal. dealer., Further, till date this office has not come across any tax invoice or VAT C-4 issued by Karnal dealer from the other districts., therefore, it is impossible to hold that this dealer had made sale to other district as pointed out in audit objection. The firm stands closed & cancelled and both the sureties also stand closed. Moreover no property details of the firm available as per office record. There is no concrete evidence like tax invoices, VAT C-4 or any proof of payments against such sales duly received by him, furnished by the audit party It is not legal as well as according to principles of natural justice to hold that he has made sales to other districts dealers. In view of above explained facts, the para may please be settled.

The Committee has recommended as under:-

- (i) **The department to examine the option to get the photographs of the dealers/proprietors of the firms who are defaulters in lacs of rupees and/or non-traceable, published in the newspapers and also to put their photographs on the portal of the department so as to discourage them to make business at other place(s) and/or by changing the name of the firm;**

- (ii) In respect of the firm/dealer at Serial No.3 (M/s Shyam Steel Industries, Faridabad (East), TIN. 06931219461, AY:2007-08), the audit to re-verify the assessment orders of the seller and purchaser to detect the actual fault; and
- (iii) The department to take necessary action to conclude the pending cases in a time bound manner and action taken report be submitted to the Committee within a period of 30 days.

[85] **2.4.2(ii) Suppression of Sale – Non levy of penalty for bogus ITC claim:**

In six DETC (ST) offices in eight cases, it was confirmed suppression of sale/purchase worth Rs.21.25 Crore due to filing of incorrect returns submission of incorrect accounts and verification conducted, though was on records, yet the AAs framed assessments in these cases without considering the same. This resulted in non-levy of tax of Rs.0.93 Crore, besides penalty of Rs.2.79 Crore is also leviable.

On this being pointed out, the Assessing Authority Faridabad (W) had created demand of Rs.5.13 lacs in one case. The department also accepted the audit observations during exit conference (October 2013).

The department in its written reply stated as under:

1. M/s Ambala Rollar and Flour Mills. Ambala. TIN. 06571027405. A.Y. 2008-09:

The Case was sent to Deputy Excise and Taxation Commissioner (I) Ambala who vide order dated 18.12.2013 remanded the case to the Assessing Authority to reexamine the case. The Remand case has been decided by the Assessing Authority vide order dated 28.7.2015. In the remand proceeding the dealer submitted bifurcation of sale made against C forms as under:

I.	Total Amount	29859561
II.	Tax free Bazra	9710740
III.	Taxable Sale	20118710.46
IV.	Sale Return/Debit Note	4085897
V.	Net Taxable Sale	(III – IV) 1618865

The purchasing dealer M/s Chandigarh Distillers & Bottlers Ltd, Banur, Punjab inadvertently issued C form worth Rs.29859561/- by taking total account detail of the dealer i.e. (taxable sale and tax free sale including sale returns) At the time of finalizing of remand case the dealer submitted invoices of tax free sales and debit notes which are placed on the file. After due examination of above documents, the assessing authority while deciding the case deduct total tax free sale worth Rs.14641064/- (within Haryana Rs.4930324/- + out side Haryana Rs.9710740/-) from the total turnover of the dealer. No suppression was found in remand proceeding as per remand order dated 28.7.2015. Hence the para may be dropped.

2. M/s Raj Industrial Corp. Faridabad (West). TIN. 06701319384. A.Y. 2004-05:

In this case, it is intimated that the case has been re-assessed vide Assessing Authorities orders dated 26.02.2010 creating an additional demand of Rs. 1,49,01,307/-. The firm is closed. The proprietor is not traceable at Faridabad. Notices were pasted at last known address of the dealer. The proceedings for recovery against the sureties have been initiated. Hence para may please be dropped.

3. M/s Shree Anand Moulding. Gurgaon (East). TIN. 06471820435. A.Y. 2007-08:

Dealer is a trader of timber & plywood. It was observed by audit that as per Trading Account of dealer there are purchases of only Rs. 9233418/-. As such the dealer suppressed purchase of Rs. 1503381/- (10736799 – 9233418). In reply to the audit objection it is submitted that purchase of the dealer has been reconciled and there is no difference in the purchases. As such Penalty u/s 38 is not leviable. In view of above para may be dropped.

4. M/s Singhal Fastner. Gurgaon (East). TIN. 06621824863, AY: 2008-09:

In this case it is intimated that the time of filling VAT R-2 of A.Y. 2008-09 due to clerical mistake closing stock was taken Nil. Closing of therefore, the para may please be dropped.

5. M/s Larsen & Turbo. Panipat. TIN. 06262609597. A.Y. 2007-08:

In reply to audit para, it is stated that the objection raised by Audit party is incorrect and without any basis. In this connection, the observation of audit party that dealer has shown purchase of Rs. 191302/- from M/s Shivani Enterprises, Gurgaon TIN 06601825262 instead of purchases of Rs. 52087481/- as shown by selling dealer of Gurgaon in his sale list, are countered by the figures of purchases which have been shown in list of purchases by M/s L & T Ltd. which clearly evidents that Panipat dealer has shown purchases of Rs. 48265158/- (Rs. 191312/- & Rs. 48073846/-). Copy of ledger account of M/s Shivani Enterprises, Gurgaon has also been obtained from the Panipat dealer which supports the claim of purchases made by Panipat dealer. Further no ITC amounting to Rs. 1214269/- on purchases from M/s Shivani Enterprises, Gurgaon has been disallowed at the time of assessment.

Keeping in view of the above stated facts, there is no illegality/impropriety in the assessment finalized by the Assessing Authority. Hence para may be dropped

6. M/s Balaji Trading Co. Panipat. TIN. 06452616331. A.Y. 2007-08:

In this case it is intimated that the dealer was assessed to the best of judgment as per section 15(3) of the HVAT Act, 2003. The GTO determined was Rs. 219279342/- which is very higher from the sale stated to be suppressed by dealer as pointed out by audit. The dealer was assessed to an additional demand of Rs. 15436443/- including interest of Rs. 6954971/-. Moreover, no benefit of input tax credit was allowed by

the Assessing Authority being not supported by tax invoices & VAT V-4 which are mandatory documents for allowing such benefit. The assessment was framed ex-parte.

Hence, there is no under assessment in the case as GTO was determined on very higher side and tax was levied at a very huge side. In view of the above para may be dropped.

7. M/s Inderpal and Company. Kaithal. TIN. 06632005042. AY: 2006-07:

The case was sent to DETC-cum- Revisional Authority Kaithal for taking suo-moto action. Notice for revision u/s 34 of the HVAT act was issued to the dealer for appearing before the Revisional Authority Kaithal for dt.03-08-11 but notice could not served due to closure of business as reported by the process server. However counsel the dealer have submitted reply before the Revisional Authority-Cum- DETC (ST), Kaithal dated 16-09-13. the case is yet to be decided..

8. M/s Parmeshwari Dass Yogesh Kumar. Sirsa. TIN. 06782915282. A.Y. 2009-10:

In reply to audit, it is informed that after examination of the case, it is noticed that besides trading account, dealer was also maintaining arthias account (Disawar Account). In trading account, dealer has shown sale and purchases made from registered dealer and in arthias account, dealer has shown sale and purchases made for stock on behalf of individual/disawar/arthias. In this case, dealer has shown purchases of guar giri/dal worth Rs. 15008847/- not gur gum, from registered dealer and hence it is part of trading account whereas the difference so detected by the audit pertains to arthias/Disawar account. Further, it is also pertinent to mention here that since no taxable goods involved in the matter as audit party inadvertently mentioned the goods as guar gum taxable whereas actually the goods is guar dal/giri which has been got verified from sale invoices on which goods mentioned as guar dal/giri and same is also classified at entry No. 28 of schedule B of HVAT Act 2003. Hence, the para may kindly be settled.

The Committee has desired the department firstly, to examine the option to get the photographs of the dealers/proprietors of the firms who are defaulters in lacs of rupees and/or non-traceable, published in the newspapers and also to put their photographs on the portal of the department so as to discourage them to make business at other place(s) and/or by changing the name of the firm; and secondly, to take necessary action to conclude the pending cases in a time bound manner and action taken report be submitted to the Committee within a period of 30 days.

[86] 2.4.3 Deduction / rate concession against fake forms:

In 11 DETC (ST) offices 19 dealers had claimed deductions/rate concessions on consignment out of State/sale under Section 6A and 8 of CST Act, 1956 against "F/C" forms respectively in 20 cases. Further scrutiny of these forms showed that six dealers claimed deduction against "F" forms worth Rs.5.60 Crore and 13 dealers (14 cases) claimed rate concession against "C" forms worth Rs.13.18 Crore. On Verification by audit on TINXSYS and through correspondence with other states, these forms were found fake. The AAs, however, admitted these forms without verification, resulting in tax evasion of Rs.1.51 Crore, besides penalty of Rs.4.54 crore was also leviable.

During Exit Conference, the Department accepted the audit observations. The ETC stated that matter would be taken up with the Commissioners of other States to take action against the defaulting purchasing dealers.

The department in its written reply stated as under:

There are 19 cases involved in this para. 15 cases have been decided with creating additional demand of Rs. 1.10 crore out of which Rs.43.50 lac has already been recovered. Out of remaining 4 cases two cases have been filed by the revisional authority and in remaining two cases the concerned State has not provided the required information. The firm wise reply is given as under:-

1. M/s XO Footwear. Sonipat. TIN. 06923012269. A.Y. 2007-08:

In reply to Audit Para, it is submitted that the file was sent to Revisional Authority vide order dated 15.10.2012 creating an additional demand of Rs. 84579/-. The dealer has deposited the entire demand vide DD No. 064857, dated 17.12.12 (DCR dated 20.12.2012). Hence, in light of the above para may please be settled.

2. M/s RLF Industries Ltd. Sonipat. TIN. 06133005671. A.Y. 2006-07:

In reply to the audit objection, it is submitted that the file was sent to Dy. Excise & Taxation Commissioner (inspection)-cum-Revisional Authority, Sonipat for taking necessary Suo Moto action in this case. The Revisional Authority has decided the case vide her order dated 17.12.2012 in which additional demand of Rs. 2,56,417/- has been created. Copy of order alongwith Tax Demand Notice has been served upon the dealer on 03.01.2013. The dealer has filed appeal before Haryana Tax Tribunal, Chandigarh vide STA No.445 of 2012-13. Hon'ble Haryana Tax Tribunal vide its order dated 26.10.2017 set aside the order dated 17.12.2012 of Revisional Authority and matter is remitted to the Revisional Authority for fresh decision in accordance with law and directed to assessee to appear before Revisional Authority on 21.12.2017.

3. M/s Krishna Cotton & General Mills Hisar TIN 06781524851. A.Y. 2004-05:

Case Decided 04.10.2013 created additional demand of Rs. 811371/- after that the dealer preferred an appeal before JETC (A) Rohtak and the appellate authority quashed the order passed by A/A vide order no. HIS-44-CST-2013-14 dated 3.12.2014.

4. M/s Rakesh Rice Mills. Kurukshetra. TIN.06362304089. AY: 2006-07:

In this case, it is intimated that the assessment order for the year 2006-07 of the dealer has been revised by the Dy. Excise & Taxation Commissioner (ST), Kurukshetra vide order dated 14.01.2013 and tax amounting to Rs. 164920/- has been imposed under the CST Act. The dealer has paid 70,000/- out of additional demand of 164920/-. The appeal filed before Haryana Tax Tribunal has been decided vide STA No. 488/2012-13 dated 23.01.2014 and the Haryana Tax Tribunal has passed the order in accordance with the order passed by the

Hon'ble Punjab & Haryana High Court in VATAP No. 189 of 2012 of M/s. Shailja Rice Industries, Kamal and the matter was pending before the Revisional Authority for adjudication afresh. The case has been revised by DETC-Cum Revisional Authority, Kurukshetra vide his orders dated 26.03.2015 and an additional demand 94920/- has been created after adjusting paid amount of Rs. 70,000/-. And the same has been adjusted from excess carried forward in the year 2014-15 vide order dated 04.01.2018.

5. M/s Bhole Nath Ji Enterprises. Kurukshetra. TIN. 06212314211. A.Y. 2006-07:

The audit has pointed out **3 F forms** originally accepted by the Assessing Authority, Kurukshetra as bogus. Accordingly, the assessment case was revised by the Dy. Excise & Taxation Commissioner-cum-Revisional Authority, Kurukshetra vide her Orders dated 09.5.2012 creating additional demand amounting to Rs. 1,00,745/- under the Central Sales Tax Act 1956. The above additional demand has been recovered from the dealer. Detail of additional demand deposited by the dealer is as under:-

Amount	TR/Date
50000/-	12/04.07.2012
50745/-	01/28.08.2012
100745/-	

In view of above stated facts, Para may be settled.

6. M/s Parshtom Dass Dalip Chand. Kurukshetra. TIN. 06022300784. A.Y. 2006-07:

Kurukshetra are bogus and accordingly, the case was sent to the Dy. Excise & Taxation Commissioner (ST)-Cum Revisional Authority. Kurukshetra who had decided the case on 12.04 2012 vide D. No. 1A/2006-07 with an additional demand of Rs.1,86,751/-.

Aggrieved from the above said order, the dealer has preferred an appeal before the Tax Tribunal vide its order dated 13.08.13 remanded the case to the Revisional Authority with the direction that the case may be decided afresh on the basis of judgment delivered by the Apex Court in the case of M/s Ashok Layland Ltd. reported in (2004) 134 STC 473 (SC). The Revisional Authority vide D.No. 18/2006-07/10.03.2015 has decided the case and created an additional demand of Rs.1,86,751/-. An amount of Rs.1,15,000/- has already been deposited by the dealer during the pendency of appeal. The detail of tax deposited Rs.1,15,000/- are as under.

Remarks:

Amount	Date of Payment	TR No.
25000.00	09.05.2013	25
25000.00	08.06.2013	8
10000.00	06.07.2013	20
5000.00	09.07.2013	22
25000.00	31.07.2013	41
25000.00	01.10.2013	74
115000.00		

An amount of Rs. 71751/- deposited 9.12.2015 GRN-15404127(deposited after the revisional order) Rs. 10879/- has been adjusted against excess VAT in the revisional order.

In view of the above mentioned facts, the para may be dropped.

7. M/s Ganpati Rice & General Mill. Palwal. TIN. 06791323134. A.Y. 2006-07:

It is pointed out that the suspected 2 F forms were got verified from the Department of VAT, Govt, of Delhi and found not issued by the department. Accordingly, the case was taken up for revision by the then DETC -cum- Revisional Authority and a demand of Rs. 120479/- was created on account of rejection of F forms of Rs. 1505983/- and stands recovered vide TR No. 6 dated 21.12.2012 Rs. 62240/- and TR No. 25 dated 09.05.2013 Rs. 58240/-.

8. M/s ANZ Sales Link. Ambala Cantt. TIN. 06781041500, A.Y. 2008-09:

In reply to Audit Observation, it is pointed out that concessional rate of tax on sales made in the course of Inter State Trade & Commerce was allowed by the Assessing Authority on the production of C forms which are placed on record. However, the Audit Party has pointed out that, the C forms submitted by the dealer are not genuine. Necessary report regarding verification of 'C' Forms has been received from Sales Tax Authority Department of Trade & Taxes, Government of NCT of Delhi vide Letter No.1/DTI/Ward-57/2017/1307 dated 30-08-2017. According to this reply, the C forms in question is not genuine and the proceedings for revision are hit by limitation of time now, therefore the DETC concerned has been directed to lodge an FIR against the dealer who has submitted the fake C form.

9. M/s Modflex India Pvt. Ltd. Jhajjar. TIN. 06571701943. A.Y. 2005-06 & 2006-07:

This para pertains to **8 C forms** which were observed bogus by the audit. Accordingly, the case had been sent to the Revisional Authority vide this office memo. Nos. 2312 & 2313 dated 04-03-2011 for taking suo-moto action u/s 34 of the HVAT Act. The Revisional Authority created the demand as under which stands recovered as mentioned below.

Year	Tax	Interest	Total	Recovered
2005-06	188783/-	Rs. 93254/-	282037/-	GRN No. 0006685163 dated 09-05-2014
2006-07 VAT	89945/-	84550/-	174495/-	GRN No. 0006685286 dated 09-05-2014
2006-07 CST	67248/-	2416/-	69664/-	GRN No. 0006685364 dated 09-05-2014

10. M/s Lakra Oil Trading Co. Jhajjar. TIN. 06381704424. A.Y. 2006-07:

This para pertains to **4 C forms** which were observed bogus by the audit with the following details:

Sr. No.	Form No.	State	Amount	Purchasing Dealer
1	15P 157650	Delhi	4,23,311/-	M/s Gupta Trading Co.
2.	13P 950312	Delhi	2,92,790/-	M/s Balaji Traders.
3	HR/01 0826421	Haryana	4,92,636/-	M/s Royal Heat Treatment.
4.	HR/01 0803633	Haryana	4,45,800/-	M/s Jai Maa Enterprises.

On 03.09.2013 the Department of Trade & Taxes, Delhi informed vide letter no.914 Dated:-03.09.2013 that 'C' Forms no.15P 157650 were not issued from their office. The case was sent to Dy. Excise and Taxation Commissioner (Inspection) Rohtak who vide his order dated 07.12.2013 sent back the file with the comment that "... Revisional proceeding cannot be initiated since the case are hit by limitation period for 3 years and was time barred on 09.05.2013." As the revision proceedings are not possible, it has been decided to lodge an FIR against the dealer who has submitted the fake C forms. The DETC concerned has been directed to do so.

11. M/s Charminar Jointing Pvt. Jhajjar. A.Y. 2007-08:

This para pertains to **3 C forms** which have been observed as bogus. An additional demand of rs. 74229/- has been created which has been deposited under GRN No. **0029895961** dated 16-08-2017. Demand is the same as pointed out by the Audit.

In the light of the above facts the para may be dropped.

12. M/s Aggarwal Ispat. Faridabad (East).TIN. 06441217063. AY:2008-09:

Admitting the audit objection, the case had been reassessed creating an additional demand of Rs. 902407/- comprising tax of Rs. 225602 with the penalty of Rs. 676805/- under section 38 of the State Act read with section 9(2) of the CST Act. Aggrieved from the order dated 27-12-2013 the dealer filed an appeal before Joint Excise and Taxation Commissioner (Appeal), Faridabad. The Appellate Authority vide order dated 24.11.2015 remanded back the case to Assessing Authority with the observations "*if the forms are reported to be bogus, it may be beyond control of the appellant and it was only fault of the purchasing dealers, for this the appellant cannot be held as responsible*". In the light of above referred observations the Assessing Authority decided the case and the claim of disputed 'C' Forms amounting for Rs 11280087 was rejected and taxed @4% and created demand for Rs 266825 vide order dated 26-6-2016 (copy enclosed) and the same is deposited vide D.D. 000493 dated 18-08-2017 vide GR No. 29955508. In the light of above referred facts and observations the para may be pleased dropped.

13. M/s Shri Ram Chemicals. Kaithal. TIN. 06542101953. A.Y. 2008-09:

In this case the Audit party has raised an objection on 31.08.2012 that the assessing authority has allowed concessional rate of tax on Inter-state sale worth Rs. 11827884/- against genuine 'C' forms and worth Rs. 38076107/- against invalid E-1 forms under the CST Act, further the audit party has pointed out that the assessing authority has levied tax @4% on sale of Rs. 2593651 instead of tax @ 12.5%. The assessment file was sent to Dy. Excise & Taxation Commissioner (Insp.)-Cum revisional authority Karnal for taking Suo-moto action. The action was taken by the revisional authority Kaithal under section-34 of the Haryana Value Added Tax Act, 2003 read with section 9(2) of the CST Act 1956. A notice was to the firm issued by the revisional authority. Letters were written to various district regarding verification of 'C' Forms. After obtaining the verification 'C' forms the revisional authority Karnal has levied tax after obtaining the information

regarding ingenuine/invalid declaration. The revisional authority has levied the tax and interest worth Rs. 440920 under the VAT Act of Rs. 4320370/- under the CST Act. Notice N-4 was delivered to the firm by registered post. The firms stands closed and came to notice that dealer has left the Kaithal and residing at Punjab. Then notice issued to the both sureties to recover the surety amount of Rs. 200000/- under the VAT Act, and under the 200000/- of CST Act. Amount to Rs. 200000/- under the VAT Act and of Rs. 110000/- under the CST Act was recovered and remaining amount of Rs. 90000/- is still outstanding. The DETC Kaithal, has been directed to lodge an FIR against the dealer.

14. M/s Bansal Iron & Steel Traders. Gurgoan (East) TIN 1821104 A.Y. 2002-03:

The dealer is engaged in the trading of iron and steel. The dealer had submitted 4 'C Form for the claim of concessional rate of Tax at the time of assessment. The claim of dealer was allowed but as per verification report of the A.A.-cum- VAT officer, New Delhi the above submitted forms were not found genuine. Therefore, the case had been re-assessed creating an additional demand of Rs. 536850 and the same has been recovered vide by TR dated 21.05.2013. Hence, the para may be dropped.

15. M/s Bath Sanitation Pvt Ltd. Gurgoan (East). TIN. 06221830030. A.Y. 2009-10:

This para pertains to **3 C forms** which were observed bogus by the audit. Accordingly, the case was reassessed under section 17 of the HVAT Act, 2203 read section 9(2) of the CST Act creating an additional demand of Rs. 137575/- vide orders dated 31.10.2013. The amount is still outstanding, the DETC concerned has been directed to lodge an FIR against the dealer who has submitted the fake C forms.

16. M/s Rajasthan Electrical Traders. Gurgoan (West). TIN. 06671929450. A.Y. 2009-10:

This para pertains to 2 bogus F forms valuing Rs. 1593057/- The case was re-assessed by the ETO-Cum-Assessing Authority, Gurugram on dated 17.12.2014 creating an additional demand of Rs. 167271/-. Efforts are being made to recover the said amount. The amount is still outstanding, the DETC concerned has been directed to lodge an FIR against the dealer who has submitted the fake C forms.

17. M/s Metro Concrete Pvt Ltd. GGN (W), TIN. 1932703. A.Y. 2009-10:

In this case, it is intimated that the objection raised by the audit party, regarding 2 bogus C forms bearing no. 19P 487007, 16P487008 and 16P 4877006 totaling Rs. 1939115/- were said to be not issued by the department of Trade and Taxes, Govt. of NCT of Delhi, vide their letter no. AC (VAT)/W-63/2014-15 dated 05.05.2014. The case was reassessed vide order dated 15.10.2014 creating an additional demand of Rs. 254509/-. Out of which an amount of Rs. 50000/- has been recovered vide DD No. 121087 dated 31.12.2014. Balance recovery is still pending, the DETC concerned has been directed to lodge an FIR against the dealer who has submitted the fake C forms.

18. M/s Divya Carbonic Pvt Ltd. Panipat. TIN. 06782604073. AY:2006-07:

It is brought to the attention that audit party presumed that 4 C-Forms obtained from M/s Ashok & company New Delhi, TIN No. 07390187904 bearing Sr. No. as under were not genuine :-

Sr. No.	C Form No.	Amount (Rs.)
1	14P 509468	1846782/-
2	14P 567414	1871055/-
3	14P 680795	1585845/-
4	14P 732294	1252710/-

The Audit Party observed that the above mentioned 'C'forms submitted by M/s Divya Carbonic Pvt. Ltd., TIN No. 06782604073 did not seem genuine because of difference of the colour and quality of the paper and water mark on the above 'C'forms. The audit party further mentioned that the C'forms were different from the other forms issued to the other dealers of New Delhi. On this presumption the audit objection was raised. It is mentioned that the details of above said 'C'forms were sent to Delhi VAT authorities who replied as under:-

"Kindly refer to your memo No. 1192/T.I. (W-6) dated 29.04.2014 regarding subject cited above. In this regard, it is inform that 'C'forms in question issued by M/s Ashok & Co. having TIN No. 07390187904 in favour of M/s Divya Carbonics Pvt. Ltd., Panipat have not been issued by this office. However, the forms were issued by Centralized Forms Cell, which has now been closed and the record for the same is not available in the ward. Keeping in view, the genuineness of 'C' Forms Nos. 14P 509468, 14P 680795, 14P 732294 cannot be verified."

Regarding the presumption of the audit party it is stated that the forms of the other Delhi dealers submitted that the time of original assessment (01.02.2010) were issued in the year 2007 and 2008 whereas the above mentioned 4 'C' Forms were issued in the year 2010 at the time of rectification on 31.05.2010. Therefore, there was a possibility that it might differ in color and quality of paper. It is also intimated that no correspondence/information regarding verification of forms have been provided by the A.G. office. In the light of above the PAG(Audit) is being requested to provide the details of verification if received from its counterpart of Delhi or any other document regarding C forms mentioning them not genuine.

19. M/s Parma Nand Ganda Singh. Panipat. TIN. 06752600452. AY:2007-08:

The necessary documents regarding verification of 'C' Forms no. 14P 521767 for Rs. 3,25,000/- has been received from AG, Haryana office in the last week of December, 2017 and the same has been conveyed to DETC (ST), Panipat for taking suitable remedial action as per law vide this office memo no. 119/AA-III, dated 02.02.2018.

In reply to 2nd part of audit objection it is brought to kind notice that the dealer had submitted original 'C' form no. 15P 019897 which was actually for Rs. 2,20,000/-

but in the list it had been mentioned as Rs. 830700/-. It is further submitted that the dealer submitted 2 'C' Forms . The detail are as under :-

Form No.	Amount
15P 019897	220000/-
15P 019898	610700/-
Total	830700/-

Therefore, the total concession claimed by the dealer against 'C' forms is Rs. 830700/-. Both the 'C' forms are placed on the file. In the light of the above mentioned observation the second part of the audit objection may kindly be dropped.

The Committee has recommended as under:-

- 1. Responsibility of the officers be fixed for not taking timely action in the cases which have become time barred and action taken report be submitted to the Committee within a period of one month;**
- 2. In future, it be ensured that no case of assessment/re-assessment/ revision/recovery should be time barred; and**
- 3. In the cases wherein the dealers/firms have claimed and/or obtained deduction/rate concension fraudulently by submitting fake declaration forms, opinion of LR or AG be obtained as to how recovery can be made, in which types of cases, interest and/or penalty can be imposed and under what circumstances FIR can be registered against them and action taken report be submitted to the Committee at the earliest.**

[87] 2.4.5.2 Evasion of tax by registered dealers:

During verification of VAT payment by audit in DETC (ST) Panchkula, it was noticed that a dealer had sold holographic weapon sight for AK-47 rifle worth Rs. 3.88 Crore including VAT of Rs, 43.08 lakh at the rate of 12.5 per cent during 2010-11. The dealer was registered since 27 September 1996 and was filling nil return with effect from 2007-08. The annual return (VAT R-2) for the assessment years 2009-10 and 2010-11 were not filed by the dealer. This resulted in evasion of tax of Rs.0.43 Crore, besides penalty of Rs.1.29 Crore was also leviable.

During Exit Conference, the department accepted the audit observations and stated that re-assessment of the case was under process.

The department in its written reply stated as under:

- 1. M/s Surya Telecom Pvt. Ltd, Panchkula TIN No. 06592501600, AY: 2009-10 to 2010-11:**

After the facts provided by o/o Accountant General, statutory notice in the form VAT N2 was issued, but the firm was found closed. The firm was filing NIL returns since 2007-08. Assessment of the firm for the year 2010-2011 framed Under

Section 15(4) of HVAT Act, 2003 by the then Assessing Authority and an additional demand of Rs.7780187/- was created vide order No.1138/10-11, dated 31-3-2014. In response to the recovery notice dealer had submitted that order of Rs.38771700/- was supplied to Army HQRS, Udhampur in March,2011 from Parwanoo Division and not from Panchkula, In this regard, copy of returns filed at Parwanoo office and copy of Assessment order passed by Assessing Authority Parwanoo, Circle-II had submitted by dealer. Dealer had already paid sales tax at Parwanoo (H.P) and copies of treasury challans also been submitted by him.

As the dealer has submitted assessment order dated 30.10.2011 of the Himachal Pradesh Govt. where the said transactions are shown by him, he has not suppressed the sale.

Keeping in view the facts stated above para may kindly be dropped.

The Committee has desired that the proceedings/appeal be concluded/decided in a time bound manner and the Committee be also informed of the decision of the appellate authority in the matter.

[88] **2.4.6 Non-accountal of purchases/sales:**

A dealer had purchased paddy worth Rs. 4.05 Crore on commission basis and as per the trading account, his sale of paddy was at Rs. 1.36 Crore. Thus, total assessable turnover worked out to Rs. 5.82 Crore (Self account and commission account after adding profit element) but the assessment was framed with GTO of Rs. 83.47 lacs. In this way, sale of Rs. 4.99 Crore had escaped assessment involving tax effect of Rs. 19.96 lacs, besides penalty of Rs. 59.86 lakh was also leviable.

During exit Conference, the department admitted the audit observations and stated that necessary directions for re-assessment and levy of tax had been issued to the DETC.

These observations were issued to Department/Government (July 2013), the replies given at the time of exit conference (October 2013) were incorporated in the respective paras.

The department in its written reply stated as under:

1. M/s Satnarayan Naresh Kumar, Fatehabad, TIN 06091400537, A.Y. 2009-10:

In reply to audit para, it is mentioned that the original assessment in this case was framed by the Assessing Authority vide D.No. 853/08-09, dated 02.03.2012. Thereafter, Audit has raised an observation in the present case that as per trading account, the dealer had made sale of Rs.1,36,38,868/-. Whereas, GTO/TTO had been assessed as Rs.83,49,307/- on which tax has been calculated as Rs.3,33,922/- in assessment order resulting under assessment of sale of Rs.52,89,581/- and tax @ 4% of Rs.2,11,582/-. Further the dealer has shown commission purchase of Rs.4,05,42,039/- on which ITC of Rs.16,21,682/- @ 4% was allowed as the dealer has claimed ITC on commission, purchase, as such, the commission sale should have also been shown in the GTO and output

tax which comes to Rs.17,83,849/- on purchases plus 10% profit i.e Rs.4,45,96,242/- should have been assessed. But the audit has not mentioned that there is an excess of Rs.1477392/- in the assessment order which may be adjusted against the demand as pointed out in the audit objection and if the same is created in the revision proceedings.

Further, the case was taken up for the revision and Revisional Authority has remanded back the case vide order dated: 06.02.2015 and remand proceedings were initiated on 19.09.2017 and now case is fixed for 09.02.2018 for finalization.

The Committee has desired that inquiry be got conducted into the matter to fix the responsibility of the erring assessing authority and action taken report be submitted to the Committee within a period of fifteen days.

[89] 2.5 Non/short levy of interest:

14 (6) of the HVAT Act, inter alia lays down that if any dealer fails to make payment of tax, he shall be liable to pay, in addition to the tax payable by him, simple interest at one and half per cent (one per cent w.e.f. 11 October 2007) per month if the payment is made within ninety days, and at three per cent per month (Two per cent with effect from 11 October 2007) if the default continues beyond ninety days for the whole period, from the last date specified for the payment of tax to the date he makes the payment. The ETC, Haryana issued instructions in September 1993 that it is the duty of every Assessing Authority to finalise penal proceedings along with the assessment and if, for any reason, the penal action is kept pending that should be completed within six months of the assessment.

In two DETC (ST) offices in three cases, while finalizing the assessment for the year 2008-09 in March 2012, the Assessing Authority levied tax of Rs. 7.77 Crore but did not levy interest in two cases and levied short interest in one case. This resulted in non/short levy of interest of Rs. 5.85 Crore as per details given in Table 2.11.

Table 2.11

Sr. No	Name of DETC	Assessment year and date of assessment	Tax due on which interest was not levied	Amount of interest			Remarks
				Leviable	Levied	Non/short levy	
1	DETC(ST), Ggr (W)	2008-09 (March 2012)	4.17	3.42	Nil	3.42	
2	DETC(ST), Ggr (W)	2008-09 (March 2012)	15.15	12.73	2.14	10.59	
3	DETC(ST), Ggr (E)	2008-09 (March 2012)	757.84	570.69	Nil	570.69	
		Total	777.16	586.84	2.14	584.70	

During Exit Conference (October 2013), the department accepted the audit observations.

The department in its written reply stated as under:

1. M/s Singla Marketing, Gurgaon (West) TIN 06841926689, A.Y. 2008-09:

As pointed out by the audit, interest amounting to Rs. 3,42,234/- has been levied vide order no.: 800A/08-09 date: 29.03.2013. The firm stands closed. However, on making efforts proprietor of the firm has been traced out and amount of Rs. 50,000/- has been recovered vide DD No. 870630 dated: 29.01.2018 of SBI Gurugram. Further, proprietor has assured in writing that he will pay the rest of the amount till 15.02.2018.

2. M/s J.P.M Automobiles Ltd., Gurgaon (West) TIN 06231924066, A.Y. 2008-09:

In reply to audit objection raised by the audit party it is informed that the case has been re-assessed vide order 1A/2008-09, dated 01.04.2013 imposing the levy of interest amounting to Rs. 1133068/-. The dealer has preferred an appeal against the impugned order before Ld. Jt. Excise & Taxation Commissioner (A), Faridabad. The Ld. Jt. Excise & Taxation Commissioner quashed the levy of interest vide order dated 29.05.2014 because the interest charged vide impugned order dated: 01.04.2013 on the additional demand was not chargeable u/s 14(6) of the HVAT Act but chargeable u/s 23 of the said Act. The appellate authority further provided liberty to the department to take action u/s 23 for alte deposite of additional demand. The proceedings under this section are still pending and fixed for 08.02.2018.

3. M/s D.S. Construction Ltd, Gurgaon (East), TIN 06221823046, A.Y. 2008-09:

The dealer is a works contractor and has been engaged in execution of construction of Kundli Manesar Palwal Expressway during the assessment year, in respect of work allotted by M/s KMP Express way Ltd. Gurgaon. The dealer has submitted in the written submission during the time of assessment that "the whole of the contract is being executed on the behalf of the contractor and the amount received to faciliate is not amounting to consideration received and cannot be subjected to tax". However the A.A. while framing the assessment outrightously rejected the plea of the dealer and taxed the dealer accordingly. In the assessment order dt.21.03.2012 the A.A. had specified the same and had also mentioned to take the action u/s 14(6) for the lieu of Interest seperately.

The audit party pointed out in memo dt.18.01.2013 that the interest u/s 14(6) was not levied by the assessing authority while framing the assessment, and has also admitted in the objection raised that the same has been discussed in the assessmemnt order. The dealer filed an appeal on 26.06.2012 against the A.A.'s order before The Jt. Excise & Taxation Commissioner (Appeals). The appeal of the dealer was rejected by the Jt. ETC (Appeals) on 30.06.2014 and the dealer moved

further against the orders of Jt. ETC (Appeals) before Hon'ble Haryana Tax Tribunal Chandigarh. The Assessing Authority later on separately passed the rectification order and levied interest amounting to Rs.61253870/- vide D.No. 10-A, dated 10.04.2013. As such on now the case is pending under appeal before the Hon'ble Haryana Tax Tribunal Chandigarh and no date has been communicated from Haryana Tax Tribunal.

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding tax/interest from the firms at Sr. No.1 & 2.

In the case of the firm at Sr. No.3 (M/s D.S. Construction Ltd, Gurgaon (East), TIN 06221823046, AY: 2008-09), the Committee has observed that inference can easily be drawn from the fact that the Tribunal has entertained the appeal of the firm without any bank guarantee and surety, the matter has not been pursued/dealt with by the department in a proper manner. The Committee has, therefore, desired that proper inquiry be got conducted as to how the Tribunal has entertained the appeal of the firm without any bank guarantee and surety to fix the responsibility of the officer for his negligence and action taken report be submitted to the Committee within a period of thirty days. The Committee has further desired that state interest be protected meticulously before the Tax Tribunal.

[90] **3.1.2 Result of Audit:**

Test check of the records of the offices of DETCs (Ex.) in 2012-13 noticed non/short recovery of excise duty, license fee and penalty etc. amounting to Rs.16.53 Crore in 369 cases which fall under the categories detailed in Table 3.1.

Table 3.1
(Rs. In Crore)

Sr. No.	Category	No. of cases	Amount (Rs. In Crore)
Excise & Taxation Department (State Excise)			
1	Non/short recovery of license fee from licensees	01	8.56
2	Non/short deposit of license fee and loss of interest	109	2.12
3	Non-recovery of penalty on illicit liquor	53	0.50
4	Miscellaneous irregularities	206	5.35
	Total	369	16.53

During 2012-13, the department accepted underassessment and other deficiencies amounting to Rs. 47.11 lacs involved in 79 cases, out of which Rs. 40.23 lacs involved in 71 cases were pointed out during the year and the rest in earlier years. The department recovered Rs. 6.88 lacs in eight cases pointed out in earlier years.

A few illustrative cases involving Rs. 12.15 Crore are mentioned in the succeeding paragraphs.

The department in its written reply stated as under:

Out of total 368 cases involving an amount of Rs. 7.97 Crore have been reviewed with the following results:-

Sr. No.	Number of cases	Amount pointed out by Audit (Rs. in Crore)	Result of Review
1	71	2.07	Settled with demand
2	10	0.27	Settled without demand
3	287	5.63	Cases as under reviewed
Total	368	7.97	

As regard the remaining 1 case involving an amount of Rs.8.56 Crore as per Sr. No. 1 of the table, reply is given in succeeding paras 3.2.1.1, 3.2.1.2 and 3.2.3 (a).

The Committee has desired that sincere and pragmatic efforts be made to make the recovery to augment the State revenue.

[91] 3.2.1.1 Non / short recovery of license fee from the licensees:

In seven offices of DETC (Ex.) for the years 2009-10 to 2012-13, we noticed that 119 licensees failed to pay monthly installments of license fee for the periods between April 2009 and March 2013 in full by the prescribed dates. The licensees had paid only Rs. 77.99 Crore out of Rs. 82.94 Crore payable. The DETC (Ex.), however, did not initiate any action to seal the vends even after the lapse of one to three years, resulting in non recovery of license fee of Rs. 4.95 Crore.

The department in its written reply stated as under:

In this para, an amount of Rs.4.9 crore was pointed out by Principal Accountant General (Audit), Haryana, Chandigarh, out of which Rs.44.00 lakh was recovered earlier. As a result of efforts made by DETCs, an amount of Rs.34.06 lakh has been recovered in last three months that comes to total Rs.0.79 crore. As reported by DETC (Excise), Rohtak in a case pertaining to 2012-13 involving an amount of Rs.162.23 lakh, the property worth Rs.105.89 lakh has been attached and this amount will be recovered shortly, therefore, leaving a balance of approximately Rs.3.11 crore.

All the cases have recently been reviewed in detail. All the DETCs have been directed to identify the main group to which these retail vends belong to. They have further been directed to match the L-2/L-14A retail vends with the corresponding wholesaler (L-1/L-13) so that efforts can be made to recover the amount from the main group.

Further, the DETCs have been directed to find the property details of the said licensees. Wherever property details are available, they have been asked to initiate proceeding under Punjab Land Revenue Act, 1887. Further, where no property records are available, they have been directed that process of writing off of the arrears be initiated.

The Committee has desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

[92] **3.2.1.2 Non/short recovery of license fee from the licensees:**

In the offices of DETC (Ex.), Rohtak and Rewari we noticed that 12 retail outlets licensees did not deposit the license fee of Rs. 6.30 Crore in full by due date for the years 2009-10 and 2010-11. They paid only Rs. 3.33 Crore (including additional security of Rs. 15 lacs) leaving the balance amount of Rs. 3.12 Crore. The department cancelled their retail liquor outlets and forfeited the additional security of Rs. 15 lacs. These retail outlets could not be re-allotted and department did not initiate any concrete action to recover the outstanding license fee resulting in non-realisation of Government revenue of Rs. 3.12 Crore.

The Government accepted the audit observation (October 2013). DETC (Ex.), Palwal stated that an amount of license fee of Rs. 1.62 Lacs had been recovered and recovery proceedings had been initiated under the Land Revenue Act to recover the outstanding amount of Rs. 8.05 Crore.

The department in its written reply stated as under:

In this para an amount of Rs.3.12 Cr has been shown by the Principal Accountant General (Audit), Haryana, Chandigarh but actual amount of Rs.3.19 Cr, out of which Rs.0.23 Cr has been recovered, leaving a balance of Rs.2.97 Cr.

All the cases have recently been reviewed in detail. All the DETCs have been directed to identify the main group to which these retail vends belong to. They have further been directed to match the L-2/L-14A retail vends with the corresponding wholesaler (L-1/L-13) so that efforts can be made to recover the amount from the main group.

Further, the DETCs have been directed to find the property details of the said licensees. Wherever property details are available, they have been asked to initiate proceeding under Punjab Land Revenue Act, 1887. Further, where no property records are available, they have been directed that process of writing off of the arrears be initiated.

The Committee has desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

[93] **3.2.2 Surety bonds not collected before the allotment of vends:**

As per State Excise Policy in force, every successful allottee was required to submit solvency certificate duly certified by the Tehsildar concerned and two sets of M-75 (Surety Bond) on non-judicial stamp paper duly signed by the two solvent persons having solvency of equal amount to the license fee of the vend before the commencement of the business. Failure to do so shall be sufficient ground for the cancellation of license. The arrears of license fee can also be recovered under the Punjab Land Revenue Act, 1887

In the offices of DETCs (Ex.), Gurgaon, Rohtak and Rewari, we noticed that 26 licensees did not submit the M-75 (surety bond). We also noticed that DETC (Ex.) Rewari issued only notices to the concerned defaulting licensees. DETCs (Ex.) Gurgaon and Rohtak had not taken surety bonds (M-75) from the defaulting licensees and recovery certificates were not issued under the PLR Act. No action was initiated by DETCs (Ex.), even after the lapse of one to three years as required under the Excise Policy

The Government accepted the audit observation during the exit conference (October 2013) and stated that directions had been issued to complete all the surety bonds.

The department in its written reply stated as under:

In this para, an amount of Rs.310.71 lakh pointed out by PAG (Audit), Haryana, Chandigarh out of which Rs.99.70 lakh has been recovered, leaving a balance of Rs.211.01 lakh. Efforts are being made to recover the balance amount. During the review, it was told by the DETCs that, being the old cases, they are unable to identify the groups to which these surety bonds belong.

Sr. No.	District	Year	Pointed out by A.G.		Settled with demand		Settled without demand		Pending	
			Case	Amount in lacs	Case	Amount in lacs	Case	Amount in lacs	Case	Amount in lacs
1	Gurugram	2011-12	16	65.73	16	65.73	0	0.00	0	0.00
2	Rewari	2009-10	3	136.65	0	0.00	0	0.00	3	136.65
3	Rewari	2010-11	2	42.58	0	8.46	0	0.00	2	34.12
4	Rohtak	2009-10	2	45.77	0	25.51	0	0.00	2	20.26
5	Rohtak	2010-11	3	19.98	0	0.00	0	0.00	3	19.98
	Total		26	310.71	16	99.70	0	0	10	211.01

The Committee has desired that an inquiry be got conducted as to how the vendees have been allowed to commence their business without submitting the requisite documents and the department to take appropriate action in the matter under intimation of the Committee.

The Committee has further desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

[94] 3.2.3(b) Non-realization of differential license fee on re-auction:

In five offices of Dy. Excise & Taxation Commissioner (Ex.), we noticed that 11 retail outlet licensees did not deposit the license fee of Rs.4.06 Crore out of Rs.5.38 Crore. The department cancelled their retail liquor outlets and forfeited the entire amount of security. These retail outlets were re-auctioned/re-allotted between September 2010 and January 2012 for the remaining period for Rs. 2.61 Crore at the risk and cost of original licensees. The department did not initiate any action to recover the differential amount of license fee of Rs.1.45 Crore (Rs.4.06 Crore – Rs.2.61 Crore) from the original allottees resulting in non-realization of Government revenue of Rs.1.45 Crore.

The department in its written reply stated as under:

In this para an amount of Rs.1.45 Cr has been shown by the Principal Accountant General (Audit), Haryana, Chandigarh but actual amount of Rs.1.63 Cr, out of which Rs.0.08 Cr has been recovered, leaving a balance of Rs.1.55 Cr. All the cases have recently been reviewed in detail. All the DETCs have been directed to identify the main group to which these retail vends belong to. They have further been directed to match the L-2/L-14A retail vends with the corresponding wholesaler (L-1/L-13) so that efforts can be made to recover the amount from the main group.

Further, the DETCs have been directed to find the property details of the said licensees. Wherever property details are available, they have been asked to initiate proceeding under Punjab Land Revenue Act, 1887. Further, where no property records are available, they have been directed that process of writing off of the arrears be initiated.

The Committee has desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

[95] 3.2.3(c) Non / short recovery of interest:

HLL Rules provides for payment of monthly installments of license fee by the 20th of each month failing which the licensee is liable to pay interest at the rate of one and half per cent per month for the period from the first day of the month to the date of payment of the installment or any part thereof. If the licensee fails to deposit the monthly installment in full along with interest by the end of the month, 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 (Ex.), of the respective district.

In six offices of DETC (Ex.) for the years 2010-11 and 2011-12, we noticed that 130 licensees had paid the monthly installments of license fee amounting to Rs.55.04 lacs for the period between April 2010 and March 2012 after the prescribed due dates. The delay ranged between 20 days to one year. The DETC (Ex.), however, did not initiate any action to cease/seal the vends and to levy interest of Rs. 96.89 lacs.

We pointed out the matter to the Excise & Taxation Department between March 2012 and May 2013 and reported to the Government in July 2013.

The Government accepted the audit observations during the exit conference (October 2013). The DETCs (Ex.), Jhajjar and Kurukshetra stated that an amount of Rs.2.64 lacs had been recovered in 10 cases. Recovery proceedings had been initiated under the Land Revenue Act to recover the outstanding amount of Rs.2.39 Crore.

The department in its written reply stated as under:

In this para an amount of Rs.96.89 Lakh was pointed out by Principal Accountant General (Audit), Haryana, Chandigarh out of which Rs.13.95 Lakh has been recovered, leaving a balance of Rs.82.94 Lakh. All the cases have recently been reviewed in detail. All the DETCs have been directed to identify the main group to which these retail vends belong to. They have further been directed to match the L-2/L-14A retail vends with the corresponding wholesaler (L-1/L-13) so that efforts can be made to recover the amount from the main group.

Further, the DETCs have been directed to find the property details of the said licensees. Wherever property details are available, they have been asked to initiate proceeding under Punjab Land Revenue Act, 1887. Further, where no property records are available, they have been directed that process of writing off of the arrears be initiated.

The Committee has desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

[96] 3.3 Non levy/realization of penalty for short lifting of quarterly quota of liquor:

HLL Rules provides that a licensee is liable to lift the entire basic quota of CL and IMFL allotted to his vend as per prescribed quarterly schedule failing which penalty at the rate of Rs. 20 and Rs. 65 per proof litre (PL) for CL and IMFL (on quarterly basis) respectively for the deficient quantity will be imposed.

In Bhiwani, Gurgaon and Palwal offices of DETC (Ex.) for the years 2010-11 and 2011-12, we noticed that all the 31 licensees had lifted 10.17 lacs PLs (CL: 3.47 lacs, IMFL 6.70 lacs PLs) out of prescribed combined liquor quota of 11.98 lacs PLs leaving a short lifting of 1.81 lacs PLs. DETCs (Ex.) had not initiated any action to levy penalty amounting to Rs. 92.59 lacs.

We pointed out the matter to the Government which accepted the audit observations during the exit conference (October 2013) and stated that an amount of Rs. 36.65 lacs had been recovered and recovery proceedings had been initiated under the Land Revenue Act to recover the outstanding amount of Rs. 55.94 lacs.

The department in its written reply stated as under:

In this para an amount of Rs. 92.59 Lakh have been shown by the Principal Accountant General (Audit), Haryana but actual amount of Rs.94.31 Lakh, 25.45 Lakh has been recovered and leaving a balance of Rs.68.86 Lakh. All the cases have recently been reviewed in detail. All the DETCs have been directed to identify the main group to which these retail vends belong to. They have further been directed to match the L-2/L-14A retail vends with the corresponding wholesaler (L-1/L-13) so that efforts can be made to recover the amount from the main group.

Further, the DETCs have been directed to find the property details of the said licensees. Wherever property details are available, they have been asked to initiate proceeding under Punjab Land Revenue Act, 1887. Further, where no property records are available, they have been directed that process of writing off of the arrears be initiated.

The Committee has desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

[97] 3.4 Non levy/recovery of penalty for illegal possession and trade of liquor:

Under Section 61 of 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 milliliters 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 (Ex.) shall pass orders for confiscation of means of transport seized alongwith liquor and the means of transport shall be put to auction within 30 days from the date of order of confiscation. The auction amount, after deducting the expenditure incurred on it, shall be adjusted towards payment of penalty and the excess amount, if any, shall be refunded to the owner. The unrecovered amount of penalty, if any, shall be recovered as arrears of Land Revenue Act.

In the offices of DETC (Ex.) Kaithal, Kurukshetra and Jind, we noticed that the department had detained 29,402 bottles of illicit country liquor in 171 cases and confiscated four vehicles {DETC (Ex.) Kurukshetra} between January 2009 and September 2011. The department, after giving reasonable opportunity, decided 163 cases and imposed penalty of Rs. 14.69 lacs during 2009-10 and 2011-12 and in eight cases penalty of Rs. 9.36 lacs 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 12 to 24 months. Non-observance of Rules 12 and 13 of the Haryana imposition and Recovery Rules resulted in non-recovery of penalty of Rs. 24.06 lacs.

We pointed out the matter to the Government in July 2013 which accepted the audit observations during the exit conference (October 2013) and stated that an amount of Rs. 3.22 lacs had been recovered and efforts would be made to recover the balance amount of Rs. 20.84 lacs.

The department in its written reply stated as under:

In this para an amount of Rs. 24.06 Lakh was pointed out by Principal Accountant General (Audit), Haryana, Chandigarh out of which Rs.3.36 Lakh has been recovered, leaving a balance of Rs.20.70 Lakh. All the cases have recently been reviewed in detail. All the DETCs have been directed to identify the main group to which these retail vendors belong to. They have further

been directed to match the L-2/L-14A retail vends with the corresponding wholesaler (L-1/L-13) so that efforts can be made to recover the amount from the main group.

Further, the DETCs have been directed to find the property details of the said licensees. Wherever property details are available, they have been asked to initiate proceeding under Punjab Land Revenue Act, 1887. Further, where no property records are available, they have been directed that process of writing off of the arrears be initiated.

The Committee has desired that sincere and pragmatic steps be taken to make the recovery to augment the State revenue under intimation of the Committee.

REVENUE DEPARTMENT

[98] 4.2.2 Short levy of stamp duty due to misclassification of sale deeds into collaboration agreement:

Section 2 (10) of the Indian Stamp Act, 1899 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.

We noticed that 228 Collaboration Agreements relating to six districts were registered between June 2007 and March 2013 in respect of land on which Stamp Duty and RF of Rs.1.66 lakh was levied as applicable in the case of agreement, not involving sale of land. Scrutiny of these agreements further noticed 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 Stamp Duty on sale of property in respect of the developer's share of land. As per rates fixed by the Collector, total value of land transferred to the developers worked out to Rs.1,190.76 crore on which Stamp Duty and RF of Rs.60.41 crore was leviable. However, the registering authorities misclassified these documents as agreement to sell charging Stamp Duty of Rs.1.66 lakh instead of Rs.60.41 crore, resulting in short levy of Stamp Duty of Rs.60.39 crore.

The department in its written reply stated as under:

This Para relates to Short levy of Stamp Duty to misclassification of sale deeds into collaboration agreement to sell amounting to Rs. 60.39 crore in 228 cases concerning to Sub-Registrars offices Gurgaon, Manesar, Sohana, Karnal, Faridabad, Ballabhgarh, Rewari, Rohtak, and Sonapat.

The position of this para is as under:

		No. of cases	Amount (in crore)
1	Pending in courts of Collectors u/s 47- A	220	59.50
2	Balance amount for recovery determined by the Collectors	8	0.89
	Total	228	60.39

The 228 instruments of collaboration agreement amounting to deficiency of stamp duty Rs.60.39 crore was pointed out by the Accountant General Haryana Audit party during the year 2007-08 to 2012-2013 which are miss-interpreted by the A.G Audit party during Audit considering the instruments of Collaboration Agreements in the nature of instruments of sale/ conveyance under section 2(10) of the Indian Stamp Act 1899 and Section 54 of the

Transfer of Property Act, 1882 and pointed out the deficiency of stamp duty under article 23 (a) of Schedule 1-A of the Indian Stamp Act, 1899 at the rate of 5% while the said instruments of collaboration agreement are covered under the scope of other conveyance on which the rate of stamp duty is chargeable under article 23 (b) of the Schedule 1-A of the Indian stamp Act at the rate of 3% come to Rs.35.72 crore instead of Rs.60.39 crore i.e. it may be considered Rs.35.72 crore as all the cases concerned were registered prior to the notification dated 1.10.2013. The rate of stamp duty was imposed 5% under article 23 of the schedule 1-A of the Indian Stamp Act vide Haryana Act No. 17 of 2013 notified on 1st October, 2013 may be seen asunder: -

This Act may be called the Indian Stamp Haryana Amendment Act, 2013:-

In Schedule 1-A to the Indian Stamp Act, 1899 (hereinafter called the principal Act), in Article 5, after clause (c), the following clause shall be added namely.

1	2
(d) "if relating to given authority or power to a promoter or developer, by whatever name called, for construction on, development of or, sale or transfer in (any manner whatsoever of, any immovable property.	The same duty as is leviable on a conveyance against article No. 23 on the market value of the property mentioned in agreement"

It is submitted that sale is transfer of ownership for price paid under section 54 of the transfer of property Act, 1882, the elements of sale are as under: -

There must be immovable property, seller and purchaser of the immovable property, having amount of consideration, possession of the property must be delivered and ownership of the immovable property must be transferred in favour of the purchaser.

The said 228 cases amounting to deficiency of stamp duty Rs 60.39 crore pointed out by A.G Audit party are not proper in view of the provisions mentioned above. These cases are not covered under the scope of Section 2(10) of the Indian Stamp Act, 1899 and Section 54 of the Transfer of Property Act, 1882 as in the cases ownership of immovable property has not been transferred in favour of any party and this para may be considered the deficiency of stamp duty and registration fee amounting to Rs.35.72 crore instead of Rs.60.39 crore under article 23(b) of Schedule 1-A of the said Act (other conveyance). It is requested to the PAC that difference of deficiency stamp duty and registration fees amounting to Rs (60.39-35.72) =Rs. 24.67 crore may kindly be settled in view of facts stated above.

However, the concerned cases are pending before the Collectors of the State under Section 47-A (3) of the Indian Stamp Act, 1899 as suo-moto in view of decision of Hon'ble Punjab and Haryana High Court decision dated 30.08.2016 in LPA No. 1565 of 2016 (O&M) M/S Bestech India Pvt Ltd v/s State of Haryana and others "that Section 33 was not a proper procedure and the writ court granted liberty to the appellants to initiate proceeding under section 47-A".

The Collector is the competent authority for determination of proper stamp duty and registration fee so chargeable under section 47-A of the Indian Stamp Act, 1899 keeping in view the provisions of the Transfer of Property Act, 1882, the Indian Stamp Act, 1899, the Registration Act, 1908, the facts mentioned in the instruments of any transfer of property by the executants of the instruments, observation of audit party and fact affecting the stamp duty in quasi-judicial capacity. It is not the jurisdiction of audit party. The audit party only mentioned their observation in their audit para during audit and in the last of the para the audit party comments as "the matter may be looked into". It proves that it is the jurisdiction of the Collectors to determine the proper stamp duty and registration fees so chargeable in quasi-judicial capacity. Therefore, the Collectors of the state are considering the pending cases under Section 47-A (3) of the Indian Stamp Act, 1899 in quasi-judicial capacity. The Department Revenue and Disaster Management is persuading these cases on priority basis by issuing instructions, in the meetings held by ACS/FCR at the level of the Divisional Commissioners and through video conference with the field functionaries of the State.

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015, 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016, 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that all District Collectors be issued directions to look into the matter personally and monitor the progress of recovery of deficient amount of stamp duty and registration fee and special campaigns be held to dispose of the cases under Section 47-A of the Indian Stamp Act, 1899 in a time bound manner.

[99] **4.2.3 Absence of time limit for disposal of cases of undervaluation referred to the Collector under Section 47-A of IS Act:**

Under Section 47-A of the Indian Stamp Act 1899, if the registering officer has reasons to believe that the value of the property or the Consideration has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the

Collector for determination of the value of the consideration and the proper duty payable. Thereafter, 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. The cases so referred to the Collector are entered in register in form 3 maintained in the office of the Collector. The adjudication orders are also entered in this register. After their finalisation these adjudication cases are returned to the concerned registering officer who will watch the recovery of deficient duty.

During test check of the Reference Registers of Collectors Karnal, Ballabgarh and Sonapat, we noticed that in 14 cases involving Stamp Duty of Rs1.10crore referred by the SRs to the Collectors between March 2012 and May 2013 for the years 2010-11 and 2011-12 by three SRs, were Pending adjudication. Delay in deciding the cases ranged between 2 to 17 months. We observed that no time limit had been prescribed for disposal of such cases under adjudication.

On these being pointed out (August 2013), the Government accepted the audit observations during the exit conference (November 2013) and stated that notification had been issued on 1st October 2013 regarding the levy of Stamp Duty as per rate prescribed for sale/conveyance deeds on such development agreement and the directions have been issued to finalise the cases referred under section 47-A of Indian Stamp Act within two months.

The department in its written reply stated as under:

This Para relates to Short levy of Stamp Duty to misclassification of sale deeds into collaboration agreement to sell amounting to Rs. 60.39 crore in 228 cases concerning to Sub-Registrars offices Gurgaon, Manesar, Sohana, Karnal, Faridabad, Ballabhgarh, Rewari, Rohtak, and Sonapat.

The position of this para is as under:

		No. of cases	Amount (in crore)
1	Pending in courts of Collectors u/s 47- A	220	59.50
2	Balance amount for recovery determined by the Collectors	8	0.89
	Total	228	60.39

The 228 instruments of collaboration agreement amounting to deficiency of stamp duty Rs.60.39 crore was pointed out by the Accountant General Haryana Audit party during the year 2007-08 to 2012-2013 which are miss-interpreted by the A.G Audit party during Audit considering the instruments of Collaboration Agreements in the nature of instruments of sale/ conveyance under section 2(10) of the Indian Stamp Act 1899 and Section 54 of the Transfer of Property Act, 1882 and pointed out the deficiency of stamp duty under article 23 (a) of Schedule 1-A of the Indian Stamp Act, 1899 at the rate of 5% while the said instruments of collaboration agreement are covered under the scope of other conveyance on which the rate of stamp duty is chargeable under article 23 (b) of the Schedule 1-A of the Indian stamp Act at the rate of 3% come to Rs.35.72 crore instead of Rs.60.39 crore i.e. it may be considered Rs.35.72 crore as all the

cases concerned were registered prior to the notification dated 1.10.2013. The rate of stamp duty was imposed 5% under article 23 of the schedule 1-A of the Indian Stamp Act vide Haryana Act No. 17 of 2013 notified on 1st October, 2013 may be seen asunder: -

This Act may be called the Indian Stamp Haryana Amendment Act, 2013:-

In Schedule 1-A to the Indian Stamp Act, 1899 (hereinafter called the principal Act), in Article 5, after clause (c), the following clause shall be added namely.

1	2
(d) "if relating to given authority or power to a promoter or developer, by whatever name called, for construction on, development of or, sale or transfer in (any manner whatsoever of, any immovable property.	The same duty as is leviable on a conveyance against article No. 23 on the market value of the property mentioned in agreement"

It is submitted that sale is transfer of ownership for price paid under section 54 of the transfer of property Act, 1882, the elements of sale are as under: -

There must be immovable property, seller and purchaser of the immovable property, having amount of consideration, possession of the property must be delivered and ownership of the immovable property must be transferred in favour of the purchaser.

The said 228 cases amounting to deficiency of stamp duty Rs 60.39 crore pointed out by A.G Audit party are not proper in view of the provisions mentioned above. These cases are not covered under the scope of Section 2(10) of the Indian Stamp Act, 1899 and Section 54 of the Transfer of Property Act, 1882 as in the cases ownership of immovable property has not been transferred in favour of any party and this para may be considered the deficiency of stamp duty and registration fee amounting to Rs.35.72 crore instead of Rs.60.39 crore under article 23(b) of Schedule 1-A of the said Act (other conveyance). It is requested to the PAC that difference of deficiency stamp duty and registration fees amounting to Rs (60.39-35.72) =Rs. 24.67 crore may kindly be settled in view of facts stated above.

However, the concerned cases are pending before the Collectors of the State under Section 47-A (3) of the Indian Stamp Act, 1899 as suo-moto in view of decision of Hon'ble Punjab and Haryana High Court decision dated 30.08.2016 in L.P.A No. 1565 of 2016 (O&M) M/S BestechIndia Pvt Ltd v/s State of Haryana and others "that Section 33 was not a proper procedure and the writ court granted liberty to the appellants to initiate proceeding under section 47-A".

The Collector is the competent authority for determination of proper stamp duty and registration fee so chargeable under section 47-A of the Indian Stamp Act, 1899 keeping in view the provisions of the Transfer of Property Act, 1882, the Indian Stamp Act, 1899, the Registration Act, 1908, the facts mentioned in the instruments of any transfer of property by the executants of the instruments, observation of audit party and fact affecting the stamp duty in quasi-judicial capacity. It is not the jurisdiction of audit party. The audit party only mentioned

their observation in their audit para during audit and in the last of the para the audit party comments as "the matter may be looked into". It proves that it is the jurisdiction of the Collectors to determine the proper stamp duty and registration fees so chargeable in quasi-judicial capacity. Therefore, the Collectors of the state are considering the pending cases under Section 47-A (3) of the Indian Stamp Act, 1899 in quasi-judicial capacity. The Department Revenue and Disaster Management is persuading these cases on priority basis by issuing instructions, in the meetings held by ACS/FCR at the level of the Divisional Commissioners and through video conference with the field functionaries of the State.

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015, 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016, 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that all District Collectors be issued directions to hold special campaigns for the disposal of the cases under Section 47-A of the Indian Stamp Act, 1899 in a time bound manner.

[100] 4.3 Short levy of stamp duty due to application of incorrect rates of immoveable property:

As per Government instruction issued in November 2000, 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 the residential property of that locality for the purpose of levying Stamp Duty.

We noticed from the records of 22 offices of JSRs/SRs that 134 sale deeds of plots falling within the parameter of above notification were registered between April 2010 and March 2012. The deeds were liable to be assessed for Rs.41.78 crore based on the rates fixed for residential areas and Stamp Duty of Rs.2.59crore was chargeable. However, the registering authorities assessed the deeds for Rs.10.71 crore based on the rates fixed for agricultural land and levied Stamp Duty of Rs.64.29 lakh. This resulted in short levy of Stamp Duty of Rs. 1.95 crore.

The matter was referred to the Government in July 2013 which accepted the audit observations during the exit conference (November 2013) and stated that an amount of Stamp Duty of Rs.75,000 had been recovered and instructions had been issued to the registering authorities for strict compliance to recover the outstanding amount of Stamp Duty of Rs.1.94 crore.

The department in its written reply stated as under:

This Para relates to Short levy of Stamp duty due to application of incorrect rates of immovable property. In 134 cases amounting to Rs.195.07 lakh deficiency of stamp duty was pointed out by the Accountant General Haryana Audit party during the year 2010-11 to 2011-12 in the office of Sub-Registrars, Rohatk, Hissar, Ambala, Jhajjar, Faridabad, Karnal, Yamunanagar, Panipat, Palwal and Panchkula.

The position of this Para is as under:-

		No. of cases	Amount (Rupees in lakh)
1	Amount Recovered by the department.	19	24.28
2	Amount dropped by Collectors	15	19.74
3	Pending in courts of Collectors u/s 47- A	93	139.49
4	Balance amount for recovery determined by the Collectors	7	11.56
	Total	134	195.07

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015, 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016, 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that strict disciplinary action be initiated/taken against the officers responsible for short levy of stamp duty due to application of incorrect rates of immovable property and recovery of the loss of Government revenue be made from those officers under intimation of the Committee within a period of two months.

[101] **4.4.1 Short levy of stamp duty due to undervaluation of immoveable property:**

As per Government order issued in May 2010 in view of Hon'ble Supreme Court judgment in March 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 and the proper duty payable thereon.

4.4.1: During test check of records of 21 offices of SRs/ JSRs, we noticed that in 47 cases, the registering authorities assessed the value of land at Rs.3.25 crore on the basis of rates agreed to between the parties earlier and levied Stamp Duty of Rs.13.67 lakh, but the actual value of the immovable property was Rs.21.10 crore as per Collector rate applicable at the time of registration of documents and Stamp Duty of Rs.1.16 crore was leviable resulting in short levy of Stamp Duty of Rs.1.02 crore.

4.4.2: In four offices of SR, we noticed that five vendees purchased land between May 2010 and March 2011 for a consideration of Rs.12.55 crore, In three cases, the industrial/residential land purchased for Rs.1.37 crore was treated as agricultural land and was levied Stamp Duty of Rs.8.18 lakh as against Stamp Duty of Rs. 20.43 lakh leviable as per Collector's rate on Rs.4.55 crore, which resulted in short levy of Stamp Duty of Rs.12.25 lakh. In other two cases, the agricultural land was purchased for Rs.11.18 crore and the rate or value of land determinable on the basis of agreed between the Government and the autonomous bodies i.e. electricity board at a price of 30/35 lakh per acre along with annuity value of Rs.15,000 per acre plus annual increase of 500 per year for a period of 33 years. The registering authority levied Stamp Duty of Rs.55.89 lakh on the basis of agricultural land without considering the annuity value and annual increase though the Stamp Duty was to be levied of Rs.65.84 lakh which resulted in short levy of Stamp Duty of Rs.9.95 lakh. However, the Registering Authority did not refer the same to the Collector for determination of the value as consideration and proper duty payable. This resulted in short levy of Stamp Duty of Rs.22.20 lakh.

The Government accepted the audit observation during the exit conference (November 2013) and stated that an amount of Stamp Duty of Rs.79,000 had been recovered and assured that appropriate action would be taken to recover the Outstanding amount of Stamp Duty of Rs.1.23 crore.

The department in its written reply stated as under:

Matter of record only as instructions have already issued by the Government in May, 2010 for compliance of the judgment of Hon'ble Supreme Court in March, 2010.

Para No 4.4.1:

This Para relates to Short levy of Stamp duty due to undervaluation of immovable property in which 47 cases amounting to Rs 115.04 lakh deficiency of stamp duty was pointed out by the Accountant General Haryana Audit party during the year

2010-11 to 2011-12 in the office of Sub-Registrars, Bhiwani, Gurgaon, Panipat, Sonapat, Rewari, Ambala, Nuh-Mewat, Yamunanagar and Faridabad.

The position of this para is a under:-

		No. of cases	Amount (Rupees in lakh)
1	Amount Recovered by the department.	6	13.34
2	Pending in courts of Collectors u/s 47- A	37	85.36
3	Balance amount for recovery determined by the Collectors	4	16.34
	Total	47	115.04

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 and 28-06-2017 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.

Para No 4.4.2:

This Para relates to Short levy of Stamp duty due to undervaluation of immovable property. In this para in 5 cases amounting to Rs.22.20 lakh deficiency of stamp duty was pointed out by the Accountant General Haryana Audit party during the year 2010-11 to 2011-12 in the Sub-Registrars, office of Rewari, Palwal, Pataudi and Sonapat.

The position of this Para is as under:-

		No. of cases	Amount (Rupees in lakh)
1	Amount dropped by Collectors	1	4.23
2	Pending in courts of Collectors u/s 47- A	3	12.25
3	Balance amount for recovery determined by the Collectors	1	5.72
	Total	5	22.20

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015, 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016, 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that strict disciplinary action be initiated/taken against the officers responsible for short levy of stamp duty due to undervaluation of immovable property and action taken report be submitted to the Committee within a period of two months.

[102] **4.5 Evasion of stamp duty due to misclassification of documents:**

The classification of instruments depends upon the nature of the transactions recorded therein.

In six offices of SR, we noticed that 21 Instruments conveying possession and transfer of property valued at Rs.12.47 crore to the vendees from whom the vendors received full amount of consideration were misclassified as agreement to sell charging Stamp Duty of Rs.1560 which was incorrect as against duty leviable at Rs.68.64 lakh for conveyance deeds resulting in short levy of Rs.68.63 lakh.

We reported the matter to the Government in May 2013 which accepted the audit observations during the exit conference (November 2013) and stated that an amount of SD of Rs.2.10 lakh had been recovered and instructions would be issued to the registering authorities to recover the outstanding amount of SD of Rs.66.53 lakh.

The department in its written reply stated as under:

This para relates to evasion of stamp duty due to misclassification of documents based on agreement to sell with possession with full amount of consideration in 21 cases amounting to Rs.68.63 lakh concerning to the office of Sub registrar Gurgaon, Yamunagar, Kaithal and Bahadurgarh.

It is submitted that sale is transfer of ownership for price paid under section 54 of the transfer of property Act, 1882 and section 2(10) of Indian Stamp Act, 1899. The elements of sale are as under:-

There must be immovable property, seller and purchaser of the immovable property, having amount of consideration, possession of the property must be delivered and ownership of the immovable property must be transferred in favour of the purchaser. An agreement to sale does not create any right or title in favour of intending buyer Meghmalav.G Narasimha Reddy, (2010) SCC 383: JT (2010) (8) SC 658: (2010) 8 SCALE 237. Transfer of immovable property by way of sale can only be by a deed of sale deed. In the absence of a deed of sale (duly stamped and registered as required by law). No right, title or interest in an immovable property can be transferred; Suraj lamp and Industries Pvt. Ltd. v. State of Haryana, JT 2011(12) SC 654: (2011) 11 SCALE 438: (2011) (7) SLT 494.

The said 21 instruments of agreement to sale with full amount of consideration in which possession has been given but ownership of the immovable property cannot be transferred in Revenue records based on agreement to sale with full amount of consideration as has been explained above. The audit party considered these instruments of agreement to sale in the definition of the sale and pointed out the deficiency of stamp duty amounting to Rs.68.63 lakh at the rate of 5% and 7% while deficiency of stamp duty and registration fees in these 21 cases come to Rs.37.41 lakh at the rate 3% under article 23(b) of Schedule 1-A of the Indian Stamp Act, 1899 instead of Rs.68.63 lakh which is not proper in view of provisions mentioned above. It is requested to the PAC that differential deficient amount of stamp duty Rs.31.22 lakh pointed out may kindly be settled in view of above facts. It is the jurisdiction of the Collectors to determine the proper stamp duty so chargeable in view of facts mentioned in the instruments of transfer of property and observation of audit party and provisions of Indian Stamp Act, 1899, T.P. Act, 1882 and The Registration Act, 1908 under section 47-A of the said Act in quasi-judicial capacity. The position of this Para is as under:-

		No. of cases	Amount (Rupees in lakh)
1	Amount Recovered by the department.	1	3.09
2	Pending in courts of Collectors u/s 47- A	18	53.27
3	Balance amount for recovery determined by the Collectors	2	12.27
	Total	21	68.63

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015, 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016, 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that FIR be got registered against the Registering Authorities and Stamp Auditors, who are responsible for allowing evasion of stamp duty due to misclassification of documents and thereby caused loss to the Government revenue and action taken report in the matter be submitted to the Committee within a period of two months.

[103] 4.6 Evasion of stamp duty due to undervaluation of immoveable property:

27 of the 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 and truly set forth therein. Further section 64 of the IS Act provides that any person who, with intent to defraud the Government executes an instrument in which all the facts and circumstances are not fully and truly set forth, is punishable with a fine which may extend to 5,000 per instrument

In 19 registering offices, we noticed that 60 conveyance deeds were registered for sale of immovable properties worth Rs.10.06 crore. Cross verification of these deeds with the agreement executed between the concerned parties noticed that the total sale value of agreements worked out to Rs.25.10 crore resulting in undulation of immovable property. This resulted in evasion of SD of Rs.58.13 lakh. In addition penalty not exceeding Rs.3.00 lakh for incorrect information the documents were also leviable as per Act.

We reported the matter to the Government in June 2013 which accepted the audit observations during the exit conference and stated that an amount of Rs.2.18 lakh including penalty of Rs. 20,000 had been recovered and efforts would be made to recover the outstanding amount of SD of Rs.58.95 lakh including penalty of Rs.2.80 lakh.

The department in its written reply stated as under:

This para relates to evasion of stamp duty due to undervaluation of immovable property based on agreement to sell amounting to Rs. 61.12 lakh in 60 cases concerning to Sub-Registrars offices Kaithal, Faridabad, Nuh at Mewat, Rewari, Narnaul, Bhiwani and Jhajjar.

The position of this Para is as under:-

		No. of cases	Amount (Rupees in lakh)
1	Amount Recovered by the department.	21	16.29
2	Amount dropped by Collectors	1	1.00
3	Pending in courts of Collectors u/s 47- A	38	43.83
	Total	60	61.12

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015, 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017,

13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that responsibility of the erring Registering Authorities/Stamp Auditors who are responsible for allowing evasion of stamp duty due to undervaluation of immovable property be fixed and action taken report in the matter be submitted to the Committee within a period of two months.

[104] **4.7 Undue benefit through reduction in Stamp Duty:**

As per notification issued on November 2010, under the IS Act, the Government reduced the Stamp Duty by one percent in respect of instruments of transfer of self acquired immovable property executed in favour of son or daughter or Father or Mother or Spouse of the executants.

Examination of gift deeds in eight offices showed that 100 instruments of gift deeds in respect of which done were other than those allowed in the above notification and allowance of one percent Stamp Duty to those 100 instruments resulted in loss of revenue to State exchequer to the extent of Rs.29.44 lakh.

We pointed out the matter to the Government in July 2013, which accepted the audit observations during the exit conference (November 2013) and stated that an amount of Rs.6.43 lakh had been recovered and efforts would be made to recover the outstanding amount of SD of Rs.23.01 Lakh.

The department in its written reply stated as under:

This Para relates to 1% undue benefit to the donee on instruments of gift executed out of relation in self acquired property as per notification of reduction 1% stamp duty notified on November 2010, deficiency of stamp duty amounting to Rs.29.43 lakh in 100 cases registered in the office of the Sub-Registrars Hissar, Balasmand, Faridabad, Ballabhgarh, Panipat, Panchkula, kalka and Raipur Rani.

The position of this Para is as under: -

		No. of cases	Amount (Rupees in lakh)
1	Amount Recovered by the department.	8	6.80
2	Amount dropped by Collectors	1	1.05
3	Pending in courts of Collectors u/s 47- A	91	21.58
	Total	100	29.43

All the concerned Deputy Commissioners of the state have been impressed upon vide letter No. 2158-STR-3-2014/10099 dated 06-08-2014 and letter dated 25-11-2014, 08-12-2014, 05-01-2015, 29-04-2015, 25-05-2015 and 10-09-2015, 08-10-2015 13-01-2016, 29-06-2016, 14-10-2016, 11-11-2016, 13-01-2017, 13-02-2017, 27-03-2017, 10-04-2017, 17-05-2017, 02-06-2017 and last letter dated 28-08-2017 and D.O. letter dated 30.05.2016, 28.06.2016 19.07.2016 and dated 12.08.2016 and 28-06-2017 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 Committee has desired that responsibility of the erring Registering Authorities/Stamp Auditors, who are responsible for allowing undue benefit through reduction in Stamp Duty be fixed and action taken report be submitted to the Committee within a period of two months.

[105] **6.2.2 Position of arrears:**

As per details available with Revenue Department of seven districts, 2,044 cases involving amount of Rs.102.36 crore recoverable as arrears of land revenue were pending as on 30 September 2012. Year-wise position of recoverable demand, cases returned without recovery, recovery made and balance during last five years ending 2011-12 (1 October 2007 to 30 September 2012) are given in Table 6.2.

Year	Opening Balance	Fresh Demand	Total Demand	Cases Returned without recovery	Amount Recovered	Balance	Percentage of Recovery (5 to 3)	Percentage of returned cases (4 to 3)
1	Amount/ Cases 2	Amount/ Cases 3	Amount/ Cases 4	Amount/ Cases 5	Amount/ Cases 6	Amount/ Cases 7	Amount/ Cases 8	Amount/ Cases 9
2007-08	47.64 (1,921)	103.37 (1,582)	151.01 (3,503)	100.01 (1,050)	4.85 (536)	46.15 (1,917)	3.21	66.23
2008-09	46.15 (1,917)	152.30 (1,600)	198.45 (3,517)	121.08 (894)	6.52 (550)	70.85 (2,073)	3.28	61.00
2009-10	70.85 (2,073)	63.29 (1,386)	134.14 (3,459)	71.78 (831)	10.69 (636)	51.67 (1,992)	7.97	53.51
2010-11	51.67 (1,992)	142.43 (1,487)	194.10 (3,479)	129.80 (979)	10.11 (695)	54.19 (1,805)	5.21	66.87
2011-12	54.19 (1,805)	163.65 (1,651)	217.84 (3,456)	104.18 (821)	11.30 (591)	102.36 (2,044)	5.19	47.82

The above table shows that the percentage of recovery of demand was quite low, ranging between 3.21 and 7.97 per cent during the five years. The percentage of cases returned by Collectors to Requisitioning Officers without recovery, for want of details of

whereabouts/other details of the defaulters, ranged between 47.82 and 66.87 per cent. The Revenue Department did not fix any norms for disposal of certificate cases by each office leading to huge accumulation of pending cases.

The department in its written reply stated as under:

This Para relates to the pending cases of recovery declared as arrears of the land revenue amounting to Rs.5886.19 (lakh) involving 1851 cases of seven districts i.e Panipat, Hisar, Faridabad, Gurugram, Ambala, Jind and Rewari. The latest position of the Para is as under.

Table showing the present status of the cases of arrears of Land Revenue.

Sr. No.	District/ Tehsil	Deficiency Pointed out by A.G.		Recovery made by the Department		Files returned with objections		Cases Pending	
		No. of Cases	Amount (in lakh)	No. of Cases	Amount (in lakh)	No. of Cases	Amount (in lakh)	No. of Cases	Amount (in lakh)
1.	2.	3.		4.		5.		6.	
1.	Panipat District	199	75.35	69	46.08	116	27.87	14	1.39
a	Panipat Tehsil	138	46.51	49	26.58	82	18.93	7	1.00
b	Israna Tehsil	8	2.54	4	1.45	4	1.09	Nil	Nil
c	Samalkha Tehsil	53	26.30	16	18.05	30	7.35	7	0.39
2.	Jind District	61	362.79	19	8.02	41	353.27	01	1.50
a	Safidon Tehsil	2	0.24	1	0.23	1	0.01	Nil	Nil
b	Narwana Tehsil	24	7.40	8	0.61	16	6.79	Nil	Nil
c	Jind Tehsil	35	355.15	10	7.18	24	346.47	1	1.50
3.	Ambala District	160	2561.08	69	1355.02	41	1122.32	50	83.74
a	Ambala Tehsil	109	297.99	40	58.34	28	167.50	41	72.15
b	Naraingarh Tehsil	24	1299.56	16	1265.67	5	28.69	3	5.20
c	Barara Tehsil	27	963.53	13	31.00	8	926.13	5	6.39
4.	Hisar district	872	1161.29	320	106.64	155	812.66	397	242.00
a	Barwala Tehsil	178	647.95	90	15.16	35	620.36	53	12.43
b	Hisar Tehsil	503	313.32	203	71.83	82	66.80	218	174.69
c	Hansi Tehsil	136	172.76	24	17.99	36	123.63	76	31.15
d	Narnaud Tehsil	55	27.26	03	1.66	02	1.87	50	23.73
5	Gurugram Tehsil	90	176.81	26	37.96	Nil	Nil	64	138.85
6	Faridabad District	311	1515.09	18	98.37	15	538.1	278	878.62
a	Faridabad Tehsil	179	1236.81	18	98.37	15	538.1	146	600.34
b	Ballabgarh Tehsil	132	278.28	Nil	Nil	Nil	Nil	132	278.28
7	Rewari Tehsil	158	33.78	19	4.86	20	1.46	119	27.46
	Total	1851	5886.19	540	1656.95	388	2855.68	923	1373.56

The above table is self explanatory. In this para, 1851 cases were pointed out by the Accountant General Audit Party during the year 2012-13 in the office of Tehsildars of Panipat, Israna, Samalkha, Safidon, Narwana, Jind, Ambala, Naraingarh, Barara, Barwala, Hisar, Hansi, Hisar, Narnaud, Gurugram, Faridabad, Ballabgarh, Rewari. Out of 1851 cases amounting to Rs. 5886.19 lakh, 540 cases have been recovered amounting to Rs 1656.95 lakh, 388 cases

have been returned by the collectors to the requisitioning offices (amounting to Rs 2855.68) with objections if the defaulter has no movable/immovable property in his name, if the defaulter has died, if the defaulter has moved from a particular District and the Government has no whereabouts of him, if the recovery has been stayed by the Hon'ble court. 923 cases are still lying pending amounting to Rs 1373.56 lakh. The Deputy Commissioners of all the respective districts have been impressed upon vide letter Memo no. 3355-A-4-2013/12529, dated 29.08.2013, No. 2308-A-4-2013/13950, dated 26.09.2013, No. 4118-A-4-2013/14573, dt. 09.10.2013, 2308-A-4-2013/15498, dated 30.10.2013, letter Memo No. 345-A-4-2017/2975, dated 20-02-2017, 02-03-2017 and reminder dated 09-03-2017, D.O. Letter No. 345-A-4-2017/8317, dated 24-05-2017 by Under Secretary and further reminders vide letter Memo No. 345-A-4-2017/8812, dated 02-06-2017, dated 12-06-2017, dated 27-06-2017, dated 14-07-2017 and dated 22-08-2017 to look into the matter at personal level and to instruct the concern officials for the early disposal of the cases lying pending in their respective Tehsil to expedite early decision.

The efforts are being made for early disposal of the cases lying pending; therefore, the para may be dropped.

*Note: As per the key received from AG Audit Party there are 1851 cases amounting to Rs. 5886.19 Lakhs instead of 2044 cases amounting to Rs. 10236.00 Lakhs.

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding arrears and the Committee be also kept informed of the action taken/progress made in the matter.

[106] **6.2.3 Non/delayed accountal of Revenue Recovery Certificates (RRCs):**

Test check of records of Running Register-II of the offices of District Revenue Officer (DRO) Gurgaon and Faridabad showed that DROs Gurgaon and Faridabad transferred 384 cases amounting to Rs.90.11 crore to Tehsildar Gurgaon and Faridabad during five years but the concerned Tehsildars had not entered these RRCs in their RR-II registers which resulted in non-recovery of Rs 90.11 crore. Test check of RR-II of Tehsildar, Gurgaon, Faridabad and Ballabgarh in May 2013 showed that 67 cases amounting to Rs. 9.53 crore had been entered in the RR-II of the Tehsils with delay ranging between 8 to 88 months.

Tehsildars Faridabad and Gurgaon replied that all the cases had been entered in RR-II and concerned Collectors also confirmed the facts but no further action for recovery of arrears of land revenue had been initiated. This shows that the Department failed to initiate the action to recover the arrears of land revenue. We had not received further progress report of recovery (June 2013).

The department in its written reply stated as under:

This Para relates to the Non/Delayed accountal of Revenue Recovery Certificate (RRC) by the Tehsildar of Gurugram and Faridabad.

DC Gurugram has intimated that all the 382 cases which were pointed out in the Audit Para by AG, have been entered in the RR-II Register and this has been reported to Accountant General, Audit Haryana by letter No.617,dated 24-06-2013. Efforts are being made for the speedy recovery of these pending cases.

DC, Faridabad has intimated that the entries of the cases pointed out by AG are being done in the RRII Register on regular basis and further action as per Punjab Land Revenue Act, 1887 and Revenue Recovery Act, 1890, (RR Act) has been initiated. Hence, the Para may be dropped.

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount and the Committee be also kept informed of the action taken/progress made in the matter.

[107] 6.2.4 Non-follow up/delayed action:

During test check of records of RRCs for the period 1 October 2007 to 30 September 2012, we noticed that, even first notices were not issued in 35 cases amounting to Rs.54.28 lakh (Annexure- I) in Madlauda (Panipat district), Faridabad tehsils by the Tehsildars even after a lapse of period ranging between 8 to 43 months and in seven tehsils¹, though notices were issued but not served after a lapse of period ranging between four to 249 months in 87 cases amounting to Rs.9.52 crore (Annexure II) and in three Tehsils, in 51 cases amounting to Rs.1.80 crore (Annexure III), though notices were served to defaulters but no further action had been initiated as per Section 67 of PLR Act.

The department in its written reply stated as under:

This Para is related to the non Follow up of the RRCs Registered in the RR-II.

The present position of the non Follow up of the RRCs Registered in the RR-II.

1. Cases where even first notice was not issued.

Sr. No.	Name of Tehsil/ District	Number of cases	Amount (in lakh)	Present status
1	Panipat (Madlauda)	25	3.29	All the cases were related to Haryana Harijan Kalyan Nigam and the loan was exempted by the Govt. vide letter no. Loans-S.No-627/2014/5597-5617, dated 15.09.2014
2.	Faridabad	10	50.99	Notices are being issued in all the cases and further the action is being taken as per the rules.

2. Cases where notices issued but not served:

Sr. No.	Name of District/ Tehsil	Number of cases	Amount (in crore)	Present status
1.	Gurgaon	37	1.11	Out of 37 cases, in 7 cases the recovery has been made and the cases have been finalised and in rest of the 30 cases, the efforts are being made to make speedy recovery.
2.	Farukh Nagar (Gurugram)	6	0.07	Out of 6 cases, two cases have been finalised and in rest of the four cases efforts are being made to recover the amount.
3.	Pataudi (Gurugram)	8	0.04	The notices have been issued in all the cases and further efforts are being made to recover the amount.
4.	Samalkha (Panipat)	7	0.01	Recovery has been made in all the cases
5.	Madlauda (Panipat)	14	0.52	Recovery has been made in all the cases
6.	Faridabad	6	7.74	Notices are being issued in all the cases and further the action is being taken as per the rules.
7.	Rewari	9	0.03	In all the cases the action has been taken as per the rules and efforts are being made to recover the pending amount.

3. Cases where notices were served to defaulters but no further action was taken to recover the amount:

Sr. No.	Name of District/ Tehsil	Number of cases	Amount (in crore)	Present status
1.	Gurugram	35	1.72	Notices have been issued in all the cases and further the action is being taken as per the rules.
2.	Faridabad	1	0.00 (21,300)	Notices are being issued in all the cases and further the action is being taken as per the rules.
3.	Rewari	15	0.08	The action has been taken as per the rules and efforts are being made to recover the pending amount.

DC Panipat has informed that all the 25 cases amounting to Rs.3.29 Lakh mentioned in Annexure-I were related to Haryana Harijan Kalyan Nigam and the loan was exempted by the Govt. vide letter no. Loans-S.No-627/2014/5597-5617, dated 15.09.2014 therefore these cases were returned back to the concerned department.

In 7 cases of Samalkha Tehsil amounting to Rs.1.00 Lakh and 14 cases of Madlauda Tehsil amounting to Rs.5.20 Lakhs where AG has raised an objection for notices were not issued on time. They have intimated that Recovery has been made in all the cases mentioned in Annexure II.

DC, Gurugram has intimated that efforts are being made in all the 37 cases mentioned in Annexure II. Out of 37 cases, in 7 cases the recovery has been made and the cases have been finalised and in rest of the 30 cases, the efforts are being made to make speedy recovery. In Farrukhnagar, out of 6 cases, two cases have been finalised and in rest of the four cases, efforts are being made to recover the amount. In Pataudi, the objection was raised by AG in 8 cases where notices were not issued. DC, Gurugram has intimated that the notices have been issued in all the cases and further efforts are being made to recover the amount.

DC, Rewari has intimated that in all the cases the action has been taken as per the rules and efforts are being made to recover the pending amount.

DC, Faridabad has also intimated that notices are being issued in all the cases mentioned in Annexure I-II-III and further the action is being taken as per Punjab Land Revenue Act, 1887 and Revenue Recovery Act, 1890, (RR Act)

Therefore, the para may be dropped.

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding arrears and the Committee be also kept informed of the action taken/progress made in the matter. The Committee has also desired that the cases, wherein recovery has been made, be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

[108] 6.2.5 Failure to follow up the RRCs sent to other Collectors:

As per records, recoveries in 1,345 cases involving an amount of Rs.69.25 crore were pending as on 30 September 2012 against the defaulters having properties outside the districts/State. In such cases, RRCs under Revenue Recovery Act for effecting recovery were sent to the District Collectors of the District/States concerned where the defaulters had properties.

The department in its written reply stated as under:

This Para relates to the failure to follow up the RRCs sent to other Collectors. It is intimated that reminders are being issued from time to time by the DCs to the Collectors of the other Districts where such cases are registered and cases are being followed up. The action is being taken as per the Punjab Land Revenue Act, 1887 and Revenue Recovery Act, 1890, (RR Act) and efforts are being made to recover the pending amount. Therefore, the Para may be dropped.

The Committee has desired that sincere and pragmatic efforts be made to recover the outstanding amount to augment the State revenue under intimation of the Committee.

TRANSPORT DEPARTMENT

[109] 5.2.9 Delay in implementation of revised penalty rates:

Section 41 (11) of MV Act inter-alia lays down that in case owner of a vehicle fails to make an application to the Registering Authority (RA) for registration of his vehicle within one month from the date of purchase of vehicle, penalty not exceeding 100 would be levied under Section 177 of the Act. Further, the Department notified (12 July 2011) that in case the vehicle is not registered within 21 days from the purchase of vehicle, penalty at the rate of 0.5 *per cent* of the lump sum one time tax payable would be charged on per day basis.

In five offices of RTAs and sixteen offices of RAs, 650 one time tax paid cases, applications for registration of vehicles were filed after 21 days. Penalty due in these cases were not imposed by RA/RTAs which resulted into loss of revenue.

The Government admitted the audit observations and stated that High Court in its decision dated 12 February 2013 clarified that imposing penalty is on the discretion of Licensing Officer. Hence, the Licensing Officer can also impose less penalty. The reply is not correct as in these cases the Licensing Officers had not imposed any penalty.

The department in its written reply stated as under:

In this para the Principal Accountant General (Audit) Haryana has mentioned the delay in the registration of vehicles as per depts. notification dated 12.07.2011 in which it is mentioned that if the vehicle is not registered within 21 days from the date of purchase of vehicle, penalty @ 0.5% of the lump sum one time tax payable would be charged on per day basis. The penalty was to be charged w.e.f. 22nd day from the purchase of vehicle and was to be restricted upto twice the amount of tax due. However, it was a violation of Section 43 of Motor Vehicles Act, 1988 in which it is clearly mentioned that the penalty is to be charged w.e.f. 31st day from the date of purchase of vehicle as the temporary registration number shall be valid for a period of one month. As such the instruction was revised by the department vide letter dated 6.1.2012 (Annexure-A).

It is pertinent to mention here that the Notification dated 12.07.2011 was set aside by the Hon'ble Punjab & Haryana High Court vide its order dated 12.02.2013 in CWP No.17580 of 2011 in so far as it relates to imposition of 0.5% penalty per day. The issue of 21 days has not been discussed by the Hon'ble court. In compliance of this, all RTAs/RAs were requested vide this office memo No.24635-76/AT-2/AS-II, dated 11.07.2013 to pass speaking orders as per the provisions of the Punjab Motor Vehicles Taxation Act, 1924 and rules made there under wherever required. Concerned authorities have been asked vide letter No.65146-66/SAO(Audit) dated 23.11.2016 to intimate whether speaking orders have been passed or not in compliance of the above referred office order.

Further it is intimated that only an amount of Rs.57.20 Lakhs is recoverable out of 65.03 lakhs (amount of audit para) in compliance of instructions dated 6.1.2012 vide which the limit of days for penalty was revised from 22nd day to 31st day. Out of this, an amount of Rs. 62000/- has been recovered from four authorities namely RTA, Ambala, RTA Faridabad, RA Hansi and RA Pataudi. Para related to

RTA, Hisar amount of Rs.3.28 lakh has been settled in the review by Accountant General, Haryana for the year 2013-14 (Annexure C. An amount of Rs.53.30 lakhs remains outstanding from twenty authorities.

The concerned authorities have been directed vide this office letter No.25746-62/SAO (Audit)/SO-II dated 7.10.2014, 112-116/SAO (Audit)/SO-II dated 8.1.2015, D.O. No.47781-87/SO-I, dated 9.10.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65279-83/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated accordingly.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the responsibility of the erring officer(s)/ official(s) for not taking any action to make the recovery be fixed and action taken report be submitted to the Committee within a period of two months.

[110] 5.2.10 Non/short levy of penalty on over loading of vehicles:

Section 194 of the MV Act provides that a person who drives a motor vehicle carrying goods exceeds the weight/gross vehicle weight specified in the certificate/registration of the vehicles under Section 113 of the MV Act, he is liable to pay a minimum fine of 2,000 and an additional amount of 1,000 per tonne of excess load, together with the liability to pay charges for off loading of the excess load.

In five offices of Secretary, RTAs and office of STC, Haryana, 187 vehicles were found carrying goods in excess of the permissible weight which resulted into loss of revenue due to non-levy of penalty of 29.50 lakh. In case of Ambala, registers were not properly maintained.

The Government accepted the audit observations and stated that an amount of Rs. 9.87 lakh had been recovered and the concerned authorities have been directed to recover the balance amount of Rs.19.63 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 29.50 lac was outstanding on account of short penalty on overloaded vehicles. An amount of Rs. 10.33 lac was recovered and amount of Rs. 19.17 lac remains balance. The concerned authorities (annexure B) have been directed vide this office letter Nos.25763-68/SAO (Audit)/SO-II dated 7.10.2014, 117-121/SAO (Audit)/SO-II dated 8.1.2015,59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65279-83/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated accordingly.

It is pertinent to mention here that list of staff position during audit period has been asked for from the concerned office vide this office letter no.65306-87/SAO

(Audit) dated 24.11.2016 and letter no.946-71/SAO(Audit) dated 10.01.2017 so that disciplinary action can be initiated against the responsible officials/officers for discrepancy.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the responsibility of the erring officer(s)/ official(s) for non/short levy of penalty on over loading of vehicles be fixed and action taken report be submitted to the Committee within a period of two months.

[111] 5.2.11 Non/short recovery of token tax from private/goods vehicles:

5.2.11.1 The Government of Haryana notified the enhancement of token tax on 13 January 2011 based on the value of vehicles which are given in **Table 5.3**

A-Category of two wheelers of value	Rate of token tax on the value of vehicle (in %age)	B-Category of Cars of value	Rate of token tax on the value of vehicle (in %age)
Up to Rs. 60,000	2	Up to Rs 5 lakh	2
Exceeds Rs. 60,000 and upto Rs. 4 lakh	4	Exceeds Rs 5 lakh and upto Rs 10 lakh	4
Exceeding Rs. 4 lakh	6	Exceeds Rs 10 lakh and upto Rs 20 lakh	6
		Exceeding Rs 20 lakh	8

In six offices of RAs, 378 vehicles were registered at old rates instead of the new ones resulting into loss of revenue of Rs. 18.29 lakh for the years 2010-11 and 2011-12.

5.2.11.2 Further, the Government of Haryana notified the fixed rate of annual token tax on 18 January 2006 in respect of goods vehicles on the basis of its weight.

In four offices of Secretary, RTA, token tax amounting to Rs.16.95 lakh in respect of 191 goods vehicles had not been recovered for the years 2007-08 to 2011-12.

The Government admitted the audit observations and stated that an amount of Rs.1.10 lakh had been recovered and the concerned authorities had been directed to recover the balance amount of Rs.34.14 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 35.24 lakhs was outstanding on account of short recovery of token tax from the owners of the vehicle. An amount of Rs. 1.10 lakhs was recovered and amount of Rs. 34.14 lakhs remains outstanding. The concerned authorities have been directed vide this office letter No.25769-78/SAO (Audit)/SO-II dated 7.10.2014, 122-125/SAO (Audit)/SO-II dated 8.1.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65273-78/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated.

It is pertinent to mention here that list of staff position during audit period has been asked from the concerned office vide this office letter no.65306-87/SAO

(Audit) dated 24.11.2016 and letter no.946-71/SAO(Audit) dated 10.01.2017 so that disciplinary action can be initiated against the responsible officials/officers for discrepancy.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

[112] 5.2.12 Short deposit/loss of interest on delayed deposit of Government revenue and non-attestation/verification of of DCR/CTR register:

Rules 2.2 and 2.7 of the Punjab Financial Rules (PFRs), as adopted by the Haryana Government, requires a Drawing and Disbursing Officer (DDO) to satisfy himself that all the monetary transactions are entered in the cash book as soon as they occur **and** are attested by him. Rule 2.7 ibid provides that the official who is not in-charge of the cash book, receives the money on behalf of the Government is required to deposit the amount into the treasury/bank on the same day or in the morning of the next day. The head of the office under rule 2.2(iii) is also required to verify all the entries including totals of all the entries in the cash book or have this done by some responsible official other than the writer of the cash book and initial that all entries are correct.

5.2.12.1 Scrutiny of DCR/Consolidated Treasury Receipt Register (CTR), receipt books and RC Registers of offices of RAs, Dabwali, Narnaul and Sirsa in December 2012 for the years 2009-10 to 2011-12, showed that an amount of Rs. 5.32 lakh (RA Sirsa: Rs. 4.57 lakh; RA Dabwali: Rs.57,100 and RA Narnaul:17,595) received on account of RC fees/token taxes etc. were not deposited into respective treasuries as provided in the rules. In case of Narnaul, receipt book was issued from the headquarter which was not entered in the DCR. This resulted into short amount of Rs. 11,655. RA Dabwali received Rs. 73,585 in March 2012, out of which only Rs.16,485 was deposited into treasury. This resulted into short deposit of Rs. 57,100.

The Government accepted the audit observation and stated that an amount of Rs.69,000 had been recovered and the concerned authorities have been directed to recover the balance amount.

5.2.12.2 Scrutiny of DCR and CTR Register of offices of RA, Ballabgarh, Narnaul and office of Secretary, RTA Ambala for the period 2009-10 to 2011-12, showed that daily receipts on account of registration fee and token taxes involving a maximum amount of Rs. 17.22 lakh per day were deposited late ranging from three to six days. However, no interest was charged on account of delayed deposit. Further in the offices of RA, Ellenabad, Mohindergarh and Sirsa for the years 2010-11 and 2011-12, we noticed that daily receipts were deposited late ranging between four to 777 days. This resulted in loss of interest of Rs. 3.40 lakh.

The Government accepted the audit observations during the exit conference held in November 2013 and assured that directions would be issued to the concerned authorities to deposit the amount as per rule.

During test check of consolidated treasury receipt register of RA Faridabad, Narnaul and RTA Faridabad for the year 2011-12, we noticed that CTR registers had not been verified by the concerned treasury offices.

The department in its written reply stated as under:

In this case an amount of Rs. 5.32 lac was outstanding on account of short deposit of receipt into the Govt. Treasury and non charging of interest on late deposit of receipt into the Treasury. Out of Rs. 5.32 lac, an amount of Rs. 0.69 lac was recovered and an amount of Rs. 4.63 lac remains balance. The concerned authorities have been directed vide this office letter No.25783-88/SAO (Audit)/SO-II dated 7.10.2014, 133-138/SAO (Audit)/SO-II dated 8.1.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65284-89/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated.

It is pertinent to mention here that list of staff position during audit period has been asked from the concerned office vide this office letter no.65306-87/SAO (Audit) dated 24.11.2016 and letter no.946-71/SAO(Audit) dated 10.01.2017 so that disciplinary action can be initiated against the responsible officials/officers for discrepancy.

In this case an amount of Rs. 3.40 lac was outstanding on account of short deposit of receipt into the Govt. Treasury and non charging of interest on late deposit of receipt into the Treasury. There is no recovery and an amount of Rs. 3.40 lac remains balance.

The concerned authorities have been directed vide this office letter No. 25783-88/SAO (Audit)/SO-II dated 7.10.2014, 133-138/SAO (Audit)/SO-II dated 8.1.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65284-89/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated.

It is pertinent to mention here that list of staff position during audit period has been asked from the concerned office vide this office letter no.65306-87/SAO (Audit) dated 24.11.2016 and letter no.946-71/SAO(Audit) dated 10.01.2017 so that disciplinary action can be initiated against the responsible officials/officers for discrepancy.

Keeping in view the above facts, it is requested that para may kindly be dropped.

DCRs has been signed by the competent authority and CTRs have also been signed by the concerned Treasury Officer after reconciliation. It is pertinent to mention here that by implementation of Web-enabled VAHAN version 4 and SARATHI version 4 by NIC, DCRs will become online and can be reconciled with CTR any time. So possibility of embezzlement has been removed.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that in the cases wherein the Administrative Secretary, Transport Department is competent to take disciplinary action, responsibility of the erring officer(s)/official(s) be fixed and in the cases relating to

SDM office, wherein he is not competent to take disciplinary action, recommendation be forwarded to the concerned authority to fix the responsibility to take strict disciplinary action against those delinquents and action taken report be submitted to the Committee within a period of two months.

[113] 5.2.13 Non-observance of MV Rules:

As per Section 41 (1) and (2) of MV Act, an application by or on behalf of the owner of a motor vehicle for registration shall be in such form and shall be accompanied by such documents, particulars and information and shall be accompanied by such fee as may be prescribed by the Central Government. Further, TC, Government of Haryana issued directions to all the RAs in March 2009 that, if any owner of a vehicle wants registration of his vehicle as per turn, he should, first of all be allotted registration number and thereafter RC fee should be charged having depicted engine and chassis numbers in the said registration number.

During scrutiny of RC Register, Receipt Books and related files of RA Panipat in February 2013 for the year 2011-12, we noticed that in 15 vehicles, receipt of RC fee and token tax were charged first and retained the file for out-of-turn choice numbers. Thereafter, allotment of registration numbers was made after a delay ranging from 39 to 99 days. By doing this, the vehicle owners get their own choice registration number with the connivance of dealing official. This resulted in not only loss to the State Government in the form of non-charging of additional fee for giving choice number to the owner of a vehicle but also caused delay in finalisation of RC cases.

The department in its written reply stated as under:

RA Panipat has been asked vide this office letter No. 25679/SAO (Audit)/SO-II dated 7.10.2014, 133-138/SAO (Audit)/SO-II dated 8.1.2015, 35565/SAO (Audit)/SO-II dated 10.06.2016, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 & 02.09.2016 to provide the reply of the para. Concerned registering authority has also been asked to enquire into the matter and take disciplinary action against the defaulting officers/officials responsible for this loss vide this office letter No.63634/SAO(Audit)/ SO-II dated 15.11.2016. Charge sheet under rule-8CSR (Punishment and appeal), RA Panipat has been proposed.

It is pertinent to mention here that by implementation of Web-enabled VAHAN version 4 and SARATHI version 4 by NIC, numbers are issued on random basis. The problem of out of turn allotment has been removed. In future there will be no such lapses. Hence para may kindly be dropped.

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

[114] 5.2.14 Issue of driving licence without medical certificate/learners licence/proof of birth certificate:

As per instructions issued by Transport Department on 23 June 2006 under Section 3 of MV Act, issue of learners licence is compulsory before issue of regular driving licence, which is valid up to six months. Regular driving licence can be issued one month after issue of learners licence. Further, RA is required to obtain medical certificate and birth certificate from the applicant.

5.2.14.1 In RA, Samalkha, for the years 2010-11 and 2011-12, 15 regular licences were issued without issue of learner's licence.

5.2.14.2 In four offices⁸ of RA (MV), for the years 2010-11 and 2011-12, 90 driving licences were issued without obtaining medical certificates.

5.2.14.3 In RA Faridabad, for the period 2011-12, birth certificates were not obtained in eight cases.

On these being pointed out (September 2013), the Government accepted the audit observations during the exit conference (November 2013) and assured that corrective action would be taken.

The department in its written reply stated as under:

All the concerned authorities have been asked vide this office letter No. 25680-84/SAO (Audit)/SO-II dated 7.10.2014, 152-155/SAO (Audit)/SO-II dated 9.1.2015, 35566-71/SAO (Audit)/SO-II dated 10.06.2016, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to expedite the reply of the para. Concerned registering authorities have also been asked to enquire into the matter and take disciplinary action against the defaulting officers/officials vide this office letter No.63635-41/SAO(Audit)/SO-II dated 15.11.2016.

It is pertinent to mention here that by implementation of Web-enabled VAHAN version 4 and SARATHI version 4 by NIC, direct licence cannot be generated without learner licence. The problem of duplicity has also been totally removed. In future there will be no such lapses.

Hence para may kindly be dropped.

The Committee has recommended that the officer(s)/official(s) responsible for issuing driving license without without obtaining requisite documents namely, medical certificate/learners license/proof of birth certificate be charge sheeted for major penalty and action taken report be submitted to the Committee within a period of two months.

[115] 5.2.15 Non observance regulatory control:

As per provisions of the Scheme, the permit holders transport co-operative societies shall be required to furnish prescribed returns/statistical and other information, including particulars of drivers/conductors engaged by societies with suitable photographs to establish their identity, installation of fire extinguishers and speed governors etc. to the concerned Authorities. Quarterly physical inspection of co-operative buses by RTAs for ascertaining operation of buses strictly in accordance with the provisions of the scheme is also required.

In ten RTAs no records pertaining to drivers and conductors engaged for 533 society buses, installation of fire safety gadgets and speed governors were maintained. Moreover, no quarterly inspection of the buses was conducted by the concerned RTAs.

On these being pointed out (September 2013), the Government accepted the audit observations during the exit conference (November 2013) and assured that corrective action would be taken.

The department in its written reply stated as under:

Observation raised by audit team had been noted. 42 terms & conditions containing record of driver and conductor, safety gadgets and speed governors etc. has been fixed for the allotment of stage carriage permits there under vide letter No.19197-19218/T-I/DST, dated 28.07.2014. As per condition No. 13, the vehicles to which the permit relates shall not be driven at a speed exceeding the speed limit fixed under Section 112 of the Motor Vehicles Act, 1988. A speed limiting device of the prescribed standard shall be installed on the vehicle. Similarly, as per condition No.20, 'The staff (Drivers & Conductors) deployed by the permit holders for operating the buses shall be issued photo identity cards, a copy of which shall also be submitted in the office of RTA. The photo identity card shall be duly attested by the permit holder.' It is also pertinent to mention here that the identity card of driver and conductor had already been issued on the basis of proper record since many year. So it is not right to say that there is no record of drivers and conductors engaged for 533 society buses.

Hence para may kindly be dropped.

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

[116] 5.2.16 Non recovery of additional fee due to out of turn allotment of registration numbers:

The Haryana Government notification dated 27 November 2008 provides that anyone opts for out of turn allotment of special numbers would pay an additional fee of Rs.10,000.

In five RAs and RTAs Gurgaon and Hisar for the year 2011-12, out of turn registration numbers were allotted in 242 cases but no additional fee were charged from these vehicles owners. This resulted in loss of revenue of Rs.24.20 lakh.

On this being pointed out (September 2013), the Government accepted the audit observations during the exit conference (November 2013) and stated that an amount of Rs. 3.30 lakh had been recovered and assured that corrective action would be taken to recover the balance amount of Rs. 20.90 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 24.20 lac was outstanding on account of short recovery of additional fee due to out of turn allotment of registration numbers. Out of 24.20 lac an amount of Rs. 3.30 lac was recovered and an amount of Rs. 20.90 lac remains balance. Out of this an amount of Rs.7.20 lakh relates to RA, Hisar which cannot be recovered as Hon'ble court has given judgment in favour of vehicle owner on dated 31.3.2016. L. R. Haryana has also advised vide their letter No.29059/CO-II (239)2016 dated 19.05.2016 that this case is not fit for filing

an appeal. An enquiry has also been conducted of RA, Hisar. The enquiry officer has intimated that there were 70 case of out of turn allotment of registration number instead of 72. The then, Registering Authority had adopted the random system only to break the monopoly of subordinate staff and computer operators. Registration numbers have been allotted on the same date, but the receipts were not in sequence/ serialwise . Accordingly recovery in these cases is not justified. However, the concerned authorities have been directed vide this office letter No.25707-14/SAO (Audit)/SO-II dated 7.10.2014, 177-81/SAO (Audit)/SO-II dated 9.1.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65291/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately The concerned authorities have been asked to identify the defaulting officials so that disciplinary action can be taken against them. Public Accounts Committee will be intimated accordingly.

It is pertinent to mention here that by implementation of Web-enabled VAHAN version 4 and SARATHI version 4 by NIC, the registration numbers are allotted on random basis and now there is no possibility of out of turn numbers without payment.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the responsibility of the erring officer(s)/ official(s) for non recovery of additional fee for out of turn allotment of registration numbers be fixed and action taken report be submitted to the Committee within a period of two months.

[117] 5.2.17 Non-realisation of additional fee due to allotment of choice number in respect of Non-Government authorities/retention of choice registration marks:

As per notification of December 2005 and revised in November 2008 under Section 65 of the MV Act, and the Haryana Motor Vehicles Rules, 1993 framed there under, the RA shall allot to the owner of non-transport vehicle, a registration mark of his choice on payment of prescribed additional fee. However, if the motor vehicle with Special numbers registration mark is being transferred in the name of other person, the same may be allowed by the RA on payment of additional fee as prescribed.

5.2.17.1 For the years 2007-08 to 2011-12, in 24 cases, the motor vehicles were allotted choice registration marks without charging additional fee, resulting in non-realization of additional fee of Rs.14.25 lakh.

5.2.17.2 In five offices" of RAs (MVs) and Hisar, Narnaul and Sirsa offices of Secretary, RTAs for the years 2007-08 to 2011-12, 29 motor vehicles with choice registration marks were transferred in the name of other persons during the years 2007-08 to 2011-12, without charging additional fee resulting in loss of revenue of Rs. 4.70 lakh.

On this being pointed out (September 2013), the Government accepted the audit observations during the exit conference (November 2013) and stated that an amount of 70,000 had been recovered and assured that corrective action would be taken to recover the balance amount of Rs.18.25 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 18.95 lac was outstanding on account of Non realization of additional fee due to allotment of choice no. in respect of non-government authorities/ retention of choice registration marks. Out of Rs.18.95 lac an amount of Rs. 0.70 lac was recovered and an amount of Rs.18.25 lac remains balance. The concerned authorities have been directed vide this office letter No.25715-23/SAO (Audit)/SO-II dated 7.10.2014, 182-86/SAO (Audit)/SO-II dated 9.1.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65294-98/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately. Concerned registering authorities have also been asked to enquire into the matter and recommend disciplinary action against the defaulting officers/officials. Public Accounts Committee will be intimated in due course.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the responsibility of the erring officer(s)/ official(s) for non realization of additional fee for the allotment of choice number in respect of non-Government authorities/retention of choice registration mark be fixed and action taken report be submitted to the Committee within a period of two months.

[118] 5.2.18 Short recovery of token tax:

Transport Commissioner, Haryana, issued instructions in May 2000 that vehicles designed to carry more than six passengers excluding driver, shall be registered as transport vehicle in the name of company/firm and will pay road tax at the rate of Rs.400 per seat per annum besides charging permit fee.

In four offices of Secretary, RTA for the years 2010-11 and 2011-12, 35 private service (non-transport) vehicles having seating capacity of more than six persons were registered in the name of companies/firms and lump sum/one time token tax amounting to Rs.4.86 lakh was charged by the RAs (MVs) irregularly instead of charging Rs.15.54 lakh at the rate of Rs.400 per seat per annum. This resulted in short realization of token tax of Rs.10.68 lakh, besides permit fee.

On this being pointed out (September 2013), the Government accepted the audit observations during the exit conference (November 2013) and stated that an amount of Rs. 33,000 had been recovered and assured that corrective action would be taken to recover the balance amount of Rs.10.35 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 10.68 lac was outstanding on account of non/short recovery of token tax. Out of Rs.10.68 lac an amount of Rs. 2.09 lac was recovered and an amount of Rs.8.59 lac remains balance. It is clarified that the vehicles having seating of seven persons excluding driver can be registered in the name of firm/company in both way i.e. as Non-transport vehicles depending upon the use of vehicles as declared by the owner of the vehicle as per guidelines/notification dated 9th December, 2005 of Transport Department,

Haryana. It is also pertinent to mention here that the para of Rs.1.37 lakhs of RTA , Sirsa was removed by PAG (Audit) Haryana on dated 10.06.2014.

It is also submitted that the same nature CAG para No.5.10.1.1 year ended March, 2010 has already been discussed in the PAC meeting and the Committee has desired that "the department to reconcile the para with PAG office under intimation of the Committee".

Keeping in view the above facts, it is requested that para may kindly be dropped

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

[119] 5.2.19 Non-assignment of new registration number to vehicles from other States:

Under Rule 47 of MV Act and Notification by Transport Department of July 2005, a motor vehicle registered in one State has been kept in another State for a period exceeding twelve months, the owner of the vehicle shall, within such period, apply to the RA, within whose jurisdiction the vehicle was for the assignment of a new registration number and shall present the certificate of registration to that RA.

In eight offices of RA, for the years 2007-08 to 2011-12, 425 vehicles were transferred from other State to Haryana and these vehicles had not been assigned a new registration mark for the period ranging from one to five years resulting in non recovery of registration fee and token tax of Rs.9.07 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 9.07 lac was outstanding on account of non/assignment of new registration numbers to vehicles from other states. Out of Rs.9.07 lac an amount of Rs. 2.23 lac was recovered and an amount of Rs. 6.84 lac remains balance. The concerned authorities have been directed vide this office letter No.25729-37/SAO (Audit)/SO-II dated 7.10.2014, 187-194/SAO (Audit)/SO-II dated 09.01.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65299-307/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated.

It is pertinent to mention here that list of staff position during audit period has been asked from the concerned office vide this office letter no.65306-87/SAO (Audit) dated 24.11.2016 and letter no.946-71/SAO(Audit) dated 10.01.2017 so that disciplinary action can be initiated against the responsible officials/officers for discrepancy.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

[120] **5.2.20 Issue of driving license after expiry of learners license and renewal of driving licenses beyond prescribed time:**

Under Section 14(1) of the MV Act provides that learner's licence shall be effective for a period of six months. Regular driving licence could not be issued on an expired learner's licence. For this purpose, learners licence would be issued afresh. As per instructions issued by STC in June 2006 that driving licence will be issued for the first time for 20 years or up to the age of 50 years, whichever is earlier. Thereafter, renewal of licence will be done for a period of five years.

5.2.20.1 In offices of RAs (MV) Faridabad and Samalkha, driving licences were issued in 26 cases although their corresponding learner's licences had already expired. This indicated non-compliance of provisions of MV Act,

5.2.20.2 In the office of RA (MV) Faridabad, 77 driving licences were renewed for periods ranging from eight to 20 years.

After pointed out these cases (September 2013), the Government accepted the audit observations during the exit conference (November 2013) and stated that an amount of Rs. 5.21 lakh had been recovered and assured that corrective action would be taken to recover the balance amount of Rs.57.69 lakh.

The department in its written reply stated as under:

In this case an amount of Rs. 62.90 lac was outstanding on account of non renewal of driving licence. Out of Rs.62.90 lac an amount of Rs. 5.21 lac was recovered and an amount of Rs.57.69 lac remains balance. The concerned authority has been directed vide this office letter No.25738-39/SAO (Audit)/SO-II dated 7.10.2014, 195-196/SAO (Audit)/SO-II dated 09.01.2015, 59371-491 /SAO (Audit)/SO-II dated 19.11.2015, 65299-307/SAO (Audit)/SO-II dated 17.12.2015, 3190-327/SAO(Audit) dated 15.01.2016 and meetings held on 11&12.04.2016, 9&10.06.2016 and 30.08.2016 to 02.09.2016 to recover the outstanding amount immediately and after the recoveries from the said authorities, Public Accounts Committee will be intimated.

It is pertinent to mention here that list of staff position during audit period has been asked from the concerned office vide this office letter no.65306-87/SAO (Audit) dated 24.11.2016 and letter no.946-71/SAO(Audit) dated 10.01.2017 so that disciplinary action can be initiated against the responsible officials/officers for discrepancy.

Keeping in view the above facts, it is requested that para may kindly be dropped.

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

[121] **5.2.21 Internal control:**

(i) Internal audit is a tool in the hands of management to assess itself that the prescribed systems are functioning well. The department stated in June 2013 that they had one Accounts Officer and three Section Officers (against 6 sanctioned posts) at headquarter who conduct internal audit in respect of levy and collection of taxes on motor vehicles.

For checking receipts of taxes on motor vehicles, the Department had not codified the internal audit procedures etc.

(ii) The department prescribed statements/returns relating to collection of taxes and disposal of challans which were required to be sent by field offices to headquarters office by 10th of each month.

Scrutiny of records noticed that field offices had sent the monthly returns regularly to Transport Commissioner. These returns were merely compiled but no further instructions/ directions were issued to field offices during 2007-12 on improvement in collection of taxes and disposal of challans promptly to augment revenue. No separate meetings were held to review the performance. Thus, internal check and monitoring at Department level was inadequate.

The department in its written reply stated as under:

The internal audit wing is continuous in correspondence with the field offices. Three meetings have been held since 2/2016 to 9/2016 regarding audit paras and Rs.3.65 crore (approx.) have been recovered on account of internal audit paras.

Apart from above, the audit committee meetings are being convened by audit wing with A.G. (Audit), Haryana regularly for effective progress of settlement of paragraphs and IRs. Four Meetings were held during the year 2014-2015 on 26 & 27.5.14 at Sirsa, 4 & 5.08.2014 at Gurgaon, 3 & 4.11.2014 at Karnal and 15 & 16.1.2015 at Rohtak in which out of total 519 paras amounting to Rs. 847.33 were discussed and 299 paras amounting to Rs. 400.48 lakh were settled. A similar audit committee meeting was also held on dated 09.02.16 to 11.02.16 at Rewari by the AG (Audit) for settlement of old audit paras in respect of Ambala, Yamuna Nagar and Panchkula District.

The Committee has desired that the matter be re-looked into and fresh reply with latest status be submitted to the Committee at the earliest for its consideration.

MINES AND GEOLOGY DEPARTMENT

[122] 6.1.1 Results of audit:

Test check of the records in Excise and Taxation Department (Entertainment duty), Power (Taxes and duties on electricity), Mines and Geology, Industries and Land Revenue in 2012-13 revealed under assessments of tax and loss of revenue amounting to Rs.1.04 crore in 333 cases which broadly fall under the categories detailed in Table 6.1.

Table 6.1

(Rs. in crore)

Sr. No.	Category	Number of cases	Amount
A: Excise and Taxation Department (Entertainment duty)			
1.	Non-recovery of entertainment duty	1	0.02
B: Power Department (Taxes and duties on electricity)			
1.	Miscellaneous irregularities	56	0.04
C: Mines and Geology and Industries			
1.	Non-recovery of interest on late deposit of contract money	61	0.68
2.	Non-recovery of royalty and interest	95	0.23
D: Land Revenue			
1.	Recovery of dues declared as arrears of land revenue	01	Nil
2.	Miscellaneous irregularities	119	0.07
	Total	333	1.04

During the year 2012-13, the Department accepted under assessment and other deficiencies of Rs.65.08lakh involved in 171 cases, out of which Rs. 21.95 lakh involved in 168 cases were pointed out during 2012-13 and the rest in earlier years. The department recovered 47.79 lakh in 32 cases during the year 2012-13, out of which Rs.4.48 lakh involved in 29 cases relate to the year 2012-13 and the rest in earlier years.

Some illustrative cases are mentioned in the following paragraph:

The department in its written reply stated as under:

Result of Audit-Non recovery of royalty and Interest, Non-recovery of interest on late deposit of contract money. Test Check of records of Mines and Geology Department conducted during the year 2012-13, revealed under assessments and loss of revenue amounting to Rs. 90.81lakhs in 157 cases. The Audit reports have been conveyed by the Principal Secretary Finance Department, Haryana vide their office UO No. 18/5/2015-3B & C dated 30-1-2017.

Sr. No.	Department	Number of Cases	Amount (Rs. in lakh)	Reply of the Department
1.	Mines and Geology	157	90.81	<ul style="list-style-type: none"> ❖ During the course of audit conducted in the year 2012-13, the Audit party observed that interest on late deposit of contract money and non-recovery of royalty and interest from Brick Kiln owners. ❖ The CAG in this para have shown an amount of Rs. 90.81lakh to be recovered. ❖ Out of Rs. 90.81lakh an amount of Rs. 76.76 lakh has been recovered. ❖ Out of remaining amount Rs. 14.05 lakh an amount of Rs. 8.58 lakh from 26 BKO is not recoverable as the concerned BKOs were lying closed during that period and in some cases royalty has been deposited in time which does not account for the charging of interest. Efforts are being made by the concerned field officers for recovery of balance amount of Rs. 5.47 lakh.

1. Para No. 6.1.1-Non recovery of Royalty and interest 2012-13:

(Figure in Lakhs)

Sr. No.	District Name	Year	No. of paras	Amount due	Amount recovered	Balance amount	Remarks
1	Sonipat	2012-13	12	49.94	49.94	Nil	
2	Head office Chandigarh	2012-13	49	18.60	14.60	4.00	
		Total	61	68.54	64.54	4.00	

1. Para No. 6.1.1- Non recovery of Royalty and Interest of District Sonapat 2012-13:

(Figure In Lakh's)

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s S.S. & Company	-	49.94	-	49.94	-	-	Amount Recovered	5/78/13716 dated 31.10.2013

1. Para No. 6.1.1- Non recovery of Royalty and Interest of District Gurgaon 2012-13

Sr. No.	Name of Stone Crusher	Licence No.	Period	Amount Due	Amount recovered	Balance Amount	Remarks	T.C. No. & Date
District Bhiwani								
1.	M/s Santosh Crusher, Nigana Bhiwani	L-5	30.04.2011 to 29.04.2014	30,000	30,000	0		
2.	M/s Haryana Santosh Crusher, Tiwala, Bhiwani	L-8	30.10.2011 to 29.10.2014	30,000	30,000			
3.	M/s Vandana Stone Crushing Mills, VillKhanak, Bhiwani	L-73	07.12.2011 to 06.12.2014	30,000	30,000			
4.	M/sHappy Stone Crusher, Khanak, Bhiwani	L-97	11.03.2012 to 10.03.2015	30,000	30,000			
5.	M/s Akash Stone Crushing Mills, Village Khanak, Bhiwani	L-133	18.10.2008 to 17.10.2011 & 18.10.2011 to 17.10.2014	50,000	50,000			
6.	M/s Parkash, GUM village Khanak Bhiwani	L-143	22.11.2011 to 21.11.2014	30,000	30,000			
7.	M/s NavNirman Stone Crusher, Gram UdyogMandal, VillKhanak, Bhiwani	L-168	05.02.2009 to 04.02.2012 & 05.02.2012 to 04.02.2015	60,000	60,000			
8.	M/s Hannu Stone Crusher, Gram UdyogMandal, Village KhanakBhiwai	L-173	21.02.2009 to 20.02.2012 & 21.02.2012 to 20.02.2015	60,000	60,000			
9.	M/s Ravi Stone Crushing Mills, Khanak, Bhiwani	L-204	28.08.2009 to 27.08.2012	30,000	30,000			
10.	M/s Jai Shiv Shankar, Stone Crusher, GUM, KhanakBhiwai	L-213	29.09.2006 to 28.09.2009 & 29.09.2009 to 28.09.2012	60,000	60,000	-		
11.	M/s Balaji GUM, Khanak, Bhiwani	L-239	13.01.2012 to 12.01.2015	30,000	0	30,000	After 2012, crusher's owner did not apply since stone crusher lying closed and disconnected electricity connection. Hence, amount cannot be demanded.	

12.	M/s Jai Hind Stone Crusher, NiganaKhurd, Bhiwani	L-336	11.08.2010 to 10.08.2013	30,000	30,000	0		
13.	M/s MaaDurga Stone Crushing Co. Khanak, Bhiwani	L-360	14.04.2010 to 13.04.2013	30,000	30,000	0		
14.	M/s Jai Ambey Stone Crusher, KheriBattar, Bhiwani	L-366	27.03.2011 to 26.03.2014	30,000	30,000	0		
15.	M/s metro Stone Crusher, Khanak, Bhiwani	L-369	07.08.2011 to 06.08.2014	30,000	0	30,000	After 2014, crusher's owner did not apply since stone crusher lying closed and disconnected electricity connection. Hence, amount cannot be demanded	
16.	M/s Shiv Ganga Crushing Mills, Khanak, Bhiwani	L-373	06.07.2011 to 05.07.2014	30,000	30,000	0		
17.	M/s ShriMahadev Stone Crusher, PichopaKalan, Bhiwani	L-421	29.01.2012 to 28.01.2015	30,000	30,000	0		
				620,000	560,000	60,000		
District Mohindergarh								
18.	M/s Era InfaEngg. Ltd. VillageBakhrja, Mohindergarh	L-74	14.03.2008 to 13.03.2011 & 14.0.2011 to 13.03.2014	60,000	30,000	30,000	Not applied after 2014	
19.	M/s Haryana Stone Crusher, Garhi, Distt. Mohindergarh	L-75	14.08.2008 to 13.08.2011 & 14.08.2011 to 13.08.2014	60,000	30,000	30,000	Not applied after 2014	
20.	M/s Adarsh Stone Crusher, Village Jaipur, Distt. Mohindergarh	L-10	13.05.2005 to 12.05.2008 & 13.05.2008 to 12.05.2011 & 13.05.2011 to 12.05.2014	80,000	10,000	70,000	10,000 (after did not apply)	
21.	M/s Balaji Stone Crusher, Village Jaipur, Mohindergarh	L-70	01.02.2010 to 22/31.01.2013	30,000	30,000	0		
22.	M/s MaaSheronwal Stone Crusher, Village Jaipur, Mohindergarh	L-82	01.04.2008 to 31.03.2011 & 01.04.2011 to 31.03.2014	60,000	60,000	0		

23.	M/s Dev Shree Krishna Stone Crusher, Vill Jaipur, Distt. Mohindergarh	L-12	01.04.2007 to 31.03.2010 & 01.04.2010 to 31.03.2013	60,000	60,000	0		
			Total	350,000	220,000	130,000		
District Gurgaon								
24.	M/s yadava Grit Udyog, VillNaurangpur, Distt. Gurgao	L-228	2006 to 2012	60,000	0	60,000		
25.	Shri Ganesh Stone Crushing Co. Rewasam Indri Zone, Gurgao	L-302	01/2012 to 1/2015	30,000	0	30,000		
26.	M/s Parveen Stone Crusher Co. Naurangpur, Gurgaon	L-346	06.09.2008 to 05.09.2012	60,000	60,000	0		
27.	M/s Superstar Crusher Co. Vill. Indri Gurgaon	103/L-229-A	18.01.2000 to 17.01.2015	80,000	80,000	0		
28.	M/s New Yadav Grit Udyog, Naurangpur, Gurgaon	L-101/L-221	18.01.2006 to 17.01.2012	60,000	0	60,000		
29.	M/s Balaji Grit Udyog/Raiseens Crusher Zone, Gurgaon	L-396	02.01.2011 to 01.01.2014	30,000	0	30,000		
			Total	320,000	140,000	180,000		
District Yamunanagar								
30.	M/s Ambala V. Doiwala	L-46	30.01.2012 to 29.01.2015	30,000	30,000	0		
31.	M/s Chaudhr Brothers Villa BallaMajra	L-15	27.12.2011 to 26.12.2014	30,000	30,000	0		
32.	M/s Gita Samiti, VillDoiwala	L-74	06.08.2011 to 05.08.2014	30,000	30,000	0		
33.	M/s GaytriVillBallewala	L-49	06.03.2012 to 05.03.2015	30,000	30,000	0		
34.	M/s GanpatiVillBallewala	L-80	05.04.2010 to 04.04.2013	30,000	30,000	0		
			Total	150,000	150,000	0		
District Faridabad								
35.	M/s Ahuja Enterprises Plot No. 77	L-207	06.08.2011 to 05.08.2014	30,000	30,000	-		
36.	M/s Anija Plot No. 45, VillPali	78/L-146	04.05.2012 to 03.05.2015	30,000	30,000	0		
37.	M/s BhagirathMohftabed	83/L-152	31.12.2010 to 30.12.2013	30,000	30,000	0		
38.	M/s Balaji S.C. Plot No. 83, Pali	130/L-230	27.01.2012 to 26.01.2015	30,000	30,000	0		

39.	M/s Guru Kirpa Plot No. 74B, M.Bad	153/L-287	13.12.2011 to 12.12.2014	30,000	30,000	0		
40.	M/s Sharma S.C. Plot No. 74C, M.Bad	127/L-123	03.09.2011 to 02.09.2014	30,000	30,000	0		
41.	M/s Shankar Plot No. 74C, M.Bad	156/L-290	16.02.2011 to 15.02.2014	30,000	30,000	0		
42.	M/s Vijay Plot No. 63B, Duster-I, Village Pali	48/L-104	18.12.2010 to 17.12.2013	30,000	30,000	0		
43.	M/s Shiv Shakti Plot No. 40, Dhank	L-404	05.09.2012 to 04.09.2015	0	0	0		
44.	M/s S.R. Crushing Co. Plot No. 10, VillBhauj,	L-408	14.10.2012 to 13.10.2015	30,000	30,000	0		
			Total	270,000	270,000	0		
District Panchkula								
45.	M/s Rekhi Stone Crusher	L-5	18.02.2012 to 17.02.2015	30,000	30,000	0		
46.	M/s Shiva Stone Crusher	L-22	18.02.2012 to 17.02.2015	30,000	30,000	0		
47.	M/s Saraswati	L-16	24.02.2012 to 23.02.2015	30,000	30,000	0		
48.	M/s Sangam SC	L-26	12.10.2011 to 11.10.2014	30,000	30,000	0		
49.	M/s Mew Shivalik S.C.	L-47	23.03.2011 to 22.03.2014	30,000	0	30,000		
			Total	150,000	60,000	90,000		
GRAND TOTAL				1,860,000	14,60,000	4,00,000		

2. Para No. 6.1.1 Non recovery BKO's.

(Figure In Lakh's)

Sr. No.	Name of District	Year	No. of BKO's	Amount due	Amount recovered	Balance Amount	Remarks
1	AME Panipat	2012-13	6	1.30	1.08	0.22	
2	AME Gurgaon	2012-13	6	1.27	1.27	0	Para dropped by AG Office
3	AME Narnaul	2012-13	12	2.19	1.22	0.97	
4	AME Sonapat	2012-13	10	2.44	2.02	0.42	
5	AME, Kurukshetra	2012-13	3	0.45	0.45	0	
6	AME Yamuna Nagar	2012-13	6	1.28	1.15	0.13	
7	MO Rohtak	2012-13	28	8.32	2.22	6.10	
8	Mo Rewari	2012-13	8	1.49	0.75	0.74	Para dropped by AG Office
9	MO Ambala	2012-13	17	3.53	2.06	1.47	
			96	22.27	12.22	10.05	

Note: It is informed here that the non-recovery of royalty and interest amounting to Rs. 10.05 lakhs is pending as on date for recovery. However, the field officers have intimated that out of this total amount, an amount of Rs. 8.58 lakhs of **26 BKO**s is not recoverable because the concerned BKO's were lying closed during that period and also in some cases the royalty had been recovered in due time which does not accounts for charging of interest.

Therefore, an amount of Rs. 1.47 lakhs from **06 BKO**s out of Rs. 10.05 lakhs is actually pending for recovery by the concerned field officers, for which they are making their best efforts. Hence, this factual position qua dropping for an amount of Rs. 8.58 lakhs out of Rs. 10.05 lakhs and thereafter remaining Rs. 1.47 lakhs to be recovered.

3. Para No. 6.1.1 - Non recovery of Royalty and Interest of District Panipat 2012-13

(Figure in Lakh's)

	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Durga Bhatra Co. Kaith	15000	7200	15000	7200	-	-	Amount recovered	Nil/ 08.08.2014
2	M/s Gahlan Bhata Co. Mandi	15000	7200	15000	7200	-	-	Amount recovered	Nil/ 29.04.2011
3	M/s Ganesh Bhatta Co. Atta	15000	3600	15000	3600	-	-	Amount recovered	210/ 23.12.2011
4	M/s Ganesh Bhatta Co. Atta	15000	7200	15000	7200	-	-	Amount recovered	210/ 23.12.2011
5	M/s Sagar Bhatta Co. Jaurash iKhas	15000	7200	-	-	15000	7200	Closed on 31.03.2011	-
6	M/s Sadhu Ram Vinod Kumar, Alipur Khalsa	15000	7200	15000	7200	-	-	Amount recovered	93/ 12.09.2011
	Total	90000	39600	75000	32400	15000	7200		

2. Para No. 6.1.1- Non recovery of Royalty and Interest of District Gurgaon 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Balaji Brickers village Doha	15000	4800	-	-	15000	4800	BKO's closed since 28.10.2010 so no amount of royalty or interest is recoverable	
2	M/s Rojdar Bhatta Village Bajadka	15000	8760	15000	8760	-	-	-	104 dated 11.09.12
3	M/s Center For Innovative Building Material village Alipur	15000	4800	-	-	15000	4800	Licence not issued by the DFSC so no amount of royalty or interest is recoverable	
4	M/s Jindal Bhatta Village Kutubgarh	15000	4800	15000	4800	-	-	-	103 dated 11.09.12
5	M/s Sharma Bricks Center village Malab	18000	5760	18000	5760		-	-	2619 dated 12.04.13
6	M/s Goya Brickers Udyog village Singar	15000	4800	15000	-	-	4800	Interest not chargeable due to amount deposited in time	2 dated 06.10.10
	Total	93000	33720	63000	19320	30000	14400	-	

Note: Para has already been dropped by the AG office.

Para No. 6.1.1- Non recovery of Royalty and Interest of District Narnaul 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Niranjani Bricks Udyog,	15000	3895	-	-	15000	3895	Efforts are being made to recover the due royalty with interest	--
2	M/s Baba Bholagiri Bricks Co.	15000	3895	15000	3895	-	-	-	290 dated 06.08.2012
3	M/s Ratna Bricks Co.	15000	3895	15000	3895			-	1682 dated 26.02.2013

4	M/s B.M. Bricks Kiln Udyog	15000	3895	-	-	15000	3895	BKO closed as per DFSC letter dated 03.06.2013	--
5	Shree Ram Int. Bhatta Co.	15000	3895	15000	414	-	3481	The balance interest amount is not recoverable as the BKO owner deposited the royalty with applicable interest but did not submit the challan in this office before the time of audit.	909 dated 12.05.2011
6	M/s RaoBhatta Co. Unit-1	15000	3895	15000	-	-	3895	The Interest amount is not recoverable as the BKO owner deposited the royalty on time but did not submit the challan in this office before the time of audit.	11352 dated 28.04.2011
7	M/s Inder Bricks Co.	15000	3895	15000	-	-	3895	--do--	10780 dated 25.04.2011
8	M/s Maman Chand Co.	15000	3895	15000	-	-	3895	The Interest amount is not recoverable as the BKO owner deposited the royalty on time but did not submit the challan in this office before the time of audit.	11137 dated 27.04.2011
9	M/s D.R. Enterprises	12000	3117	12000	-	-	3117	--do--	11135 dated 27.04.2011
10	M/s Vikas Enterprises	12000	3117	12000	-	-	3117	--do--	272 dated 27.04.2011

11	Jakhar Bricks Udyog	15000	3895	-	-	15000	3895	BKO closed as per DFSC letter dated 10.01.2013	--
12	M/s M.R. Bricks Co.	15000	3895	-	-	15000	3895	Efforts are being made to recover the due royalty with interest	--
Total		174000	45184	114000	8204	60000	36980		

Para No. 6.1.1- Non recovery of Royalty and Interest of District Sonapat 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Azad Bhatta Co.	15000	600	15000	600	-	-	-	26.05.2011 & 01.07.2013
2	M/s Dahiya Bhatta Co.	15000	10800	15000	10800	-	-	-	26.03.2013
3	M/s Gaesh Bhatta Co	41650	19800	41650	19800	-	-	-	30.04.2013
4	M/s Garima Bhatta	41550	0	-	-	41550	-	BKO closed since 2009 to 2011	
5	M/s Hitkari Bricks Co.	15000	600	15000	600	-	-	-	3.06.2013
6	M/s Pawan Bhatta Co.	15000	0	15000	0	-	-	-	26.03.2013
7	M/s Neeraj Bhatta Co.	15000	2400	15000	2400	-	-	-	30.11.2010 & 07.03.2011
8	M/s Pawan Bhatta Co. Viji, Kheridahiya	15000	4200	15000	4200	-	-	-	14.05.2011 & 14.05.2013
9	Hariom Bhatta Co.	15000	2400	15000	2400	-	-	-	19.11.2011 & 01.07.2011
10	Ram Bhatta Co.	15000	0	15000	0	-	-	-	03.02.2011
Total		203200	40800	161650	40800	41550			

Para No. 6.1.1- Non recovery of Royalty and Interest of District Kurukshetra 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Laxmi Bhatt Co.	15000	6900	15000	6900	-	-	-	31 dated 19.03.13
2	M/s Shiv Gram Udyog	15000	6900	15000	6900	-	-	-	33 dated 19.03.13
3	M/s Jai Siya Ram Bhatta	-	900	-	900	-	-	-	57 dated 04.09.13
Total		30000	14700	30000	14700				

Para No. 6.1.1- Non recovery of Royalty and Interest of District Yamuna Nagar 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Akta Bricks Co. Village Saran Licence No. 94-Y	15000	6300	15000	6300	-	-	-	T.C.No.95 dated 31.07.13
2	M/s Rama Bricks Co. Vill. Kurali Licence No. 49-Y	15000	6300	15000	625	-	5675	Interest not due	T.C. No. 11 dated 03.06.11
3	M/s Rama Bricks Vill Khajuri Licence No. 31-Y	15000	6300	15000	534	-	5766	Interest not due	T.C.No. 34 dated 25.05.11 & T.C. No. 75 dated 20.06.13
4	M/s Mahavir Bricks Co. Vill. Pheruwala Licence No.84-Y	15000	6300	15000	6300	-	-	-	T.C.No. 32 dated 25.07.13
5	M/s Goel Bricks Industry Vill Damla Licence No. 28-Y	15000	6300	15000	5000	-	1300	Interest not due	T.C No. 34 dated 14.08.12
6	M/s Manjeet Singh & Sons, Vill. Naharpur, Licence No. 44-Y	15000	6300	15000	6300	-	-	-	T.C. No. 27 dated 02.08.13
	Total	90000	37800	90000	25059		12741		-

Para No. 6.1.1 - Non recovery of Royalty and Interest of District Rohtak 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Aggarwal Bhatta	15000	6900	15000	4925	0	1975		56/ 20.04.2011
2	M/s New Vishwakarma Bhatta	15000	6900	-	-	15000	6900	Notice issued	
3	M/s Om Bhatta	15000	6900	15000	6900	-	-		16/ 29.03.2013
4	M/s Ram Sarup & Sons	15000	6900	-	-	15000	6900	Closed	
5	M/s Rajender Pal & Raj Kumar	18000	12600	-	-	18000	12600	Closed since 2008	
6	M/s Shiv Shankar	30000	17400	-	-	30000	17400	Notice issued	

7	M/s Bholabhatta	30000	17400	30000	17400	-	-		44/ 31.03.2012
8	M/s ArjunBhatta	15000	6900	-	-	15000	6900	Closed DFCC IS- 2017/845	
9	M/s Bakhtawar	15000	6900	-	-	15000	6900	Closed DFCC IS 2017/845	
10	M/s B.B.C.Bhatta	30000	17400	-	-	30000	17400	Closed DFCC IS 2017/845	
11	M/s D.K.Bhatta	12000	5520	12000	5520	-	-		
12	M/s Jai Balaji	15000	6900	15000	6900	-	-		
13	M/s Shubash	15000	6900	15000	6900	-	-		32/ 23.10.2013
14	M/s Sehrhawar	30000	17400	-	-	30000	17400	Closed	26/ 23.03.2013
15	M/s Sunrise BKO	24000	13920	12450	-	11550	13920		02/ 25.03.2013
16	M/s Zila Singh	15000	10500	15000	200	-	10300		60/ 26.03.2010
17	M/s AnandBhatta	30000	17400	-	-	30000	17400	Closed since DFSC IS 2006	
18	M/s Baba BhimDass Bhatta	15000	6900	-	-	15000	6900	Closed since DFSC IS 2017/845	
19	M/s PavitraBhatta	30000	17400	-	-	30000	17400	Closed since DFSC IS 2017/845	
20	M/s Ram Krisha Bhatta	30000	17400	-	-	30000	17400	License not issued by DFSC	
21	M/s Manish Bhatta	30000	17400	-	-	30000	17400	Closed since DFSC IS 2017/845	
22	M/s Ganesh Bhatta	15000	6900	-	-	15000	6900	Closed since DFSC IS 2017/845	
23	M/s RadhaJiBhatta	12000	5520	-	-	12000	5520	License not issued by DFSC	
24	M/s SantoshBhatta	15000	6900	15000	6900	-	-		60/ 30.01.2013
25	M/s Jyoti	15000	6900	15000	6900	-	-		12/ 12.11.2012
26	M/s Shiv Pooja	15000	6900	-	-	15000	6900	License not issued by DFSC	
27	M/s Hari Ram	12000	5520	-	-	12000	5520	Closed	
28	M/s R.K.Bhatta (Ram KaurBhatta)	15000	6900	-	-	15000	6900	License not issued by DFSC	
	Total	543000	289380	159450	62545	383550	226835		

Note: Out of Rs.832380/- Rupees 221995 recovered balance amount Rs. 610386/- not recoverable due to closure/non-issue of license/cancellation of license as intimated by DFSC, Rohtak, Jhajjar Audit inspection was not deposited in this office. The interest was calculated as on 13/13/2013. Hence the interest calculated by the Audit Party is not chargeable.

Para No. 6.1.1- Non recovery of Royalty and Interest of District Rewari 2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	M/s Daggar Bhatta Co.	15000	6900	-	-	15000	6900	The licence of the said brick kiln was valid upto 31.03.2008 that is why para was settled vide AG Office Haryana memo No. 52325dt. 03/04/2014	
2	Jharoda Bricks Udyog	15000	6900	15000	6900	-	-	Amount recovered	
3	Amarnath Bhatta Company	12000	5520	-	-	12000	5520	The licence of the said brick kiln was valid upto 31.03.2004 that is why para was settled vide AG Office Haryana memo No. 52325dt. 03/04/2014	
4	Dhillan Bhatta Company	12000	5520	-	-	12000	5520	The licence of the said brick kiln was valid upto 31.03.2004 that is why para was settled vide AG Office Haryana memo No. 52325 dt. 03/04/2014	
5	Dhanlaxmi Bricks Udyog	12000	5520	12000	5520	-	-	Amount recovered	
6	M/s Berli Bricks Company	12000	5520	12000	5520	-	-	Amount recovered	
7	Chankaur Bhatta Company	12000	5520	12000	5520	-	-	Amount recovered	
8	Sangita Bricks Company	12000	5520	-	-	12000	5520	The licence of the said brick kiln was valid upto 31.03.2004 that is why para was settled vide AG Office Haryana memo No. 52325dt. 03/04/2014	
	Total	102000	46920	51000	23460	51000	23460		

Para No. 6.1.1- Non recovery of Royalty and Interest of District Ambala2012-13

Sr. No.	Name of Contractor	Royalty Due	Interest Due	Royalty Recovered	Interest Recovered	Balance Royalty	Balance Interest	Remarks	T.C. No. & Date
1	Aggarwal Bricks Co. Kohra Bhura	15,000	6,900	15000	5000	0	1900	All amount has been recovered because Interest paid up to 7/2012	25 dated 25.7.2012
2	Aggarwal Bricks Kiln Kurali	15,000	6,900	15000	900	0	6000	All amount has been recovered because Interest paid up to 7/2011	Nil dated 21.7.2011
3	Ankit Bricks Centre-I, Kakkarmajra	15,000	6,900	15000	1500	0	5400	All amount has been recovered because Interest paid up to 8/2011	28 dated 24.8.2011
4	Ankit Bricks Centre-II, Kakkarmajra	15,000	6,900	15000	1500	0	5400	All amount has been recovered because Interest paid up to 8/2011	29 dated 24.8.2011
5	Bricks Link Sakron	15,000	6,900	15000	0	0	6900	All amount has been recovered because amount deposited in time hence no interest is pending.	52 dated 26.4.2011
6	Garg Bricks Co. Kakkarmajra	0	3,000	0	3000	0	0	All amount has been recovered because amount deposited in time hence no interest is pending.	19 dated 26.12.2013
7	GMB Bricks Sehzadpur	15,000	6,900	15000	1200	0	5700	All amount has been recovered because Interest paid up to 9/2011	15 dated 15.9.2011
8	Jai Usha Maa Gram Udyog Badhauri	15,000	6,900	15000	6900	0	0	All amount has been recovered because Interest paid up to 6/2013	14 dated 14.6.2013
9	Markanda Bricks Kiln Dera	15,000	6,900	15000	0	0	6900	All amount has been recovered because amount deposited in time hence no interest is pending.	24 dated 27.4.2011
10	Mahadev Bricks Kiln Dera	15,000	6,900	15000	1200	0	5700	All amount has been recovered because Interest paid up to 9/2011	3 dated 9.9.2011
11	Neeru Bricks Saunta	15,000	6,900	3340	0	11660	6900	All amount has been recovered because kiln closed and royalty of D category is deposited with interest	27 dated 16.5.2014
12	T.R. Bricks Kiln Kakkarmajra	15,000	6,900	0	0	15000	6900	Kiln Closed	

13	Saraswati Brick Kiln, Gadholi	15,000	6,900	15000	0	0	6900	All amount has been recovered because amount deposited in time hence no interest is pending.	58 dated 12.5.2011
14	Sai Bricks Kiln Kurali	15,000	6,900	15000	0	0	6900	All amount has been recovered because amount deposited in time hence no interest is pending.	10 dated 12.5.2011
15	Saraswati Bricks, Lalpur	15,000	6,900	0	0	15000	6900	-	-
16	Shah Satnam Ji Rataur	15,000	6,900	0	-0	15000	6900	Closed	Nil
17	Shiv Om Bricks Kakkarmajra	15,000	6,900	15000	1200	0	5700	All amount has been recovered because Interest paid up to 9/2011	34 dated 7.9.2011
		240,000	113,400	1,83,340	22,400	56,660	91,000		

The Committee has decided to drop this para subject to the condition that the facts of this para be got reconciled in the office of Principal Accountant General, Haryana under intimation of the Committee.

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

1	2	3	4
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

1	2	3	4
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

1	2	3	4
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

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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

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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

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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

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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

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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

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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

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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

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			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

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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 for 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

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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 draws 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

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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

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			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

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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

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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

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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

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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

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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

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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	59	Irregular purchase of material

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	Shiksha Pariyojna Parishad)		
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	Wasteful 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

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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

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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

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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

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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

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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 electrolysis based Desalination Plants
901.	Finance	37	Overpayment of pensionary 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

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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

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			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 retention 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

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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	52	Misappropriation, losses, defalcation, etc.

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	Development		
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

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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

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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 public 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

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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
70TH Report			
1107.	Health	3	Fi.nancial Management
1108.	Health	4	S.hortage of staff at CHC and PHC level
1109.	Health	5	Fr.aud/misappropriation /embezzlement/loses/over pa.yments
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

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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 initiate 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

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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
71ST Report			
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

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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
1218.	Fisheries	32	Internal Control
1219.	Rural Development	33	Delay in furnishing Utilization Certificates
1220.	Excise and Taxation	34	Compliance with the earlier Audit Reports
1221.	Excise and Taxation	35	Analysis of arrears of revenue
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
1228.	Excise and Taxation	42	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
1230.	Excise and Taxation	44	Analysis of arrears of revenue
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 entrepreneurs
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

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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
72ND Report			
1271.	Health	3	Activities not covered under the objectives of Red Cross Society
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
1285.	Forest	17	Internal controls
1286.	Forest	18	Conclusion
1287.	Commissioner Hisar Division	19	National Programme for Control of Blindness
1288.	Commissioner Hisar Division	20	Accredited Social Health Activists
1289.	Commissioner Hisar Division	21	Quality of education

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1290.	Commissioner Hisar Division	22	Water supply
1291.	Commissioner Hisar Division	23	Excess expenditure over estimates
1292.	Commissioner Hisar Division	24	Non-recovery of water and sewerage charges
1293.	Commissioner Hisar Division	25	Water quality
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 Swarajgar Yojna
1299.	Commissioner Hisar Division	31	Bogus ration cards in TPDS
1300.	Commissioner Hisar Division	32	Other irregularities
1301.	Commissioner Hisar Division	33	Crime trends
1302.	Commissioner Hisar Division	34	Weaponry
1303.	Commissioner Hisar Division	35	Inspection of police stations
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.
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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

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1318.	Animal Husbandry	50	Failure in recovering milk cess
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1321.	Animal Husbandry	53	Poultry Disease Investigation and Feed Analytical Laboratory
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1345.	Excise And Taxation	77	Incorrect allowance of input tax credit
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1352.	Transport	84	Partial utilization of the system
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1355.	Transport	87	Inordinate delay in finalization of tenders of Smartcards
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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
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1372.	Transport	104	Absence of Business Continuity and disaster recovery plan
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1381.	Revenue	113	Suspected misappropriation of stamp duty
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1386.	Industries	118	Non/short recovery of interest free loan
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